

Barclays

The Business of Banking 1690–1996

MARGARET ACKRILL and LESLIE HANNAH



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Quaker private bankers (1690–1896)

And now, dear friend, do thy diligence in thy family, in training of thy children in the fear of the Lord . . . The Lord God Almighty settle and establish thee and thine upon the heavenly rock and foundation, and as thy children grow in years, they may grow in grace, and so in the favour of the Lord.

George Fox, founder of the Society of Friends, in a letter of 28 December 1690 to the mother of David Barclay the elder.¹

God Almighty sent us a knot of rich Quakers.

Mrs Thrale, on the financing of a management buy-out of her late husband's brewery by Barclays and Bevans in 1781.²

Lombard Street, London, England

Barclays Bank was founded in April 1690, when 21-year-old John Freame (later father-in-law of the eponymous Barclays) completed his seven-year apprenticeship and became a freeman of the city of London. He set up shop in Lombard Street as a goldsmith; the poll tax returns of that year show him established there, with two servants and an unnamed partner. This partner was Thomas Gould, not formally a principal in the business until, after some months, he too became a freeman. The private partnership of 1690 was the first of a continuous series of partnerships which lasted until 1896. Then David Barclay, sixth-generation descendant of John Freame, made it the centrepiece of a new limited company, Barclay & Co., forerunner of today's Barclays Bank PLC.

Lombard Street in 1690 was the location of merchants, goldsmiths, jewellers and coin dealers, and of banking in its nascent stage; it was to be the address of Barclays' headquarters for over three hundred years. The bank successively occupied five different offices there, four (the first in 1728) on the same site, 54 Lombard Street. This rebuilding indicated changes in the nature of banking, enlargement of the bank's business, and relentless pressure on space in the City, one of the world's leading financial centres for Barclays' entire existence.

Barclays has antecedents older than its main line of family descent. Martins Bank (which Barclays absorbed in 1968) had as its emblem the grasshopper, a sign under which the famous Elizabethan financier Thomas Gresham had traded. Gosling's Bank in the Strand (which merged with Barclays in 1896) claims foundation in 1650 and traded under the sign

1. Quoted in Robert Barclay, *A Genealogical Account of the Barclays of Urie*, Aberdeen, 1740, pp. 59–60.

2. Quoted in P. Emden, *Quakers in Commerce*, 1940, p. 151.



Fig. 1.1 The three squirrels, early seventeenth-century sign of Gosling's Bank in Fleet Street. This bank joined Barclays in 1896; the sign still hangs in Fleet Street.

of the Three Squirrels, still displayed on the Barclays branch there. On this use-of-premises basis Lloyds Bank at times claims a 1677 foundation.³ In none of these cases, however, do we have plausible evidence of continuous operation as a bank from alleged foundation to a clearly related partnership of the early eighteenth century.⁴ The small private bank of Hoare

3. R. S. Sayers, *Lloyds Bank in the History of English Banking*, Oxford, 1957, pp. 12–15.

4. G. Chandler, *Four Centuries of Banking*, I, 1964, *The Grasshopper and the Liver Bird*, p. 27; Anon., 1650–1982: *Barclays: The History of Goslings Branch*, n.d.; W. Matthews and A. W. Tuke, *History of Barclays Bank Ltd*, 1926, pp. 79–82; T. Melton, *Sir Robert Clayton and the Origins of English Deposit Banking 1658–1685*, Cambridge, 1986, pp. 234–5.

& Co. is the only surviving British bank older than Barclays by its central line of descent: it was founded in 1672.

The Freame partnerships: the first eighty years

Predating the Bank of England and the Bank of Scotland by four and five years respectively, Barclays' beginnings bore little relationship to these grander corporate creations. John Freame, founder and first in his family to enter the banking business, was the son of Robert Freame, a prosperous Quaker textile merchant from Cirencester in Gloucestershire.⁵ The Great Fire of 1666 had destroyed much of Lombard Street's half-timbered and gabled buildings with their overhanging upper storeys, but merchants and goldsmiths both lived and worked in its rebuilt houses, now made of substantial brick and stone. Among them was Job Bolton, an esteemed Quaker. Goldsmiths like him dealt in coin, bullion, jewellery and gold bought from other goldsmiths with traditional metalworking skills; it was to Job Bolton that John Freame was apprenticed by his father.⁶

The contemporary Lombard Street stationer Sam Lee listed Job Bolton as one of the fifty or so goldsmiths who took 'running cashes'.⁷ The road from Gloucestershire to London was well trodden when John Freame took it.⁸ Bolton had Gloucestershire connections⁹ and headed a politically suspect family of London dissenters. The Quakers sometimes used his Lombard Street house as a venue for weekly meetings of the committee known as the Meeting for Sufferings, set up in 1676 to co-ordinate the peaceful (but, to the political and religious authorities, subversive) countrywide resistance of their Society of Friends to persecution.¹⁰ When Bolton attended the Bishop of Gloucester at the latter's Rickmansworth country house in 1680 to intercede on behalf of an imprisoned Gloucestershire Quaker, the enraged prelate tore off the upstart bourgeois banker's hat (Quakers reserved their deference for God), flung it to the other side of the room and refused to speak to him.¹¹ Religious persecution was especially severe in Gloucestershire when the young Freame left for the more

5. Robert Freame, the elder, is described as a woolcomber in the Register of Apprentices (Guildhall MS 11592/1) under the entry for John Freame and as a clothier under the entries for Robert Freame, a presumably younger son, who obtained his freedom by redemption in 1695, having been apprenticed twice, in 1687 and 1689 (Guildhall MSS 11598/1, 11596/1). For John Freame's indenture of apprenticeship of February 1682 (i.e. 1683 under modern dating conventions), see Fig. 1.2. 6. City of London Records Office CFI 33/41.

7. S. Lee, *A Collection of the Names and the Merchants Living in and about the City of London*, 1677.

8. D. V. Glass, 'Socio-economic status and occupations of the City of London at the end of the seventeenth century', in A. E. J. Hollaender and William Kellaway, *Studies in London History*, 1969, p. 387.

9. *A Journal of the Life of that Ancient Servant of Christ, John Gratton*, 1712, p. 123; *Persecution Expos'd in Some Memoirs Relating to the Sufferings of John Whiting and Many Others*, 1715, p. 219.

10. W. T. Evans and T. Evans, eds., *The Friends' Library*, Philadelphia, 1847, II, p. 433; Minutes of the Meeting for Sufferings, Friends' Library, London; M. Balderston, ed., *James Claypoole's Letter Book: London and Philadelphia 1681–1684*, San Marino, CA, 1967, for the widespread links of this group of prominent Quaker businessmen.

