COUNTRY BANKS AND ECONOMIC DEVELOPMENT IN THE LATE EIGHTEENTH AND EARLY NINETEENTH CENTURIES: THE CASE OF THE MARGATE BANK

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Financial institutions rarely figure very prominently in histories of Kent in the late eighteenth and early nineteenth centuries. For many, the main feature of the country banks that sprang up in all the counties of England in the late eighteenth century, is the long list of failures that appeared at every major economic crisis, leaving in their wake ruined businesses and widows and orphans robbed of their savings. The positive contribution of banks has been relatively neglected. Not all banks failed, and some of those that stopped payment were in temporary difficulties only and with some assistance or reconstruction were able to continue. The country banks of the late eighteenth and early nineteenth centuries served several important functions. For much of the period they provided their local community with a means of exchange: country bank notes. They also provided a relatively safe place for local people to place their savings. Since each country bank had an account with a London bank, a national financial network was well established. This provided a safe means of moving money around the country. Most important of all, they were able to provide a channel through which the nation's savings were made available for business.[1]

The demands of businesses of the period were mainly for short term working capital. This was just the sort of lending country banks were best able to provide and did so by the discounting of bills of exchange. Bills of exchange giving up to three months credit were the most common means of business payments in the period. A supplier would

[1] The most important general account of the country banks is contained in L.S. Pressnell, *Country Banking in the Industrial Revolution* (1956).

draw a bill of exchange on a customer requesting payment of a debt in three months' time. Once signed by the customer the supplier could take the bill to his local bank to obtain cash immediately by discounting it. The bank would purchase the bill off the supplier at a price lower than the face value of the bill to allow for interest and commission. It was then left to the bank to collect the original debt.

Bills of exchange particularly suited country banks who preferred short term lending so that they were always sure of a supply of cash to meet any sudden demand from customers. Bankers also found the link with a 'real transaction' involving the sale of goods reassuring although there were also 'fictitious' or 'accommodation bills', sometimes known as 'kites', which were simply used as a means of raising of money without any exchange of goods being involved. The market for bills of exchange became well developed on a national basis in this period through the London discount market, particularly with the rise of the famous bill-backing firm of Overend Gurney and Co. Through the London discount market the areas of the country with a surplus of bills, mainly the manufacturing and commercial districts, were brought together with those areas, mainly the rural districts, with a surplus of savings.[2]

Although short-term lending was probably the most common form of lending, there is considerable evidence of longer term loans being made. Sometimes this could be the downfall of a country bank. If a disproportionate amount of a bank's assets was tied up in loans financing the fixed capital requirements of a few customers, possibly even another business owned by the banker, this could cause a problem, if the local population suddenly chose to exchange its notes and deposits for gold in one of the not infrequent financial panics of the period.[3]

The positive side of country banks has not been given great prominence partly because the records of their every day activities have not been so readily available as the newspapers, Parliamentary papers and novels documenting financial panics. The balance can be redressed

[2] F. Crouzet, 'Capital Formation in the Industrial Revolution in Great Britain', in (Ed.) F. Crouzet, *Capital Formation in the Industrial Revolution* (1972), 194–5; S. Pollard, 'Fixed Capital in the Industrial Revolution in Britain' in F. Crouzet, *op. cit.*, 145–161; P. Cottrell, *Industrial Finance*, 1830–1914 (1980), 13–14; W.T.C. King, *History of the London Market* (1936). For a discussion of accommodation bills see, G. Rae, *The Country Banker* (7th ed. 1930), 80–1 and H. Thornton, *An Enquiry into the Nature and Effect of the Paper Credit of Great Britain* (1802, edited by F.A. v. Hayek, 1939), 87.

[3] H.D. Macleod, *The Theory and Practice of Banking*, (1855), 399–400; D.M. Joslin, 'London Private Bankers, 1720–1785', *Economic History Review*, 2nd series, December 1954, 175–9; Pressnell, *op. cit.*

to some extent in Kent where the Kent Archives Office has an outstanding collection of papers for one bank, Cobb and Son of Margate, later known as Cobb and Co., complemented by a further collection held by Lloyds Bank. From these papers it is possible to gain an impression of the overall shape of the business, the type of borrowing and lending being undertaken, and, from an extensive correspondence, an insight into the local community that cannot be gained from other sources.

