

**Debt, Credit and Business Strategy:
The Law and the Local Economy, 1850-1900**

**Thesis submitted for the degree of Doctor of Philosophy at the
University of Leicester**

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ABSTRACT

Debt, Credit and Business Strategy: The Law and the Local Economy, 1850-1900

Neil Wood

This thesis analyses the business strategies of small firms in Leicester between 1850 and 1900. As the expansion of the town and the local economy proceeded during the nineteenth century, the uncertainties over debt and credit faced by small firms escalated. Confronted by partial or information asymmetry, small firms developed responses and strategies to overcome their commercial anxieties. This thesis explores two important strands: firstly the way in which the County Court system developed and was re-orientated by firms to meet their needs and, secondly, through the formation of a trade protection society to improve the flow of information, collect debt and enhance members' interests. In order to investigate these strategies, the procedures, costs and scale of the County Court system are considered and business exposure to the courts reconstructed. These reveal a consciousness about how the civil law could be used to prioritise debt and credit. Furthermore the trade protection society's position as a credit nexus, facilitating the flow of information between firms and its activities as an exemplar of market practice is investigated. The hand to mouth existence of many of these small firms reinforces the importance of these business strategies. While conducted as a case study of Leicester, the work has relevance for towns and cities of the U. K. and provides a counter-balance to those studies which focus on large-scale enterprises and macro-economic forces.

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LIST OF ABBREVIATIONS

A.T.P.S.	Association of Trade Protection Societies
B & S	Boot and Shoe
E.W. Weaver	Elastic Web Weaver
F.W.K.	Framework Knitter
L.B.C.	Leicestershire Banking Company
L.R.O.	Leicestershire Record Office
L.T.P.S.	Leicestershire Trade Protection Society
<i>P. P.</i>	<i>Parliamentary Papers</i>
<i>S. C.</i>	<i>Select Committee</i>

PRE-DECIMAL CURRENCY

Twelve pence (d.) equals one shilling (s.)	12d.	=	1s.
Twenty shillings equals one pound (£1.)	20s.	=	£1.
Alternatively	240d.	=	£1.
One guinea (G) equals 21s.	1G.	=	21s.

INTRODUCTION:

SMALL FIRMS, UNCERTAINTY AND THE LOCAL ECONOMY

Our understanding of the nineteenth-century urban economy is influenced by a set of well formed images about the connections between commerce, manufacturing and the urban experience. The phenomenal expansion of Manchester, Leeds, Birmingham and Glasgow inform our perceptions of the early nineteenth century, whilst the development of mining, heavy engineering, and large-scale factory production characterised by the activities of Sheffield, Tyneside, the Clyde, and South Wales seem to seal in soot our impression of economic experience in the second half of that century. Similarly the images of the businessmen and the firms they founded within these urban economies have also formed the focus of much myth-building. Entrepreneurs abound, singular characters with brusque attitudes and wayward ideas, seem to have been striding across the towns of Victorian Britain. Closer inspection of course, reveals a somewhat different picture. The intention of this thesis is to focus upon the experiences of those businesses which operated within the urban economy, in this case Leicester during the second half of the nineteenth century.

Much of the literature concerned with the operation of Victorian business has been confined to aspects of the 'entrepreneurial debate.' Lazonick, Aldcroft, McClosky and others have written extensively upon the relative success or failure of British businesses and businessmen.¹ The debate has frequently swung around the operation of the family firm - the so called second or third generation problems - which prohibited British

¹ B. Elbaum and W. Lazonick, 'An institutional perspective on British decline', in B. Elbaum and W. Lazonick (eds.), *The decline of the British economy*, (Oxford, 1986); D. McCloskey, 'Did Victorian Britain fail?', *Economic History Review*, 23, 1970, 446-59; D. H. Aldcroft, 'The entrepreneur and the British economy, 1870-1914', *Economic History Review*, 17, 1964, 113-34; D. Landes, *The unbound Prometheus*, (Cambridge, 1969). Most of the arguments are summed up in P. Payne, *British entrepreneurship in the nineteenth century*, (London, 1988). Also R. Floud and D. McCloskey, *The economic history of Britain since 1700, volume 2, 1860-1939*, (Cambridge, 1990); K. Burgess, 'Did the late Victorian economy fail?', in T. Gourvish and A. O'day (eds.), *Later Victorian Britain, 1867-1900*, (London, 1988); M. J. Wiener, *English culture and the decline of the industrial spirit*, (Cambridge, 1981); S. Newton and D. Porter, *Modernisation frustrated: the politics of industrial decline in Britain since 1900*, (London, 1988).

business adopting those models of corporate capitalism advanced by the likes of Alfred Chandler.²

More recently the focus for debate has changed. Work by Nenadic, Rodger and others has concentrated upon the role of the small firm in the operation of the Victorian economy.³ As is argued, most businesses were, 'small and short-lived, they were clustered in retail and services, they served the predominantly local market and despite the rise of larger firms, the numbers of small enterprises increased in most sectors as the period advanced.'⁴ These studies of the urban economy in Scotland have been counterbalanced by the work of Daunton, Johnson and Green who have sought to re-examine the role of the small firm in the functioning of the metropolitan industrial economy.⁵ This work, building upon the benefits of the small firm in terms of flexible specialisation, has enhanced the conceptual analysis of these smaller players within the urban economy.⁶ The result has been a move away from the earlier studies which sought to simply search for the lower-middle class and petite bourgeoisie.⁷ Instead work began

² A. Chandler, *The visible hand*, (Cambridge, Mass, 1977); A. Chandler, 'The growth of the transnational industrial firm in the United States and the United Kingdom', *Economic History Review*, 33, 1980, 396-410; A. Chandler, *Scale and scope: the dynamics of industrial capitalism*, (Cambridge, Mass, 1990).

³ S. Nenadic, 'The small family firm in Victorian Britain', *Business History*, 35, 1993, 86-114.; R. Rodger, 'Concentration and fragmentation: capital, labour and the structure of mid-Victorian Scottish industry', *Journal of Urban History*, 14, 1988, 178-213; P. Payne, 'Family business in Britain : an historical and analytical survey', in A. Okachi and S. Yasouka (eds.), *Family business in the era of industrial growth: its ownership and management*, (Tokyo, 1984); J. Scheid, 'The family business: remnant or elixir of the market economy?' *German Yearbook of Business History*, 1986, 1-26. The role of small business in rural areas has been explored by C. Young, 'The economic characteristics of small craft businesses in rural lowland Perthshire, 1830-1900', *Business History*, 36, 1994, 33-52; 'Small craft business owners, finance and social relations in nineteenth century rural Perthshire, Scotland', *Journal of Regional and Local Studies*, 15, 1995, 21-37.

⁴ S. Nenadic, 'Small family firm', 89.

⁵ M. Daunton, 'Industry in London: revisions and reflections'; P. Johnson, 'Economic development and industrial dynamism in Victorian London'; D. Green, 'The nineteenth century metropolitan economy a revisionist interpretation', *London Journal*, 21, 1996, 1-8; 9-26; 27-37.

⁶ C. Sabel and J. Zeitlin, 'Historical alternatives to mass production: politics, markets and technology in nineteenth century industrialisation', *Past and Present*, 108, 1985, 133-176; R. Samuel, 'The workshop of the world: steam power and hand technology in mid-Victorian Britain', *History Workshop Journal*, 3, 1977, 6-72.

⁷ G. Crossick, *The lower middle class in Britain, 1870-1914*, (London, 1977); G. Crossick and H. G. Haupt (eds.), *Shopkeepers and master artisans in nineteenth century Europe*, (London, 1984); E. Knox, 'Between capital and labour: the petite bourgeoisie in Victorian Edinburgh', unpublished PhD. thesis, *University of Edinburgh*, 1986.

to explore the role, position and strategies of traders within the local economy. Until recently, historians have bemoaned the lack of theoretical underpinning given to such analyses of the firm and answers have been gradually drawn from business theory especially the concepts of institutional economics.⁸

Much of this new theory can help address the problems of risk and uncertainty within the burgeoning towns and economies of Victorian Britain. Successful market relations were dependent upon the creation of a stable market environment. In order to achieve this stability both the market and an individual firm had to possess reputation and integrity.⁹ These problems reflect what are defined as the transaction costs of market relations.¹⁰ The transaction cost approach to business and economic history was pioneered by Douglas North.¹¹ Williamson, Casson and others draw attention to the importance of 'knowledge based capitalism,'¹² where the problems of information flow and the difficulty of enforcing contracts were the principal stimuli for transaction cost and hence the increased uncertainty faced by all who operated within the market.¹³ Institutional

⁸ Rodger complained that the theory of the firm at the local level had been 'saddled with frequently inappropriate macroeconomic trends and developments.' R. Rodger, 'Concentration and fragmentation', 198. Directional indicators were given: R. Rodger, 'Managing the market - regulating the city: urban control in the nineteenth century United Kingdom', 200-19; R. J. Morris., 'The state, the elite and the market': the visible hand in the British industrial city system', 177-99. in H. Diederiks, P. Hohenberg, and M. Wagenaar, (eds.), *Economic policy in Europe since the late Middle Ages: the visible hand and the fortune of cities*, (Leicester, 1992).

⁹ S. Nenadic, 'The small family firm', 88. Pohle states that 'reputations constituted the filter through which all other information could be perceived and verified.' M. Pohle, 'Risk, information and noise: risk perception and risk management of French and German banks during the nineteenth century', *Financial History Review*, 2, 1995, 37.

¹⁰ J. Anderson, *Exploring long term economic change*, Economic History Society pamphlet, 1991, 48-61; T. Eggertsson, *Economic behaviour and institutions: Cambridge surveys of economic literature*, (Cambridge, 1990).

¹¹ D. North, *Institutions, institutional change and economic performance*, (Cambridge, 1994); D. North, 'Transaction costs in history', *Journal of European Economic History*, 14, 1985, 557-76.

¹² C. J. Simon and C. Nardinelli, 'The talk of the town: human capital, information and the growth of English cities, 1861-1961', *Explorations in Economic History*, 33, 1996, 384-413. On the origins of early credit referencing see J. D. Norris, R. G. Dunn & Co., *1841-1900: the development of credit reporting in the nineteenth century*, (Westport, Conn, 1978).

¹³ N. Lamoreaux, N. Raff and P. Temin, 'New economic approaches to business history', *Business and Economic History*, 26, 1987, 57-79; O. E. Williamson, 'The modern corporation: origins, evolution, attributes', *Journal of Economic Literature*, 19, 1981, 1537-68; *The economic institutions of capitalism*, (New York, 1995); M. Casson and M. Rose, 'Institutions and the evolution of modern business: introduction'; S. R. H. Jones, 'Transaction costs and the theory of the firm: the scope and limitations of the new institutional approach'; M. Casson, 'Institutional economics and business history: a way

theory has proposed a solution to these difficulties. The everyday transaction costs of the market can be relieved by the intervention of a non-market defined institution - an organisation which possess the reputation or moral authority to position itself above the firms and individuals who participate in the normal market making process. The clearest application of such theoretical analysis has been utilised in the study of finance networks and the role of banks.¹⁴ However the close commercial relationships which grew between those who shared close fraternal relationships, such as members of the same religious organisations, have also been identified as similar forms of non-market intermediaries.¹⁵ These forms of organisational networks correspond with re-evaluations of the family firm and the role of the extended family as the origins for wider networks of trust, information, employment and in some cases financial support.¹⁶

The organisation of the law was another non-market institution. Studies of the role and involvement of the law have tended to focus upon the criminal law and how its development and implementation helped mould the social fabric of the nineteenth century.¹⁷ Those connections made between business and the civil law have been largely based around examination of the emergence of new forms of corporate structures, especially limited liability and provision for insolvency. Shannon examined the introduction of limited liability and the formation of joint stock companies, and Foreman-

forward?', *Business History*, 39, 1997, 1-7; 9-35; 151-71; M. Casson and H. Cox, 'International business networks: theory and history' *Business and Economic History*, 22, 1993, 42-53.

¹⁴ C. A. E. Goodhart, *Money, information and uncertainty*, (London, 1989); A. Godley and D. M. Ross, 'Introduction: banks, networks and small firm finance'; L. Newton, 'Regional bank - industry relations during the mid-nineteenth century: links between bankers and manufacturers in Sheffield, 1850-1885'; F. Carnevali, 'Between markets and networks: regional banks in Italy', *Business History*, 38, 1996, 1-10; 64-83; 84-100; F. Galassi, 'Screening monitoring and incentives in co-operative banks: the case of Italy's *casse rurali*, 1883-1926, Discussion papers in Economic and Social History, No. ESH96/2, University of Leicester; M. Pohle, 'Risk, information and noise' 25-40.

¹⁵ M. Rose, 'The family firm in British business, 1780-1914', in M. W. Kirby and M. B. Rose (eds.), *Business enterprise in modern Britain: from the eighteenth to the twentieth century*, (London, 1994); A. Prior and M. Kirby, 'The Society of Friends and the family firm, 1700-1830', *Business History*, 35, 1993, 66-85.

¹⁶ S. Nenadic, 'The small family firm', 86-114; M. Chick, 'British business history: a review of periodical literature', *Business History*, 37, 1997, 8-9; R. Church, 'The family firm in industrial capitalism: international perspectives on hypotheses and history', *Business History*, 35, 1993, 17-43; M. Casson, 'Entrepreneurship and business culture', in J. Brown and M. Rose, *Entrepreneurship, networks and modern business*, (Manchester, 1993).

¹⁷ J. Davis, 'A poor man's system of justice: the London police courts in the second half of the nineteenth century', *Historical Journal*, 27, 1984, 309-35.

Peck produced work on the evolution of the Companies Act.¹⁸ Hoppitt explored the legislative development and trends of bankruptcy and insolvency up to 1800 and Markham-Lester's work has similarly explored the emergence of insolvency trends and legislation up to 1914.¹⁹ However, little work has been carried out addressing the human behaviour behind the operation of the civil law. This is particularly important with regard to its impact on the enforcement of contracts between firms (and/or individuals) and the effect this had upon commercial trust, risk and reputation.

With regard to the law, such human interplay was most pronounced when it concerned the pursuit of debt and credit.²⁰ Studies of the relationships between debt, credit and the courts have been relatively neglected. Only Johnson has sought to examine the operation and long-term trends of the nineteenth century small debt courts and this was work steeply inclined towards the study of working class distress.²¹ Little has been made of the role of the County Court system - the local institution of the law - and its connection with the functioning of the local economy.²² Johnson's work was quantitative and founded upon the aggregated annual return submitted by the County Court. But the small debt procedure was a multi-layered process, and the work failed to take into account those who used strategy in their exploitation of the law. Other studies exploring the human dimension of the debt courts in an earlier period have been made: Muldrew examined debt litigation in the seventeenth century and Finn has

¹⁸ H. A. Shannon, 'The first five thousand limited companies and their duration', *Economic History Review*, 2, 1932, 396-424; J. Foreman-Peck, 'The 1856 Companies Act and the birth and death of firms', in P. Jolbert and M. Moss (eds.) *The birth and death of companies: an historical perspective*, (Carnforth, 1990).

¹⁹ J. Hoppitt, *Risk and failure in English business, 1700-1800*, (Cambridge, 1987); V. Markham-Lester, *Victorian insolvency: bankruptcy, imprisonment for debt and company winding up in nineteenth century England*, (Oxford, 1995).

²⁰ J. Hoppitt, 'The use and abuse of credit in eighteenth century England', in N. McKendrick and R. B. Outhwaite (eds.), *Business life and public policy: essays in honour of D. C. Coleman*, (Cambridge, 1986).

²¹ P. Johnson, 'Small debts and economic distress in England and Wales, 1857-1913', *Economic History Review*, 46, 1993, 65-87; P. Johnson, 'Credit and thrift and the British working class', in J. Winter (ed.), *The working class in modern British history*, (Cambridge, 1983); P. Johnson, *Saving and spending: the working class economy in Britain, 1870-1939*, (Oxford, 1985); M. Tebutt, *Making ends meet: pawnbroking and working class credit*, (Leicester, 1983).

²² W. R. Cornish and G. de N. Clark., *Law and society in England, 1750-1950*, (London, 1989); H. Smith, 'The resurgent County Court in Victorian Britain', *American Journal of Legal History*, 13, 1969, 236-58.

evaluated the role of the Courts of Request in the early nineteenth century.²³ Of the County Court system, (which emerged after 1846 and remained largely unaltered until the 1930s), Arthurs has explored the emergence of this form of civil justice in the 1840s and Rubin and Sugarman have made significant analyses of some of the participants in the process.²⁴ But there has been no assessment of the tactical use and personal strategies of those exposed to the courts. A similar deficiency can be detected in the past work on bankruptcy and the law, where the individual strategies of those brought into contact with the differing forms of personal insolvency have been over-looked in favour of analysis of aggregate trends and legislative development.²⁵ What is meant by strategy in this context can be defined as a way of acting with a view to achieving a particular set of objectives. However, distinctions have to be made between how individuals perceive their own interests, objectives, resources, freedom, and capacity to act effectively and how these aims intersect with any one institution. If, as business theory suggests, formal institutions were created to help provide a measure of control in an uncertain market, then the institution was dependent upon its ability to project its values of trust, reliability and reputation upon that market. This involved the successful re-alignment of the values or strategies of individuals with the collective aims and actions of the institution.

To do this successfully, the institution has to provide an incentive where independent strategies would be abandoned as part of the bargaining process in exchange for the consolidation of mutual interests, the development of collective action and, as a result,

²³ C. Muldrew, 'Credit and the courts: debt litigation in seventeenth century urban community', *Economic History Review*, 46, 1993, 23-38; M. Finn, 'Debt and credit in Bath's Court of Requests', *Urban History*, 21, 1994, 211-36; W. H. D. Winder, 'The Courts of Request', *Law Quarterly Review*, 52, 1936, 369-94.

²⁴ H. W. Arthurs, *Without the Law: administrative justice and legal pluralism in nineteenth century England*, (Toronto, 1985); G. R. Rubin and D. Sugarman (eds.), *Law, economy and society, 1750-1914: essays in the history of English law*, (Abingdon 1984); G. R. Rubin, 'Law, poverty and imprisonment for debt, 1869-1914', in G. R. Rubin and D. Sugarman (eds.), *Law, economy and society*, 240-320; G. R. Rubin, 'The County Courts and the tally trade, 1846-1914', in G. R. Rubin and D. Sugarman (eds.), *Law economy and society*, 321-49; G. R. Rubin, 'From packmen, tallymen and perambulating Scotsmen to credit drapers' associations', *Business History*, 33, 1991, 206-25.

²⁵ J. Hoppitt, *Risk and failure*; V. Markham-Lester, *Victorian insolvency*; W. R. Cornish and G. de N. Clark., *Law and society in England*; S. Marriner, 'English bankruptcy records and statistics before 1850', *Economic History Review*, 30, 1980, 351-66.

the stabilisation of the market.²⁶ Application of these concepts to concrete actions has been carried out largely with regard to the development of institutions such as trade unions and employers' organisations.²⁷ In addition, other studies have examined collective action from the Westminster perspective, evaluating the role of lobby and pressure groups. Work has been focused upon sectoral developments such as the emergence of specific trade associations: builders; grocers; steel manufacturers or engineers. Although the activities of other bodies such as professional associations²⁸ and the role of the Chambers of Commerce²⁹ have been considered, little has been done to analyse how commercial relations, in particular the moulding of common core values within the local economy fit into these collaborative frameworks.

The purpose of this thesis is to move the analysis of this transaction cost approach from an abstract theoretical form towards a more concrete understanding of commercial strategies. In particular, how institutional frameworks managed to project a measure of control into a world of increasingly complex market relationships. In part this extends the work into notions of civil society, the transmission and acceptance of values and codes of behaviour throughout all levels of society.³⁰

The context for analysis is the local, predominantly urban, economy of the second half of the nineteenth century (c. 1850-1900.) This is achieved through a case study of Leicester and its region, the underlying work approached through an analysis of the actions of the Leicestershire Trades Protection Society (L.T.P.S.)

²⁶ On the theory of collective action see, M. Olson, *The logic of collective action*, (Harvard, 1976); T. Sandler, *Collective action: theory and application*, (Hemel Hempstead, 1992).

²⁷ On trade unions see H. A. Clegg, A. Fox and A. F. Thompson, *A history of British trade unions since 1889, I, 1889-1910*, (Oxford, 1964); the role of employers' associations is discussed in J. McKenna and R. Rodger, 'Control by coercion: employers' associations and the establishment of industrial order in the building industry of England and Wales, 1860-1914', *Business History Review*, 59, 1985, 203-31.

²⁸ H. L. Malchow, 'Victorian pressure groups: directions for research', *Albion*, 5, 1973; A. A. Garrett, *History of the Society of Corporate Accountants, 1885-1957*, (Oxford, 1961).

²⁹ A. R. Ilersic and P. F. B. Liddle, *Parliament of commerce: the story of the Association of British Chambers of Commerce*, (London, 1976); *Leicester and County Chamber of Commerce centenary book, 1860-1960*, (Leicester, 1960).

³⁰ R. J. Morris, 'Civil society and the nature of urbanism: Britain, 1750-1850', *Urban History*, 25, 1998, 291-303; L. H. Lees, 'The challenge of political change: urban history in the 1990s', *Urban History*, 21, 1994, 7-19.

Urban centres provided a focus for contact between both firms and individuals. Just as financial capital could be brought together in an urban area, so the 'knowledge based capital' of information could also be pooled and the fragmented resources of numerous individual firms condensed within an urban institution. This pooling of resources helped overcome transaction costs but placed the institution at the hub of the market and therefore in a position to influence the strategies and commercial behaviour of its participants.

Leicester was particularly suited as a case study in that it offered one specific advantage: it was largely a free standing town. The town and surrounds constitute a 'classic case of the city region, a functional region composed of the dominant city performing central place functions for a wide hinterland.'³¹ This definition is useful when seeking to disentangle the contributory influences of surrounding towns from the decision making process of those involved in the local economy. Both Leicester and its surrounding region can be considered as the integral components of a homogeneous local economy.³²

Yet these characteristics do not make the town exceptional. Both the industrial profile and trends in economic development mirrored many other such towns in Victorian Britain. Consequently, although it was significantly dependent upon one or two major industries, it was not wholly dependent upon them. Nor was it a single company town. In fact quite the opposite; it was dominated by small firms and workshop production. Similarly, rapid population growth was accompanied by significant urban expansion during the second half of the century - none of which were features unique to the city. It shared many characteristics common with other industrial towns, such as urban development, the emergence of new retail sectors, working class movements and the

³¹ P. Hall, *The containment of England*, (London, 1973), 560, quoted in R. Pritchard, *Housing and the spatial structure of the city: residential mobility and the housing market in an English city since the industrial revolution*, (Cambridge, 1976), 30.

³² This definition of the region is confirmed in its contemporary use by the L.T.P.S. and other local institutions. Although the L.T.P.S. used the county title in its name, the majority of its members were drawn from the town. Contemporary trade directories and the Court also drew the surrounding suburbs and villages into their remit.

development of municipal governance.³³ At the centre of the analysis is the question of how the experiences and strategies of a commercial community and its institutions adjusted to changing requirements of an expanding urban economy? The result is an empirically based study constructed around the institutional solutions offered by the officials of the L.T.P.S., but which should be seen as representative of much of the nineteenth century urban experience.

Further issues also have a wider resonance. In particular, the extent to which institutions such as the L.T.P.S. and the system of civil law, were able to serve the needs of those whose commercial and personal networks were purely local; and also those firms which were beginning to deal with the wider national and international economy. Also intriguing is the light which can be shed upon the commercial strategies of the individual consumer - the extent to which the institutional procedures of the law or even the L.T.P.S. offered shelter, obfuscation or delay to the smallest of consumer, something which conventional networks of kinship and neighbourhood may not have achieved.