11. C. W. Horle, *The Quakers and the English Legal System, 1660–1688*, Philadelphia, 1988, pp. 175, 179.



Fig. 1.2 Apprenticeship indenture of Barclays' founder, John Freame, to the goldsmith-banker, Job Bolton, 1683. His master, Job Bolton, is described as 'Citizen and Grocer' but, of course, the members of the Grocers Company already practised a wide variety of trades.

tolerant metropolis;¹² in 1682, persecution had driven many Gloucestershire Quakers to emigrate to the newly established transatlantic Quaker refuge, Pennsylvania.

Understandable fears may have motivated his father to become one of the first purchasers of land in Pennsylvania: his urban plot is in Philadelphia, and now under the concrete jungle of the approaches to the Ben Franklin Bridge.¹³ There is no evidence that Robert Freame ever emigrated, though in 1682 one Thomas Freame, possibly John's brother, did sail from Britain with his fiancée and the equipment to set up home in the wilderness; although Thomas died soon after arrival, his fiancée rapidly found a new husband who cleared Freame's farmland

12. N. C. Hunt, *Two Early Political Associations*, Oxford, 1961, p. 11.

13. The purchase indenture is in the Friends' Historical Library, Swarthmore College; see also *Journal of the Friends' Historical Society*, 7, 1910, p. 42.

outside Philadelphia.¹⁴ One Richard Frame (a common spelling of Freame) also had the dubious distinction of becoming Pennsylvania's earliest (and worst) poet.¹⁵

Robert Freame hedged his bets for his son, John, in sending him to London. John's duties as Job Bolton's 'goldsmith's boy' in these fraught years are unlikely to have encompassed many of the more menial apprenticeship tasks; his father would have paid well for his training in a field noted as innovative by contemporaries. He was, effectively, one of the first bank clerks; their work included issue of receipts (sometimes used as banknotes) for the cash deposits which customers, increasingly, were willing to place with specialised goldsmiths like Job Bolton.¹⁶ The young John Freame also learnt the ever-present risks of his new calling. In the first year of his apprenticeship William Bateman stole money, diamonds, gold rings and watches from the shop, leading Job Bolton to offer a generous £20 reward for the apprehension of the robber.¹⁷ It is wrong of the historian to attempt retrospective psycho-analysis of subjects long dead, but it is tempting to imagine that Freame's experiences as an apprentice – religious persecution, possibly news of his elder brother dying across the ocean, an innovative new career in a dangerous, violent and frighteningly big city – led to an abnormal and insistent urge to succeed.

The church authorities of All Hallows, Lombard Street, noted Freame's coming into residence on 17 December 1689, before he had formally gained his freedom on 7 April 1690, thus having the right to open his own business within the City.¹⁸ He established himself in the trade he had learnt from Job Bolton. We know only indirectly of the bank's early years; no internal records from before 1729 have survived. Freame was clearly rich when he started; setting up in business as a goldsmith-banker was expensive, needing at least £500 and possibly as much as £3,000¹⁹ (adjusted for greatly increased money incomes, this is equivalent to start-up funds of over £2 million today). The Quakers' Yearly Meeting of 1688 in Gracechurch Street advised 'that none launch into trading and worldly business beyond what they can manage honourably and with reputation; so that they may keep their words with all men, that their yea may prove yea indeed, and their nay, nay'.²⁰ There is no firm evidence about the later life of Job Bolton, who continued his own business for a time and is

14. Thomas's will, proved in 1682, is Philadelphia's first and is in Philadelphia City Hall – it contains no evidence of his relationship to John Freame; see also entry for 2 May 1682 in PRO E190/1144/1. Several Barclays also set sail for America in 1682.

15. Richard Frame, *A Short Description of Pennsylvania*, Philadelphia, 1692.

16. P. G. M. Dickson, *The Financial Revolution in England: A Study of the Development of Public Credit 1688–1756*, 1967, p. 5; P. Earle, *The Making of the English Middle Class: Business, Society and Family in London 1660–1730*, 1989, p. 94. For the transition from trading goldsmith to banker see D. M. Mitchell, '“Mr. Fowle pray pay the washerwoman”: the trade of a London goldsmith banker, 1660–1692', *Business and Economic History*, 23, 1994, pp. 27–38.

17. Advertisement, *London Gazette*, 4–8 October 1683, no. 1866. See also *The London Gazette* of 23–27 December 1686 for Bolton's silver watch trade.

18. CLRO CFI 33, and Register of Freemen and Apprentices, 1686–1721, Guildhall MS 11598/1. Cf. Fig. 1.3 for his 1690 poll tax assessment. 19. Earle, *English Middle Class*, p. 107.

20. *Extracts from the Minutes and Advices of the Yearly Meeting of Friends*, 1822, p. 195.

17)	John Freame, wife & two servants	5	
	John Poyner wife and Maye	3	
	Francis Jakes, wife & three children	5	
	Two servants for their poll 12 ^s each	2	
	M ^r Joseph Shene, wife & two servants	4	
	Thomas Batford and John & 2. servants	4	
	Matthew Madden, two children & mother	3	
	Benjamin Saayre, house and poll	11	
	One servant for his poll	1	
	Lumpsum Stables house Monday & poll	1	6
	John wife, three children & three servants	7	
	John De Grou & daughter lodged	2	
	M ^r Joseph Baudon, wife, brother, Maye & Mary	9	
	John Freame & partner, house & Monday	12	
	Two servants for their poll 12 ^s each	2	
	John Freame, house and poll	11	

Fig. 1.3 John Freame’s 1690 tax assessment in Lombard Street. The assessment is for 12 shillings for himself and an unnamed partner and 2 shillings for two ‘servants’, i.e. domestics and/or clerks. The tax was levied on 16 May 1690. Freame (who obtained his freedom in April) is named, while Thomas Gould (who did not obtain his freedom until November) is not.

shown in the Lombard Street tax assessments for 1692 but not for 1698, but his goodwill in the Quaker community would have been an invaluable asset, reflecting favourably on his apprenticeship. Apprenticeships appear to have been critical to access to the informal arrangements between London goldsmith bankers which cleared each other’s balances; they have been called the ‘Gold Boys’ Network’. It is unclear how far the Goldsmith’s Company apprentices network, described by Quinn, was linked to the Quaker goldsmiths from other liveries, though Freame & Gould, if they did not start with it, certainly soon gained admission to the informal clearing network.²¹ Freame probably obtained some capital from his father as a portion or as a legacy about this time. The bank’s early ledgers show shareholdings in the

21. Stephen Quinn, ‘Balances and goldsmith bankers: the co-ordination and control of inter-banker debt clearing in seventeenth century London’, in D. Mitchell, ed., *Goldsmiths, Silversmiths and Bankers: Innovation and Transfer of Skills 1550–1750*, Stroud, 1995, pp. 453–76.