Like many banks of the period, the Margate bank grew out of another business activity, and as with many other banks, that activity was brewing. The first Francis Cobb appears to have started brewing on a modest scale when he leased a small brewhouse converted from two cottages in 1761.[4] This was a good time for a brewer to start in Margate as the town was growing as a result of a growing number of visitors following the craze for sea bathing.[5] By the time of his death in 1803 he owned fifty-three public houses and hotels, three farms and an assortment of cottages, houses and shops.[6]

It was common for brewers in the eighteenth century to develop alternative business interests. Brewing was profitable with good cash flow. The product was sold for cash while the raw materials could be bought on credit. However, the economics of transporting beer put a distinct limit on the extent to which it was possible to plough back profits. High land transport costs and the fact that beer was a bulky commodity of low value limited trade for most brewers to within fifteen miles of the brewery.[7]

There is evidence of Francis Cobb running a shipping agency as early as 1770.[8] This business consisted of the organisation of a wide range of services, including the supply of anchors and cables to passing ships, the supply of ships' provisions, the assistance of ships in distress and the salvage of wrecks. Francis Cobb was not so much involved in the direct provision of goods and services but as an agent between the shipowners and local traders and boatmen. This role came naturally to Francis Cobb. As the most important businessman in the town he was the person shipowners were most likely to trust. The essence of the agency business was financial. Francis Cobb purchased the services of

[4] *Kent Archives Office* (hereafter KAO), U1453/TZ, Bundle 2; J. Whyman, *Aspects of Holiday-making and Resort Redevelopment within the Isle of Thanet, with particular reference to Margate, c.1736 to c.1840* (Kent Ph.D., 1976), 900.

[5] See, *A Description of the Isle of Thanet, and particularly the town of Margate* (1763).

[6] *KAO*, U1453/B2/4/2, Rent Ledger.

[7] P. Mathias, *The Brewing Industry in England, 1700–1830* (1959), 322–30.

[8] *KAO*, U1453/B5/3/1, Bundle B.

local traders on behalf of shipowners and recouped his costs and a 5 per cent commission by drawing a bill of exchange on the shipowners. At this time bills of exchange drawn on good London houses could be sold to anyone who had a debt to pay in the capital or elsewhere.

The Margate Bank emerged as a separate activity in 1785, but there is evidence that Francis Cobb was advancing money to visitors as early as 1781 and 1782.[9] He was also advancing money to the commissioners of Margate pier from 1776.[10] In 1784, he was selling French crowns in London on behalf of a Brussels firm and between 1782 and 1783 he had links with a London firm called Nash and de Beaume who were regularly used for the remittance of money.[11] The Margate Bank continued under the control of the Cobbs until it was sold to Barnett Hoare and Co., in 1891.

The best period for records of the Margate Bank is between 1808 and 1840. From these it is possible to obtain an impression of the main activities of the Bank. The issue of notes was declining in importance, in absolute terms from an average of £35,000 between 1818 and 1820 to about £15,000 in the 1830s, and as a percentage of 'net liabilities to the public' from 43.9 per cent in 1808 to between 12 per cent and 15 per cent in the 1830s. Balance sheets for 1808, 1811 to 1815 and 1826 to 1840 show a rising level of deposits, particularly without interest. Deposits without interest came to account for between 60 per cent and 80 per cent of net liabilities to the public in the late 1820s and 1830s whereas they only accounted for 26 per cent in 1808. Interest bearing deposits rose from 29.8 per cent in 1808 to a peak of 61.5 per cent in 1811 when the bank was in difficulties and had to be rescued by friends and relations, and then declined in importance to a steady average of 15 per cent in the 1830s.[12]

Lists of depositors holding accounts with interest exist for 1796 and 1808. Lists of deposits without interest exist for 1802, 1808 and 1835–36. It is possible to find the occupations of many depositors by looking them up in the trade directories of the period. Unfortunately, a large proportion, a third or more, could not be found. Even where names were found, it is not possible to be sure that the correct individual has been identified. Fortunately, bankruptcy records for similar neighbouring banks have survived to confirm the general picture drawn from Margate Bank records. The neighbouring banks are

[9] *Ibid.*, U1453/B3/15/8Z, 6 November, 1781, U1453/B3/15/1685.

[10] *Ibid.*, U1453/053/1.

[11] *Ibid.*, U1453/B3/15/507, 22 September, 1784; U1453/B3/14/17, 16 February, 1782, 23 February, 1782, 2 March, 1782; U1453/B3/15/4377, 30 December, 1782.

[12] *Lloyds Bank Archives*, (hereafter *LBA*), A20 b/12, General Cash Statements.

Austen and Co. of Ramsgate, which collapsed in 1840, and May, Wyborn and Mercer which went down in the great panic of 1825. Depositors at these banks were expected to state their occupations when making a claim.[13]

The most significant single group of depositors in the Deal and Ramsgate banks was that of the Gentry. They were also numerous at the Margate Bank in 1835, although their general absence from the earlier trade directories means that it is not possible to judge their importance in 1802 and 1808. For the Deal bank, gentlemen accounted for 54 per cent of the demand deposits in value and 30 per cent of the much greater interest bearing deposits. At Ramsgate they were the most numerous category of depositor and accounted for about 24 per cent of the value of deposits. In Margate they formed the second most numerous category in 1835–36, the most numerous being women who were more easily identified. Most of the customers describing themselves as 'gentry' had addresses in the town. Of the gentry at the Margate Bank in 1835–36, only one, Robert Garrett, of Updown Farm, had an obvious direct connection with agriculture.[14] In Ramsgate, only nine of the 40 gentry customers gave rural addresses, and one of these, Moses Montefiore, is known to have made his fortune in London. Similarly, only a quarter of the gentry with accounts at Deal gave addresses in rural districts.