Other studies have also used the town as representative of Victorian urbanity. Pritchard based his influential study of residential mobility upon its Victorian development and Head assessed the changing industrial profile of the town.³⁴ As with other towns, many invaluable local histories have been produced.³⁵ Lancaster used the town to explore working class politics; Page has assessed the nature of urban poverty; Jones evaluated the political elite of the town; Freer looked at the role of elite business families in the society of the town and Hosgood applied the ideas of Crossick and others to argue for the emergence of a retailing bourgeoisie.³⁶

³³ R. Rodger and R. J. Morris (eds.), *The Victorian city*, (London, 1993); J. Langton and R. J. Morris (eds.), *Atlas of industrialising Britain 1780-1914*, (London, 1986).

³⁴ R. M. Pritchard, *Housing and the spatial structure of the city*; P. Head, 'Industrial organisation in Leicester, 1844-1914. A study in changing technology, innovation and conditions of employment', unpublished Ph.D thesis, *University of Leicester*, 1960.

³⁵ A. T. Patterson, *Radical Leicester*, (Leicester, 1954); J. Simmons, *Life in Victorian Leicester*, (Leicester, 1971); J. Simmons, *Leicester: past and present*, volume 2 *modern city*, (London, 1974); M. Elliott, *Victorian Leicester*, (Leicester, 1979).

³⁶ B. Lancaster, *Radicalism, co-operation and socialism: Leicester working class politics, 1860-1906*, (Leicester, 1987); S. Page, 'Poverty in Leicester, 1881-1911: a geographical perspective', unpublished Ph.D. thesis, *University of Leicester*, 1987; P. Jones, 'The recruitment of office holders in Leicester, 1861-1914', *Transactions of the Leicestershire Archaeological and Historical Society*, 57, 1981-82, 64-

With these objectives in mind, it is important to make some mention of the methodology used when analysing the sources. The primary sources were the records of the Leicestershire Trade Protection Society and the Circuit records of the Leicester County Court.³⁷ These were supplemented with further analysis of the records of the Leicester Chamber of Commerce, the National Association of Trade Protection Societies, contemporary trade directories, company records and parliamentary papers.³⁸

The L.T.P.S. records provide the most comprehensive and useful files. They can be broken down into two distinct forms: procedural documents and the surviving copies of the monthly publications issued by the Society. The procedural documents are mostly made up of minute books and annual reports and accounts. These volumes record the monthly business meetings of the management committee of the society and reveal the identities of active personnel. On a monthly basis they also record the names, addresses and occupations of all individuals admitted as new members to the Society. They also annotate details of correspondence with other institutions such as the County Court and the Lord Chancellor's department as well as detail on relationships with the local railway and postal services, the town council and other institutions such as the Chamber of Commerce. As befits an institution formed with the purpose of projecting values of commercial integrity, the annual report and accounts are particularly fulsome and allow reconstruction of the volume and range of activities in which the L.T.P.S. became

77; P. Jones, 'Perspective, sources and methodology: a comparative study of the middle classes in nineteenth century Leicester and Peterborough', *Urban History Yearbook*, 1987, 22-32; D. Freer, 'Business families in Victorian Leicester: a study in historical sociology', M.Phil. thesis, *University of Leicester*, 1975; C. Hosgood, 'The 'pigmies of commerce' and the working class community: small shopkeepers in England, 1870-1914', *Journal of Social History*, 22, 1989, 442-45; C. Hosgood, 'Shopkeepers and society: domestic and principal shopkeepers in Leicester, 1860-1914', unpublished PhD. thesis, *University of Manitoba*, 1987.

³⁷ Both archives are located in the Leicestershire Record Office.

³⁸ The correspondence and procedure which the Society embarked upon when it commissioned a series of town directories in 1870 also adds more information as to the methodology and accuracy of nineteenth century directory compilation. On directories see, G. Shaw and T. Coles, 'Directories and the local historian I - the evolution and availability of directories', *Local History Magazine*, 44, 1994, 14-17; 'Directories and the local historian II - methods of compilation and the work of large-scale publishers', *Local History Magazine*, 45, 1994, 10-14; 'Directories and the local historian III - directories as sources in local history', *Local History Magazine*, 46, 1994, 12-17; G. Shaw, 'The content and reliability of nineteenth century trade directories', *Local Historian*, 13 1978, 205-9; P. J. Atkins, G. Shaw and A. Tipper, *British directories, a bibliography and guide to directories published in England and Wales 1850-1950 and Scotland, 1773-1950*, (Leicester, 1989).

involved. Data is recorded on the number of debts prosecuted privately, those sent on behalf of members for registration in the County Court, the value of these debts, the amount of correspondence received and dispatched, subscriptions received from members and other minutiae of everyday commerce.

The monthly publications are also detailed, perhaps excessively so. After 1854, on at least a monthly basis, the Society dispatched a commercial compendium to all its members. Much of this was information extracted directly from corresponding issues of the *London Gazette* and listed the varying forms of insolvency and settlement registered in the differing County Courts of Leicestershire, Derbyshire, Lincolnshire and latterly Northamptonshire, Nottinghamshire and Warwickshire. However in addition to this, local commercial intelligence was reproduced for the perusal of members. Some of this amounted to hearsay gossip, suspicion and rumour such as the depredations of the latest gang of swindlers to be suspected of operating in the area. Other columns were more methodical and made appeals for local information, mostly about individuals who had absconded their normal place of residence. These were not arbitrary lists, but appear to have been indexed and were frequently related to those summonses which remained unserved by the County Court and normally numbered between 50-90 every month. However most column space was devoted to transcripts of the judgements of the County Court. These were collated by a clerk employed by the Society and list, in alphabetical order by surname, the court judgements made against every individual in the monthly County Court hearings. This information was regularly recorded for all the courts in the Leicester circuit (Leicester, Melton Mowbray, Lutterworth, Market Harborough, Ashby de-la-Zouch, Market Bosworth) and other towns such as Derby, Lincoln and Oakham. Each judgement recorded the name, address and occupation of defendant, value and form of debt, value of Court judgement; and for a period in the 1860s and 1870s, the name of plaintiff and whether or not they were members of the L.T.P.S.

These records were used in conjunction with the surviving original records of the Leicester County Court to reconstruct the legal procedure of the court in full for the summer of 1869. Due to the complexity of the legal process, and the subsequent failure of archivists to correctly sample a full range of County Court records, this process had never hitherto been attempted. As a result the period chosen for full reconstruction was

largely self-selecting. Nevertheless statistical comparisons with other original court records (covering the period of economic down-turn in the 1879) and a subsequent 1:20 sample of the L.T.P.S. transcripts confirms the integrity of the 1869 reconstruction.

The methodology of the main process involved transcribing the entire L.T.P.S. court circulars for a 6-7 month period either side of the original court records of August 1869. Inputting this database was very time consuming: approximately 4,000 individual cases were recorded. Much of the database was recorded in the statistical program *Excel* and either processed in *Excel* or imported in *Filemaker Pro*, a relational database system. This process allowed the full courts records of the August hearing to be cross referenced with the judgement records of the L.T.P.S. in order to reconstruct the pattern of an individuals or firms exposure to the small debt process during the course of a twelve month period.

Insight into the role of the L.T.P.S. within the process was further gained by using the annual statistical data produced by the L.T.P.S. which could be cross-compared with the yearly parliamentary returns of the Leicester County Court. In addition a database of those individuals who joined the L.T.P.S. was also reconstructed. This was achieved by transcribing the monthly entries of members joining recorded in the Society's minute books. This produced another database of some 6,000 individual members and when linked with those identified as plaintiffs in the L.T.P.S. court transcripts of 1869, permitted further focus upon the personal and commercial strategies drawn to use the small debt court and join the Society.

The final stage of this database consolidation involved connecting the transcriptions of the court judgements with patterns of more significant personal indebtedness or insolvency. Again using the monthly circulars as a base and supplemented with some of the original insolvency lists, a database of those individuals who registered personal bills of sale; made notice of arrangements with creditors; were declared bankrupt or who made private arrangements which came to the notice of the agents of the L.T.P.S., were analysed in order to piece together personal strategies.

All these processes involved considerable nominal record linkage. It is not an infallible method. Names of individuals can differ or be abbreviated, transposed or incorrectly recorded in the original documents. Likewise secondary indicators such as address and occupation can also differ. Rules were devised to minimise the intrusion of these problems and in fact by utilising additional lists, especially contemporary trade directories, problems were minimal.³⁹

In addition to reconstructing membership records, court proceedings and commercial strategies, the databases were used for an analysis of the spatial relationships evident between defendant and plaintiff in the court. An electronic map of the town was constructed by producing photographic negatives of Ordnance Survey sheets of the town.⁴⁰ These were then combined together and electronically scanned to produce a large and extremely detailed digital image.⁴¹ The addresses of those defendants and plaintiffs were then identified by cross reference with a contemporary street directory and the linear relationship between each party plotted on the map overlay and topographic outline produced on the program *Mapinfo*.

For the first time, the demographic and geographical extent of a County Court district was also reconstructed. This was accomplished by using location descriptions given in trade directories and adjusting census figures accordingly. Similarly an electronic image and dot plots produced reconstruction of the spatial extent of the court area and a local, regional and national impression of the extent of the Society's information networks.

³⁹ On the issue and methodology of nominal record linkage see, J. A. Phillips, 'Achieving a critical mass while avoiding an explosion: letter-cluster sampling and nominal record linkage', *Journal of Interdisciplinary History*, 9, 1979, 493-508; S. King, 'Multiple source record linkage in a rural industrial community, 1680-1820', *History and Computing*, 5, 1993, 133-41; E. A. Wrigley and R. S. Schofield, 'Nominal record linkage by computer and the logic of family reconstitution', in E. A. Wrigley (ed.) *Identifying people in the past*, (London, 1973); S. Nenadic, R. J. Morris, J. Smyth and C. Rainger, 'Record-linkage and the small family firm: Edinburgh 1861-1891', *Bulletin of the John Rylands Institute*, 74, 1992, 169-93.

⁴⁰ Ordnance Survey maps scale 1:2500. Leicester NW, 1902, sheet XXXI.10; Leicester NE, 1913, sheet XXXI.11; Leicester SW, 1904, sheet XXXI.14; Leicester SE, 1902, sheet XXXI.15.

⁴¹ This was a 50 Mb file. On historical mapping see. H. Southall and E. Oliver, 'Drawing maps with a computers ... or without?', *History and Computing*, 2, 1990, 147-54.

This case study has been guided by the sources available and influenced by their imperfections. Yet, an attempt has been made to use the official court records and the unofficial records of the L.T.P.S., in association with sources such as parliamentary returns, business records and contemporary trade directories, in order to explore the commercial strategies of individuals, firms and consumers. However in doing so the analysis sheds further light on the market making role played by local institutions. By placing itself in a position as a market intermediary - offering access to information and labour services - the L.T.P.S. offered commercial advantage to individual members. This sent a message to other non-participants or defectors from the normal market process, that failure to comply with the values espoused by the Society, could be prejudicial to later economic health. This market intermediary position often set it in conflict with the existing structures of the civil law, with the Society seeking adjustment of the law on its own terms, or when necessary, being prepared to offer alternative or improved services for those participating members. The final result is a study of institutional behaviour in Leicester which connects the transaction cost approach to the commercial strategies of the individual.

The analysis begins by exploring ^{the} development of Leicester and the commercial activity of the region as well as the formation and elementary characteristics of the L.T.P.S. This identifies the core element of the thesis - how firms and individuals addressed the commercial uncertainties brought about by the physical and economic expansion of the second half of the nineteenth century. This is explored from the context of the structure of the civil law and the small debt process of the County Court in Chapter 3. Important factors considered include the costs in terms of time and money of the existent Court process and the alternatives and improvements which the L.T.P.S. sought to offer as a means of conditioning the operation of the market. In Chapter 4, the role of small firms and the exposure of business to the Leicester County Court system is placed in a broader regional and national perspective. This is complemented by an analysis of the small debt proceedings in the district in order to evaluate the personal and commercial strategies of those plaintiffs and defendants who were exposed to this aspect of the civil law. Transaction costs, in particular the centrality of information within the market making process, are considered in Chapter 5. This is accomplished by an evaluation of the manner and extent to which the L.T.P.S. used the collection, filtration and dissemination

of commercial information from the locality and further afield, as a means of building its own reputation and positioning itself an intermediary within the market. The strength and aim of this intermediary position is further explored in Chapter 6. This chapter focuses upon collective action and the Society's work in conjunction with other similar organisations to readjust some of the rules of the market - particularly through parliamentary lobbying and the problems of insolvency legislation. A contrast is drawn with the actions of the Leicester Chamber of Commerce, whose market concerns were largely sectoral and revolved around the local commercial and political elite. The limitations of insolvency legislation are further used to explore both the collective action of the Society and, by reconstructing case histories, the strategic consciousness of individuals and businesses. From this examination of the operation of the L.T.P.S. and the functioning of the civil law, the final chapter returns to some of the ideas sketched out in this introductory framework. It explores further directions for research and draws conclusions considering the evidence exposed by the study.

**TO ESTABLISH 'GOOD FEELING AND COMMON UNDERSTANDING':
LEICESTER, ITS ECONOMY AND THE TRADE PROTECTION SOCIETY,
1850-1900**

By the third quarter of the nineteenth century, Leicester had become one of the principal centres for the production of hosiery and the manufacture of footwear. These economic foundations had been built upon a period of unprecedented urban expansion. New streets and new suburbs housed the developing trades and firms of the town. An industrial structure characterised by small units of production; with low levels of capital required to start up and sustain such businesses, was matched by increases in the number of small firms who addressed many of the other retail and service sectors of the local economy. Nevertheless, these dramatic changes were accompanied by increased personal and commercial uncertainty. In a world where many economic relationships were built around trust, integrity and the extension of credit, residential mobility and the transitory and sometimes fraudulent nature of many small firms, increased uncertainty for both the neighbourhood grocer and large manufacturer. Some of these problems of market behaviour were addressed through the creation of the Leicestershire Trade Protection Society (hereafter L.T.P.S.) This chapter describes the characteristic features of the town and the economy of the region, analysing population growth, urban expansion and the development of trades and businesses. This provides a context for exploring the creation, operation and management of the L.T.P.S. - an institution formed to regulate the behaviour of individuals within the market, by promoting a number of business services and utilising the structure of the civil law.

The urban expansion of Leicester came late. A mid - century population of just under 61,000 in 1851 had risen to over 211,000 by 1901, driving Leicester from seventeenth to thirteenth in the urban hierarchy of Britain. These 50 years of growth were marked by two separate decades where population increase was unparalleled. The 1860s saw the population rise by some 40 per cent, from 68,000 to 95,000 and in the 1880s it increased by 42 per cent, from 122,000 to 175,000.¹ In national terms, these were some of the

¹ See Appendix 2.1.

fastest changes in their respective decennial periods, with growth in the 1880s only outpaced by some of the coastal holiday resorts such as Blackpool or Southend, and the coal metropolis of Cardiff.² Many of these new citizens were drawn in from the surrounding counties, with non- Leicestershire migrants accounting for over 40 per cent of each decade's increase.³

Population growth can be regarded as both a cause and consequence of the transformation of the economic structure of Leicester. The stimulus for much of this economic expansion came from two particular trades: hosiery and footwear. Until the mid-nineteenth century the hosiery trade was the dominant industry in the town. The upsurge in demand stimulated by the Napoleonic wars of the early nineteenth century had, by the 1830s, left the town over-dependent upon the vagaries of this trade.⁴ Stagnating demand and the capricious fluctuations of fashion were intensified by the ease of entry into hosiery industry. This can be traced to the notorious 'putting out' system. Simple technology based upon the hand knitting frame, and a system whereby machines were leased out to individuals and families working from workshops and houses throughout the town and surrounding countryside, made entry into the industry relatively easy. With an over-capacity and ample labour supply, manufacturers had little incentive to introduce new technology. These attitudes were summed up William Biggs, one of the largest hosiers in the town, who in reply to the 1844 Select Committee on the plight of Framework Knitters commented,

'We grow up to the trade as we find it, without seeing sufficient reasons for altering it ... I have no objection to the factory system, but on the other hand no sufficient reasons for adopting it ... The way in which a business settles and is carried on in a locality for fifty years or more, is the best way.'⁵

² M. J. Daunton, *Coal metropolis, Cardiff 1870-1914*, (Leicester, 1977); J. K. Walton, *The English seaside resort; a social history, 1750-1914*, (Leicester, 1983); J. Langton and R. J. Morris, *Atlas of industrialising Britain, 1780-1914*, (London, 1986).

³ Calculated on a decennial basis between 1861 and 1901 in P. Head, 'Industrial organisation in Leicester, 1844-1914. A study of changing technology, innovation and conditions of employment', unpublished PhD thesis, *University of Leicester*, 1960, 3.

⁴ J. Simmons, *Life in Victorian Leicester*, (Leicester, 1971), 5-6; J. Simmons, *Leicester: past and present*, volume 2 *modern city*, (London, 1974), 14; A. T. Patterson, *Radical Leicester*, (Leicester, 1954), 344-60. On the hosiery trade see, J. V. Beckett, *The East Midlands from AD 1000*, (London, 1988), 285-6; F. A. Wells, *The British hosiery and knitwear industry: its history and organisation*, (London, 1972); B. Lancaster, *Radicalism, co-operation and socialism, Leicester working class politics, 1860-1906*, (Leicester, 1987), 1-23.

⁵ Quoted in A. T. Patterson, *Radical Leicester*, 385.

By the 1850s accelerated demand for newer forms of knitted products saw the industry mechanise rapidly, and within 20 years most of the industry had switched to factory based production methods. The employment offered in hosiery trade was largely semi - or unskilled and became dominated by women. The proportion of females employed rose from 33 per cent of the workforce in 1851 to 61 per cent by 1881.⁶

In terms of industrial employment, the percentage of the population employed in the hosiery trade dropped from 27 per cent in 1851 to 13 per cent by 1871. This proportionate decline was matched by a corresponding increase in the position of the footwear industry in the town which emerged in the 1850s and by the 1870s was the primary industrial employer in the city, accounting for over 14 per cent of the industrial workforce in 1871 and almost 28 per cent or 24,000 people by 1891.⁷

Although footwear production was a new industry in the town, its organisation had many similarities with the early structure of the hosiery trade.⁸ Dominated by the whim of style, fashion, and quality of product, 'putting out' remained a viable means of production.⁹ Workshops and homes could easily accommodate the simple machine technology and until the late -1880s, economies of scale were modest.¹⁰ In 1890 the city and surrounds still counted an estimated 5,000 footwear workshops. Low start-up

⁶ See Appendix 2.1.

⁷ See Appendix 2.1.

⁸ J. Simmons, *Modern city*, 4.; 'Hosiery manufacture and footwear manufacture', *Victoria County History of Leicestershire*, Volume IV, (London, 1955), 303-27.

⁹ As the centre for the manufacture of women's and children's footwear the Leicester trade was particularly susceptible to the vagaries of fashion.

¹⁰ Often the innovative machinery that would have helped in many skilled occupations, such as the cutting of leather and production of welts, was held on patent by a number of U.S. firms. This meant that access to and the use of such technology was based upon a leasing system and charged per cycle or revolution of the chosen machine. Any increase in production volumes or replacement of labour with machinery in these tasks created disproportionate costs. These rigidities made it possible for small scale workshops to compete alongside larger factories. The problems of machinery leasing were not overcome until the mid-1890s, when the manufacture of machines commenced in Britain and the contract system was adjusted. By which time both the traditional home and colonial markets were increasingly threatened by competition from American manufacturers. *Victoria County History of Leicestershire*, Volume IV, 303-327; P. Head, 'Boots and shoes' in D. Aldcroft, (ed.), *The development of British industry and foreign competition, 1875-1914*, (London, 1968), 158-85.

costs, simple technology and an abundance of labour made the small business the ideal vehicle for the manufacture of footwear, with many business owners having risen from the position of skilled or semi-skilled workmen. A typical example was that of Richard Hallam who served time as a boy in the trade, learned the skills of a clicker (a cutter of leather) and left his employer at the age of 24 to go into partnership and create his own business.¹¹

The trade was divided into two distinct groups: manufacturers and makers. Although titled 'Manufacturers', they were predominantly the wholesalers of the industry, who undertook some production, but were largely responsible for the collation and distribution of the final product to the markets of Britain and the world. Actual production was carried out by the shoe-makers, who in turn were often specialists in certain sectors, such as the making of heels, uppers, closures, riveting or final stitching. In 1861 there were 205 shoe makers in the town; by 1875 the number had increased to 262 and stood at 450 by 1895. (Table 2.1)

Table 2.1.

Growth of footwear firms in Leicester 1861-95					
	1861	1870	1875	1882	1895
Boot & Shoe Makers	205	250	262	386	448
Boot & Shoe Manufacturers	23	130	164	202	233

Source: *Directory of Leicester* 1861; *L.T.P.S. Trade Directory of Leicester* 1870, 1875; *Wright's Directory of Leicester* 1882, 1895.

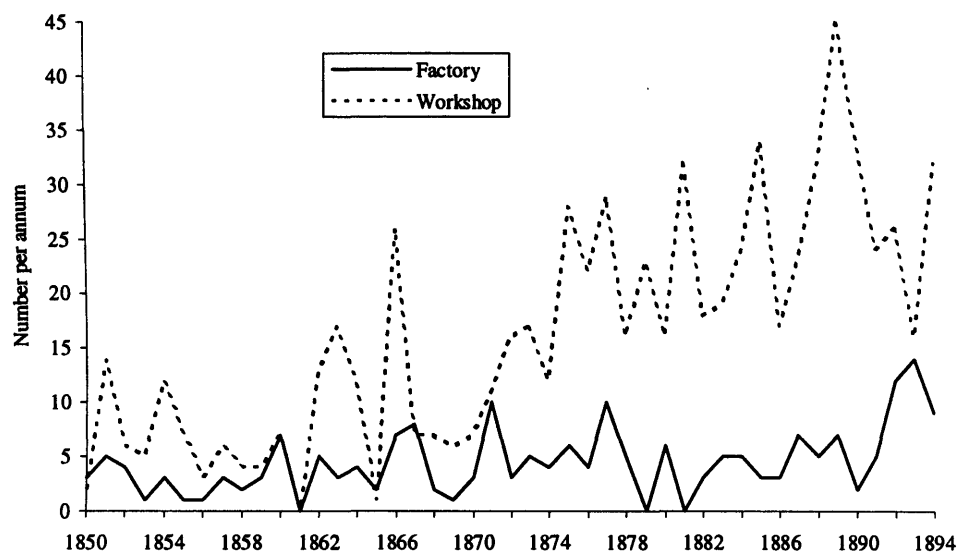
Although this form of production was dislocated - dependent upon an increasing number of small, predominantly family firms - it can be seen as a confirmation of the efficient functioning of the urban economy. The persistence of small firms indicated that market structures and information flows adequately adapted to meet the demands of an expanding city and economy. This contrasts strongly with the macro-economic view of the market which sees efficient production as only being achieved through the vertical and horizontal integration of businesses and manufacturing processes. Instead it would appear that within this manufacturing sector, the flexible specialisation brought about by workshop techniques, and the adequate manner in which uncertainty was countered in the city through existing familial, cultural and institutional connections rendered

¹¹ *V.C.H.*, IV, 325.

unnecessary the switch to large-scale heavily capitalised factory based production.¹² This continuity of small-scale enterprise is reflected in the applications for new industrial premise lodged with the Leicester Corporation (Graph 2.1) Not until 1893 does the assimilation of footwear trade into larger firms, located in purpose built factory units, begin to surpass small-scale workshop production.