Pennsylvania Land Company, which Freame may have received from his father,²² and some start-up funds were also added by Thomas Gould, who gained his freedom in November 1690, becoming Freame's partner then or soon after.²³ Gould, too, was from an apparently prosperous Quaker family. His father was a Kentish merchant and possibly related to Freame's master, Job Bolton.²⁴ Gould had served his apprenticeship with Nathaniel Brassey, a member of another prominent Quaker dissident family of Lombard Street goldsmiths.²⁵

The Glorious Revolution of 1689 seemed to promise less turmoil in English political life, perhaps greater tolerance of religious diversity, and an expansion of commerce. Ships crowded the Thames; lightermen and warehousemen thronged London's waterside. Nevertheless there was fierce fighting ahead in Scotland, Ireland and France. While much of the crown's income was dissipated in war (hence the founding of the Bank of England to finance it), to merchants and to the bankers who took their deposits of cash, war-related orders were a source of profit. So was the social life attached to the now necessary annual meetings of parliament. The business partnership of the two young goldsmith-bankers apparently prospered, and was more firmly cemented in 1697 when Gould married Hannah Freame, John Freame's sister; Freame in turn married Gould's sister, Priscilla; the marriages took place within a month of each other at the Devonshire House Meeting in Bishopsgate.²⁶ Bankers' wives sometimes assisted in their husbands' businesses and Hannah and Priscilla lived for a time at the Lombard Street premises of the bank. However, both from 1698 produced a succession of babies, seven for Priscilla and ten for Hannah,²⁷ so neither is likely to have had much time to help the partnership. Freame in 1690 had already taken a young Quaker apprentice, William Arch, to help in the bank.²⁸

The Lombard Street house must soon have been very crowded, but the Goulds had a house in the country at Enfield, where Freame had frequented Quaker meetings as a younger man.²⁹ Both partners later occupied country houses in the nearby Quaker community at Bush Hill (conveniently close to the Winchmore Hill meeting house), enabling them to retreat from the bustle of the increasingly unwholesome city. The village green at Winchmore Hill, now surrounded by north London's twentieth-century suburban sprawl, still preserves the ethos of the remote hamlet the Freames and Goulds knew, though the new meeting house of their day was more rustic than the present building, which replaced it in 1790. The rolling countryside around Enfield Chase, looked upon by their houses, can still be seen on the Bush Hill Golf Course; its clubhouse is one of the few remains there of the seventeenth-century built environment. The partners' country houses, since demolished,

22. Minutes of the Waltham Abbey Monthly Meeting, 28 May 1697 (Friends' Library) indicate his father was dead by then. 23. Haberdashers' Company Register, 1642–1713, Guildhall MS 15858/1.

24. Thomas Gould's will of 1730 (PRO PROB II 640/280) leaves £100 to 'my cousin Mary Boulton'.

25. Quaker birth registers, and Minutes of the Meetings for Sufferings, Friends' House; G. S. de Krey, *A Fractured Society: The Politics of London in the First Age of Party 1688–1715*, Oxford, 1985, p. 98; *Persecution Expos'd in Some Memoirs*, p. 218. 26. Quaker marriage register, Friends' Library.

27. Earle, *English Middle Class*, p. 163; 1698 poll tax assessment; Quaker birth registers.

28. Guildhall MS 11596/1. 29. Minutes of the Enfield Monthly Meeting, 29 October 1690, Friends' Library.

were next door to each other and had two courtyards in front, stables, coach houses and a brewhouse shared with two other houses on the site. They drew water from a canal connected to the New River (built to supply sweet water to the polluted city to the south) and had several orchards and 100 metre kitchen gardens, by one of which the Freames fashioned an un-Quakerly 30 metre ‘pleasure garden’.³⁰ The expectation of life at birth for London Quakers fell from twenty-nine years in the later seventeenth century to only twenty-two years in the first half of the eighteenth;³¹ living in the City was a growing danger to health, particularly for the partners’ many children. The rural retreat helped John Freame survive well beyond the allotted biblical span, though his partner fell short of it. Their trip to town took no longer – perhaps an hour on horseback or by coach and horses – than it would by public transport today. It was then a pleasant (if muddy) rural ride, except when in 1708 one of them appears to have lost a gilt pocket-book containing several hundred pounds in bank notes on the route (business evidently occupied them in the country as well as town).³² The road between their town and country residences, now densely lined for almost the whole way by houses, offices and shops, still sports the name ‘Green Lanes’, a modern reminder of the unpaved droving road which preceded the new turnpike stretching from Enfield through Stoke Newington to town, which they helped finance.³³

In the 1690s their new bank competed for customers in a London alive with opportunities during a war-induced inflationary boom. Its money markets developed more rapidly than those in the provinces, and in this large urban market, Freame & Gould, then trading under the sign of the Three Anchors, had to build a reputation. Theirs lasted longer than their competing goldsmith bankers’; most of those listed in Sam Lee’s 1677 directory had disappeared within a generation.³⁴

Quaker businessmen were prominent in City trades at the time – perhaps a quarter of the population living around the bank were Quakers – and Freame & Gould would have had special confidence in their co-religionists, with whom they were united by spiritual fervour and by shared experience of religious persecution.³⁵ Equally, other Quakers had confidence in them, a distinct competitive advantage. As early as 1695, the highest Quaker body, the London Yearly Meeting, placed a large deposit of £1,100 with Freame & Gould;³⁶ bankers could hardly hope for a stronger character reference. John Freame was assiduous in his

30. Wills of Thomas Gould (PRO PROB II 640/280) and John Freame (PRO PROB II 742/271); *A Journal of the Life of Thomas Gould*, Newcastle upon Tyne, 1747, p. 464.

31. L. D. Schwartz, *London in the Age of Industrialisation*, Cambridge, 1992, p. 138; R. T. Vann and D. Eversley, *Friends in Life and Death: The British and Irish Quakers in the Demographic Transition 1650–1900*, Cambridge, 1992; J. Landers, *Death and the Metropolis: Studies in the Demographic History of London 1670–1830*, Cambridge, 1993, p. 158. 32. Freame & Gould advertisement in the *London Gazette*, 12 August 1708.

33. D. Pam, *A History of Enfield*, I, Enfield, 1990, p. 300; the 1729–33 ledgers show interest on turnpike bonds (ACC 3/377).

34. *London Gazette*, 1677–1720 *passim*, shows at least half went bankrupt or made agreements with their creditors; see also Earle, *English Middle Class*, p. 49; Melton, *Robert Clayton*, pp. 20, 32, 211, 234.

35. De Krey, *Fractured Society*, p. 98.

36. Friends’ Library, National Stock Accounts, 1676–1716, under ‘Stock belonging to the yearly meeting 1695’.



Fig. 1.4 A hostile contemporary engraving of the Quakers' Yearly Meeting, 1698. John Freame represented London and Middlesex at the Meeting many times from 1703, and in 1711 became the clerk of the meeting. The Meeting has been described as the first organised lobbying group in British politics: both Job Bolton and his onetime apprentice John Freame played important roles in developing this function.