Most of the people in this category were probably part of what Professor Everitt called the

> 'pseudo-gentry . . . that class of leisured and predominantly urban families, who by their manner of life, were commonly regarded as gentry, though they were not supported by a landed estate.'

This class had been rising to prominence in the late seventeenth century and was of diverse origins. Some may have had their origins in trade, either having retired from a successful business or inherited their fortunes from fathers in trade.

> 'Some of them were the younger sons of the country gentry; some were themselves impoverished gentry; some were clergy, or sons or daughters of clerics; some had served as officers in the army; some had married merchants' heiresses with modest fortunes in the South Sea Company [or any other company or government stock];

[13] *Public Record Office*, Bankruptcy papers of Austen and Son, Ramsgate, B3/167–172; *Cambridge University Library*, Bankruptcy papers of May, Wyborn and Mercer (including Professor Joslin's notes), ADD 7924/1–3.

[14] *KAO*, U1453/B3/15/736.

> some were the heirs of local lawyers, servicemen or doctors, and some were the grandsons of . . . wealthy factors, molsters, moneylenders and innkeepers.'[15]

Many of the women who had bank accounts are also likely to fall within the category of 'pseudo-gentry'. The thirty-three women account holders at the Margate Bank in 1835 formed the largest single category of identifiable customers. Most of them were not mentioned in the trade directories, but a third of them were listed as 'gentry'. One other was listed as the proprietress of a boarding school. The accounts of the gentry and women combined accounted for a substantial proportion of the deposits of all the three Kent banks studied; 43.8 per cent of the value of the deposit accounts at the Ramsgate Bank; 56 per cent of the 'banking accounts' and 32.4 per cent of the deposits at the Deal Bank; while in Margate they were the two most numerous groups of identifiable customers in 1835.

Of the remaining occupational groups, these falling within the wide-ranging retail and consumer goods category were numerous in each of the three banks. Transport operators were also significant depositors at the Deal Bank, and were numerous in Margate in 1802 and 1808, although they seem to have declined by 1835, perhaps as a result of the decline of the sailing packet operators in the face of competition from steam boat operators who were more likely to be based in London. Transport operators were of little significance in the Ramsgate bank in 1840, although boatbuilders and shipwrights made a significant contribution, reflecting Ramsgate's importance as a harbour of refuge. Farmers were less numerous than might have been expected in an area noted for its advanced state of agriculture. The shortcomings of the trade directories are a consideration for the Margate Bank since the coverage of most directories was restricted to the towns. The inclusion of many farmers in *Holden's Directory for 1811*, accounts for six farmers identified in 1808. Farmers were of no significance among the creditors of the Ramsgate Bank, although, given that it collapsed at a time of the year (May) when most farmers were likely to have all their resources tied up in stock, this is less surprising. The Deal bank collapsed after the harvest of 1825 but, only one farmer had a 'banking account' and another ten had 'deposit accounts'.

Of the rest, the various professions, clergymen, clerks, attorneys, surgeons, doctors and schoolmasters were a numerous category when combined together, particularly at the Margate bank, while at Ramsgate they accounted for 10.5 per cent of deposits. The Margate bank was

[15] A. Everitt, 'Social Mobility in Early Modern England', *Past and Present*, no. 33, 1966, 71.

further notable for the number of official and charitable accounts it held. In 1808, there were eight 'official' accounts; the surveyor of customs, the Deputy's account (that is, Francis Cobb in his capacity as deputy to the Mayor of Dover), a coal meter, the official account of a Captain in the armed forces, the subscription account for the 'New Road', another highway account, the pier account, and the account of the pier wardens. The charity accounts of that year included the charity school, the meeting house account and a subscription account for M. Jennings. There were also five benefit societies with interest receipts; the Union Society of Ramsgate (£100), the Union Society of Margate (£950), the Amicable Society (£600), the Philanthropic Society (£50) and 'R Taddy Sickman's Friend' (£35). Some of these were working men's friendly societies, possibly even trade clubs or early trade unions. The Union Society of Ramsgate, for instance, met at one of Cobb and Son's tied houses, the Carpenters Arms in Ramsgate. A favourable rate of interest of 5 per cent was paid on its account until 1824 on the understanding that it would continue to meet at the Carpenters Arms.