Graph 2.1

Applications for the construction of workshop and factory premises, Leicester 1866-93



Source: L.R.O., Leicester Corporation General Minute Book, C.M. 1/5-27, 1850-94.

Evidence from the low number of footwear firms who sought the capital investment and legal security which could be obtained through joint stock registration also supports the small scale nature of the footwear trade. Between 1860 and 1900, only 16 boot and shoe firms sought this status, of whom the majority still preserved the family nature of the business by limiting share ownership to less than 10 people.¹³

¹² M. Daunton, 'Industry in London: revisions and reflections,' *London Journal*, 21, 1996, 3. Such flexible specialisation was also a characteristic of the Sheffield steel trades. This persistence of the small alongside the large was also discernible in other industries such as the Building trade. R. Rodger, Concentration and Fragmentation: capital, labour and the structure of mid-Victorian Scottish industry, *Journal of Urban History*, 14, 1988, 178-213.

¹³ Report to the Board of Trade, Registration of Joint Stock companies, 1860-1900. See Chapter 5 for more detail.

Recent studies of the manufacturing sector have further reinforced the importance of the small firm. As in Leicester, the transition from workshop to factory production was neither a linear nor complete process. Workshop technology continued in places and sectors which varied from the cutlery trades in Sheffield, to the metal-workers of the West Midlands and the numerous petty producers who made up much of the manufacturing and commercial economy of London.¹⁴ Workshops continued to rely on the employment of low technology and that of skilled and semi-skilled labour, in order to undertake short-run or small orders. This gave workshop production a degree of flexible specialisation and therefore permitted successful competition with mass production techniques in many industries.¹⁵

The growing need for machinery and ancillary services to service the footwear and hosiery industries also stimulated the growth of other industries. Light engineering, including the production of umbrellas and typewriters was accompanied by precision work, such as lenses, clocks and telegraph equipment.¹⁶ Similarly the production of

¹⁴ The census of 1851, although problematic, gives some indication of the extent of the size of the workforce employed in these small concerns. The results were collated from returns taken as part of the household survey and therefore concentrated upon heads of households and those who considered themselves to be 'masters' of a particular trade. This is thought to under-represent the aggregate number of small producers within the economy as well diminishing the position of sub-contracting, out-working and the role of women within the workforce. Interpretation is further clouded by the broad regional categories into which the counties of England and Wales were divided. This had the effect of obscuring inter-regional variation and the differing features of business in the town or the countryside. Nevertheless, census material reinforces the importance of the small-scale enterprise. In the North-Midland region (which included Leicestershire) some 91 per cent of all returns claimed to employ under 10 men. These figures were comparable with most other regions. In addition the census evidence suggests that the employment of masters continued to be heavily skewed towards employment of fewer than 9 men and where over 31 per cent of masters in the North Midlands, 38 per cent in Yorkshire and 28 per cent in the North West, either worked alone or failed to declare the size of their workforce. Of those trades which were well represented in Leicestershire, the North Midlands statistics reinforce the small size of shoe firms. Some 96.5 per cent of those masters engaged in the footwear trade employed under 10 men. This was in contrast to the hosiery trade where 36 per cent of masters employed over 10 men four employers laying claim to the employment of 350 men each. *Census for England and Wales 1851: employers (with number of men)*, 594-95; E. Higgs, *Making sense of the census: the manuscript census returns of England and Wales, 1801-1901*, (London, 1989); D. Green, 'The nineteenth-century metropolitan economy: a revisionist interpretation', *London Journal*, 21, 1986, 9-26.

¹⁵ C. Sabel and J. Zeitlin, 'Historical alternatives to mass production: politics, markets and technology in Nineteenth century industrialisation', *Past and Present*, 108, 1985, 133-76.

¹⁶ By 1900, engineering directly accounted for over 2,000 employees; J. V. Beckett, *The East Midlands*, 292.

elastic webbing, for use in shoes, braces and gloves enjoyed a brief flowering as fashion favoured the elastic sided boot in the 1870s.¹⁷ By the end of the century, packaging and printing, tobacco, and other industries such as glove manufacturing were also established. This was in addition to the town become something of a centre for the railway transshipment and distribution of consumer goods throughout the country.¹⁸

Aside from manufacturing, in the other commercial and retail businesses of the town, small firms also proliferated. Although some consolidation in the size and extent of businesses did occur with the development of wholesaling and the co-operative movement in the latter years of the century, the overwhelming majority could still be considered as either family firms or small enterprises. The growth of the small shopkeeper and grocer reflected the expansion of the retail market within the town. From a base of just under 400 engaged in this trade in 1861 the number rose to 616 by 1875, and reached just over 1,000 in 1895. However, study of variations in the absolute increase within other retail sectors and analysis of the turn-over within these trades underlines some of the uncertainties brought to business life by urban expansion. (Table 2.2)

A study of the long-term persistence of firms in Leicester by Vörös has drawn attention to the relatively high mortality of firms and to the sectoral differences during these decades.¹⁹ In her survey of firms drawn from both the manufacturing and retail sectors of the Leicester economy, only 20 per cent of firms survived for more than a decade.²⁰ This relatively short-term life expectancy reflects those studies carried out elsewhere. In Scotland, Payne has calculated that the mean average life expectancy of limited liability companies between 1856 and 1895 was 16.4 years.²¹ Nenadic's study of nineteenth

¹⁷ The elastic web trade suffered serious decline after fashions changed in the 1880s falling from 47 manufacturers in 1877 to 18 in 1902. *V.C.H.* IV, 327.

¹⁸ J. Simmons, *Life in Victorian Leicester*, 50-1.

¹⁹ In these studies, persistence is self-defining. It refers to the re-occurrence of individual or firms within the same occupational sector in subsequent trade directories.

²⁰ A. Vörös, 'The transformation of the economic structure and the persistence of firms in Leicester, 1850-1900', Urban History, M.A. dissertation, *University of Leicester*, 1998, 39.

²¹ P. Payne, *The early Scottish limited liability companies, 1856-1895*, (Edinburgh, 1980), 20.

century Edinburgh found the 'demographic experience of new firms in the nineteenth century remarkably similar to that which prevailed in Britain in the 1970s and 1980s'. Some 58 per cent of firms had a recorded life span of three years or less.²² These short term figures for Edinburgh appear to reflect the general trend in Leicester, where 54 per cent of firms had a life span of four years or less and in the 1860s, some 34 per cent of firms survived for nine years or longer.²³

Table 2.2

Persistence of firms in Leicester in 1860s and 1870s							
1861-70				1870-75			
Trade	1861 No.	Survive No.	Survive %	Trade	1870 No.	Survive No.	Survive %
Chemist	40	24	60.0	Chemist	54	53	98.1
Ironmongers	15	9	60.0	Ironmongers	22	22	100.0
Wine & Spirit Merchts	17	10	58.8	Stone Masons	14	12	85.7
Painters & Decorators	39	20	51.3	Clothes Dealers	20	16	80.0
Slaters	6	3	50.0	Wine & Spirit Merchts	24	19	79.2
Stone Masons	8	4	50.0	Painters & Decorators	65	50	76.9
Plumbers & Gas Fitters	27	12	44.4	Coal Merchant	24	18	75.0
Butcher	99	42	42.4	Slaters	16	11	68.8
Coal Mercht	24	10	41.7	Hosiery Manufrs	100	66	66.0
Drapers	56	21	37.5	Bakers & Flour Dealers	128	77	60.2
Hosiery Manufrs	101	36	35.6	Drapers	88	53	60.2
Plasterers	6	2	33.3	Plumbers & Gas Fitters	44	26	59.1
Bakers & Flour Dealers	121	37	30.6	Butcher	146	83	56.8
B & S Manufactuers	23	7	30.4	Tailors	147	76	51.7
Joiners & Builders	87	24	27.6	B & S Manufacturer	130	64	49.2
Fruiterers & Greengroc	41	11	26.8	Joiners & Builders	110	54	49.1
Coal Dealer	23	6	26.1	Bricklayer & Builder	43	21	48.8
Bricklayer & Builder	35	9	25.7	Plasterers	20	9	45.0
B & S Makers	205	52	25.4	B & S Makers	250	105	42.0
Tailors	166	40	24.1	Coal Dealer	62	25	40.3
Clothes Dealers	13	1	7.7	Fruiterers & Greengroc	239	88	36.8
Total	1,152	380	-		1,746	948	-

Source: *Directory of Leicester* 1861.

L.T.P.S. *Trade Directory of Leicester* 1870; 1875.

Comparison of survival rates between differing trades reveal a stark contrast. Turnover was high amongst those trading sectors where entry into the business required little skill or capital outlay. Although the number of fruiterers and green-grocers in the period

²² S. Nenadic, 'The small family firm in Victorian Britain', *Business History*, 35, 1993, 90.

²³ Extracted from L.T.P.S. Trade directories, 1870; 1875. In comparison in Leicester calculations derived from the work of Hosgood produce two year shop turn over rates of 79 per cent in the 1860s; 71 per cent, 1880s; 68 per cent 1900s, C. Hosgood, 'Shopkeepers and society: domestic and principal shopkeepers in Leicester 1860-1914', unpublished PhD. thesis, *University of Manitoba*, 1987, 97.

between 1861 and 1870 increased by some 480 per cent, only 27 per cent of the original 1861 firms survived the next nine years. Similarly turn over was relatively high in the footwear industry where only 25 per cent of makers survived for nine years, and 42 per cent over four years.²⁴ This high turnover in footwear trades reflected the relative ease of entry into the business. Boot and shoe manufacturers and makers required little start up capital and were often drawn from amongst the ranks of employees within the trade. Other high rates of mortality included the building trades, coal dealers and tailors. Tailors provide another example, where a small net decrease in the number of firms during the 1860s still failed to prevent a turnover of some 75 per cent in this sector. These figures probably reflect the expansion of the ready-made clothing trade at this time, and stand in some contrast with drapers who were often retailing such garments, where a survival rate of 40 per cent existed in a sector which saw growth of around 57 per cent.

Coal dealers also provide a case in point. These were small traders who operated from a small cart and hawked their coal from street to street selling to the domestic market. In aggregate terms their numbers increased. However, evidence suggests that considerable internal competition existed within the trade. Even though demand, (in the form of a growing number of households) increased during the 1860s, coal dealers experienced a turnover of some 75 per cent. This was a pattern repeated in the following years when 60 per cent of coal dealers fell from the market between 1870-1875. These figures appear to confirm the complaints submitted to the town council by local residents who objected to the 'continual bell ringing, door knocking and touting' which came from the coal carts which plied their trade in the town.²⁵ The mortality rates for coal dealers stands in contrast with those for coal merchants where the trade experienced no overall expansion during the 1860s and witnessed a 40 per cent survival - almost double that for

²⁴ Vörös states that only 27 per cent of footwear manufacturers survived ten years, in comparison with a survival rate of some 47 per cent amongst those engaged in the printing trades (figures which reflect similar trends discerned by Nenadic in Edinburgh.) A. Vörös, 'The transformation of the economic structure', 41; S. Nenadic, 'The small family firm', 90.

²⁵ This was a problem addressed by a bye-law against the practice passed in 1880. L.R.O., Pamphlet volume 70, Leicester Corporation, 'Bye-law for suppressing shouting, bell ringing and other excessive noises in the streets', 29 June 1880. Detailed examination of urban coal trade and attitude of domestic consumers is pursued in Chapter 3.

coal dealers; similar differentials were also recorded during the 1870s. Both instances serve to illustrate the contrast between those firms with ease of entry, where competition appears to have been fierce and larger enterprises with more capital investment where prolonged survival was more likely.

Specialist retail traders whose firms required significant levels of capital outlay in order to acquire premises and stock also reveal high levels of persistence. During the 1860s the number of ironmongers in the town rose from 15 to 22, of whom 60 per cent survived the period. These experiences were similar to the wine and spirit dealers and those engaged in the specialist end of the building trade. These trends were repeated in later years and confirm the impression of a distinct division between the primary and secondary retailers of the town. Between 1861 and 1882, ironmongers enjoyed a ratio of some 4,500 customers per trader, a ratio which rose to 8,500:1 by 1895. By contrast, the ratio of shopkeepers to population diminished from 256:1 in 1861 to 167:1 by 1882, before rising 214:1 by 1895, indicating the relatively high rate of internal competition between those smaller firms where low stock holdings, limited skill or premises allowed easier entry into the business.

It is important to acknowledge these changes because they helped to determine the strategies and attitudes of businesses. No matter how the relative ratio of businesses to customers fluctuated, for any one individual firm, whether domestic shopkeeper or the largest boot manufacturer, an expanding city meant increased opportunity and increased uncertainty.

Although these broad brush features of the economy were specific in terms of both time and place to Leicester, they possessed characteristics and operated within an environment which was common across much of urbanising Britain in the nineteenth century. For businesses, urbanisation both increased the opportunity and also the uncertainty of everyday commercial life. The 'Town' was fundamentally a 'low-trust' environment; its physical expansion provided the focus for work opportunities, and the trading conditions for both labour and capital yet would have exposed many businesses to increased risk.

In Leicester, the expanding population had stimulated a boom in house construction. Between 1861-1871 the net number of houses in the city grew by 36 per cent from 14,000 to 20,000. By 1881 the housing stock had been enlarged a further 26 per cent and by 1891 the town contained over 29,000 houses.²⁶ Besides residential construction a considerable amount of public and commercial construction also took place. The borough acquired a new town hall, asylum, market place, municipal swimming baths and the appropriate symbols of civic pride epitomised by the central clock-tower and, by 1874, a functioning public transport system.²⁷ Joint stock banks erected imposing offices in the town centre. Roads were widened, parks created and hotels, factories, warehouses and the Midland Railway station were all re-fashioned as the town expanded.²⁸ Although these new suburbs, new streets and new premises provided accommodation and employment, any one business change offered both advantage and uncertainty. In an economy where all transactions whether domestic or commercial were lubricated by the granting of credit, the butcher, baker, candlestick - maker or boot manufacturer of the city needed to know the veracity of any potential customer. As a consequence, information was at a premium. The need to fulfil this requirement underpins one of the other collective characteristics of Victorian business - the small, predominately family firm.

As was discussed in Chapter 1, the persistence of the small family business has been explained in terms of one of the most efficient urban market systems. Yet one must be aware that the need to resolve such rapidly shifting uncertainties within both the supply and demand side of the urban economy, would have proved difficult for the informal networks established through kinship and contact. Trust was eroded by those householders who chose a midnight flit rather than pay debt, or the unscrupulous cheesemongers, fish merchants and 'lottery tribes' whose appearance then disappearance took advantage of conditions to deceive the honest trader or consumer. Other

²⁶ See Appendix 2.1.

²⁷ J. Simmons, *Modern city*, 57.

²⁸ J. Simmons, *Life in Victorian Leicester*, 56-7; M. Elliott, *Victorian Leicester*, (Leicester, 1979), 17.

difficulties were encountered when demand for goods and services from areas outside of the locality could not be fulfilled because of the gaps in the network of kinship and information. Insufficient or inaccurate information eroded the trust which existed between small firms and with the domestic consumer.

The solution was to develop more formal institutional systems which would complement these existing informal relationships. In national terms the civil law took on much of the burden, where new bankruptcy and insolvency legislation was intended to limit the effect of commercial failure. In towns, local institutions such as those of the County Courts were created to enable the more efficient recovery of small debts. Other organisations such as the Chambers of Commerce were also formed to improve co-operation and collaboration between larger business interests.

So it was that in the late 1840s the small businessmen in the town, responded to the growth of commercial uncertainty by forming their own institution, the Leicestershire Trade Protection Society (L.T.P.S.)

The L.T.P.S.: formation, organisation and objectives, 1849-1900

The model for the L.T.P.S. came from London. The scale of the capital makes this easy to understand. The London of the 1840s had a population at least six times larger than the second British city and had successfully established itself as the centre for national and international trade. This convergence of size, business connections and commercial opportunity provided the demand for an institution to co-ordinate information and to 'protect' the interests of traders. Thus, in 1843 the first trade protection society was formed in the capital. It took less than six years before Leicester formed its own Trade Protection Society. The common ground which the tradesmen of Leicester shared with London, and those other towns which formed societies at this time, was that of uncertainty.²⁹ The L.T.P.S. raised this issue in its inaugural circular.

²⁹ Those towns which were claimed to have 'similar societies' to that of the 'London Association for the Protection of Trade' were: 'Dublin, Liverpool, Birmingham, Bristol, Hull, Preston, Glasgow, Edinburgh and other places of considerably less importance than Leicester.' L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, 26 September 1849.

‘A beginning only is required to establish a powerful and united society in Leicester. It too is evident that at present, owing to a variety of causes, an absence of cordial co-operation in defence of their common interests is manifest amongst the traders of Leicester. Isolated from each other, they are often prey to the sharper and the fraudulent and reckless trader, but were good feeling and a common understanding established among them they would be defended from both these classes. Nor is this all. The trading class, if united, would be enabled on all questions of public policy, to assume an independent position to take their own “affairs into their own hands” and to exercise a powerful influence upon public opinion.’

The circular also suggested that,

‘While every measure of a political, religious, agricultural, educational, or literary character is closely watched, bills affecting one of the most important moral as well as mercantile questions - the laws which apply to the honesty of men’s commercial dealings with each other - appear comparatively left to the chances of fate, so far as those mainly affected are concerned. (Take, for instance, the heavy fees which are so injuriously mar the operation of the otherwise useful County Courts.)’³⁰

Although cloaked in mid - Victorian language, the circular clearly identified the increased uncertainties facing commercial life in the town. Existing informal networks of relationships are identified as having become insufficient to prevent businesses from becoming ‘isolated’ from each other, the Society offering itself as the formal means of repairing the ‘good feeling and common understanding’ between firms.

The advantages of the private mercantile and public moral influences of the Society were also reflected within the inaugural circular. Instead of addressing the ‘laws which apply to men’s commercial dealings with each other’, politicians had sought to introduce legislation which dealt with public issues such as the Corn Laws, municipal, electoral and educational reform.³¹ Consequently the Society declared that by recognising their common interests, the mercantile community of the town could restore an influence over the conduct of the local market by ‘taking affairs into their own hands.’

These situations which rendered the tradesmen of the town ‘isolated from each other’ and ‘prey to the sharper and the fraudulent and the reckless trader’, describe an urban

³⁰ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, 26 September 1849. Reproduced in full in Appendix 2.2.

³¹ ‘... political, religious, agricultural, educational and literary character.’ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular 1849.

prisoners' dilemma.³² A prisoners' dilemma occurs when mutual trust has not been established and what was rational behaviour for an individual could often result in the least desirable outcome for everyone. Such incidents of unscrupulous or fraudulent behaviour are acknowledged as characteristics encountered amongst young firms in an expanding city.³³ By offering itself as a commercial intermediary within the town - able to bridge the information gap between businesses and hence reduce the costs and uncertainties of commercial life - the Society sought to give a public value to its services. However in identifying itself as the 'honest broker' straddling the market, the L.T.P.S. also gained the opportunity to regulate commercial behaviour and influence the operation of the market.

The L.T.P.S. sought to establish its central position by offering a series of four private benefits to its members: the publication of trade directories and monthly circulars; a credit referencing or 'status enquiry' system; debt collection; and the collective lobbying or representation of members' interests at a national level. These business services were the main means through which the Society sought to condition market behaviour. By the early 1870s all these services had become reliable and fully available to members, and as a result, by the late 1880s approximately 2,000 firms had joined the Society with administration over-seen by a full-time manager with a staff of clerks based in purpose built offices close to the centre of the town.³⁴

³² The prisoners' dilemma has been described thus: 'If two prisoners are kept in separate cells and questioned by police about a crime they committed jointly, they have a choice of either remaining silent, ('co-operating' with each other in which case they will both be set free because of a lack of evidence), or informing on the other, ('defecting', and so be set free while the partner is punished). Thus if only one prisoner defects, the silence of the 'co-operating' prisoner is taken as an admission of guilt.. If both defect, both will be punished. Because there is no way for the prisoners to be sure that the other will not defect, both betray each other, but if one prisoner had co-operated, he or she would have been much worse off if the prisoner had not done the same.' L. Frost, 'Asian cities and the problems of fire', *Urban History*, 24, 1997, 12-13.

³³ S. Nenadic, 'The small family firm', 91.

³⁴ Inside the building the clubable atmosphere of the Society was emphasised with the members' library and drawing room. By contrast there was also a formal counter service which provided for the Society's everyday services. For more information about the spatial arrangements and ordering of office space see Chapter 5.

The circulation of commercial information between its members was one of the most important functions of the Society. This was done primarily by the publication on both a monthly and weekly basis of the *Commercial Compendium*. Inside it reproduced information which had been disclosed by members and also obtained from other sources. Local reports charted the ebb and flow of residential mobility and migration in the town, with a weekly list of those labourers, grooms, hawkers, shoemakers, shopkeepers and other traders whose midnight flits or other moves had taken them out of touch of the members who had granted them credit. Other columns detailed more tangible problems such as the arrival of the 'Long Firm', who had rapidly established business premises in the town, obtained stock on credit and then fled. Or, the likes of William Taylor who:

'took respectable apartments in New Walk and favoured a number of members and other tradesmen with orders but no cash forthcoming enquiries were made. Then it was ascertained he had some time visited ..Chepstow. He then left for. . Bristol where he obtained a quantity of goods and bolted. he, however, found that Leicester was getting too 'hot' for him and has been obliged to make his 'retreat.'

Other information included the reproduction of a list of the local and regional County Court proceedings, in addition to the extracted bankruptcy and insolvency figures from the *London Gazette* and any private insolvency arrangements, or other hearsay brought to the attention of the manager.

The shortage of commercial information between consumers and producers of the town also stimulated the Society to publish its own trade directories. In 1870, after complaints about the reliability of 'Melville's' Trade Directory, the Society commissioned its own volume containing a 'list of all the traders in the town together with a list of all householders paying at or above 4 shillings a week.' This was recommissioned five years later and reproduced on a regular basis for the remainder of the century.

The collation and dissemination of information to members was also the primary purpose of the 'status enquiry' service. Networks of corresponding Societies and individuals which extended eventually across Britain and even into Europe and the Colonies, enabled a member upon payment to receive comments upon the reputation of a potential customer. Such a query in March 1894 about a Mr Johnson in Manchester produced the following reply:

'He has been some years in business, a fair reputation and of moderate means. I should consider your amount as a maximum risk. He is a respectable, practical man, doing a fair business under small working expenses and making some money, but not over burdened with capital.'

Enquiries of this sort formed one of the day-to day functions of the Society and rose from 1,600 in 1865 to 10,000 in 1875, 17,000 in 1885 and reached 20,000 by 1895. Taking the working year to comprise of around 255 days, this meant that at this latter point the Society received an average of 80 written requests per day, which was in addition to the verbal queries made at the offices, which it claimed exceeded 28,000 per annum.

Aiding and abetting business operations also extended to the recovery of debts. For the member this provided a cheap means of recovering bad credit. The moral pressure of the Society was first brought to bear on a debtor via a written request with the knowledge that default would result in the circulation of this information to all others. This was either followed up by a visit from the debt collectors of the Society or by pressing the suit into the County Court. The case was presented by the solicitor of the Society on behalf of the member. Between 1870 and 1900, the County Court of Leicester heard over 315,000 small debt cases, averaging 10,200 per annum. Of these 138,000 were brought by the agents of the Society, equivalent to an annual average of 4,400 or 43.9 per cent of all cases brought each year.

The Society was also active in other areas, most notably bankruptcy representation, and in the co-ordinated lobbying of interests with other Societies throughout the Country. However, the core focus was the dissemination of local information and the collection of bad debt.