Quakerly duties, not only at the Gracechurch Street meeting house and at the Devonshire House Meeting, but also in the meetings near the two partners' country houses at Bush Hill.³⁷ Even as a young man, he knew the leading Quaker luminaries of the day intimately³⁸ and in 1711, when 46, became clerk to the yearly meeting, the most respected national position a pious Quaker could occupy in the Society of Friends. Minutes of the Meeting for Sufferings show John Freame lending money to the meeting³⁹ and financing a political campaign against the Affirmation Act.⁴⁰ In 1713 he published a book on scripture instruction, originally prepared for his own children with the object of making them 'sensible of the ill consequences of vice and immorality'.⁴¹ It was later much reprinted for use in the schools for the poor pioneered by another Quaker, Joseph Lancaster. These activities took time and were undoubtedly central to Freame's concept of himself as a human and social being; coincidentally, they cannot have harmed his growing reputation as a trusted banker.

Like many Quakers, Freame & Gould were entrepreneurial and their business interests spread wide. The bank's first known advertisement relates to a Gloucestershire client's lost horse,⁴² but financial and trading activity already bulked large. The London of their day was alive with talk of the schemes of 'projectors', which one historian has described as 'transforming the comparatively sober transactions developed in trading company business into a series of wagers more akin to Newmarket races'.⁴³ Financial sharks of the time have generally received a bad press, but the Quaker-dominated Welsh Copper Company and its onetime rival, the London Lead Company (taken over by Quakers in the early eighteenth century), appear to have been exceptions. Freame & Gould were stockholders in both; they also financed the later experiments of the Quaker inventor Dr Edward Wright, who developed the reverberatory furnace for lead smelting, which transformed the industry.⁴⁴ They were bankers to the London Lead Company when Wright ran it, and discounted the company's bills. With this backing the bills circulated in North Wales as a local currency. In

37. Index of representatives in Friends' Library; Minutes of the Enfield and Winchmore Hill and Waltham Abbey Monthly Meetings.

38. Testimony of John Freame, dated 25 August 1703, and of others in William Penn's edition of Charles Marshall, *Sion's Travellers Comforted and the Disobedient Warned*, 1704.

39. Minutes of Meeting, 11 January 1708. 40. Minutes of Meeting, 20 February and 3 March 1722.

41. *Scripture Instruction: Digested into Several Sections, by Way of Questions and Answers in Order to Promote Piety and Virtue, and Discourage Vice and Immorality, with a Preface Relating to Education*, 1713, preface. Reprinted in 1714, 1769, 1810 (twice) and 1813; see J. Smith, *A Descriptive Catalogue of Friends' Books*, I, 1867, pp. 706–7. 42. *London Gazette*, 6–10 September 1694.

43. C. MacLeod, 'The 1690s patent boom: invention or stock jobbing', *Economic History Review*, 39, 1986, p. 560. For a typical contemporary diatribe against the activities in which the Freame family engaged, see 'A person of honour', *Angliae Tutamen*, 1695, pp. 11, 14, 18, 32.

44. Robert Burt, 'The international diffusion of technology in the early modern period: the case of the non-ferrous mining industry', *Economic History Review*, 44, 1991; R. Jenkins, 'The reverberatory furnace with coal fuel', *Newcomen Society Transactions*, 14, 1933/4, pp. 67–82; Arthur Raistrick, *Two Centuries of Industrial Welfare: The London (Quaker) Lead Company 1692–1905*, 1938, pp. 137–8; Thomas Gould's will (PRO PROB II 640/280); London Lead Company minute books, LLC 1–7.

1703 Freame & Gould lent the company £500 at 6% interest to build its new smelting house at Bagilt, Flintshire: Wright's process was economic only if conducted large-scale, with continuous running.⁴⁵ The resulting enterprise has been called one of 'Britain's largest, most successful and long-lasting industrial operations', a prime exemplar of increased output for industrial development, stimulated by the seventeenth-century commercial revolution.⁴⁶ The silver by-product of the smelters at the company's mines, on the way to the Royal Mint in London, was handled for the Lead Company by Freame & Gould.⁴⁷ Freame & Gould also directly participated in overseas trading ventures and discounted bills of exchange for merchants. In 1706 they joined the leading Chesapeake merchant Micajah Perry in a syndicate, shipping European goods mainly to North Carolina and exchanging the agricultural products from there for Virginia tobacco, the return cargo to London. In 1708 the unfortunate London adventurers had to ransom their ship and its £19,000 cargo of tobacco from French privateers.⁴⁸

The several dozen established goldsmith-bankers of the City had suffered a severe blow when the government's failure to pay its debts in 1672 sent a reverberation of bankruptcies through their ranks. Two decades later these were still creating repercussions among bankers, as Freame & Gould sought to establish their own new enterprise⁴⁹ in the unpredictable conditions which followed the Glorious Revolution. In 1694 the newly founded Bank of England enabled the new regime of William and Mary to finance its debt more securely, efficiently and thus, ultimately, more economically. This early Bank competed directly with Freame & Gould, though the partners found its new tradable debt instruments helpful in balancing their own assets and liabilities, and dealt directly in the stock of their new competitor.⁵⁰ The goldsmith-bankers of Lombard Street were no longer leading lenders

45. M. Bevan-Evans, *Gadlys and Flintshire Lead-Mining in the Eighteenth Century: Studies of Flintshire Records*, I, Hawarden, 1963, p. 17; Raistrick, *Two Centuries*, pp. 129–30.

46. R. Burt, 'The transformation of the non-ferrous metals industries in the seventeenth and eighteenth centuries', *Economic History Review*, 48, 1995, p. 35; see also pp. 42–3.

47. Raistrick, *Two Centuries*, pp. 109, 126, 134; G. C. Brooke, 'The coinage with roses and plumes', *Numismatic Chronicle*, 14, 1934; W. J. Lewis, *Lead Mining in Wales*, Cardiff, 1967, p. 123; John N. Rhodes, 'The London Lead Company in North Wales 1693–1792', PhD thesis, University of Leicester, 1970, p. 45; S. M. Leake, *An Historical Account of English Money*, 1745, pp. 405, 412.

48. J. M. Price, *Capital and Credit in British Overseas Trade: The View from the Chesapeake, 1700–1776*, Cambridge, MA, 1980, p. 72; PRO T1/112, LXII, pp. 73–4 (Treasury Papers, Jan.–Feb. 1709); letter to the authors from J. Price, 26 November 1990; Elizabeth Donnan, 'Eighteenth-century English merchant Micajah Perry', *Journal of Economic and Business History*, 4, 1931–2; J. M. Price, *Perry of London: A Family and a Firm on the Seaborne Frontier, 1617–1753*, Cambridge, MA, 1992.