The Deal bank also had a benefit society among its customers and it was probably through such societies that the savings of the better off members of the working classes were most commonly channelled into bank deposits. The Deal bank, however, had deposits at interest from nineteen persons who could be described as working class: three servants, one gardener, and fifteen who described themselves as labourers. The average of these deposits was just over £86, and they varied from £10 belonging to a labourer of Deal, to £300 belonging to a labourer of Northbourne. Eight of these persons came from Deal, and one from London. The rest came from the rural areas of east Kent. How they managed to accumulate such sums, unfortunately, is not recorded.

A high proportion of the deposits held at the Margate Bank were accumulated from people who may be described as economically inactive. Much of the rest came from people in trade or the professions with further deposits coming from charities and official accounts. What happened to this money? Most of it was invested in business and trade in one way or another. References in the ledgers and annual accounts to government securities are rare. There is no evidence of a policy of keeping a fixed proportion of their assets in government securities in the period up to 1840 as became the recommended practice in the latter half of the nineteenth century although there is some evidence that Exchequer bills were more important prior to 1805 and the establishment of a link with a good London bill broker, Thomas Richardson. There is a good deal of evidence in the form of correspondence of dealings on the stock exchange and some of the Bank's customers certainly held government securities. The main impression though, is that government securities were used as short-term outlets for surplus funds, ranging from a few weeks to a few months or a year. In most cases purchases were speculative in the expectation that the prices of stocks were about to rise and may not have been regarded as part of the Cobb family's banking business.[16]

A high proportion of the Bank's investments went outside the region through the London discount market. The available balance sheets for 1808 to 1840 show the importance of bills of exchange and, from 1829, the development of a deposit account with the bill brokers Overend and Gurney.[17] On average, 15 per cent of the bank's assets were in cash, half being held in a London bank account and half at home. The average ratio for cash, bills and the deposit account at Overend and Gurney was nearly 60 per cent of net liabilities to the public, with the ratio being nearer 70 per cent in the 1830s. Unfortunately, it is not possible to separate out the bills bought on the London money market from those discounted for Cobbs' customers. 'Country bills' are sometimes listed separately from 'London bills' but the meaning of the terms is not clear. They probably merely distinguish between bills accepted in London and the country and consequently give little clue as to the proportion bought in the London money market since although the bill-brokers did not generally deal in country bills, the Margate bank would have discounted London bills for customers in the country. Between 1826 and 1840, country bills averaged 8 per cent of total assets. During the 1830s the deposit account at Overend Gurney accounted for about 25 per cent of assets, but the Margate bank continued to purchase bills from them as it was more profitable than the deposit account.

It seems clear then that a sizeable proportion of the Margate bank's funds was invested in the London discount market. The reasons for this were the ease with which such investments could be turned into cash in time of need and a lack of comparable opportunities locally. Profits from the London discount market were low relative to what could be obtained on advances and discounts in the country. The latter, however, were more risky and the Margate Bank went through a particularly difficult period between 1810 and 1822 with many illiquid loans and £20,000 having to be finally written off in 1825.[18]

The Margate Bank advanced money to a wide range of trades, professions and institutions, and it is only possible to give a brief sketch of the borrowers. Lists of borrowers on bonds, notes and

[16] *KAO*, U1453/B3/14/84.
[17] *LBA*, A20 b/12, General Cash Statements.
[18] *Ibid.*, A20 b/12 (particularly p. 53); A20 b/6; A20 b/36.

mortgages are available for 1836 and 1841 while for 1808 there are lists of borrowers on overdrawn accounts, bonds, mortgages, cheques and notes.[19] Customers in the beer trade and transport industries appear in each of the lists. The borrowers in the beer trade in 1836 and 1841 were all licensed victuallers, and nearly all of them occupied public houses that were tied to the Margate brewery or were supplied with Cobb and Son's beer. In 1808, there were several overdrawn accounts connected with the Cobbs' own brewery: the account for the building of a new brewery, the account for the purchase of a brewery in Deal, the brewery architect's account, and Francis Cobb's (the son of the original Francis Cobb) own account.[20] A valuation of the family's property in 1808 amounting to £50,000 noted that

> The vested capital of the B[k] [Bank] merges into the above, having been employed in Purchases and New Improvements for Brewery and the Trade Houses.'[21]

In 1808, this sector accounted for 19 per cent of borrowings, in 1836 to 15 per cent and 16 per cent in 1841.