L.T.P.S. membership and organisation

The sense of mutual co-operation and integrity which was essential if the Society was to gain an influence over market relations within the town was in part maintained by the members. (Table 2.3 - 2.7)

Table 2.3 - 2.7

Decennial Membership Recruitment, L.T.P.S. 1854-1900

Table 2.3

L.T.P.S. Membership 1854-63

Trade	No	%
Grocer	28	10.1
Unknown	17	6.1
Hosiery Manuf	16	5.8
Tailor	15	5.4
Draper	13	4.7
Builder	11	4.0
Wine & Spirit	10	3.6
B&S Manufr	8	3.3
Baker	8	2.9
Brewer	8	2.9
Coal Mercht	8	2.9

Source: L.R.O., DE3848/4, L.T.P.S. Minute Book, 1854-66.

Table 2.4

L.T.P.S. Membership 1864-73

Trade	No	%
Grocer	249	15.4
B&S Manufr	117	7.2
Draper	111	6.9
Butcher	102	6.3
Baker	75	4.6
Builder	66	4.1
Tailor	63	3.9
Wine & Spirit	38	2.4
Corn Merch	37	2.3
Hosiery Manuf	37	2.3
Brewer	36	2.2

Source: L.R.O., DE3848/4-5, L.T.P.S. Minute Books, 1854-80.

Table 2.5

L.T.P.S. Membership 1874-83

Trade	No	%
B&S Manufr	192	13.0
Grocer	138	9.4
Butcher	83	5.6
Draper	76	5.2
Baker	66	4.5
Builder	52	3.5
Hosiery Manuf	36	2.4
Coal Mercht	35	2.4
Leather Mercht	35	2.4
Wine & Spirit	33	2.2

Source: L.R.O., DE3848/5-6, L.T.P.S. Minute Books, 1866-95.

Table 2.6

L.T.P.S. Membership 1884-93

Trade	No	%
B&S Manufr	200	14.7
Grocer	138	10.2
Baker	78	5.8
Butcher	76	5.6
Draper	68	5.0
Leather Mercht	55	4.0
Coal Mercht	46	3.4
Hosiery Manuf	39	2.9
Engineer	34	2.5
Builder	32	2.4

Source: L.R.O., DE3848/6, L.T.P.S. Minute Book, 1880-95.

Table 2.7

L.T.P.S. Membership 1894-1900

Trade	No	%
B&S Manufr	130	15.8
Grocer	72	8.7
Baker	54	6.6
Surgeon	50	6.1
Butcher	47	5.7
Draper	31	3.8
Builder	28	3.4
Hosiery Manuf	26	3.2
Tailor	24	2.9
Coal Mercht	23	2.7

Source: L.R.O., DE3848/6-7, L.T.P.S. Minute Books, 1880-1909.

A cross-section of members from the town and the regions gave considerable depth of penetration into the community. This allowed the L.T.P.S. to plug into local networks of

kinship and association, as well as providing a means of projecting its own objectives and values back into the differing layers of regional society. The localised, domestic nature of much of the L.T.P.S. activity is reflected in the decennial recruitment profiles. Those firms engaged in the supply of every day items, food, drink, fuel and clothing, formed the largest groups of members. This reflected both the importance of short-term credit trading and the uncertainty it brought to small grocery and retail businesses and the dominance of these small enterprises amongst the population of the town. The categories were those recorded by the secretary of the Society and hence it is difficult to establish the size and nature of these traders. However analysis of the residential location of members shows that members were drawn from all over the town and surrounding countryside. The smallest of trading grocers, salesmen and shopkeepers were well represented. These included James Bentham, grocer of Stanley Street (joined 1865); William Anstee, grocer^{of} Dryden Street (joined 1896); and William Woodcock, fruit salesman of Wanlip Street (joined 1875). These were all small businessmen who lived and traded within many of the poorer working-class areas of the town. Larger retailers based in the town centre were also represented. These included established names such as Roberts & Roberts, wholesale grocers of Market Place, and W. G. Payne, fish and game dealer of High Street.

This broad mix of retail firms was also extended to manufacturers, with small individual boot and shoe makers as well as the largest of manufacturers and retailers such as Gimson & Son, Stead & Simpson, or Freeman, Hardy & Willis named as members. Similarly, as the streets and suburbs of the town began to expand, so L.T.P.S. recruitment followed. In 1870 the development of Highfields and Newfoundpool saw new grocers, bakers and butchers recruited from emergent streets such as Evington Street, Catesby Street and Great Holme Street. Similar expansion was reflected in those drawn from the villages and towns of region: Ashby; Hinckley; Melton; Lutterworth and small villages such as Barwell, Fleckney and Syston all housed L.T.P.S. members.

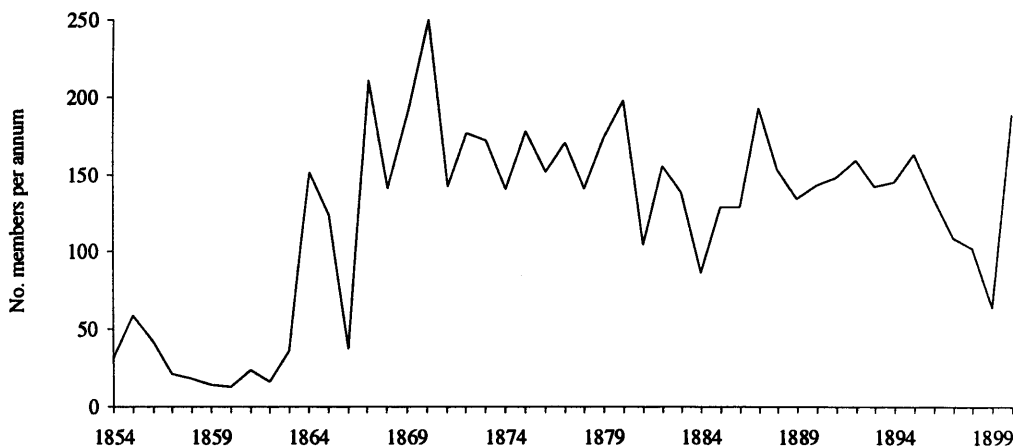
Thus neighbourhood traders, door to door credit drapers, coal merchants, large manufacturers and workshop owners, together with local bank branches, solicitors and accountants were all drawn into the Society. This hotch - potch of members gave it

access to a wide range of contacts and information through which it could disseminate its own influence and control into neighbourhood business communities. Triennial dinners, the occasional appointment of honorary membership to individuals such as local M.P.s, the chief constable, postmaster or manager of the Midland Railway were also means of boosting the integrity and prestige of the Society as well as extending influence and connectivity across the region. Such incidents were backed up by other measures such as the monthly circular and the clubability of an imposing office building in the centre of the town.

All these incentives reinforced the Society's image as a bastion of commercial integrity in a regional economy dominated by both increasing opportunity and uncertainty. However, the development of the membership, management structures and commercial integrity of the Society was not accomplished without some early difficulties. (Graph 2.2).

Graph 2.2

L.T.P.S. Annual membership recruitment, 1854-1900



Source: L.R.O., DE 3848/4-7, L.T.P.S. Minute Books, 1854-1909.

Early recruitment to the L.T.P.S. was slow. Only after the appointment of a new manager in 1864, who brought professional employment into the Society, did membership recruitment increase. After this date the recruitment patterns reflected the broad economic trends of the period. This is visible in the upsurge of members recruited

during the economic depression of the late 1870s, late-1880s and at the end of the century. These trends should be seen as no more than interpretation as many other factors contributed to a member joining.³⁵ However it would be logical to assume that in times of hardship, firms would gravitate towards those institutions and strategies which could help to alleviate short term uncertainty.

Some of the Society's early recruitment problems can be traced to the difficulty of developing a reputation for trust and respectability amongst the commercial community. This image was essential if the Society was to position itself at the centre of the market and establish 'good feeling and common understanding' between firms.³⁶ Many of these problems were caused by evidence of fraud and mismanagement carried out by some of the early employees of the Society. These internal problems are what economists would define as a principal-agent problem.³⁷ In July 1863, Thomas Flavell, the first full time manager of the Society attempted suicide. With 'his legs tied together and attached to his neck' he threw himself into the Leicester Canal.³⁸ He had jumped after the discovery of 'money owing and fraud in the Society's accounts.' After rescue the Society declined to get the law involved and he was ordered to repay the money stolen and banished to Hinckley for five years.³⁹ This case marked a nadir for the L.T.P.S. Flavell's exile had overcome the immediate difficulty with the minimum amount of embarrassment but was symptomatic of deeper organisational problems.

³⁵ Other factors included periodic recruitment drives as well as the influence of external factors, such as the re-structuring of the County Court system, or an increase in court fees etc. All of which may have encouraged firms to join the L.T.P.S. at a specific time. On the costs and development of the County Court see Chapter 3.

³⁶ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular 1849.

³⁷ 'When one person, the principal [in this case the L.T.P.S.] hires an agent [clerks and managers] to perform tasks on his behalf but cannot ensure that the agent performs them in exactly the way the principal would like.' G. Bannock, R.E. Baxter, & E. Davis, *The penguin dictionary of economics*, London, 1992, 340. On the issue of white collar crime see, G. Robb, *White collar crime in modern England, 1845-1929*, (Cambridge, 1992).

³⁸ L.R.O., DE 3848/4, L.T.P.S. Minute Book, September 1863.

³⁹ In an apparent attempt to keep this affair under wraps, the Society re-appointed Flavell as a clerk after his banishment. This was a post he appears to have held until his death in the late 1890s.

Until 1855, the management of the Society had been entirely amateur. Clerks were retained by the Committee to carry-out the day to day running of the organisation, supported only by daily spot checks by William Gleadow, Honorary Secretary. However, a shortfall in the membership receipts saw a clerk exposed and dismissed for fraud and theft.⁴⁰ The L.T.P.S. reacted by appointing Flavell. By 1863, the dismissal of Flavell triggered a re-evaluation of the Society's day-to-day management. The resultant decision saw the introduction of an experienced full-time professional manager. William H Chamberlin, a qualified accountant, was appointed on an annual salary of £200 and held the post from 1864 until his death in 1917 (see photograph at end of chapter). Experience and professional integrity, combined with a clear management structure, was what the Society required in order to build up its image of trust and respectability.

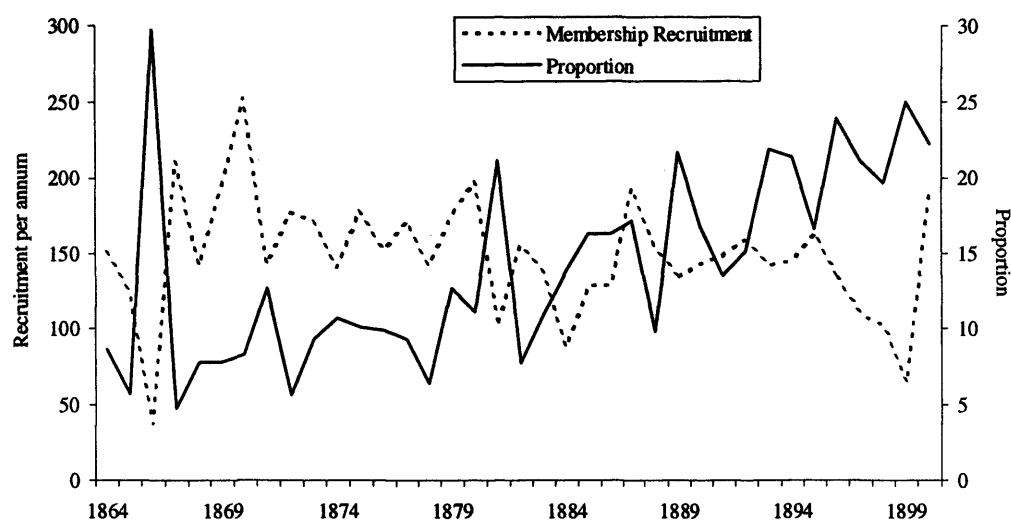
Evidence that the reorganisation of the early 1860s worked can be found in the upsurge of members from 300 in 1863 to 800 by 1867, and to over 1,000 by 1870. In addition, other evidence from the proportion of firms who survived as members until 1924 suggests that many shrewd firms joined the Society in 1864. Of the firms that joined in 1864, 30 per cent were still members 60 years later. This compares with a rising survival rate of between 5-25 per cent up to 1900 (Graph 2.3).⁴¹ The 1864 cohort included firms such as Samuel Patey, grocer of High Street; Pool & Lorrimer, hosiery manufacturers; Clark, Nettleship & Bailey, druggists and John Ellis, coal merchant. Their survival suggests prudent management and lends indirect evidence to the argument that the arrival of Chamberlin marked the emergence of the commercial integrity and reputation which the Society had sought to achieve.

⁴⁰ This embezzlement was carried out between December 1854 and January 1855, the cross-over period when subscriptions to the Society were renewed. This event, combined with a decision to publish monthly circular for members explains the appointment of Flavell in 1855. L.R.O., DE 3848/4, L.T.P.S. Minute Book, 1855.

⁴¹ No long-term records of membership retention survive until 1924 when records suggest that show that 13 of the 151 firms which joined 1864 continued to pay subscriptions. L.R.O., DE 3848/2, L.T.P.S. Register of Members, 1924.

Graph 2.3

Persistence of L.T.P.S. members versus membership recruitment, 1854-1900



Source: L.R.O., DE 3848/4-7, L.T.P.S. Minute Books, 1854-1909; L.R.O., DE 3848/2, L.T.P.S. Register of Members 1924.

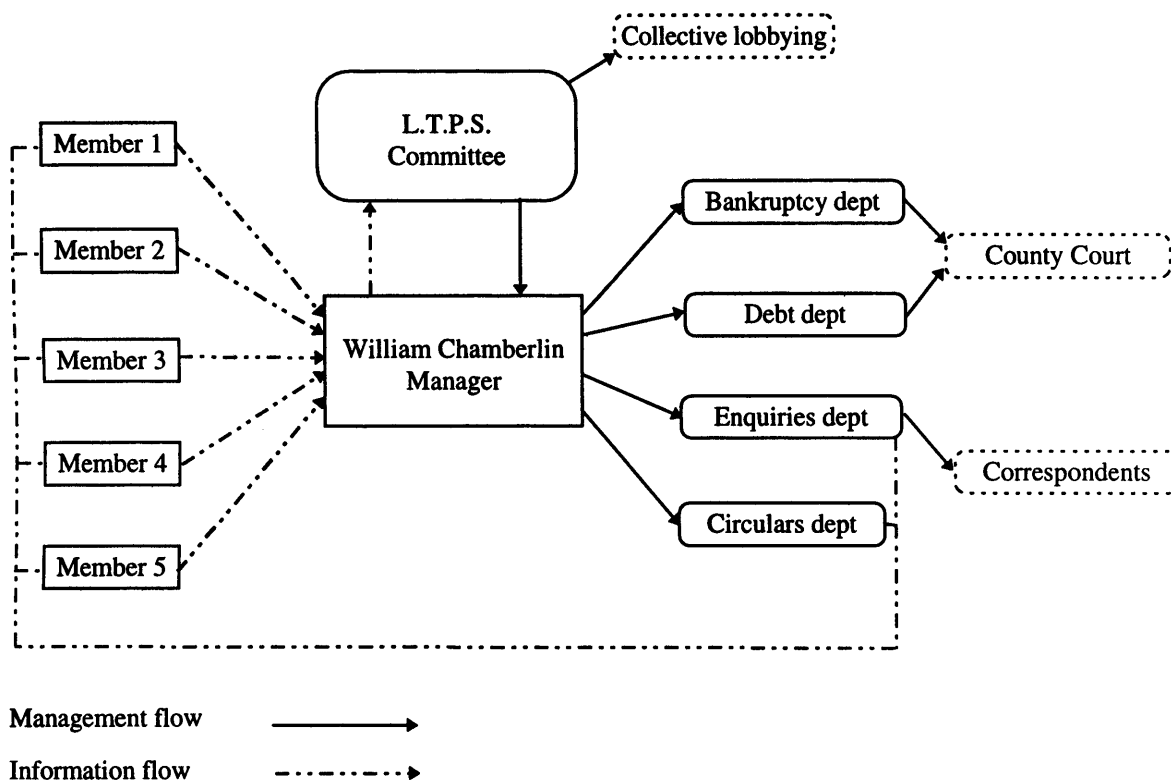
By 1867 the L.T.P.S. could itself claim to have 'got itself out of difficulties.'⁴² Chamberlin's appointment saw the management reorganised (Figure 2.1) and placed the manager at the centre of operations. Each of the four different service departments was independent of each other and was co-ordinated by Chamberlin. Members' queries were addressed through the manager, who filtered and directed them to the relevant department which in turn would then move to answer a query or press for debt recovery. Other responsibilities included formal communication with the Society's solicitors and often personal representation, in his capacity as accountant, in those insolvency cases of interest to the Society. Chamberlin was answerable to the main committee of the Society which also used his managerial expertise to assist in negotiations with other similar institutions, or with other lobbying, or any other collective actions they endorsed. This structure was complemented by the introduction of audited, published accounts, the accurate minutes of formal proceedings, an annual report and the co-ordination of the monthly circular which was sent to all members. The reorganisation of the internal systems erased many of the principal-agent problems which had beset the early L.T.P.S. Although intermittent fraud was occasionally exposed amongst clerical staff, the sub-

⁴² Comment made at the triennial dinner, January 1874. L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80.

division of the organisation, open circulation of accounts and management information, all served to reinforce the image of professionalism, reliability and integrity which was vital if the Society was to have any influence upon the conduct of its members and hence the operation of the market.⁴³

Figure 2.1

Management structure of L.T.P.S. (1880s)



Identification of the importance of mutual co-operation and collaboration between businesses through the use of formal and informal institutions helps explain how the small firm and workshop economy persisted in the town. But the commercial structure of Leicester was not unique. Although much of the region's early industry was devoted to the production of hosiery and latterly footwear, the persistence of small firms,

⁴³ This administrative discipline also shows good discipline and custom relative to Trade Unions who were still experiencing difficulties in the 1870s and 1880s over officials who went off with members' funds. H. A. Clegg, A. Fox and A. F. Thompson, *A history of British trade unions since 1889*, I, 1889-1910, (Oxford, 1964).

workshop and small scale production were characteristics found elsewhere and in other trades. Recent research has re-emphasised the importance of the small workshop producer and family firm in the industrial economy of London. The case of the steel trades in Sheffield has also shown how, even by the later-stages of the century, 'small-scale production units still existed alongside large-scale factories.'⁴⁴ The metal trades of the West Midlands provide another regional example. The proliferation of small scale workshop production were characteristic of the metal trades of Birmingham and the Black Country. Warren emphasised that 'the typical Black Country iron making enterprise was small' and Hopkins has stated that the demand for the products of Birmingham 'resulted not solely in the concentration of industry into bigger and bigger factories, but also in the multiplication of small workshops.'⁴⁵

This chapter has shown how small firms characterised most other retail and service sectors. This profile was little different from many other Victorian cities. Although some changes occurred, most notably the growth of the multiple retailer and wholesale market in the 1890s, the small firm remained the principal operator within the regional economy.⁴⁶ Thus no matter how the relative ratio of businesses to customers fluctuated, for any one individual firm - whether domestic shopkeeper or the largest boot manufacturer - the opportunities and uncertainties brought about by an expanding economy influenced the strategy of a business.

The central issue of this thesis is to evaluate the relationship between firms' business strategies and the establishment of commercial integrity. In a world populated by small firms and rapid change, how did firms seek to overcome the uncertainties brought about by the demographic, economic and urban expansion of the time? In Leicester and elsewhere, one solution was to create a business institution (the Trade Protection Society), infuse it with a reputation for moral integrity and offer specific business

⁴⁴ L. Newton, 'The finance of manufacturing in industry in Sheffield, 1850-1885', unpublished PhD. thesis, *University of Leicester*, 1994, 33.

⁴⁵ K. Warren, *The British iron and steel industry since 1840*, (London, 1970), 16; E. Hopkins, *Birmingham: the first manufacturing town in the world, 1760-1840*, (London, 1989), 57. These issues are further discussed in C. Sabel and J. Zeitlin, 'Historical alternatives to mass production,' 133-76.

⁴⁶ J. Benson and G. Shaw, (eds.) *The evolution of retail systems, c.1800-1914*, (Leicester, 1992).

services. These services reduced uncertainty by narrowing the strategies open to any one individual or firm. The personal and commercial tactics of default, delay or deception could still be played out. However by placing itself at the centre of business relations, open to firms of all sizes and trades, and operating within the structure of the civil law, the Society sought to influence the operation of the entire local economy.

An insight into the strategies of firms and this conditioning of the market can be found by analysing the role of the L.T.P.S. and the civil law. One important area of the law which has been undervalued by historians was that of debt recovery. The next chapter will examine the processes of debt recovery which were carried out in the County Court and how by providing alternative services for its members the L.T.P.S. sought to reduce commercial uncertainty by reinforcing the value of business integrity and the rule of civil law.

Appendix 2.1

Population growth of Leicester, 1841-1901

	Population	Decennial Change %
1841	48,167	
1851	60,584	+ 26
1861	68,056	+ 12
1871	95,220	+ 40
1881	122,376	+ 28
1891	174,624	+ 42
1901*	211,579	+ 21

Source: Census, 1841-1901.

*Boundary change 1891.

Number of houses in Leicester, 1841-1901

	No. of Houses	Decennial Change %
1841	8,670	+13
1851	12,816	+47
1861	14,595	+14
1871	19,800	+36
1881	24,973	+26
1891	29,228	+17
1901*	32,995	+13

Source: Census, 1841-1901.

Industrial employment in Leicester (per cent), 1851-1901

	1851	1861	1871	1881	1891	1901
Agriculture	3.4	3.6	3.1	1.1	1.8	1.3
Mines & Quarries	1.7	1.8	1.9	1.5	1.2	0.4
Metals & Engineering	4.0	7.2	6.0	4.6	6.2	6.1
Precious Metals etc.	0.2	0.1	0.3	0.3	0.3	1.0
Building & Construction	5.6	6.8	10.8	10.2	6.6	9.7
Wood & Furniture	3.7	2.4	6.2	1.0	1.1	2.2
Bricks, Cement etc.	1.7	1.4	0.9	0.7	1.0	0.4
Chemicals etc.	1.1	0.7	0.9	2.9	2.2	2.1
Leather, Skins etc.	0.7	0.7	0.8	0.7	0.8	0.9
Paper & Printing.	0.3	0.2	0.3	0.9	1.2	3.9
Textiles	51.9	44.6	31.5	32.2	27.0	23.5
Dress	25.7	30.5	37.5	43.9	50.6	48.5
Total	24,307	26,842	25,614	40,984	60,828	74,160

Source: Census 1851-1901.

Employment in the Leicester hosiery trade (per cent), 1851-1891

	1851	1861	1871	1881	1891	1901
Female	33.4	37.1	38.1	61.0	66.2	73.5
Male	66.6	62.9	61.7	39	33.8	26.5
Total	8,652	6,602	4,923	8,699	12,667	12,389
% of Industrial Workforce	27.5	19.3	13.9	13.0	14.6	11.5

Source: Census 1851-1901.

Employment in the Leicester footwear trade (per cent), 1851-1901

	1851	1861	1871	1881	1891	1901
Male	76.7	69.2	72.8	70.3	69.7	66.9
Female	23.3	30.8	27.2	29.7	30.3	33.1
Total	1,396	2,741	5,103	13,056	24,159	26,561
% of Industrial Workforce	4.4	7.7	14.4	22.0	27.8	24.7

Source: Census 1851-1901.