49. J. Keith Horsfield, 'The "Stop of the Exchequer" revisited', *Economic History Review*, 35, 1982.

50. Bank of England archives, Bank Stock Ledgers, AC 27/417 and 418, Thomas Gould's account November 1698 to September 1704, John Freame's account October 1697 to July 1702; for longer-term drawing ledger accounts (1695–1709 and 1716 on) see Sir John Clapham, *The Bank of England: A History*, Cambridge, 1944, 1, pp. 31, 132. John Freame is included in the South Sea Company's shareholder list of 1714; Freame & Gould later held reserves in Bank of England, East India Company and South Sea Company stock (1729/33 ledger in ACC 3/377), as well as London Lead Company and Pennsylvania Land Company stock and turnpike bonds.

to government, but some private bankers did not suffer unduly from the Bank of England, the powerful new joint stock competitor for their other business. A defendant in a later Chancery case referred to depositing money ‘in the hands of Mr. John Freame then a considerable banker in Lombard Street or in the Bank of England’, signifying that those hands were as safe as the Bank of England’s, now steadier after the traumas of the South Sea Bubble.⁵¹ Freame & Gould’s earliest records, and those of customers and of other goldsmith-bankers with whom they dealt, show that deposit taking, discounting foreign and inland bills of exchange and loan accounts formed their core business, and that the London merchant community at the heart of London’s economy was their main client base.⁵²

By the late 1720s, the successful bank partners faced difficult dilemmas as they aged and had to consider family strategies for the next generation. Both John Freame and Thomas Gould were probably then well on the way to amassing the £25,000 that, with money in the Funds at 6%, Defoe considered necessary for retirement in style.⁵³ In 1713 Freame had written of his concerns about the need to discipline the children of rich families to the work ethic:

[W]e have seen that many, who have been more solicitous in getting great portions for their children than in training them up in virtue, have had such as have quickly consumed what their parents have for many years been getting by their utmost care and industry . . . We ought entirely to love our children: but then we should be careful not to let our love run to fondness and thereby cherish their faults and humour them in whatever they crave or desire . . . [S]ome who have had large beginnings, and might have lived in good reputation . . . as soon as ever they have gotten their portions into their own hands, have lived so much in pride, idleness and extravagance that they have quickly run out of all their estates and reduced themselves to poverty⁵⁴

A few years after writing this, he bound his eldest surviving son, Joseph, then 15, apprentice to himself. No doubt intent on avoiding that dire fate, he prudently delayed Joseph’s admission to the partnership (ensuring the business succession) for some years longer than strictly necessary. In 1727, when his wife died, aged 53, John Freame was 62. In the following year Joseph finally became a freeman and a partner in the bank⁵⁵ and married Ann Osgood at the Devonshire House Meeting. The Osgoods were a prominent London Quaker business family, clients of the Lombard Street bank and much intermarried with the business and banking elite.⁵⁶ The year after they married, 1729, Joseph and Ann, living on the upper floors of the bank, presented John Freame with his first grandchild in the male line, John Freame the younger. Sadly, Ann died in the following year; Joseph did not remarry.

51. Deposition of Samuel Beachcroft, 1733, PRO C/II/102–10.

52. An advertisement for a lost bill (*London Gazette*, 7 December 1702) suggests that Freame & Gould were engaged in such business.

53. Daniel Defoe, *The Compleat English Tradesman*, 1727, p. 166; Earle, *English Middle Class*, pp. 32, 351–60.

54. *Scripture Instruction*, 1769 edition, pp. viii–xiv, xx (punctuation and spelling modernised).

55. CLRO CFI 487. 56. Price, *Capital and Credit*, pp. 73–5.

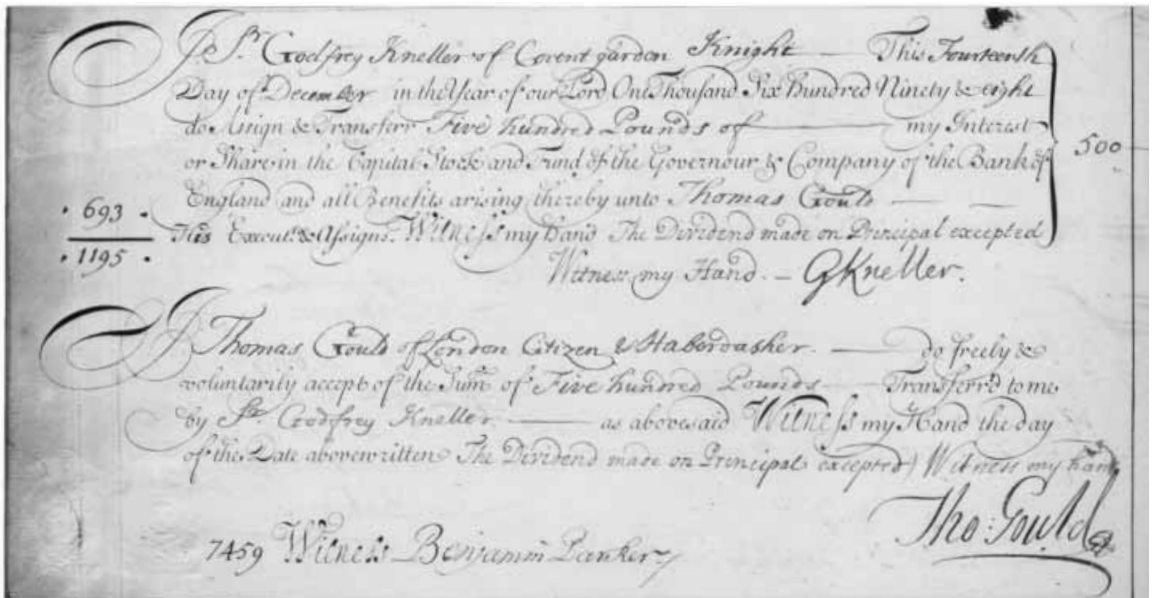


Fig. 1.5 Part of Freame & Gould's liquid reserves, 1698. Thomas Gould, a founding partner, invests in £500 of Bank of England stock in 1698. The counterparty, selling the stock to him, is Sir Godfrey Kneller, the court painter. It appears from the early ledgers of Freame & Gould and of the Bank of England that the partners held such securities both as liquid reserves and perhaps occasionally as stockbrokers. For post-1697 licensing requirements for brokers, see S. R. Cope, 'The Stock Exchange revisited: a new look at the market for securities in London in the eighteenth century', *Economica*, 45, 1978.