The transport sector, including capital projects such as roads and pavements, the pier and harbour, together with the operators of coaches, sailing and steam packets, mariners, pilots and sail makers, accounted for £6,777 or 12.8 per cent of notes and bonds in 1808, £7,672 or 15.1 per cent in 1836 and £6,766, 20.4 per cent in 1841. Investment in turnpikes was small scale but could be very long term. A 'Dover Turnpike' bond with a face value of £50 was bought as early as 1798 and not disposed of until 1843.[22] Similarly, a bond for £100 of the 'Trustees of the Second district of Turnpike Road from Cant[erbu]ry to Ramsgate' was purchased in January 1821 and sold in 1843.[23]

Investments in turnpike bonds were primarily patriotic gestures even though the Cobbs' business activities were all likely to benefit from improved roads. A more important connection was with Margate Pier and Harbour, a vital piece of infrastructure for the town when most of its trade and visitors relied on water transport. The first Francis Cobb was a pier warden and treasurer at least as early as 1775 and provided finance for repairs and to cover an almost permanent deficit on the accounts up to 1780. In 1778–79, for instance, Francis Cobb advanced £312 for five months and £37 for four months to purchase building

[19] *LBA*, A20 b/5, A20 b/31.
[20] *Ibid.*, A20 b/5, p. 25.
[21] *Ibid.*
[22] *Ibid.*, A20 b/2, p. 13.
[23] *Ibid.*, A20 b/31, bond No. 129.

materials. A balance of £146 19*s*. 6*d*. carried forward from the previous year was only paid on the day the accounts were made up.[24]

At the end of the first decade of the nineteenth century the affairs of the pier were giving the second Francis Cobb much anxiety. Rebuilding the pier following the disastrous gales of 1808 proved an expensive business. In 1810, Francis Cobb was owed £1,313. The debt peaked at £12,504 in September 1811, but was still more than £8,000 in 1812 when a further £30,000 was required for its completion. The solution was the formation of a joint stock company which could offer higher returns to investors since few were interested in bonds limited by the usury laws to 5 per cent at a time of high interest rates. In December 1813, the Margate Bank had pier securities to the value of £6,200 and holdings continued until 1853 when, as they were no longer considered to be appropriate investments for a bank, they were sold to Francis William Cobb.[25]

The Margate Bank gave financial support to the full range of transport operators. Water transport was of critical importance to the economic prosperity of Margate since it provided a cheap means by which the grain of the Isle of Thanet could be sent to London and visitors brought to Margate. Of the eleven sailing packets operating in 1811, the Margate Bank was certainly lending to three, Richard Laming, James Laming and Henry Covell, and possibly a fourth, William Read. There is evidence that these customers were borrowing during the winter and early part of the year, from November to May, to pay for the repair and maintenance of the packet boats before the start of the busy summer season when passenger receipts would bring in the means for the repayment of an advance. In the case of Henry Covell, borrowing became more extensive, reaching a peak of £2,891.10*s*. in 1813 and falling to £1,950 at his bankruptcy in January 1815 when the bank was the largest creditor out of a total debt of £3,253.10*s*. 5*d*.[26]

The most long standing firms to carry goods by sail between London and Margate were operated by the Swinford and Osborn families. Osborns (Latham Osborn Senior and Latham Osborn Junior) are known to have operated hoys between 1796 and 1839 while Swinfords (David and John Swinford) were in business between 1809 and 1839.[27] Both

[24] *KAO*, U1453/053/1.

[25] *LBA*, A20 b/46, A20 b/2, pp. 123–125; *House of Lords Record Office*, Minutes of Evidence on the Margate Pier Bill, HL 1812, id. 2, p. 14; W.F. Cobb, *Memoir of the Late Francis Cobb of Margate* (Maidstone, 1835), 58–9.

[26] *Holden's Directory for 1811*, *LBA*, A20 b/6; A20 b/2, A20 b/12, p. 53; *KAO*, U1453/B3/15/723; U1453/B3/15/441, 21 December, 1814, 28 January, 1815, 21 January, 1815, 23 January, 1815, 30 May, 1815.

[27] Whyman, *op. cit.*, p. 434.

firms were essentially corn factors who operated hoys partly to supply grain to the London market but also offered a goods service to the public. In 1833, for instance, Swinford and Osborn were listed as the only suppliers of a regular service for goods traffic to London by water. They provided a weekly service, each running every alternate Saturday.[28]

The Margate Bank records show that Latham Osborn had an account at least as early as 1802, and that John Swinford had an account by July 1803, although he was not listed in the directories as a hoyman until a few years later. Although they do not figure in the discount ledger for 1808 to 1818, Latham Osborn junior was certainly discounting bills at the Margate Bank between 1824 and 1828. The value of bills discounted in one month frequently exceeded £2,000, and reached £3,780.19*s*. 6*d*. in April 1828.[29] In addition to the bills discounted some bills were left with the bank simply for the debt to be collected on the expectation that customers who were slow to pay would be more likely to take notice of a bank. In April 1833, for instance, Osborn sent the following instructions to the bank:

> 'Mr Pett's bills please to hold till he pay you As he will [take] no notice of the matter with me I shall tell him that they are in your hands and must be paid. This is an old score.'[30]

Long term borrowing could also be substantial. The Note of Hand Register for 1835 to 1883 shows four advances of £8,000, £1,500, £500 and £1,500 granted to the Osborns between 1835 and 1838.[31] The other Margate corn factors and hoymen, Swinfords, borrowed £1,200 from April 1810 until September 1812, and in the same years were paying interest on an overdrawn account.[32] Later, in April 1824, £3,200 was borrowed and paid off in instalments until 1839.[33] To put these figures in context, it should be remembered that a second-hand sailing brig could be bought for as little as £1,200 in the middle of the nineteenth century while an insurance policy for stonehouses and barns containing corn and seed at Birchington in 1822 gave a valuation as low as £150.[34]

Steamboats were introduced for the transport of passengers on the

[28] Pigot and Co., *Directory 1833–4*, 853.
[29] *LBA*, A20 b/6.
[30] *KAO*, U1453/B3/15/1424A, 13 April, 1833.
[31] *LBA*, A20 b/31.
[32] *Ibid.*, A20 b/6.
[33] *Ibid.*, A20 b/31, Note number 187.
[34] P.S. Bagnell, *The Transport Revolution* (1974), 70; *KAO*, U1453/B3/15/1589, Bdl. A, 24 September, 1822.

London to Margate run in the second decade of the nineteenth century. High capital costs and high running expenses meant that most of the steamboats were operated by London shipowners. An exception was the New London and Margate Steam Packet Company which was formed after a public meeting at the town hall in August 1829 after existing operators had raised fares. Cheap fares were needed to attract visitors and a local inhabitant noted that:

> 'It is an undeniable fact that the value of property is enhanced by the resort of visitors whose expenditure is circulated through the Island . . . without them, what are our improvements and embellishments? a mere waste . . . A connections conveyance for the visitors of this Island is the most important object at present, it has too long been left in the hands of strangers to our interests.'[35]

This company dominated the London to Margate route by the late 1830s. The company's borrowing from the bank was principally on bond for £5,000 in November 1835. This bond was renewed in November 1838 and paid off between 1841 and 1845. Given that the New London and Margate Steam Packet Company started with a capital of £30,000 and three steamboats, the contribution of the bank was significant.[36]

Similar levels of support were given to road passenger transport operators. Of the three operators listed in 1811, the Margate Bank gave financial support to two, Mummery and Son and William Kirby. Each of these firms provided a daily service to London and an afternoon service to Canterbury. William Kirby provided a daily mail coach while both provided local services to Ramsgate, Broadstairs, Sandwich, Deal and Dover.[37] An insurance document held by the bank in 1829 helps to give some impression of the value of the fixed capital in the business. The premises consisted of one range of six stables with lofts above worth £450, coach houses and a granary worth £450, a further range of coach houses and houses worth another £450, plus further buildings also worth £450, a total of £1,800 for other buildings exclusive of their contents.[38] The bank held a mortgage on these premises in 1808 for £1,800 and on Mummery's premises for £1,500. Borrowing went considerably beyond this point in some years: over £3,000 for William

[35] *KAO*, U1453/253/9; U1453/253/10.

[36] *Ibid.*, U1453/B3/15/768, 13 December, 1837; *LBA*, A20 b/31, Bond no. 214; S. Palma, 'The Most Indefatigable Activity' The General Steam Navigation Company, 1824–50', *Journal of Transport History*, 3rd series, vol. 3. No. 2, September 1982; W. Bain, 'Remarks on the Progress of Steam Navigation', *Blackwood's Edinburgh Magazine*, vol. XVIII, November 1825, 544.

[37] *Holden's Directory for 1811.*

[38] *KAO*, U1453/B6/1/65.

Kirby in January 1815, and £5,300 for Matthias Mummery in October 1813. Later, in the 1830s long term lending was available for Margate's sole passenger coach operator, Stephen Holmans, who borrowed £1,250 in 1831 and paid it off in instalments up to 1851. In addition there is evidence of regular short term lending. William Kirby was permitted to overdraw in every year between 1808 and 1815, and Mummery in 1809, 1810, 1812 and 1815.[39]

Agriculture and the related trades of millers and corn factors appear less consistently as borrowers on notes of hand, bonds and mortgages. In 1808, they accounted for 3 per cent of borrowings in this form, 3.7 per cent in 1841, but 23.9 per cent in the depression year 1836. The most significant borrowers in that year were the corn factors with £9,900 out of the agricultural total of £12,143. The corn factors were particularly important as they were often the main suppliers of seasonal credit to farmers. The factors do not appear among the borrowers of 1808 and 1841, but this may be because they relied on the discount of bills of exchange to a large extent.