Appendix 2.2

L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, 26 September 1849.

PROTECTION OF TRADE FROM FRAUD, IMPOSTURE, &c.

'Sir,

Seven years ago under the name of the "London Association for the Protection of Trade," a society was formed for protecting the interests of Traders generally, by obtaining that power which co-operation alone could give.

The following were its chief objects:-

1. To keep a register of all frauds attempted, or practised, with a description of the parties concerned in them.
2. To keep a list of bankrupts and insolvents; of parties compounding with their creditors, or suspending payment; and of parties leaving their neighbourhoods without discharging their debts, in order by correspondence to discover them.
3. To recover debts for members, through the instrumentality of the Secretary, or the Solicitor of the association, at a greatly diminished cost.
4. To keep a watchful eye upon all new bills introduced into Parliament, affecting trades, and on the operation of those acts already in existence; and, where necessary, take active measures for the amendment of them.
5. To expose all itinerant, fraudulent traders, who might visit the town, such as the "Towzery" and other gangs.
6. To provide legal advice in all cases coming within the rules of the Society.
7. To send a periodical circular to the members, with all the information the Society might procure; and, when necessary, an immediate caution.
8. To prosecute, at the expense of the Society, any gross cases of fraud, or to oppose in the Insolvent or Bankrupt Courts any trader whose conduct might call for public exposure or punishment; thus preventing the dishonest from any longer relying upon an *easy transit* through either Court, from the indisposition of individual creditors to add to their loss by the expense of legal proceedings.

This Society (one of several in London) now numbers 2,000 members: among them may be found the leading wholesale and retail houses of the metropolis. By the debts it has collected*- by its timely cautions- it has saved a very large sum to its subscribers; while it has exercised a powerful influence for good on the trade of the country generally.

Similar societies exist in Dublin, Liverpool, Birmingham, Bristol, Hull, Preston, Glasgow, Edinburgh, And other places of considerably less importance than Leicester.

While every measure of a political, religious, agricultural, educational, or literary character is closely watched, bills affecting one of the most important moral as well as mercantile questions - the laws which apply to the honesty of men's commercial dealings with each other - appear comparatively left to the chances of fate, so far as those mainly affected are concerned. (Take, for instance, the heavy fees which are so injuriously mar the operation of the otherwise useful County Courts.) By the concurrent operation of societies generally established, on principles similar to those of the London Trade Protection Society, in constant communication with each other, their influence upon the legislature would be felt; while attention to the local duty of protection from fraud would preserve the vitality and interest of the members, when no such general topics demanded their notice.

A beginning only is required to establish a powerful and united society in Leicester. It too is evident that at present, owing to a variety of causes, an absence of cordial co-operation in defence of their common interests is manifest amongst the traders of Leicester. Isolated from each other, they are often prey to the sharper and the fraudulent and reckless trader, but were good feeling and a common understanding established among them they would be defended from both these classes. Nor is this all. The trading class, if united, would be enabled on all questions of public policy, to assume an independent position to take their own "affairs into their own hands" and to exercise a powerful influence upon public opinion. At a Preliminary Meeting, held on Tuesday evening week, it was resolved that a circular, embodying the above views, should be sent to all the principal traders in the town; inviting their co-operation and attendance at a meeting to be held in the Mayor's Parlour, on the evening of Monday, at seven o'clock, for the purpose of taking such steps as may be deemed necessary for the permanent establishment of the society.

In the meantime, any communications on the subject may be addressed to, Sir,

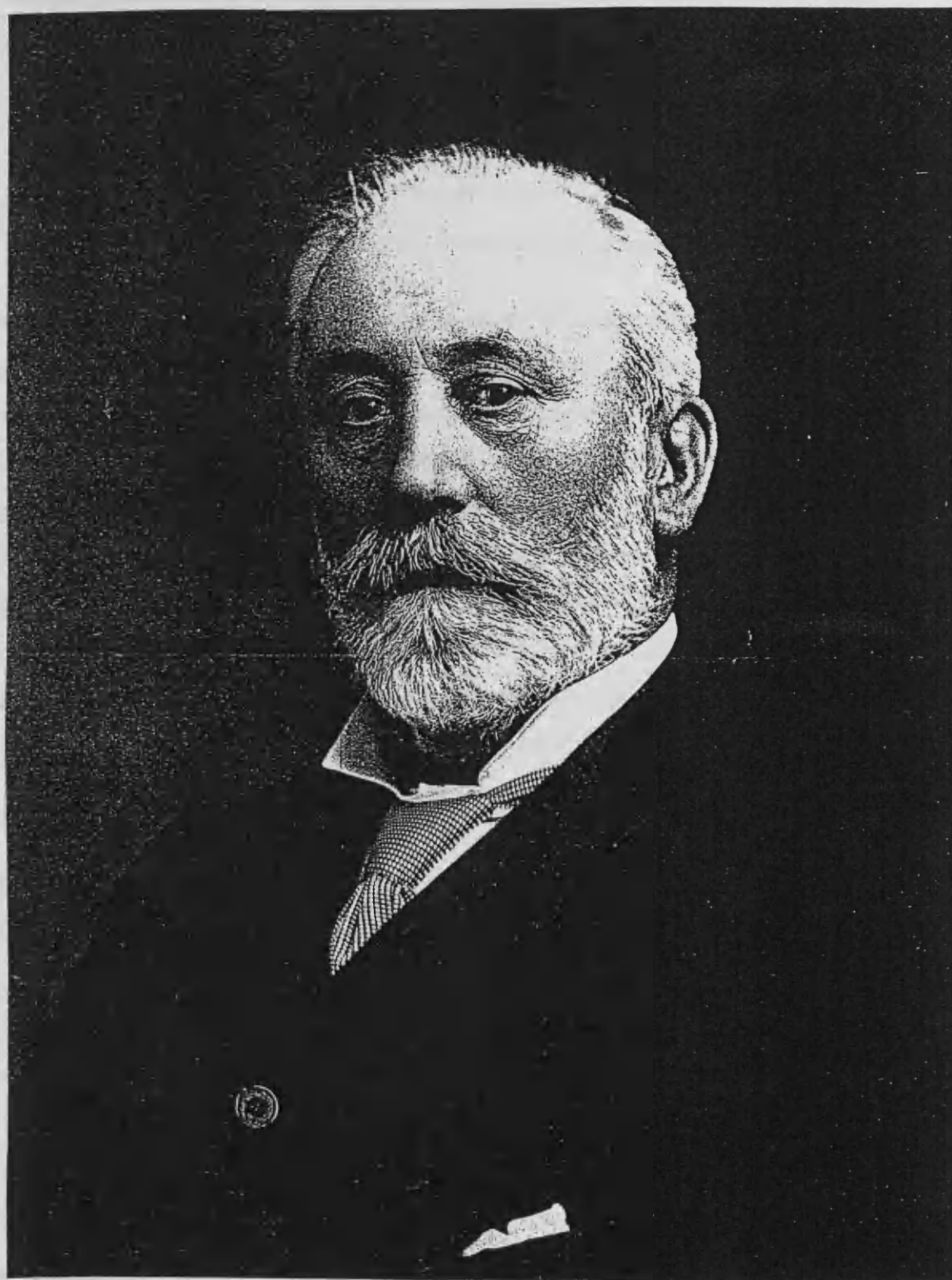
Yours obediently,

THOMAS COOPER

Leicester, Sept, 26, 1849.

WILLIAM GLEADOW Hon. Secs. pro. tem.'

William H. Chamberlin
Manager of the Leicestershire Trade Protection Society, 1863-1916



Source: L.R.O., DE 3512/6, L.T.P.S. Photographs.

SOCIETY AND THE CIVIL LAW: THE EVOLUTION OF THE COUNTY COURT SYSTEM AND THE STRUCTURE OF SMALL DEBT RECOVERY

‘In our County Courts justice has become a reasonable domesticated old lady, easy of access; holding her balance in hand untrammelled by coils of routine; not insensible to the advocacy of gentlemen innocent of horsehair and benignly dispensing her favours once or twice a month in every town of any consequence in the country. If the powers with which she is invested be rather arbitrary, her decisions at any rate are speedy.’

Charles Dickens, *Household Words*, 3, September 1859, 441.

How appropriate were these comments about those exposed to the County Court system? This chapter aims to analyse the development and structure of the County Court system and the procedure for small debt recovery which was introduced to England and Wales in 1847.¹ It will examine initially the role of the civil law within society and the market, including assessment of the earlier Courts of Conscience and Request. Thereafter the procedural process of the County Court is described and evaluated. This includes an investigation of the limitations imposed upon the system by the role of individuals as well as the costs in terms of time and money which impeded the early operation of the system. These structural weaknesses are explored through the accompanying procedures for debt recovery introduced by the Leicestershire Trade Protection Society (L.T.P.S.) - in particular a comparative examination of the changing schedules of costs and fees imposed by the two institutions. The chapter concludes with an assessment of the role and effectiveness of the civil law in operation, and assessment of the accompanying services and actions of the L.T.P.S.

The County Court Act of 1846 was part of a process of creeping reform intended to introduce a homogeneous system of civil and criminal law in nineteenth century England and Wales. Rubin has described how this drive to realign the law did not occur in a vacuum and frequently involved the ‘marginalisation, suppression, qualification or consolidation of pre-existing social and economic relations.’² In terms of the criminal

¹ The Act was passed in 1846 and came into operation the following year, 9 & 10 Vict., c.95; *An Act for the More Easy Recovery of Small Debts and Demands in England and Wales*.

² G. R. Rubin and D. Sugarman (eds.), *Law, economy and society, 1750-1914: essays in the history of English law*, (Abingdon, 1984), 112.

law Thompson describes how this often meant the displacement of older often plural pre-industrial systems justice and the common law.³ However work by Davis has shown how institutions such as the magistrates' courts, which were ostensibly hostile towards the older informal systems, often permitted personal justice, grievance and revenge to be aired and addressed.⁴

The retreat from pluralism: homogeneity and the civil courts

How did reform of the civil law fit into this process of homogeneity and private action? The County Court system was intended to be a 'coherent integrated, efficient and responsive system' for the recovery of credit debt. The secure extension of trade and consumer credit was an essential requisite for the expansion of the Victorian economy.⁵ This need for consistency contrasted with the operation of the Courts of Conscience and Request.⁶ Formed by civic authorities by the creation of specific statutes for each town, their general role had been to administer the existing system of small debts and civil claims procedures. However, by the early 1840s these courts were increasingly criticised. Between 1836 and 1845, 49 Acts of Parliament had been passed with ^{the} purpose of amending and rationalising their powers.⁷ At the root of the problem was the need to match the authority and jurisdiction of the courts with the rapid changes in the demographic and economic profile of the country. For many of the rapidly urbanising centres of the midlands and the north, the benefits which smaller towns gained from the close interaction between the local population were not to be had. An official

³ E. P. Thompson, *The making of the English working class*, (London, 1984), 13; O. R. McGregor, *Social history and law reform*, (London, 1981). This is also an issue at heart of his Thompson's *Whigs and Hunters*, (London, 1975).

⁴ J. Davis, 'A poor man's system of justice: the London Police Courts in the second half of the nineteenth century', *Historical Journal*, 27, 1984, 309-35.

⁵ H. W. Arthurs, *Without the law: administrative justice and legal pluralism in nineteenth century England*, (Toronto, 1985), 36.

⁶ On Courts of Request see W. H. D. Winder, 'The Courts of Request', *Law Quarterly Review*, 52, 1936, 369-74; M. Finn, 'Debt and credit in Bath's Court of Requests, 1829-1839', *Urban History*, 21, 1994, 211-36; H. W. Arthurs, 'Without the law: courts of local and special jurisdiction in nineteenth-century England', in A. Kilralfy, M. Slatter, and R. Virgoe (eds.), *Custom, courts and counsel: selected papers of the sixth British legal history conference*, (London, 1985); H. W. Arthurs, 'Without the law', in G. R. Rubin and D. Sugarman (eds.), *Law, economy and society*, 380-411. On earlier courts see, C. H. Muldrew, 'Credit and the courts: debt litigation in a seventeenth century urban community', *Economic History Review*, 46, 1993, 23-38.

⁷ W. H. D. Winder, 'The Courts of Request', 381.

investigation into the situation in 1833, revealed some of these problems. It declared the existing Court in Newcastle to be, 'cheap and satisfactory', but recommended that it be, 'extended to the new borough of Newcastle -on -Tyne, which embraces some populous townships in the county of Northumberland, and which have now become connected with the town.'⁸ Similarly commentators in Birmingham noted that, 'the jurisdiction of the Court of Requests only extends over the manor, while the town has run out in every direction; so that it is an everyday practice for debtors to remove a few streets and thus avoid it.'⁹

Extended towns created whole new communities of people about whom the background knowledge and reputation was unknown or became increasingly difficult to obtain. This made the operation of a justice based upon a system of equity tailored to common sense and conciliation problematic. Studies of the early modern civil law indicate that, unlike the criminal law, there was little bias in social distinction between who used the law.¹⁰ The pre-existing form of civil justice offered a model of what Arthurs has described as 'legal pluralism.'¹¹ Courts of Request administered justice through the use of lay justices or commissioners. These were voluntary, unpaid appointments and were usually drawn from the ranks of the commercial and propertied interests of a town. The position could be an arduous one, especially with the increasing volume of cases brought before the bench during the early part of the nineteenth century.¹² The justice dispensed was firmly based upon the common practice of the community in which it operated, consequently many decisions of lay commissioners were often drawn from local rules of thumb as well as the rule of law.¹³ Arthurs argues that 'local custom, common sense equity and discretion' characterised the Courts of Request. For example in Leicestershire, the act

⁸ Quoted from the *Fifth Report by the Commissioners on the Superior Courts of Common Law*, 1833, in W. H. D. Winder, 'The Courts of Request', 385.

⁹ H. W. Arthurs, *Without the law*, 162.

¹⁰ C. H. Muldrew, 'Credit and the courts', 23-38.

¹¹ H. W. Arthurs, *Without the law*, 26.

¹² For instance in Bath the number of transactions in the Courts of Request in Bath had risen from twenty or so per session in the 1780s to 80 by 1820. In 1820 the Court heard nearly 3,900 cases in the year. M. Finn, 'Debt and credit', 214-15.

¹³ W. H. D. Winder, 'The Courts of Request', 369-70. Arthurs cites some evidence in Birmingham, for the existence before 1830 of a commissioner from the lower classes, H. W. Arthurs, *Without the law*, 36.

drafted for the creation of the Loughborough and Hinckley Courts of Request, gave the lay commissioners powers to make such orders, 'as to them shall seem just in law or equity.'¹⁴ As the civil law became exposed to the expanding urban and commercial demands of the mid-nineteenth century, its weaknesses were exposed. The challenge was to create a 'simple and uniform model' of civil justice which met the needs of the wide commercial community, but which did not destroy those boundaries of debt, credit and market behaviour drawn up and policed by the local commercial community.¹⁵

The need for reforms of this kind were not denied. What remained at issue was the form the new system should take; whether the new structures should operate as a single homogeneous system of common law, or exist as one element amongst a number in a continuing plural system. The fact that the County Court system which emerged took the appearance of the former was the result of a synthesis of commercial, ideological and professional pressures. But for many of those individuals or traders who worked within the existing systems, the replacement of the Courts of Request did not initially work to their advantage.

The County Court act was a clear illustration of the law as an institution, intended to reduce the transaction costs of business. This can be clearly discerned from the formal title of the legislation: 'An Act for the more easy recovery of small debts in England and Wales.'¹⁶ In addition to reinforcing the ease of recovery, the title emphasises how no debtor, no matter how small, should be exempted from a legal obligation to pay a debt.¹⁷

¹⁴ Loughborough: 6 & 7 William, 4, C. CXXX, 8. 3.; Hinckley: 7 William, 4, C. IX, 8.1. In Leicester the local and personal act, titled, 'An Act for the More Easy and Speedy Recovery of Small Debts' was created in May 1836 and subsequently extended to cover, 'several other towns parishes and places' in Leicestershire in April 1837; 6 & 7 William 4. C. XXIII; 7 William 4 C. VIII.

¹⁵ H. W. Arthurs, *Without the law*, 39.

¹⁶ 9 & 10 Vict., c.95. For County Courts see, P. Johnson, 'Small debts and economic distress in England and Wales, 1857-1913', *Economic History Review*, 46, 1, 1993, 65-87; H. Smith, 'The resurgent County Court in Victorian Britain', *American Journal of Legal History*, 13, 1969, 236-58; G. R. Rubin, 'Law, poverty and imprisonment for debt, 1869-1914', in G. R. Rubin and D. Sugarman (eds.), *Law, economy and society*, 240-320; G. R. Rubin, 'The County Courts and the tally trade, 1846-1914', in G. R. Rubin and D. Sugarman (eds.), *Law economy and society*, 321-49; O. R. McGregor, *Social history and law reform*; W. R. Cornish and G. de N. Clark., *Law and society in England, 1750-1950*, (London, 1989), 228-83.

¹⁷ H. W. Arthurs, *Without the law*, 39.

Yet - as can be discerned from the formative activities of the L.T.P.S. - in operation, the early County Court system had two main limitations.

In the Society's inaugural circular only 30 months after the County Courts had opened their doors, the L.T.P.S. whilst praising the 'otherwise useful County Court'¹⁸ drew attention to the 'injurious costs' of the system. Firstly, this was a direct criticism of the scale of charges imposed by the court. Secondly, it was an implicit swipe at the expense in terms of time and inconvenience faced by the small firms of retailers and manufacturers whom the nascent Society sought to represent. As a self-professed market institution, the response of the L.T.P.S. was to attempt to limit the transaction costs imposed by the weaknesses in the County Court system by providing its own alternative service. This was an *ex ante* system. It ran as a preceding, private service open to subscribing members. Only after this service had failed would the L.T.P.S. place members' debts before the County Court. The advantages of this system were two fold. Firstly it offered members a service which was cheaper than the County Court system. Secondly it was entirely private, yet entirely overseen, and manipulated by the agents of the L.T.P.S. In essence the service sought to position the L.T.P.S. as a market intermediary, running a cheaper alternative than the institution of the law. This advantage was compounded by the Society's second position as an agent for a creditor in the courts. When the ex-ante system failed, the L.T.P.S. took charge of a member's case and removed the personal cost in terms of time and inconvenience by employing its own legal representatives to press or defend a case in the County Court.

In order to study the operation, advantages and disadvantages of the Court system and the role of the L.T.P.S. within it, an analysis of the structural process and terminology of the County Court must first be established.

The structural process of the County Court

The 1846 act divided England and Wales into 500 courts. The location of each court was intended to present a walk of no more than seven miles for either plaintiff or defendant to attend and these court towns were further arranged into a network of 59 county court

¹⁸ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, 26 September 1849.

circuits towns (see end of Chapter for photographs of the Leicester Court). Each circuit was presided over by a judge who would rotate around each court in his circuit on a monthly or bi-monthly basis, with the day to day affairs of these courts controlled by appointed registrars in each town. The Leicester circuit was as typical as any. Centred on the city, it was composed of thirteen other court towns. This district did not comply with the boundaries of the County but was drawn up by amalgamating a series of poor law districts and parishes into the court towns. These extended from Ashby De La Zouch and Loughborough in the north and east to Nuneaton (in Warwickshire) and Market Harborough in the south and out as far as Uppingham and Grantham and Bourne in Lincolnshire (Table 3.1).¹⁹

Table 3.1

Composition of Circuit 20, Leicester County Court District, 1847-1900

Court town	No. Sittings/month
Ashby de la Zouch	2
Bourne**	1
Grantham	2
Hinckley	1
Leicester*	6
Loughborough	2
Lutterworth	1
Market Bosworth	1
Market Harborough	1
Melton Mowbray	2
Nuneaton	2
Oakham	1
Stamford**	1
Uppingham	1

* Two of these sittings were for bankruptcy, administration orders and judgement summonses only.

** Added in 1872.

Source: Derived from *Returns of Proceedings in the County Courts in England and Wales, P. P.*, 1870, LVII.27; 1873, LIV.81.

In 1846 the Courts were empowered to deal with debts of £20 or less. However, even though this threshold was amended upwards in subsequent years, the vast majority of debts remained for debts of less than £2.²⁰

The procedural stages of the County Court process are illustrated below (Figure 3.1-2).

¹⁹ For details of the Leicester Court district, see Map 4.1.

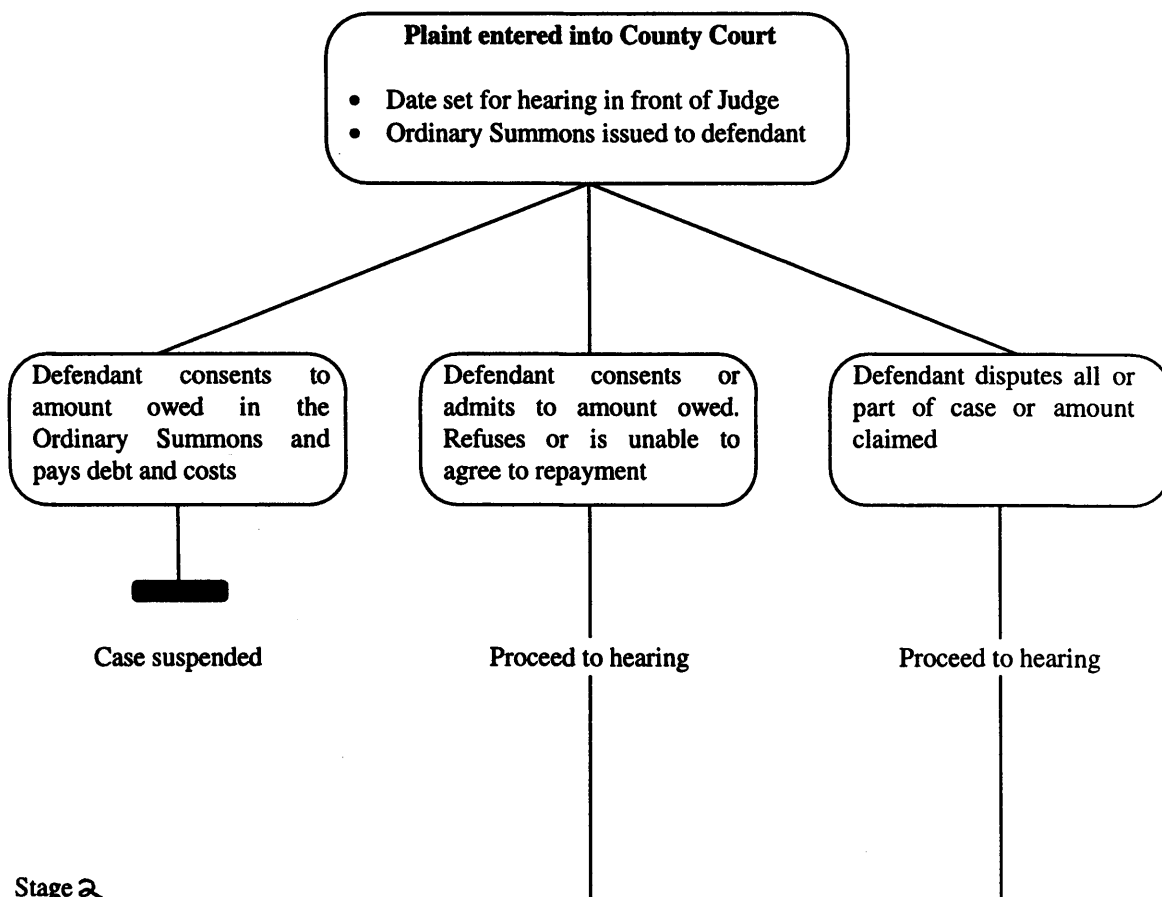
²⁰ The threshold was increased to £50 in 1850 and further raised to £100 in 1902.