Over the next decade or so, the elder John Freame, though physically and mentally fit into his seventies, reduced his active participation in the Lombard Street bank in favour of his prematurely widowed and very active banker son, Joseph.⁵⁷ The founder now spent more time in the country and on Quaker business,⁵⁸ becoming more closely involved with the London Lead Company, and in 1729 joining its court of assistants (i.e. directors). Already its banker, he became a large shareholder in that company. There had been suspicions of unwise speculations by Quakers in the South Sea Bubble of 1720 – John Freame received somewhat belated guidance on the matter in January 1721 from the London and Middlesex Quarterly Meeting⁵⁹ – but while some were ruined immediately, concerted lying by Quakers

57. The Land Tax assessment records (Guildhall Library MS 11316) suggest Joseph taking over responsibility from his father in 1728–30, though the 1729/33 ledger (ACC 3/377) shows them both continuing in partnership with the Goulds. Later in the decade John Freame ceased to share the profits (ACC 364/1(40)).

58. Quakers' National Stock Accounts, eleven of the years 1727–42.

59. London and Middlesex Quarterly Meeting minutes, 30th of the 11th month, 1720.

running the London Lead Company concealed their skulduggery for nearly a decade. In 1728, the death of Wright, the Quaker chemist whom Freame had earlier funded and who then effectively ran the company, broke his corrupt conspiracy. It emerged that he and a group of fraudulent Quaker colleagues had misappropriated corporate funds during the South Sea Bubble. John Freame took over as company governor, prosecuted the surviving fraudsters to recover some of the misappropriated funds, and played a leading part in running London Lead until 1742. He helped retrieve its industrial fortunes and balance its fluctuating industrial business with large gilt-edged holdings, enabling restoration of regular dividends.⁶⁰ Not for the last time (though it may have been the first), a banker was midwife to important British industrial developments which required corporate financial reorganisation. Nonetheless contemporaries remained deeply sceptical of the practicality of such early joint stock experiments which divorced capitalist ownership from direct managerial control.⁶¹

From about 1730 the Lombard Street bank was often referred to simply as Joseph Freame & Co., though John Freame remained a partner for a few more years.⁶² In 1728 the partnership bought new premises (later numbered 54 Lombard Street⁶³) from a Lombard Street scrivener, whose sign, the Black Spread Eagle, they then adopted. This sign, in the seventeenth century quite a commonplace one, remained the Barclays sign barely modified until 1999, and 54 Lombard Street its head office address.⁶⁴ The move to new premises preceded the break-up of the Freames' banking partnership with Thomas Gould. The latter's son, Thomas Gould the younger, obtained his freedom by patrimony (without formal apprenticeship) in the same month of 1728 as Joseph Freame gained his freedom; he, too, became a partner in Freame & Gould, though without receiving his portion.⁶⁵ Gould senior's caution about his son was evidently justified. When he died in 1730, his son used his inheritance to establish himself as a banker in Cornhill, independently of the Freames.⁶⁶ The risks of starting a new bank – especially without proper training or aptitude – soon became painfully evident. Thomas Gould the younger unsuccessfully speculated in shares of the London Lead Company, just before their market value fell disastrously.⁶⁷ John Freame could not save

60. London Lead Company minute books, in LLC 4–7, 38; A. Raistrick, 'The London Lead Company 1692–1905', *Newcomen Society Transactions*, 16, 1933/4; Roger Burt, *The British Lead Mining Industry*, 1984, p. 65; Bevan-Evans, *Gadlys and Flintshire*; Rhodes, 'London Lead'; Lewis, *Lead Mining*, pp. 121ff.

61. S. Pollard, *The Genesis of Modern Management*, 1965.

62. Papers of the London Lead Company and of the Quakers' National Stock Accounts suggest the change of name about 1730; the bank's own records suggest later in the 1730s (e.g. ACC 3/377 and ACC 364/1(40)).

63. Matthews and Tuke, *Barclays*, p. 32; F. G. Hilton Price, *A Handbook of London Bankers*, 1890–1, p. 10.

64. Sir Ambrose Heal, *The London Goldsmiths 1200–1800*, 1935; F. G. Hilton Price, *Some Account of Lombard Street, Its Early Goldsmiths, and the Signs of their Houses*, 1866.

65. CLRO CFI 487; 'Haberdashers' Company: Index of Freedom of Admissions 1689–1967', Guildhall MS 15858/2; cf. Price, *Capital and Credit*, p. 72; deposition of James Creed in PRO C11/96–25 (Lead Co. v. Peck).

66. Thomas Gould's will (PRO PROB II 640/280).

67. Bevan-Evans, *Gadlys and Flintshire*, p. 89.

his nephew from this or other mistakes. Less than two years after his father's death, Thomas Gould the younger's new Cornhill bank was bankrupt.⁶⁸

His plight probably arose from incompetence and bad luck rather than from fraud. Nonetheless, Quakers were harsh on bankrupts, seeing inability to pay creditors as a betrayal of trust, and the prominent Freames would have been acutely embarrassed. Freame's sister, the widow Hannah Gould, offered in 1735 to settle with the creditors of her bankrupt son, though, of course she had no legal obligation to do so.⁶⁹ When she died, in 1751, she cut her son off with only £10, leaving most of her estate to her daughter.⁷⁰ Later in the century the descendants of Thomas Gould, the bank's joint founder, were living in the East End in reduced circumstances, with a modest annuity from the Freames and a meeting house clerk's salary, honourably rehabilitated by the Friends.⁷¹

During the embarrassment and financial strain of the Gould bankruptcy, the Freames sought to consolidate their reputation and financial resources. In 1733 Joseph took a new partner, James Barclay, the first of that name to enter the partnership, with a quarter share in profits. The Lombard Street bank was thereafter known as Freame & Barclay, Bankers.⁷²

Like the original partners, the Barclays were newcomers to London and had made their way by a judicious mixture of Quaker business connections and strategic marriages.⁷³ David Barclay was the second son of a Scottish Quaker family of landed gentry.⁷⁴ His father, Robert Barclay 'the Apologist', was influential in Quaker politics and long revered in Quaker circles, perhaps second only to their founder, George Fox himself. Robert Barclay died in 1690 when David was still a child, but David later took his portion of 9,000 merks (equivalent in English money to £500) to pay for a London apprenticeship and later married Ann, daughter of a London linen draper, James Taylor, in 1707. After she died, leaving him a widower turned 40, David Barclay married Priscilla Freame, John Freame's 21-year-old daughter. Ten years later, in 1733, James Barclay (David Barclay's eldest son by his first wife) married Priscilla's

68. *London Gazette*, 20–23 January 1732, 13–17 February 1732; *Gentleman's Magazine*, 3, 1733, p. 48; Register of Commissioners of Bankruptcy, PRO IND 22640 B 4/7, p. 212.

69. *London Gazette*, 10–13 May 1735.