The cases of the corn factors Osborn and Swinford have already been mentioned. Three milling concerns are worthy of mention. The earliest is the Fordwich Company of Rush and Tolson. This appears to have been a speculative business which, in 1787, was also exporting wheat to Hamburg and included a manufactory which was producing soap.[40] The business was financed to a considerable extent by fictitious bills of exchange which drew unfavourable comment from the Margate Banks London bankers:

> 'We can't help mentioning again the paper you take of Rush and Tolson and think if you don't act very cautious you may in the end be great sufferers.'[41]

Financial collapse came in June 1788 although the business appears to have been propped up by the bank until 1791 when all the property was assigned to the Cobbs.[42]

The miller, Edward Pilcher, was among the most prominent customers of the bank between 1808 and 1815. In the early 1820s the business consisted of three mills which were sold for £2,900 and other property for £2,200 at what was considered to be a low price.[43] His account shows that

[39] *LBA*, A20 b/2, 123–125.

[40] *KAO*, U1453/B3/15/1169, 13 March, 1787 (2 letters, one from C. Rush, the other from R. le Grand), 14 March, 1789.

[41] *Ibid.*, U1453/B3/14/7, 22 March, 1787, also 3 April, 1787, 7 April, 1787.

[42] *Ibid.*, U1453/B3/15/1156, 22 June, 1788, U1453/B3/15/1660, 14 July, 1787; U1453/B3/15/1169, 14 March, 1789, 18 March, 1789, 20 July, 1791; U1453/B3/15/2273.

[43] *Ibid.*, U1453/B3/15/1505, 4 February, 1826.

he was a regular discounter of bills while in January 1815 he paid £40 4*s*. 0*d*. interest on his overdrawn account. There is evidence of a mortgage bond for £4,000 from 1815 and two promissory notes for £3,000. Bankruptcy followed within a few years as the bank took possession of the mills by 1822 when it was said they had been unoccupied for a long time.[44] Evidence of the Margate Bank lending to millers ceases with a departure of Edward Pilcher. His next known successor, Daniel Gouger, does not seem to have kept an account with the Margate Bank, although he received funds indirectly via the corn factors.[45]

Farmers were most in need of credit in the Spring when heavy expenditure was incurred while receipts were concentrated in the Autumn. The need for seasonal credit was particularly important on arable farms where income was concentrated into a short period. In addition, longer term investment was required for items such as farm buildings and fencing, and medium term improvements such as marling.[46] The evidence for the national picture suggests that a general willingness among country bankers to lend to farmers in the period of rising agricultural prices in the few decades up to 1815 was replaced by a much greater reluctance after the war when agricultural prices, particularly wheat, fell much further than the general level of prices. In many areas banks were said to have stopped lending in 1815, although there seems to have been a period of renewed lending in the early 1820s, finally curtailed by the crisis of 1825.[47]

There is evidence of the Margate Bank, however, lending to farmers throughout the 1820s and the 1830s although there is some suggestion that this might have been on a diminished scale and may have come to a temporary halt in 1825–26. One example is John Cramp of Garlinge. In 1833, he told the Select Committee on Agriculture that farmers could obtain advances from country bankers on the personal security of two or three people joining in a note,

> ''not an individual, unless he is well known to be a man of substance, though the whole of his property may be circulating.'[48]

[44] *LBA*, A20, b/6; *KAO*, U1453/B3/15/1505, 4 February, 1826.

[45] Pigot and Co., *Directory 1833–4*, 853; *LBA*, A20/b7.

[46] M. Marks, 'Measurements of Agriculture's Seasonal Credit Requirements', *Farm Economist*, id IX, 1958–61, 450; E.L. Jones, *Agriculture and Economic Growth in England* (1967), 31.

[47] *British Parliamentary Papers*, Minutes of Evidence, Select Committee on Agriculture, 1833, id V, pp. 539–540. Minutes of Evidence, Select Committee on Agricultural Distress, Qs 762–763, 15596–15599, 15707–15709, 15946–15953; Anon, *The Utility of Country Banks Considered* (1802), 22–3, 66–71.

[48] *British Parliamentary Papers*, Minutes of Evidence, Select Committee on Agriculture, 1833, id. V, Q. 5478, see also QQ. 5461–5477.