Figure 3.1

Schematic illustration of small debt procedure in the County Court

Process A

Stage 1



Stage 2

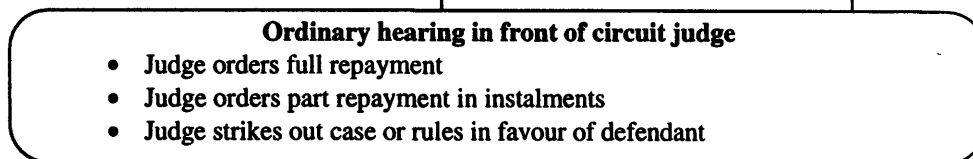
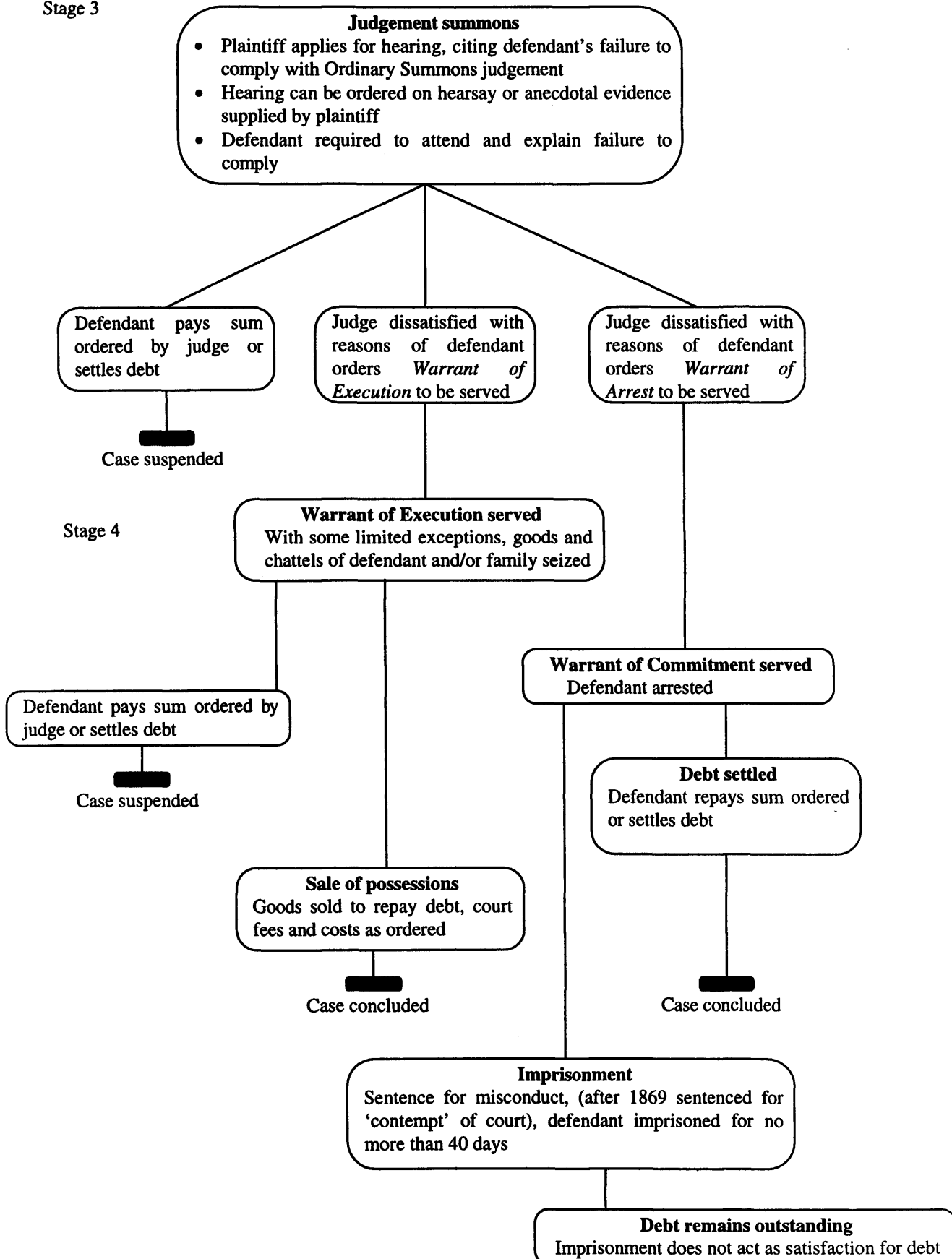


Figure 3.2

Judgement summons, execution against goods or imprisonment

Process B

Stage 3



Process A (Figure 3.1)

- Stage 1: Plaintiff entry

The initial case or plaintiff was entered by the creditor [hereafter the plaintiff] on the payment of the fee with the clerk at the offices of the court. A date for the court hearing would then be set for usually 3-4 weeks in advance. An *Ordinary Summons* was then served on the defendant with the same information. At this stage the defendant had a number of options. He could i) admit the debt, and settle the amount immediately, or ii) admit the debt and consent to a hearing in front of the judge, or iii) dispute the claim and consent to a hearing before the judge. In most cases defendants chose to settle the debt (i). For example in 1865, just over 780,000 plaintiffs were registered in England and Wales and 44 per cent chose to settle at this stage. In 1912, 35 per cent of the 1.2 million plaintiffs entered were similarly settled. In Leicester in 1869, 31 per cent of 7,124 plaintiffs entered were settled at this stage and 34 per cent of 10,628 plaintiffs entered in 1891 were settled in this way.²¹

- Stage 2: Ordinary summons hearing

If the case had been consented or admitted to, or was in dispute it was heard in front of the judge.²² Hearsay evidence and witnesses could be presented by either side. Representatives or agents, either legal or non-legal, could be appointed. This normally meant solicitors, agents, friends, or family. The absence of either parties in disputed cases would be taken into account by a judge and although it rarely happened, the case could then be adjourned until a later date. In the remainder of the cases a *judgement* was secured. This normally took the form of an order to repay the debts at a fixed amount per month. However the judge could also discharge the case or order a different form of repayment, such as bi-monthly weekly, or how he chose. However in most cases the judge made an order to repay, sometimes with the addition of a large initial deposit followed by smaller repayments. Most debts were repaid in instalments of between 2s-6s. per month.

²¹ National figures quoted in P. Johnson, 'Small debts and economic distress', 67. Leicester figures from, *Return of the Proceedings in the County Courts in England and Wales, P. P.*, 1847-1900.

²² Before 1857 the judge officially had to hear all cases. The flexibility also existed for cases to be heard by jury if requested. However such trials were exceptional and the number of hearings in which a jury was requested amounted to no more than 0.08 per cent, or 1-9 cases per year.

Process B (Figure 3.2)

- Stage 3: Judgement summons

If the plaintiff believed the defendant had failed to repay any of the amount secured in the initial judgement, then on application the plaintiff or creditor could apply for a *Judgement summons* and order for the appearance of the defendant in court to face the judge. The defendant was compulsorily obliged to attend this hearing. The plaintiff had to be able to show that the debtor had, or had since the date of initial judgement, the means to pay but had refused or neglected to do so. The degree of proof required remained at the discretion of the judge, some judges requiring more evidence (such as ledgers and account books) than others. If the defendant failed to appear or did not provide adequate reason as to why they had been unable to pay, then a *Warrant for Execution* or *Commitment* was issued.

- Stage 4: Warrant for execution or commitment to prison.

Non-appearance or failure by the defendant to satisfy the judge at judgement summons stage meant that an *execution against goods* could be immediately issued. Alternatively - if the judge believed the weight of evidence presented by the plaintiff at stage 3 showed that the defendant was guilty of 'misconduct' in contracting a debt without any reasonable prospect of repayment - an order to *commit the defendant to prison* could be made. If an execution was ordered bailiffs could seize and sell goods belonging to the defendant with the exception of the clothes and bedding of the defendant or his family and the tools of his trade up to a maximum of £5 in value.²³ Commitment was for a period not exceeding 40 days and did not act as satisfaction for the debt.

Although governed by standardised procedures, the practice of the law was still dependent upon the role and influence of the individual. Professional judges, with full-time clerks and registrars, sat in judgement on hearings and decided upon the admissibility of evidence or testimony.²⁴ In addition, unlike the procedure for the Courts

²³ Inflation saw this figure increase to £20 by the end of the period. The County Court Act of 1888 allowed landlords first claims on any furniture in a house under the law of distress before a plaintiff suing for execution could take and sell goods.

²⁴ P. W. J. Bartripp, 'County Court and superior Court registrars, 1820-1875: the making of a judicial office', in G. R. Rubin and D Sugarman (eds.), *Law, economy and society*, 353-59. Until 1857 the legally qualified administrators of the County Court were titled clerks, after which they became

of Request, the defence and prosecution of cases was open to those both qualified or unqualified in the law. In many cases (including those presented on behalf of the L.T.P.S.) a solicitor was employed. However the court also gave the right of representation to friends, relatives, or any other agent.

The judge

The most important individual in the system was the judge himself. Qualification for the position of circuit judge was dependent upon having had a least seven years full-time legal experience. The payment system of the new courts was based on commission, each circuit judge receiving a proportion of the fees paid into the court. This made it likely that the fees earned by the new judge would fall short of that paid to the judiciary in the higher courts. In an attempt to protect the position of the existing judiciary, the societies representing the Bar were critical of this system, suggesting that the County Courts would only attract the most mediocre of barristers to the position. This sniping by the legal establishment proved to be unfounded. However the new system did lead to considerable disparities in the fees earned by judges in differing circuits. As a result the fee system was reorganised in 1851 and the position of circuit judge was rewarded with the payment of a fixed annual salary.²⁵

The stage at which the personal attitude of the judge was most influential occurred at the time when a decision to execute against the goods or body of a defendant had to be made. The evidence of a number of select committees which investigated the operation of the courts in this period found no evidence that the attitude of judges had any influence upon the number of cases submitted to the courts. They did conclude however that many of the regional differences recorded between the number of defendants imprisoned were caused by the influences of the presiding judge.²⁶ Many judges claimed that their decisions to imprison or discharge cases was based upon their personal

registrars. Their quasi-judicial status was first established in 1851, and extended after that date with the right to record judgements and accept sworn statements in certain conditions.

²⁵ H. W. Arthurs, *Without the law*, 40.

²⁶ G. R. Rubin, 'Law, poverty and imprisonment for debt', 257; *House of Commons Select Committee on Imprisonment for Debt*, P.P., 1873, (384), XV; *House of Lords Select Committee on the Debtors Act*, P.P., 1893-94, (H.L 156), IX; *House of Commons Select Committee on Debtors (Imprisonment)*, P.P., 1909, (239), VII.

assessment of the character and evidence submitted by the defendant in court. Unlike the criminal courts, the County Court was based upon the submission of evidence which did not need to be proven. This was intended to oil the wheels of the system by reducing the time and cost required in order to ascertain the validity of any one debt. But some judges felt that the lack of a sworn testimony, especially when considering potential imprisonment, required them to investigate further. In evidence presented before a select committee in 1909, William Wightman-Wood judge of the Leicester circuit since 1898, stressed the exhaustive nature of the enquiries he made before taking any decision about imprisonment, declaring himself in favour of 'abolition in regard to cases of ordinary debt.'²⁷ However when asked by the committee if he demanded the same degree of proof as required in criminal cases, he confidently replied:

'No indeed I do not, because I have hardly had a single instance of wrong evidence being given to me on that subject. I have had no reason to be dissatisfied with the evidence tendered. It is the rarest thing in the world that I have ever had it brought to my attention that a committal order has been made on wrong evidence.'²⁸

The confidence of Wightman-Wood may have been justified. It is probable however that some of the evidence he had was at least contentious or partial. Unlike bankruptcy cases, creditors in pursuit of a debtor did not need to supply the courts with details of any other debts that the defendant had outstanding. The advantage lay in being the first creditor to register a claim and obtain judgement. If such evidence or notices of any other extenuating circumstances were not brought to the attention of the judge, then the decision to imprison for up to forty days often rested upon hearsay evidence combined with the judge's personal attitude.

Other select committee enquiries also made clear what some of those personal opinions were founded upon. J. D. Paul, the Secretary of the L.T.P.S. gave evidence to a select committee of 1873. He told the committee that the judge made great effort to determine whether a debt was unjust or extortionate and was consequently, 'greatly influenced by the character of the plaintiff who comes before him and the kind of debts the plaintiff

²⁷ *S. C on Imprisonment for Debt, P. P.*, 1909, Q. 5619.

²⁸ *S. C on Imprisonment for Debt, P. P.*, 1909, Q. 5785.

brings before him.'²⁹ The select committee at this time was particularly concerned with tallymen and Scotch drapers and the role they may have played in granting unnecessary credit to the poor who would then be brought into the courts to be made to repay for goods that were not required in the first place. J. D. Paul's evidence revealed that in those cases where the judge felt plaintiffs had been unjustly brought by these tradesmen, it was

'perfectly easy for the County Court judge or registrar to throw so much obstruction in the way of recovery of such debts as to make it no longer profitable to trade in that manner.'³⁰

The judge was claimed often to dismiss such cases with the comment, 'I will not have such cases like these: I will not become a debt collecting establishment for you; you shall go and collect the debts yourselves.'³¹

The personal opinion of the judge was also important in determining mundane issues, such as the time and length of court sittings. In April 1885, a deputation of the L.T.P.S. visited Judge Hooper and urged him to extend the court sitting from two to three days, citing that the

'...population of the Borough has risen and also cases of greater commercial importance have risen and a larger proportion of disputed actions...that the matters occupy so large amount of time that many actions are necessarily adjourned and that such adjustments cause to the suitors of the court serious delay, inconvenience and increased costs.'³²

After deliberation, Judge Hooper agreed and set aside another day specifically for the hearing of judgement summonses. This gave the Society the advantage of knowing which day judgement summonses would be heard, with the result that the Society's solicitor could focus his energies more effectively.

The clerk/registrar

The registrar of the court also had an influential role to play. In a pragmatic response to a growth of activity within the County Courts, the law was amended in 1851 to permit

²⁹ *S. C on Imprisonment for Debt*, P. P., 1873, Q. 6086.

³⁰ *S. C on Imprisonment for Debt*, P. P., 1873, Q. 6023.

³¹ *S. C on Imprisonment for Debt*, P. P., 1873, Q. 6024.

³² L.R.O., 'Periodicals File', L.T.P.S. Monthly Circular, June 1885.

the clerk to take responsibility for entering settlements in uncontested cases. After 1888 this role was extended with the right to determine contentious cases up to £2 in value.³³ The growing importance of the role of the registrar and officials of the Court appears to have been recognised by the L.T.P.S., who in 1873-4 built the new offices of the Society in New Street, adjacent to those offices of Thomas Ingram, court registrar. Such close proximity underlines the importance the L.T.P.S. felt the officers of the County Court played in the court process. When J. D Paul, the secretary of the L.T.P.S. presented evidence to the select committee in 1873, he made the revealing comment that much of his information had been 'said to me' by the court registrar. He suggested that part of the old role of the judge had, by the mid-1870s, been superseded by the role of the registrar and the judge only dealing with 'disputed debts which form a small proportion of those sent for collection.'³⁴

The law profession and the county court

The position of the legal profession in the County Court was significantly different from the earlier Courts of Request. After 1847, legal advocacy was no longer the sole preserve of the qualified barrister. The local solicitor more used to conveyancing than the court room was now permitted to act on behalf of suitors.³⁵ Yet, although the courts allowed both plaintiff and defendant to employ a solicitor in court, it was the former who more usually engaged them.³⁶

In terms of costs, the losing party in a case could have the costs awarded against them. As only 1-2 per cent of cases were awarded in favour of the defendant, this usually meant the debtor paid. Nevertheless, whatever the outcome, the short-term delay of appointing a representative to prosecute a debt had to be borne by the plaintiff. The effects of this delay would have been magnified depending upon the number of cases presented and ultimately the repayment schedules ordered by the judge. Repayment over

³³ P. W. J. Bartripp, 'County Court and Superior Court registrars', 366-68.

³⁴ *S. C on Imprisonment for Debt*, P. P., 1873, Q. 6089.

³⁵ 'No party shall be entitled to appear for any party unless he be an attorney of one of Her Majesty's superior Courts of Record, or a barrister at law ... or by leave of the judge, any other person allowed ... to appear instead of such party', 9 & 10 Vict., c.95, XCI.

³⁶ P. Johnson, 'Small debts and economic distress', 66-68.

6-12 months may eventually recover all cost, but the short term burden of solicitors fees and loss of the original value of the debt would have been borne by the plaintiff.³⁷

The short-term grievances of administration fees were compounded by the cost representation before the court. Although solicitors were permitted to act in the courts, legislation placed limitations upon the legal fees which could be charged for representation and the eventual costs which could be recovered from the losing party. Section 79 of the 1846 County Court Act stated that 'if a plaintiff shall not appear the case shall be struck out.'³⁸ Section 91 noted that:

'no attorney ... shall be entitled to recover any sum of money for appearing ... unless the debt or damage claimed shall be more than 40s, or to have or recover more than 10s for his fees and costs, unless the debts shall be more than five pounds or more than 15s ... and in no case shall any fee exceeding £1.3s.6d. be allowed [and that the] ... expense of employing a barrister or attorney either by plaintiff or defendant shall not be allowed on taxation of costs in the case of plaintiff where less than £5 is recovered, or in case of defendant where less than £5 claimed.'³⁹

The employment of a solicitor offered two specific advantages for those who were drawn into the courts. Firstly, employing a qualified professional would be thought to increase the likelihood of the case going in the favour of either plaintiff or defendant. Secondly, employing a representative in the court allowed the plaintiff or defendant to continue with their own business, trade or employment without having to undertake the inconvenience, time and expense of attending the court hearing in person. Johnson notes how attendance for a working-class debtor often involved 'the loss of a day or half-day's wage (and possibly opprobrium or hostility from an employer).'⁴⁰ The importance of the plaintiff attending would also have been magnified as a result of section 79, which ordered a case to be struck out at a hearing if the plaintiff or his representative was not present in the court. This meant that if a plaintiff could not attend the court himself, the

³⁷ Court fees by the end of the period were charges as follows 'Plaint or hearing fee, 2s. in £, if claim admitted 1s. in the £. Judgement summons fees, on £1 and under, 9d. above £1 and not exceeding £2, 1s. For every additional £, 3d. Execution or warrant fees, 1s. 6d. in the £ on the amount of debt and costs up to £10. 1s. in the £ beyond that amount.' L.R.O., DE 320/108/75, Plaint Note (Ordinary Summons) No. G6899, 13 October 1903.

³⁸ 9 & 10 Vict., c.95, LXXIX.

³⁹ 9 & 10 Vict., c.95, XCI.

⁴⁰ P. Johnson, 'Small debts and economic distress', 70.

only ^{way} feasible was to engage the services of a solicitor or other agent to represent him. These transaction costs would have been compounded by section 91 of the 1846 Act, which restricted the fees that such solicitors and representative could charge. This measure was originally welcomed as an attempt to restrict excess profiteering and preserve the reputation of the legal profession.⁴¹ Yet, as early as 1847, the profession complained that these limitations were too severe and discouraged many solicitors from seeking to practice in the courts. These limitations were compounded by the prevention of the recovery of legal fees from a losing party in cases where the debt was less than £5.⁴²

The restrictions were intended to protect the integrity of the court by shielding the small debtor from the attentions of rapacious or unscrupulous lawyers. However the knock-on effect was to penalise the actions of the majority of plaintiffs who pressed for debts of under £5. In 1850, of the 1,400 complaints recorded in the Leicester court, 87 per cent were for debts of £5 or under (Table 3.2). These figures were not untypical. In 1865, 90 per cent of the 430,000 registered in England and Wales were for debts of £5 or under.⁴³

Table 3.2

Value of complaints submitted to Leicester County Court, 1850

Value	No.	Per cent
≤£1	640	45.7
>£1≤£2	295	21.1
>£2≤£5	284	20.3
>£5≤£10	108	7.7
>£10≤£20	61	4.4
>£20≤£50	12	0.9
Total	1,400	100

Source: *Returns of Proceedings in the County Courts in England and Wales, P. P.*, 1851, XLVII.291.

The restrictions placed upon the sums paid to solicitors were relaxed in the early 1850s. Nevertheless, the plaintiff could still feel hindered by the fees charged by the court, the delays incurred whilst awaiting full repayment of debt and costs and the necessity of

⁴¹ W. R. Cornish and G. de N. Clark. (eds.), *Law, economy and society*, 102-3.

⁴² H. W. Arthurs, *Without the law*, 408. The law was amended in the early 1851 to allow legal fees to be recovered from the losing party, which removed some of the grievances of both the plaintiff and legal profession.

⁴³ P. Johnson, 'Small debts and economic distress', 68. A total of seventy per cent of debts in this year were for sums of £2 or less.

ensuring adequate representation. Many of these problems were addressed by the L.T.P.S.

In Leicester the debt collection service of the L.T.P.S. offered a solution to some of these problems of enforcement. The Society invited members to forward details of debts 'in writing and with two bills of the particulars of the claim'⁴⁴ whereupon the Society's solicitor would be instructed to attend and represent these cases in the court room. Such an arrangement met the needs of both the plaintiff and solicitor. The plaintiff received the service of a qualified legal practitioner, whose experience and position would lend gravitas and respectability to a case. And the solicitor, in accepting cases presented by the Society, obtained access to a system which would reduce their administrative burden (such as assembling the necessary evidence to prove the case, obtaining witnesses, if required, and completing the paperwork). This process also circumvented the restrictions placed upon legal fees in the courts, by enabling the solicitor to achieve sufficient economies of scale as to make practising in the County Court financially viable.

The nature of the arrangements made between solicitors and the Society was mutually advantageous to both parties. In addition to the economies of scale, the solicitor gained personal access to the business community of the town which would have outweighed the disadvantage of having to attend the small debt hearings of the County Court on 2-3 days in a month. In this way the solicitor extended his contacts and reputation both within the professional world of the law and the more heterogeneous world of urban commerce and society both in Leicester and the wider world. This would have extended business beyond the County Court into the more lucrative areas of wills, trusts, conveyancing the service to other family businesses and latterly positioned the solicitor in an ideal position to advise and gain business from the insolvency services practised by the Society.⁴⁵ In return the Society gained both the expertise of a professional and yet minimised the costs imposed upon its members. Unlike the court system, where the

⁴⁴ L.R.O., DE 3848/30, L.T.P.S. Circular, January 1873.

⁴⁵ M. Miles, 'The money market in the early industrial revolution: the evidence from West Riding attorneys c.1750-1800', *Business History*, 23, 1981, 127-46; M. Miles, 'Eminent practitioners: the new visage of country attorneys, c.1750-1800', in G. R. Rubin and D. Sugarman (eds.), *Law, economy and society, 1750-1914: essays in the history of English law*, (Abingdon 1984), 470-503.

creditor bore all the short-term costs, the Society made it clear to members that they were prepared to undertake short-term subsidy of all but out of pocket expenses:

'The services of the solicitor of the Society are available for all members in giving evidence and taking proceedings free of cost; but all expenses out of pocket, paid by the Society or its Solicitor will be charged to each member on whose behalf all proceedings may be taken ... in case such payments out of pocket should not be received from the debtor.'⁴⁶

In practice this meant that the member was able to defer the cost of the immediate expense of the plaint fee and hearing fee, costs which could then be recovered from the debtor. Although this was not an ideal solution it at least offered considerable savings in terms of time and expense compared with independent use of the court.