70. PRO PROB II 787/143.

71. Thomas Gould's (the bankrupt's son's) will, PRO PROB II 1109/513; Joseph Freame's will, PRO PROB II 924/450; John Freame the younger's will, PRO PROB II 959/294; Friends' House minutes of the Six Weeks' Meeting, vol. 14, 16 August 1774, 3 December 1776 and 8 April 1777; Minutes of the Meeting for Sufferings, 2 September 1768, 10 October 1783.

72. *Kent's London Directory*, 1736, lists Freame & Barclay, Bankers, in Lombard Street. Matthews and Tuke (*Barclays*, p. 34) suggest 1736 as the date of James's admission to partnership. The London Lead Company minute books, which usually refer to the company as Joseph Freame & Co., for one entry only on 3 January 1733 (i.e. 1734 by modern dating convention) refer to Freame & Barclay, suggesting the Freames' additional partner was recruited on his marriage to John Freame's daughter; soon after that Joseph had a three-quarter share of profits and James Barclay a quarter (ACC 364/1(40)).

73. J. M. Price, 'The great Quaker business families of eighteenth century London: the rise and fall of a sectarian patriciate', in R. S. Dunn and M. M. Dunn, eds., *The World of William Penn*, Philadelphia, 1986.

74. D. G. Barron, ed., *The Court Book of the Barony of Urie, 1604–1747*, Edinburgh, 1892; *Journal of the Friends' Historical Society*, 7, September 1910, p. 48.

younger sister, Sarah. James, already the step-son of a daughter of the founder, John Freame, joined the bank on becoming his son-in-law too. James's father had built the Barclays' Cheapside linen drapery into an extensive business and was well able to finance his son's entry into banking. Beginning with trade in Scottish linens, the Barclays extended to German and Irish linens and, by the time of the Freame marriages, were major exporters to America and the West Indies. David Barclay, one of the richest merchants in London, was worth £100,000 when he died.

John Freame lived until 1745, and died aged 80; he was buried at Winchmore Hill. His simple Quaker headstone contributed to the discreet and self-consciously restrained ethos of the eighteenth-century Quaker business elite, present in death as in life.⁷⁵ No probate valuation has been traced, though bankers often left more than £10,000 and some were worth £50,000–£200,000.⁷⁶ After small bequests totalling over £3,000 to family, friends and employees, he had divided the residue of his estate – probably worth ten times that or more – equally between his banker successors: his son Joseph and his younger daughter Sarah, wife of James Barclay, Joseph's partner in the bank (his elder daughter, Priscilla, was already well provided for, as the wife of the elder Barclay).⁷⁷

The Freame & Barclay bank prospered. It is generally recognised as the pioneer of re-discounting bills sent by provincial bankers to London; it supported this activity with unusually large reserves at the Bank of England.⁷⁸ Its liabilities peaked at £308,637 in the late 1750s. While the partnership's capital was less than David Barclay's (it peaked at £32,237 in 1759), the key asset of private bankers in emerging markets like this was their reputation.⁷⁹ Freame & Barclay's rate of return on partners' capital, about 36% in the 1760s when the re-discounting rate was 5%, reflected their impeccable probity, producing a very generous annual income.⁸⁰

Joseph Freame's son, and grandson and namesake of the founder, John Freame (the younger), was born in 1729 and became a partner in 1755. He exhibited a third-generation lack of entrepreneurial drive. In 1766, when his partner, James Barclay, and his father, Joseph Freame, both died in the same devastating week, John Freame the younger financed a trusted clerk to take up part of his share of the partnership. He devoted some of his own time to his newly acquired Norfolk farming properties and travelled in Britain and on the continent for his health. No children were born of his first marriage, but his second wife, his

75. A. D. Oliver, *Quakerism at Winchmore Hill over 300 years*, 1988.

76. Earle, *English Middle Class*, pp. 32, 351–60. In 1749 the partners' equity in the banking business alone was £21,310 (Price, *Capital and Credit*, p. 76).

77. PRO PROB II 640/280. On the Quaker tendency to treat daughters equally, see Price, 'Great Quaker business families', p. 387.

78. Dickson, *Financial Revolution*, p. 390; Price, *Capital and Credit*, pp. 85–6, 88, 90–1; ledgers in ACC 3/4848; D. M. Joslin, 'London private bankers, 1720–1785', *Economic History Review*, 7, 1954, pp. 184–5.

79. A. Anderson, *An Historical and Chronological Deduction of the Origins of Commerce*, II, 1764, pp. 51, 375.

80. Price, *Capital and Credit*, pp. 76, 79, 82.



Fig. 1.6 The Barclays' Scottish home and the Quaker meeting house at Urie, from an early nineteenth-century Edinburgh engraving. The Barclay sons migrated to London and Pennsylvania to make their fortunes as merchants and bankers in the seventeenth century and after, but the Scottish branch intermarried into the banking cousinhood.

widowed cousin Christina Gurney (daughter of David Barclay the elder and Priscilla Freame), bore him a child, Joseph Osgood Freame, in 1768. John Freame the younger died in 1770, so had no direct influence on the career choice of his son. Christina Barclay-Gurney-Freame-Watson (she quite soon married a non-Quaker and moved to Bath with the infant Joseph Osgood Freame) was the sister of David Barclay the younger and John Barclay, all three the offspring of David Barclay the elder and Priscilla Freame. It was this branch of Freame-Barclays, not that of the first Freame-Barclay partner, James, that continued the family line of descent in Lombard Street. The two Barclay brothers, particularly after their Cheapside trading interests were disrupted by the American revolution, threw themselves enthusiastically into banking from 1774. The Freame name had disappeared from banking history, but branches of the Barclay family shared the bulk of the Freame inheritance, receiving half the founder's capital from John Freame the elder and bequests from John Freame the younger, as well as the founder's enterprise.

The London and Norwich banking cousinhood

The Lombard Street bank's name changed according to the availability and inclinations of suitable family partners, even dropping the Barclay tag temporarily while John Barclay served his apprenticeship.⁸¹ The bank was known as Smith, Bevan & Bening from 1770, but in 1774 Smith agreed to retire in return for a £500 p.a. annuity from Silvanus Bevan, David Barclay the younger and John Barclay. Bening's partnership was nominal. Only in the nineteenth century, and then not entirely to the satisfaction of all partners, did the outside world apparently begin to use the conveniently short appellation of 'Barclays'⁸² for what had become one of the best-known houses in Lombard Street. New Quaker partners, usually closely linked by both marriage and business fortunes, were added, with agreement from time to time on transfers from active to sleeping partnerships as new blood was brought into the bank.⁸³ At the end of the eighteenth century its formal title was Barclay, Bevan, Tritton & Co.: names that persisted, with some new permutations, for the following century. The Bevans came from a Welsh line of Quakers, Swansea merchants, who founded a pharmacy in Plough Court, off Lombard Street, and were customers of the bank.⁸⁴ Timothy Bevan of the pharmacy had married Elizabeth, a daughter of David Barclay the elder, in 1735, beginning an extensive pattern of intermarriage. Following the deaths in 1766 of the two long-standing, second-generation partners, Joseph Freame and James Barclay, Timothy Bevan's 23-year-old son, Silvanus, became a bank partner.⁸⁵