Cramp was a favoured customer of the bank since he had assisted the Cobbs through the difficult years of 1811, 1814 and 1815 by depositing £1,000 in the bank on a mortgage. During the 1820s and 1830s he was able to borrow long term from the bank: £5,000 from 1822 paid off in 1835 and £400 from 1824 until 1835.[49]

Another farmer to have borrowed from the bank was John Mockett of St. Peter's. Most of his borrowing was on accommodation bills, many of them accepted by a Mr Hoile, a hoyman and farmer of Sandwich. In January 1816 he explained:

> 'You are aware they have been accepted for my accommodation, to give me time to obtain money. I am truly sorry to say it is so scarce I cannot meet with any.'[50]

Accommodation bills were discounted annually until 1825 when the bank declined on two occasions to discount Mockett's bills. However, discounting resumed on a regular basis from 1830. The shorter period of loans to Mockett, usually four months or less, was the more typical lending to farmers, although in a few exceptional cases advances were granted for eight to twelve months.[51]

The Margate Bank advanced money to representatives of virtually every trade and profession in the town, including rope-makers, clerks, house agents, school masters, the customs house officer, auctioneers, a piano manufacturer, the proprietors of a circulating library, bathing rooms, an amusement park and lodging houses, representatives of the gentry, clergy and the medical profession, and two masters of ceremonies. Even the theatre received support from the Margate Bank on occasions, despite the second Francis Cobb's disapproval of theatrical entertainment in his latter life.[52]

Typical of the borrowers included in the holiday trades was the librarian William Garner. Garner opened his 'Marine Library' in 1789, and as well as providing extensive reading on history and antiquities, provided entertainment in the form of raffles, lotteries, music and dancing. A guidebook of 1816 noted that:

[49] *LBA*, A20 b/31, Bond nos. 138 and 148; A20 b.12, General Cash Statements.

[50] *KAO*, U1453/B3/15/1337, 9 January, 1816.

[51] *Ibid.*, 19 June, 1820, 6 January, 1823, 10 December, 1823, 6 April, 1824, 16 December, 1824, 24 February, 1825, 24 June, 1825, 17 November, 1825, 28 November, 1825, 1 January, 1830, 15 April, 1830, 22 December, 1831, 19 February, 1832, 21 May, 1832; U1453/B3/15/961, 18 January, 1830, 17 February, 1830, 31 January, 1833.

[52] *Ibid.*, U1453/B3/15/1189; U1453/B3/15/793, U1453/B3/15/806, U1453/B3/15/776, U1453/B3/773, U1453/B3/15/603, U1453/B3/15/218, U1453/B3/15/387, U1453/B3/15/703; *LBA*, A20 b/31, note no. 328; Pigot and Co., *Directory for 1837*, 852; M. Morley, *Margate and its Theatres* (1966), 33, 43–44.

> 'The brilliancy of the company which attended them was astonishingly great; for as they have enjoyed some of the pleasures of the ballroom, without being under the restrictions which are necessarily observed in an assembly, not only the generality of the visitants, but those of the greatest rank, were found partaking of the amusement which these rooms afforded.'[53]

The earliest evidence of Garner being in debt to the Margate Bank is in January 1795 when he discounted two bills to pay off part of his debt. There are several later references to the discount of bills and in 1811 to a mortgage, which appears to have been used to rebuild the library after its destruction in the great storm of 1808. Some of the problems experienced by Garner must have been common to many of those working in the holiday trades, particularly the necessity of earning most of his income during the season and the variations which occurred between seasons. This was very clear in 1811.[54]

> 'I am truly concerned that a disappointment of pecuniary assistance from a friend in town – together with the sudden failure of our season, which this year has closed unusually early – prevents me the satisfaction of immediately repaying that portion of the mortgage money, conformable to our agreement. . .
>
> I cannot ensure during the Winter to deposit any considerable sums, my receipts being but trivial, but as the ensuing season advances, they will no doubt considerably increase and I shall make every arrangement to completely repay the whole before the time stipulated expires.'[55]

The records of the Margate Bank provide a rare opportunity to examine the business of a country bank in the late eighteenth and early nineteenth centuries. They show it to have played a valuable role as a place where the people of Margate, particularly the gentry, women, professions and retail traders, could deposit their cash with safety. Most of this money was invested in business in one form or another. An increasing proportion was invested on the London discount market which provided a safe means of investing in good commercial bills of exchange. Such investments could be turned into cash relatively easily should the need arise although the rates of interest were relatively low. Similar safe short-term investment opportunities were not available locally and so a substantial proportion of the funds of the Margate Bank was invested elsewhere through the London money market. Nevertheless, the evidence shows the Margate Bank to have had interests in most trades in the town, from transport operators and infrastructure, corn merchants and millers, farmers and a wide range of professions and trades in the town.

[53] *The New Margate, Ramsgate and Broadstairs Guide* (6th ed., Margate 1816), 72.

[54] *KAO*, U1453/B3/15/733, 4 April, 1795, 9 February, 1811, 13 June, 1811, 20 November, 1811; Whyman, *op. cit.*, 317–318.

[55] *KAO*, U1453/B3/15/733, 20 November, 1811.