The relationship between lawyers and the Society was not equal. From the 1850s onwards, it is clear that the L.T.P.S. sought to impose its control and influence upon the practitioners of the law. Its bargaining strength was the access it offered to the business network. The strength of their position was reflected in their chastisement of the Society's first solicitor, Thomas Spooner of Gallowtree Gate. In 1856, some six years after first appointment, Spooner submitted a bill for out of pocket expenses which covered the six year interval. He was summoned before the committee of the Society to 'consider his future with the Society' and reprimanded for 'non-business like actions' and issued with a ten point memorandum to remind him of his role.⁴⁷ Although the management of the society could be criticised for failing to address Spooners' poor accounting earlier, it is clear that they had sufficient influence to ensure Spooner mended his ways. By 1866, Spooner had retired, and as the membership and business of the Society began to grow, two new solicitors, H. A. Owston and Joseph Harvey, were appointed. After 1870, Owston held a senior position amongst the legal community of the town as secretary of the Leicester Law Society.⁴⁸ This interconnectivity between members of the law profession also applied to the officials of the County Court, for at

⁴⁶ L.R.O., DE 3848/28, L.T.P.S. Circular, January 1864.

⁴⁷ L.R.O., DE 3848/4, L.T.P.S. Minute Book, 28 April 1856.

⁴⁸ This Society was formed in 1860 to 'protect the status and interests of solicitors.' Although it only had around 45 members, it appears to have included most of the legal profession of the town. L.T.P.S. *Trade directory of Leicester* 1870, 10.

the time Owston served in the Law Society and Thomas Ingram, registrar of the County Court, was its treasurer.

The personal and professional connections between the law profession and the L.T.P.S. also reinforced the legitimacy of the Society amongst the commercial community of the town. This urgency reflected the early problems associated with permitting unqualified laymen to represent cases in the court. Although the intention was to permit affordability and ease of access to the law, the profession became alarmed at the practice of unscrupulous and unqualified lay representatives. These concerns were expressed by the *Law Times* in 1859.

‘When a lay representative presents himself on behalf of a suitor, let it be shown satisfactorily that he is ... a friend acting without a fee. This would effectively extinguish the pestilential race of harpies which now infests the County Court, destroying the reputation of that tribunal, and disgracing the administration of justice.’⁴⁹

These harpies (‘cruel grasping people’) were also referred to as the duns of the court.⁵⁰ They sought to recover marginal or contentious of debts.⁵¹ This trade frequently involved the purchase of multiple numbers of old or bad debts for a minimal fee which would then be re-entered in the court. Many of these debts had been contracted in a dubious manner by travelling salesmen such as ‘Scotch drapers’ and ‘tallymen’ who pressed the poor on the doorstep of their homes. As a result many of these marginal tradesmen preferred to resell their debts or employ duns, rather than face personal interrogation within the court.

It was in the context of these concerns that the specific actions of trade protection societies were questioned. In 1859, a letter to the *Law Times*, criticised the charges made by the Southampton Trade Protection Society and the role of all such institutions.

‘They are at best gigantic monopolies by means of which the Solicitor to the Society who is too often the getter-up of it, brings to his own mill the harvest of an entire district by the attraction of cheapness.’⁵²

⁴⁹ *Law Times*, 21 January 1859.

⁵⁰ Duns are ‘persons, especially a hired agent who importunes others for the repayment of a debt.’ *Collins concise English dictionary*, (Glasgow, 1993).

⁵¹ G. R. Rubin, ‘Tally trade’, 337.

⁵² G. R. Rubin, ‘Tally trade’, 340, citing evidence from *The Law Times*, 5 February 1859, 231.

Undoubtedly, this criticism and the behaviour of the Southampton Society stood at the extreme end of the spectrum.⁵³ Yet it reflected the close co-operation and mutual interests shared by the trade protection society movement and the legal profession. Each reinforced the legitimacy of the other and provided mutual benefits.⁵⁴ The solicitor benefitted from access to business contacts and commercial networks. The Society gained by legitimising its role as a market intermediary, by enforcing the recovery of debt and hence ensuring individuals and firms played by the rules of the market.

Whilst the relationships between the legal profession and the courts may have contributed to the intervention of the L.T.P.S. in small debt recovery, its initial interest was triggered by cost. These included the fees charged by the court and the associated time and effort required to prepare, present and recover a debt. One way in which the Society sought to reduce these direct transaction costs was to provide its own private debt recovery service.

Private debt recovery: the L.T.P.S. ex-ante service

This service had no legal sanction and was dependent upon the co-operation of both debtor and creditor. This provided a preceding or ex-ante service. If the ex-ante system failed, then recourse to the County Courts could follow. The efficacy of this system was founded upon the savings made to a member. When compared with the costs of stage one of the County Court process, these advantages were gained in terms of time, commitment and monetary fees. These benefits are explored below.

The recovery of debts outside the County Court was not unique to the L.T.P.S. Indeed, it is clear from the inaugural circular that the Leicester Society drew much of its inspiration and practices from the London Association for the Protection of Trade

⁵³ The dubious practices of the Southampton Society may explain its absence amongst the founders of the National Association of Trade Protection Societies in 1866. L.R.O., DE 3512/25, Minute Book of the National Association of Trade Protection Societies, 1865-80.

⁵⁴ Even as late as 1909 William Simpson, partner in the Society's solicitors (now *Owston, Dickinson Simpson & Bigg*), stated without qualms that, 'Nearly all ... members for their own sake, would send in debts for collection ... that being the primary object with which they contribute to the Society.' *S. C on Imprisonment for Debt, P. P.*, 1909 (239), VII. 281, 188-197 and Appendix II, 364. Q. 3274-3525; Q. 3287.

formed in 1842, one of the objectives being to 'recover debts for members ... at a greatly diminished cost.'⁵⁵ Moreover, in Scotland by 1852 the Edinburgh based Scottish Trade Protection Society was founded, with the collection of debts a clearly stated purpose.⁵⁶ By 1866, the 21 representatives of the National Association of Trade Protection Societies stated a joint objective of 'co-operation in the recovery of debts as far as practicable.'⁵⁷ As a result, the actions of the L.T.P.S. should be seen as a general reflection of the problems of debt recovery within the regional economy of Leicester and the nation as a whole.

The attractiveness of cheap debt recovery was reflected in the promotional material produced by the Society. Advertisements in a succession of trade directories stressed that membership bought access to debt recovery services, some of which could be obtained free of cost with 'details on application to the manager.'⁵⁸ The marketing and management of debt recovery was a carefully controlled service. It had to be sufficiently cheap to attract members yet remain financially viable. The key to the maintenance of this balancing act lay in an increasingly sophisticated system of sliding fees. These were enhanced by other incentives such as debts which were 'free' to pursue and disincentives such as registration fees. These systems had the effect of filtering out or discouraging the pursuit of those debts which would not have been cost effective for the Society to recover. Nevertheless, in comparative terms, the costs of debt collection through the Society - even for those chasing very small values - remained cheaper than the formal institution of the County Court.

The ex-ante system was private. It was wholly administered by the clerks and debt collectors of the Society. [One consequence is that the historical record has left little surviving material]. Such fragmentary sources as do survive permit reconstruction of the scale and procedure of the service and the charges made to members. Comparison

⁵⁵ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, September 1849.

⁵⁶ E. Knox, 'Between capital and labour: the petite bourgeoisie in Victorian Edinburgh', unpublished PhD. thesis, *University of Edinburgh*, 1986, 133.

⁵⁷ L.R.O., DE 3512/25, Records of the National Association of Trade Protection Societies, May 1866. See Chapter 6 for further detail on collective action.

⁵⁸ L.T.P.S. *Trade directory of Leicester*, 1870, 12.

between these costs and those encountered as part of the County Court process permits assessment of the reduction in enforcement costs or the 'cheapness' of the L.T.P.S. service for its members.

How did the ex-ante system work? Firstly a member supplied the Society with the name and address of the debtor plus the nature and size of the debt in the form of 'two bills of the particulars of the claim.'⁵⁹ This information could be passed to the Society in one of two ways. Either the creditor could send in the details by post or visit the offices of the Society in person. Secondly, after the debt had been registered, clerks completed a duplicated memorandum sheet which detailed the value and form of debt and proposed a repayment schedule. Although no copies of these memoranda survive, it seems that they were then hand delivered to the debtor, who would sign an acknowledgement of the debt owed and agree to repay on the Society's terms. Finally, repayment could either be made in person into the 'debtors' section of the L.T.P.S. office, or by repaying the Society's debt collectors who were instructed to visit on a periodic basis. As long as the debt was repaid in line with the agreed schedule, the monies were, 'paid over to members on Wednesdays and Fridays in each week, at the office.'⁶⁰ If the debtor defaulted, or did not agree with the repayment schedule or value of debt, the case was forwarded into the County Court.

An impression of the scale of activity is illustrated in Table 3.3. The figures suggest that between 40 and 70 per cent of the 11,000-16,000 debts sent annually into the Society were satisfactorily dealt with at the ex-ante stage.⁶¹ In 1850, the first full year of the Society's existence, the service accepted nearly 2,800 debts for collection, some 40 per cent more than entered in the County Court. During 1850s as the fee structure of the County Court was adjusted this proportion fell. However, following the professionalisation of the Society and restructuring of fees, by the early 1870s the Society was again processing more debts than the County Court. In 1876, for example, the ex-ante service of the Society accepted 11,067 debts - eight per cent more than the

⁵⁹ L.R.O., DE 3848/30, L.T.P.S. Monthly Circular, January 1873.

⁶⁰ L.T.P.S. *Trade directory of Leicester*, 1870, 12.

⁶¹ Mean 54.5 per cent of all debts in the period 1850-1901. The remaining debts would then be forwarded into the County Court.

County Court, of which 43 per cent were satisfactorily dealt with. By 1886, this had increased to 14,471 debts, 70 per cent more than the County Court of which 60 per cent were settled privately.

Table 3.3

Debts processed through ex-ante service and County Court procedure, 1850-1901

Date	No. complaints recorded in Leicester County Court	No. debts sent for collection to L.T.P.S.	No. debts submitted to all courts by L.T.P.S.	Proportion of debts submitted to L.T.P.S. satisfactorily dealt with at ex-ante.
1850	1,960	2,769	-	-
1851	2,447	1,001	-	-
1852	3,360	1,458	-	-
1853	2,956	1,740	-	-
1869	7,124	8,444	*3,312	61.0
1870	7,373	8,687	*3,780	56.5
1871	7,790	10,133	*3,736	63.2
1875	9,578	11,856	6,088	48.7
1876	10,187	11,067	6,313	44.0
1877	10,920	13,424	6,362	52.6
1878	10,714	14,417	6,158	57.3
1879	12,135	15,164	7,940	49.1
1880	11,637	16,789	7,745	53.9
1881	11,075	16,780	8,334	50.3
1884	8,720	12,586	5,639	55.2
1885	8,315	12,994	5,090	60.8
1886	8,673	14,741	5,797	60.7
1887	10,069	15,516	6,408	58.7
1888	11,474	17,386	7,201	58.6
1899	12,744	14,910	7,151	52.0
1901	14,268	18,696	7,203	61.5

* Figures only include those cases submitted to Leicester County Court. Figures in column 5 derived from these.

Source: Derived from *Returns of Proceedings in the County Courts in England and Wales*, P. P., 1851, XLVII.291; 1852, XLII.573; 1852-53, LXXVIII.275; 1854, LIV.435; 1870, LVII.27; 1871, LVII.141; 1872, L.117; 1876, LXI.65; 1877, LXIX.205; 1878, LXII.57; 1878-79, LIX.167; 1880, LIX.109; 1881, LXXVI.109; 1882, LIV.51; 1884-85, LXIV.75; 1886, LIII.5; 1887, LXVII.21; 1888, LXXXII.37; 1889, LXI.15; 1900, LXIX.5; 1903, LVI.1. Annual reports of L.T.P.S. reproduced in L.R.O. DE 3848/5-7 L.T.P.S. Minute Books, 1866-1909.

The success of the society depended upon two incentives: discretion and cost. Privacy was an intangible benefit that came with the pursuit of debt through the ex-ante service. The Society was founded to serve the interests of its members, which often involved the dissemination of sensitive business information gathered from attendance at court hearings. In contrast, information from the ex-ante system remained confidential between the Society, the member and the debtor. This offered both an advantage for

those members who wished to conceal their own commercial status and strength from other businesses and also offered a small crumb of comfort for the debtor whose case was spared full public exposure in the court room. There was less of a private incentive in the case of the working-class debtor since a visit from the Society's debt collectors for money owed to the local shopkeeper would have exposed a debtor to the scrutiny of the neighbourhood long before any court hearing.⁶² Nevertheless, the main advantage which the ex-ante service offered its members came through the saving of transaction costs of debt collection.

These savings were made through the ease of operation and light demands placed upon the creditor. Written proof was all that was required for the clerks to initiate the process. As long as the debt was acknowledged by the defendant, all a member had to do was collect the instalment payments or full debt from the offices of the Society and settle according to the scale of charges imposed by the Society. Furthermore, if the debt required entry into the court, the administration of the process was carried out by the legal representatives of the Society. Only if the court official made a specific request was the member required to attend the court - something which happened in only 3.5 per cent of all cases entered by the Society.⁶³

By comparison the County Court frequently involved a costly investment of time. So much so, that in 1905, a number of Leicester bakers were sufficiently aggrieved to comment that customers dodged 'their bread bills because it does not pay the baker to spend time and money in the County Court to sue them.'⁶⁴ Similarly in the 1930s, Walter Greenwood observed that the time and delay associated with the Court process made it likely 'it was probably twelve months since they'd last paid - anyhow - you weren't going to do that well out of it.'⁶⁵

⁶² M. Tebbutt, *Making ends meet: pawnbroking and working class credit*, (Leicester, 1983), 37.

⁶³ Aggregated from figures recorded in L.T.P.S. monthly circulars, 1864-1900.

⁶⁴ Quote from the *National Association Review* of 1905 in C. P. Hosgood, The 'pigmies of commerce' and the working class community: small shopkeepers in England, 1870-1914', *Journal of Social History*, 22, 1989, 439-60.

⁶⁵ M. Tebutt, *Making ends meet*, 185. Quoting W. Greenwood, *How the other man lives*, (London, 1939).

In the County Court, there was considerable differential between the moment credit was granted and the court order to repay a debt. In the case of those debts submitted by the 'duns' of the court this could extend to debts some 5-6 years old. Nevertheless, even a reputable trader could find that the extension of credit became a long term commitment. Whilst trade credit, could be useful and often served in lieu of circulating capital, it could also pose a problem and develop into a form of credit 'dependency.' Knox has drawn attention to the importance of larger manufacturers and wholesalers establishing credit links as a means of restraining or controlling the independent action of smaller petite bourgeoisie capital in Edinburgh.⁶⁶ Similarly the control of power and authority in a relationship could also be extended by the petite bourgeoisie or smaller domestic retailers integrated into working-class neighbourhoods either as a benevolent form of participation and influence or deliberate anti-competitive market preservation.⁶⁷ Whichever form of relationship the extension of credit took, it could often extend into periods which stretched from weeks or months to years. The importance is to acknowledge that any delay in the recovery of credit not taken into account at the moment of issue, could seriously jeopardise the trading position of a business, especially that of the smaller firm. Credit reneged upon was a bad debt - often cited as the cause of business failure. As a result it was vital for the liquidity of many businesses, that the County Court process offered a speedy means of recovering the value of those goods or services issued on credit.

The time taken to recover a debt in the County Court can be divided into three periods: i) the lead time between registering a plaint, pursuing a debt and having a case heard in the court. ii) the time taken to repay according to the intervals set and agreed before the judge or registrar, (provided the case was not settled in the court room). iii) the additional time taken to execute an order against the goods or body of the defendant, should the defendant fail to repay according to the prescribed schedule.⁶⁸

⁶⁶ E. Knox, 'Between capital and labour.'

⁶⁷ C. P. Hosgood, 'The 'pigmy' of commerce'; M. Tebutt, *Making ends meet*; G. Crossick, 'Metaphors of the middle'; C. Young, 'Small craft business owners, finance and social relations in nineteenth century rural Perthshire', *Journal of Regional and Local Studies*, 15, 1995, 21-37; D. A. Kent, 'Small businessmen and their credit transactions in early nineteenth century Britain', *Business History*, 36, 1994, 47-64.

⁶⁸ The final stage (execution against the possession or body of a defendant), concerned only a small number of cases. As this would not have formed a part of the initial evaluation of the creditor it is not

If a debt was not paid before 10am of the morning of the court session, it was registered in the Ordinary Summons book and entered into the court. Consequently, the time required to pursue a debt can be reconstructed from these volumes. They fit into the second stage of the process (Figure 3.1). Each recorded the date on which the plaint was registered, the verdict or settlement reached, the value and form of debt, the amount ordered to be repaid and the identity of representatives in the court.⁶⁹

Debts, uncertainty and the commercial climate of 1879

The only interval for which Ordinary Summons books and the comparative records of the L.T.P.S. survive, cover the mid-summer of 1879. In terms of seasonality, June and July were a relatively normal period.⁷⁰ However, within long-term trends, 1879 was an exceptional year and marked a high in the number of plaints registered, which was unsurpassed until the mid-1890s.⁷¹ Consequently, before the time and costs of the County Court process can be evaluated, a brief evaluation of the climate of uncertainty which faced firms and individuals at this period should be established.

In Leicester, as in England and Wales, the commercial climate of the late-1870s and early 1880s was poor.⁷² However the timings of the peaks and troughs in the economic cycle were not simultaneous. As is explored in Chapter 4, regional economies whilst following a broad national profile showed signs of considerable local variation. In

considered here. For a discussion of the imprisonment process see G. R. Rubin, 'Law, poverty and imprisonment for debt', and J. Cohen, 'The history of imprisonment for debt and its relation to the development of discharge in bankruptcy', *Journal of Legal History*, 3, 1982, 153-71.

⁶⁹ This was the stage of the Court process at which the representatives of the L.T.P.S. would attend to prove a case on behalf of members. It was also the point at which the clerks for the Society recorded the verdict of a hearing for reproduction in the following monthly circular. The verdict or settlement of a case included comment as to whether the case had been; paid up in full; struck out; ordered to be paid by the judge; or reached by consensus between the plaintiff, defendant and court, or failure to serve the summons.

⁷⁰ On seasonality within the dominant footwear trade see B. Lancaster, *Radicalism, co-operation and socialism: Leicester working class politics, 1860-1906*, (Leicester, 1987), 38.

⁷¹ In 1878, 10,714 plaints were registered in the Leicester County Court. This increased to 12,135 in 1879, a figure unsurpassed until 1898. See Chapter 4.

⁷² P. Mathias, *The first industrial nation: the economic history of Britain, 1700-1914*, (London, 1993), 361-69; D. Aldcroft and P. Fearon, *British economic fluctuations 1790-1939*, (London, 1972); R. Floud and D. McCloskey, *The economic history of Britain since 1700, Volume 2 1860-1939*, (Cambridge, 1994).

Leicester the level of activity within the County Courts suggested a low point in 1879. In contrast, the L.T.P.S. in reflecting the feelings of the commercial community claimed that the preceding year, marked the peak of 'widespread commercial depression.'⁷³ Analysis of both L.T.P.S. data and of the value of debt submitted to the County Court suggests that the commercial community suffered in 1878 and that credit default amongst ordinary non-commercial consumers peaked in the following year (Table 3.4).

Table 3.4

Selected economic indicators, Leicester 1877-80			
Date	No. debts sent for collection	Value of debt recovered (£)	County Court cases by L.T.P.S.
1877	13,424	45,857	4,820
1878	14,417	56,230	4,393
1879	15,614	58,913	5,783
1880	16,789	61,273	5,716

Source: L.R.O., 'Periodicals file,' L.T.P.S. Monthly Circulars, 1878-1879; L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95.

Between 1877-1880, the ex-ante service recorded a mean annual increase of 7.7 per cent in the number of debts submitted for collection. However, an exceptional increase of 22.6 per cent in 1878 of the value of debts recovered contrasted with a mean of 4.3 per cent in subsequent years. Accompanying this dramatic increase in debt value was a decline in the number of debts submitted to the County Court by the L.T.P.S., in particular the number of small debts (under £2 in value).⁷⁴ These trends suggest that 1878 was a year of particular commercial uncertainty. Collection turned away from small debt to focus upon recovering higher value commercial defaults, suggesting a sudden shortening of commercial or trade credit. Although little practical evidence exists to supplement these aggregate figures, indicators such as bankruptcy returns add more weight to this argument, with the highest number of commercial failures recorded in 1878.⁷⁵

⁷³ L.R.O., DE 3838/6, L.T.P.S. Minute Book, 1885.

⁷⁴ In 1877, 4,820 cases were submitted to the Leicester County Court. This fell to 4,393 in 1878 before climbing to 5,783 in 1879. The number of low value cases (≤£2) submitted by the Society fell from 3,040 in 1877 to 2,640 in 1878, before rising to 3,080 in 1879. See Chapter 4.

⁷⁵ Bankruptcies: 1878, traders 672, non-traders, 157; 1879, traders, 654, non-traders, 196; 1880, traders 529, non-traders, 186. *General report by the Comptroller in Bankruptcy*, Table 2; P. P., 1878-79, LIX.1; 1880, LIX.1; 1881, LXXVI.1. For a discussion of the limitations of bankruptcy data prior to 1883, see Chapter 6. Other indicators include the number of commercial enquiries sent to the L.T.P.S., which also suggest considerable commercial uncertainty at this time: 1876, 13,619; 1877, 17,051; 1878, 17,203; 1879, 17,013; 1880, 18,224. See Chapter 5 for a full discussion of the status enquiry service.

By contrast, the years 1879 and 1880 marked a phase when all the activities of the Society increased. More debts were pursued in the Society and the Courts, and there was an increase in the number of low value debts pursued; the Society also saw a large upswing in membership.⁷⁶ Indeed in June 1879, the *Leicester Mercury* felt compelled to comment upon the state of trade in the town:

‘with six months of the year barely gone, and comparatively speaking very little business yet done, it is evident that the business transactions of the year must be considerably less profitable even than those of the last one..[and]..other local industries appear to be suffering from the general depression in trade, even to a greater extent.’⁷⁷

These distinctive events in 1878 and 1879-80 suggest two trends. Firstly, that commercial confidence was dented in 1878 (although the economic reality may have been a little different) and secondly, that 1879-80 was a period of unprecedented depression which appeared to affect creditors and debtors both large and small with signs of recovery not present until 1881-82.

One explanation for the down-turn in commercial confidence in 1878 may be traced to the recurrent financial crises of the year, in particular the failure of the City of Glasgow Bank. Indeed Collins argues that ‘1878 was a crisis year for the banking sector in the whole of Britain, not just Scotland.’⁷⁸ Although it was unlikely that the collapse of Glasgow Bank had much direct impact upon the trading community of Leicester, the failure of the Loughborough based Middleton’s Bank in the summer of 1878 underlines the commercial insecurity faced in the locality.⁷⁹

Formerly ‘one of the emblems of stability’ and the institution through which the ‘greater part of the business of the town’ had been transacted, the bank collapse came fast.⁸⁰

⁷⁶ 1880 saw 198 members joining, the largest number recruited in any one year between 1864-1900. In addition 1879 had also seen the creation of the bankruptcy department of the Society. See Chapter 6.

⁷⁷ *Leicester Mercury*, 21 June 1879.

⁷⁸ M. Collins, ‘The banking crisis of 1878’, *Economic History Review*, 42, 1989, 504-27.

⁷⁹ W. F. Crick and J. E. Wadsworth, *A hundred years of joint stock banking*, (London, 1936), 260-68. Also *Victoria County History of Leicestershire*, Volume 3, (Leicester, 1955), 54.