The Trittons also entered the bank through marriage, though in a more unorthodox way.⁸⁶ A Quaker family of Kentish yeoman stock, they owned a brewery in Wandsworth, and were partners in a Lombard Street bank. Their son, John Tritton, after training in the family bank, became a partner in 1778 in the bank next door to Barclays: Brown, Collinson & Tritton. Four years later this bank was insolvent, owing to the defalcations of his new partners. Bankruptcy was still not easily forgiven in Quaker circles and his courtship of Mary Barclay lay in the balance. Yet Mary's staunch support (family tradition records her saying 'I would rather lean on John Tritton's arm than ride in a coach and four') gave him an astonishingly lucky reprieve. He was taken on by Barclay, Bevan & Co. and successfully introduced some of the bankrupt bank's clients to them. For this he was paid £500 and offered a partnership in June 1783. The articles of partnership between John and Robert Barclay and John Tritton indicate a reduced capital of £20,000, though David Barclay the younger and Silvanus Bevan (no longer active partners) allowed the continued use of their names to back the bank. Five weeks after Tritton became a partner, he married Mary Barclay and they began their new life together, living over the bank in Lombard Street, as remained common

81. Partnership agreements of 1770 and 1774 (ACC 3/4960). 82. E.g. *The Economist*, 16 May 1857, pp. 534–5.

83. Partnership agreements of 1783 (ACC 3/2875), 1795 (ACC 204/30) and 1796 (ACC 131/26).

84. G. Tweedale, *At the Sign of the Plough*, 1990.

85. Matthews and Tuke, *Barclays*, p. 37; Price, 'Great Quaker business families', p. 369.

86. J. H. Tritton, *Tritton: The Place and the Family*, 1907, pp. 18ff.



Fig. 1.7 King George III and Queen Charlotte watch the Lord Mayor's show from the balcony of David Barclay's House in Cheapside, 13 November 1761. The draper's warehouse was cleared of the trappings of trade to accommodate the attendant nobility in style. The banker, John Freame the younger, absented himself from this un-Quakerly family triumph, but received an amusing account from his relatives of the compromises with Quaker plainness necessary for the occasion and of the royal family's resigned tolerance of Quaker standards of etiquette. David Barclay's son, James, had married Joseph Freame's sister and become a partner in the Lombard Street bank in 1733.

among city bankers until the nineteenth century.⁸⁷ The partners had made a shrewd judgement of Tritton's potential as a banker. He proved a mainstay of the development of the new extended partnership, creating the basis of its nineteenth-century procedural rules. By 1789, inheritance and his banking profits meant he was already worth £20,000; it was not long before he and his wife were able to buy their carriage and move to the suburbs.⁸⁸

By the end of the eighteenth century there was an extended cousinhood of rich Quaker

87. Cf. H. F. Barclay and A. Wilson-Fox, *A History of the Barclay Family*, 1934, III, p. 236.

88. Tritton, *Tritton*, pp. 184–5.

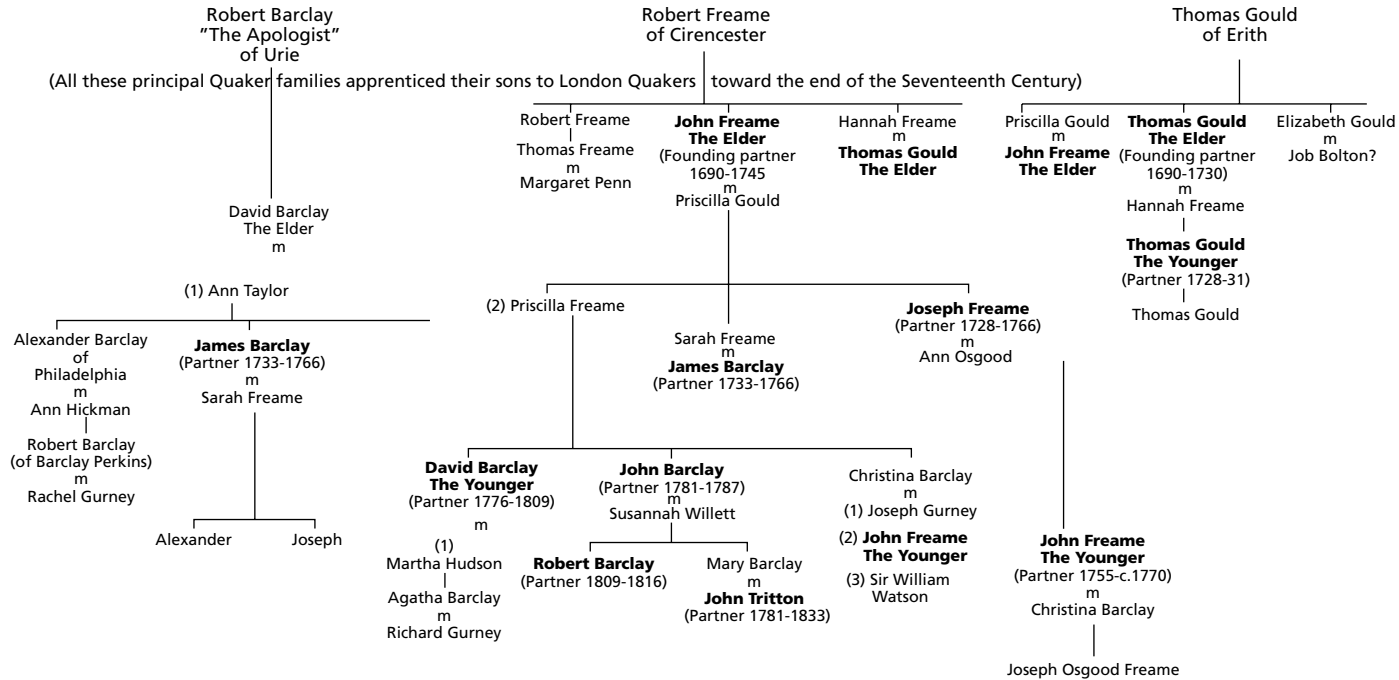


Fig. 1.8 The beginnings of the banking cousinhood. The partners in the bank are shown in bold type. As early partnership deeds have not survived, the precise dates of partnership are in some cases approximations. Children are shown (with no birth order significance) only when they contracted a significant marriage alliance: the families often had many more children, though the Freames did not after John the elder's large family. The Freames and Goulds survived in the bank only through the female lines. It was the descendants of the Barclay male lines who provided later partners in the bank.