⁸⁰ *Leicester Mercury*, 12 August 1878; It was also described as being thought to be ‘as safe as the Bank of England’, *Leicester Daily Post*, 3 August 1878.

After a review of accounts following the death of the senior partner, the remaining junior management hurriedly reacted by closing the doors of the bank on the morning of Friday 2 August. With the shutters down, this visible sign of a problem caused first, 'confusion and bewilderment' with customers acting 'as if hit by a thunderbolt,' before 'a paroxysm of general panic and excitement'⁸¹ ran through the town with the impact particularly felt by the 'smaller tradesmen.'⁸² Some attempts were made to refloat the bank as a Joint Stock Company but 'confidence had been lost beyond recapture' and a bankruptcy petition was filed in the Leicester County Court with the L.T.P.S. solicitor (in his private capacity) taking responsibility for the case.⁸³ The final settlement saw the Leicestershire Banking Company (L.B.C) acquire the premises and goodwill for £6,000. In early 1879, as part of the process of consolidating the new branch into the town and locality, Mr Marshall the Bank's agent, successfully applied for membership of the L.T.P.S.⁸⁴

This incident sheds some light upon the role of the L.T.P.S. as an intermediary between the public and private networks that were built up between members, agents and institutions in this period. The Society helped knit together the market relationships between commercial interests resident within the town and those based outside of it. The centralised role of Leicester as an institutional focus for the administration of small debt recovery and insolvency, mirrored the role of other banks whose branch networks stretched out into the towns of the region, yet whose authority remained focused within Leicester. The acquisition of Middleton's bank by the L.B.C provided a good case in point. The collapse provided the immediate opportunity for the L.B.C to acquire a sizeable foothold in the financial market of Loughborough, buying not only the premises but the goodwill and customer base of the defunct bank. However as Wale has noted, 'the lending decision was entirely centralised ... the board of directors required its branch

⁸¹ *Leicester Daily Post*, 3 August 1878.

⁸² *Leicester Daily Post*, 12 August 1878.

⁸³ On collapse, the Bank had liabilities of £217,000, assets of £223,000 and £7,000 of notes in circulation, a deficiency it was claimed which could have been easily met by the sale of the dead partner's estate. See W. F. Crick and J. E. Wadsworth, *A hundred years*, 268.

⁸⁴ L.R.O., DE 3848/4, L.T.P.S. Minute Book 1879.

managers to send every single loan application to head office for approval.⁸⁵ As a consequence the branch was subordinate to the head office in Leicester. All the local office did was act as a gatekeeper filtering out bad debts or account applications at a small-town level. Collins states that at the macro-economic level, the lessons learnt from the crisis of 1878 saw many banks restructure the composition of bank assets away from industrial loans.⁸⁶ Whilst these trends were not discernible at the local level, it is clear that advances made by the L.B.C saw a sharp decline in the final years of the 1870s and the bank sought the security of limited liability status in 1880.⁸⁷ This period also witnessed a proliferation of the number of bank branches joining the L.T.P.S. It reflected both the increased role of banks as credit providers and the necessity of limiting the uncertainties to which commercial lenders were exposed.⁸⁸

These trends are revealing in relation to the time taken to proceed with a case through the courts. As 1879 was an abnormal year with a record number of complaints registered in the Court, it is likely that investigation reveals a snap-shot of a system at full stretch. Consequently the lead times are likely to indicate the maximum period of delay experienced at each stage of the court process (Table 3.5).⁸⁹

The striking feature of the process is the dominance of those cases 'ordered to pay,' where over 50 per cent of cases were settled in this manner. In only one incident was a debt ruled invalid (non suited) and the defendant acquitted a pattern not unlike those at

⁸⁵ J. Wale, 'What help have the banks given British industry? Some evidence on bank lending in the Midlands in the late nineteenth century', *Accounting Business and Financial History*, 4, 1994, 321-42. Also A. R. Holmes and E. Green, *Midland: 150 Years of Banking History*, (London, 1986), 113.

⁸⁶ M. Collins, 'The banking crisis of 1878', 526.

⁸⁷ *Victoria County History of Leicestershire*, Volume 3, 55.

⁸⁸ The first bank branch to join the L.T.P.S. was the Atherstone branch of the L.B.C in 1875. Between 1878-1883 the Melton, Loughborough, Hinckley and Market Harborough branches joined. Between 1887-93, ten branches of the L.B.C together with other banks new to Leicester. These were the Birmingham and Midland Bank (1889), Nottingham Union Bank (1890) and Nottingham and District Bank (1893). Others included branches from other non-Leicester banks; Stamford Spalding and Boston Bank (Kettering 1889), and the Preston Union Bank (1888). L.R.O., DE 3848/4-7, L.T.P.S. Minute Books, 1854-1909.

⁸⁹ For ease of data handling the partial data for June was selected for transcription. Comparison of percentage values (columns 3 and 5), confirms the June data provided a representative sample.

national levels.⁹⁰ The remainder of verdicts record the various means by which the plaintiff had been addressed up to the court appearance. Absconding debtors and false identities were a perennial problem for the Courts. In some 18 per cent of cases the Court had been unable to serve a summons upon the debtor. The L.T.P.S. sought to address this problem by recording and circulating the details of these failed summonses. In the monthly circular sent to all members, it was stressed that the duty of any member was 'to give information at the office of any of the addresses known.'⁹¹

Table 3.5

Verdict of Leicester County Court for all plaintiffs processed, June-July 1879

Order of Court	July	Per cent	June*	Per cent
Not served	210	17.8	42	17.2
Adjourned	19	1.6	5	2.0
To be reissued	32	2.7	8	3.3
Withdrawn/struck out	75	6.3	15	6.1
Forthwith	15	1.3	3	1.2
Settled	105	8.9	20	8.2
Defendant's costs allowed	1	0.1	1	0.4
Non suit	1	0.1	0	-
Paid	78	6.6	16	6.6
Ordered to pay	647	54.7	134	54.9
Total	1,183	100	244	100

* June data only partially preserved.

Source: L.R.O., DE 4482/2/1, Leicester County Court, Ordinary Summons Book, June-July 1879.

The remaining cases were either settled to the satisfaction of the creditor, either by a private arrangement to repay or renegotiation of the debt, in the period before receipt of a summons and the hearing of the court.⁹² In Leicester, during 1879, some 38 per cent of plaintiffs were settled without recourse to the judgement of the court, a figure similar to the national trend, where 35 and 44 per cent of cases were filtered out before a judgement was ordered.⁹³

⁹⁰ *Returns of Proceedings in the County Courts of England and Wales 1879*; P. P., 1880, LIX.109, Table 14.

⁹¹ L.R.O., 'Periodicals file', L.T.P.S. Monthly Circular, 1886. See Chapter 5.

⁹² The direct proportions of each are impossible to distinguish. But it is likely that they formed a combined proportion of those cases which were 'Withdrawn', 'Settled', 'Struck-Out', and 'Paid.'

⁹³ Leicester, 1879: actual figure 37.8 per cent. P.P., 1880, LIX.109, Table 14. Parliamentary papers record national proportions of 44 per cent in 1866, 44 per cent in 1871, 37 per cent in 1881, 38 per cent in 1891 and 35 per cent in 1901. P. P., 1864, LVII.173; 1872, L.117; 1882, LIV.51; 1892, LXXIV pt1.19; 1903, LVI.1.

This filtering of cases before the court hearing supports evidence given to a Select Committee in 1873. J. D. Paul, ironmonger and secretary of the L.T.P.S., detailed how he had seen 54 of his debts enter the County Court, of which

‘... thirty four of them either came to me and made an arrangement ... or the summonses were not served. My system is this, suppose I put a man in the Court, he comes to me; he knows very well what order the judge would give. He says “I owe you this £5” and he says “I can only pay you 10s a month.” I try to get him to pay a little more. At last it is arranged that he shall pay a certain sum ... he says, “I have not got the money; I can pay it in a month.” I say; “here is a form of promissory note” (I keep it ready). He signs the promissory note, and writes an agreement that he is to pay monthly on the back of it.’⁹⁴

By removing those complaints which were not served and slipped the nets of the County Court, it would appear that some 20 per cent of small debts cases were settled before the judgement of the Court. Although these statistics are based upon a narrow chronological base, there is reason to believe from national data that the County Court in Leicester was representative of English and Welsh Courts in general as regards the outcomes and procedures of the court process.

The lead times of the court process can also be calculated for the returns of 1879 (Table 3.6). Some 90 per cent of cases were registered in the three weeks which preceded the court hearings on the 17-18 June. The remaining ten per cent of cases trailed as far back as 14 weeks to the mid-April. These figures were comparable with the similar delay experienced by those cases in which judgement was made (Table 3.7) where 94 per cent of cases were heard within four weeks of submission. The extended delay experienced by 2.8 per cent of all complaints referred to those cases which had been disputed or were adjourned from earlier hearings.⁹⁵ The lead times compare with the four week delay experienced elsewhere, and suggest that the court process in Leicester was much the same as other areas.⁹⁶

⁹⁴ *S. C on Imprisonment for Debt*, P. P., 1873, Q. 6058.

⁹⁵ Clustering around the 4 week mark suggests plaintiffs may have registered debts on a monthly cycle. However insufficient evidence exists to affirm this hypothesis.

⁹⁶ P. Johnson, ‘Small debts and economic distress’, 67.

Table 3.6

**Lead times (maximum) of all plaintiffs:
County Court,
17-18 June 1879**

Maximum lead time (weeks)	No. of cases	Percentage
14	1	0.4
9	1	0.4
8	5	2.0
6	15	6.1
5	3	1.2
3	107	43.9
2	112	45.9
Total	244	100

Source: L.R.O., DE 4482/2/1, Leicester County Court, Ordinary Summons Book, June-1879.

Table 3.7

**Lead times (maximum) of all cases
ordered to pay: County Court,
17-18 June 1879**

Maximum lead time (weeks)	No. of cases	Percentage
8	2	1.4
6	5	3.5
5	1	0.7
4	66	46.8
3	31	22.0
2	36	25.5
Total	141	100

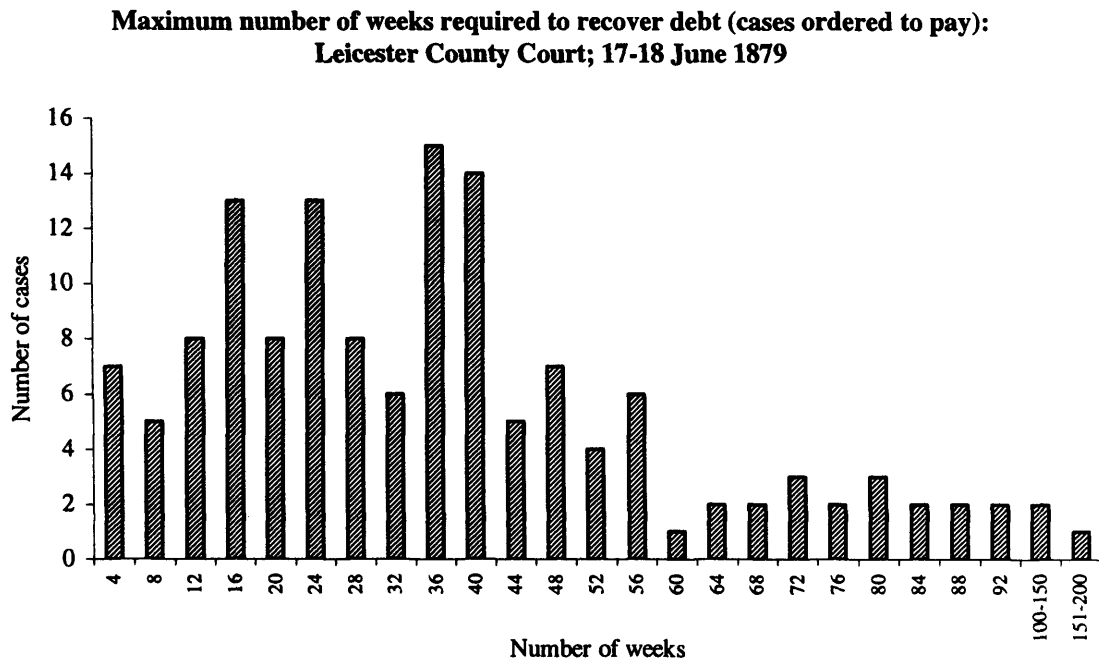
Source: L.R.O., DE 4482/2/1, Leicester County Court, Ordinary Summons Book, June-1879.

Repayment by instalment formed the main way in which all cases were settled and consequently formed the most significant delay a creditor could face when recovering a debt. These orders were placed on over ninety per cent of those 'ordered to pay.' The schedule for repayment was determined by the court official and based upon experience and assessment of the defendant's position in each case. This meant that the repayment period could extend from a few days to a number of years (Graph 3.1).

The graph illustrates how creditors frequently had to wait up to twelve months before debt was repaid in full. Furthermore, the court officials appear to have delineated repayment schedules into intervals one month, four months, six months, nine/ten months and one year. Beyond these, a small number of debtors were scheduled to pay for a further 40-50 months. Even though these calculations do not taken into account the fees and costs of the court, they illustrate how the time taken to pursue a debt through the courts could deter creditors from entering the process. For the creditor, the frustration of these repayment delays was frequently compounded by the discretion exercised by the court officials. The size of a debt was not a guarantee of the repayment schedule ordered. The decision was based upon the immediate circumstances of the case or attitude of the presiding official. Examples at the extreme include the separate cases brought against Albert Monk, a mechanic, and James Dooley, a commercial traveller. Monk was ordered to repay his debt of 2s. in 'one month plus costs.' Dooley owed £3.3s. and was ordered to repay at £2. per month. By contrast, George Marrs a blacksmith from Swithland was ordered to repay a debt of £4.19s.9d to John Barrs, a

grocer of Leicester, at 2s. per month. This would have taken over four years to complete. Similarly, John Stevenson, shoehand of Birstall Street was permitted 28 months to repay £2.15s.10d. to Ellen Johnson, a grocer from the same street. This would have meant Johnson had to wait until the autumn of 1881 before she recovered the value of the original debt.

Graph 3.1



Source: L.R.O., DE 4482/2/1, Leicester County Court, Ordinary Summons Book, June 1879.

Though arguably extreme, these examples illustrate how the recovery of debt could become an arduous process. Even if a summons was successfully served and the court ordered repayment, the delay and inconvenience incurred whilst waiting for the payments to be recovered always threatened the liquidity of the plaintiff. The fear of a liquidity crisis dwelt in the consciousness of most small firms, the cumulative effect of bad debts, had to be weighed against the inconvenience of recovery through the law. At the level of the individual, the decision not to pursue debt could be rational, yet could have repercussions for the integrity of all market relationships. If the balance of the contract between trader and client could not be maintained by the law, then the stability of all market relationships were undermined. Fear of this moral hazard encouraged the L.T.P.S. to offer a quicker, cheaper process on the condition that the trader adhered to the market rules prescribed by the Society.

Further delay within the Court process would be experienced if the defendant defaulted upon the repayment (ordinary) judgement of the Court. If this occurred, a plaintiff had to choose whether to undertake the, 'expensive, unpleasant and dilatory' procedure of seeking a judgement summons to seize the goods and/or the body of the debtor.⁹⁷ As elsewhere, events in the Leicester Court reflected the national trend, where approximately one third of all ordinary judgements (those determined by the court) were defaulted upon and saw a judgement summonses issued.⁹⁸ The use of the judgement summons to further delay the repayment of a debt was observed by many contemporaries. Whilst it is unlikely that this practice was a serious problem, it is clear that some of the more astute defendants were aware how far the law could be stretched in their interest. One such debtor had 'received a university education; he was a private tutor, and has pupils, and an income from them, ... [paid] nothing until a judgement summons was issued; he does not wait to be arrested, he pays on the judgement.'⁹⁹

The cost of debt recovery

If the Court process created the opportunities for tactics and delay on behalf of the debtor, it created uncertainty for the creditor (albeit less than previously and better than any other alternative). These matters were compounded by the structures of fees and costs which the court levied upon participants. Court fees had to be prepaid in advance. They could be recovered at the discretion of the court but only as part of the ordinary repayment/instalment process.¹⁰⁰ These costs were the 'heavy' fees criticised by founder members of the L.T.P.S. and which in part stimulated the Society to create its own alternative (and cheaper) ex-ante service.

⁹⁷ *S. C on Imprisonment for Debt, P. P.*, 1909, Q. 3348.

⁹⁸ In 1879, the Leicester Court made 7,559 ordinary judgements, which resulted in the issue of 2,539 judgement summonses. Of which 1,249 were eventually heard in the court. 1,249. National statistics: 1876, 19 per cent judgement summons; 1881, 20 per cent; 1886, 30 per cent; 1890, 35 per cent. *P. P.*, 1877, LXIX.205; 1880, LIX.109; 1887, LXVII.21; 1890-91, LXIV.119.

⁹⁹ *S. C on Imprisonment for Debt, P. P.*, 1909, Q. 6031.

¹⁰⁰ '... the fees on every proceeding shall be paid in the first instance by the plaintiff or party on whose behalf such proceeding is to be had, on or before such proceeding.' 9 & 10 Vict. C.95, XXXVII.

The fees levied through the ex-ante system developed in response to changes in the fee structure of the County Court and the Society's own objectives. The main internal pressure affecting fees were responses to the administrative mismanagement of William Flavell in 1863, and the creeping presence of larger traders and manufacturers within the membership profile of the Society. Consequently, whilst the ex-ante system remained a service which was always 'cheaper' than that of the County Court, the complex scale of charges which had been put into place by 1869 discriminated against those members who chose to pursue low value debts (under £2). This section will compare the direct scale of costs and fees levied by the County Court with those of the ex-ante system of the L.T.P.S. It will then analyse why, even within an institution created with the specific purpose of reducing the transaction costs of business and acting as intermediary between producer and consumer, the L.T.P.S. felt it necessary to discourage the pursuit of smaller debts and thus possibly discriminate in the range of services it offered members.

The cost of entering a case in the court and, if necessary, employing a solicitor, imposed a considerable a short-term surcharge on the plaintiff. Although these fees were eventually recovered from the defendant, the charges added a considerable premium on the price of the law (Table 3.8).

The Leicester statistics are derived from aggregated figures and obscure fluctuations. Differences which relate to the initial value of the debt and the respective stage of the court process. A case which reached plaint and summons stage and was then dropped, not-served or settled, would incur a smaller premium compared to a plaint which advanced to judgement summons, commitment or imprisonment. The cost of law in Leicester, therefore, imposed a premium of 30-40 per cent on the value of debts collected; or 15-20 per cent of the value of all first stage plaints registered in the court.¹⁰¹ Again, comparison between national and local trends suggest the premium charged on debts in Leicester was similar to the national average. After 1866, the fees of the court process remained static. The marginal increase in the premium paid after this date was likely to be related to the increased charges made by the legal profession

¹⁰¹ Aggregated national figures. Example 1. 1876, debts £1,471,604; costs and fees £506,630 ∴ premium = 34.4 per cent. Example 2. 1886, debts £1,523,542; costs and fees £546,744 ∴ premium = 35.8 per cent; *P. P.*, 1892, LXV. 40-1.

and those other representatives who worked within the court. The highest premiums were paid on debts in the early years following the creation of the court system,. This was exemplified by the surcharge of some 53 per cent on the value of debts collected in 1852 - tangible reference to the 'injurious fees' which the L.T.P.S. and other groups complained about at this time. By contrast by 1866, the surcharge had fallen by almost 50 per cent, to just over one quarter of the value of those debts recovered.

Table 3.8

**Premium of costs and fees paid on debts entered and recovered:
Leicester County Court and circuit, 1866-94**

	1852	1866	1869	1875	1879	1885	1889	1892-94
Leicester Court	%	%	%	%	%	%	%	%
On value of debts collected	52.9	26.3	28.0	33.0	36.2	38.0	36.4	38.5
On value of plaints entered	26.8	16.6	16.6	14.2	18.7	20.6	19.4	21.1
Circuit 20	%	%	%	%	%	%	%	%
On value of debts collected	N/A	27.8	22.4	31.4	37.3	39.4	36.0	N/A
On value of plaints entered	N/A	16.5	16.7	15.2	18.6	21.0	20.2	N/A

Source: *Returns of Proceedings in the County Courts in England and Wales, P. P.*, 1852-53, LXXVIII.275; 1867, LVII.135; 1870, LVII.27; 1876, LXI.65; 1880, LIX.109; 1886, LIII.5; 1890, LIX.67; 1893-94, LXXXIV Pt1.19; 1894, LXXXI.15; 1895, LXXXI.187.

Surprisingly, the fee structure of the early 1850s was an improvement upon the original 1847-51 scale of charges. Reconstructing figures for the first period is difficult as the purpose of these was to cover both the administration cost of the process and to secure the salaries of the court officials - the clerk's salary accumulating according to the business transacted in each court. The resultant system created sharp differentials between the officials' earnings in different courts. Costs were based upon sequential levels of activity. An action was triggered by either the response of the defendant, order of the judge, or decision of the plaintiff. Each response triggered a different fee, one portion going to the judge, the other to the clerks of the court.¹⁰² Problems were made worse by the language of the law which was so vague as to permit 'officers ... to take more fees than the legislation intended.'¹⁰³ These discrepancies were further complicated by the discretionary power of the court officials. In 1850 Charles Dickens drew attention to these problems in a column titled 'Law at a low price.'

¹⁰² See Appendix 3.2.

¹⁰³ Referring to the problems of fees before 1851, in the Romilly Commission Report; *P. P.*, 1854-55, XVIII. 8.

'The scale of fees is too large for the client, and too small for the lawyer. But suitors object less to the amount than to the intricacies and perplexities of the Table of Fees. In some districts the expense of recovering a sum of money is one-third more than it is in others; though in both the same scale of fees is in operation. This arises from the variety of interpretations which different judges and officers put upon the charges.'¹⁰⁴

Revisions in 1851 and 1857 made attempts at relating the scale of fees to the value of the debt. However not until the officials of the court were paid separately did fees reach equilibrium.¹⁰⁵ Fortunately the minimum premium charged at stage one of the court process between 1847-51 can be calculated (Table 3.9).

Table 3.9

Minimum fee (d): Stage one County Court process, 1847-51

	≤£1	>£1≤£2	>£2≤£5	>£5≤£10	>£10 c*	>£10 t*
<i>Judges' fees</i>						
Every summons	3	6	12	24	36	36
Every hearing without a jury	12	18	30	90	120	180
Every order or judgement	3	6	12	24	36	36
Sub total	18	30	54	138	192	252
<i>Clerks' fees</i>						
Every plaint and summons	3	6	12	24	36	42
Every hearing, trial or non-suit	4	6	12	18	24	42
Entering or drawing up every judgement or order	3	6	12	18	30	36
Payment of money in or out of court	2	4	6	6	8	12
Sub total	12	22	42	66	98	132
Total	30	52	98	204	290	384

*Contract and tort debts, see footnote 106.

Source: 9 & 10 Vict., c.95, Schedule D.

The main problem with the system was the charging structure. By only differentiating debts into six charging bands, every debt within the category faced the same surcharge.¹⁰⁶ The result was to create sharp differences at the extremes of each band (Graph 3.2). For instance, if one suitor pursued a debt of £2.0s.1d and another entered a debt of £5, each would have faced the same 8s.2d. minimum fee. The impact upon each creditor therefore would have been radically different, the small creditor facing a surcharge of some 20 per cent and the large creditor facing a premium of only eight per

¹⁰⁴ Charles Dickens, 'Law at a low price', *Household Words*, 1, 1850, 176.

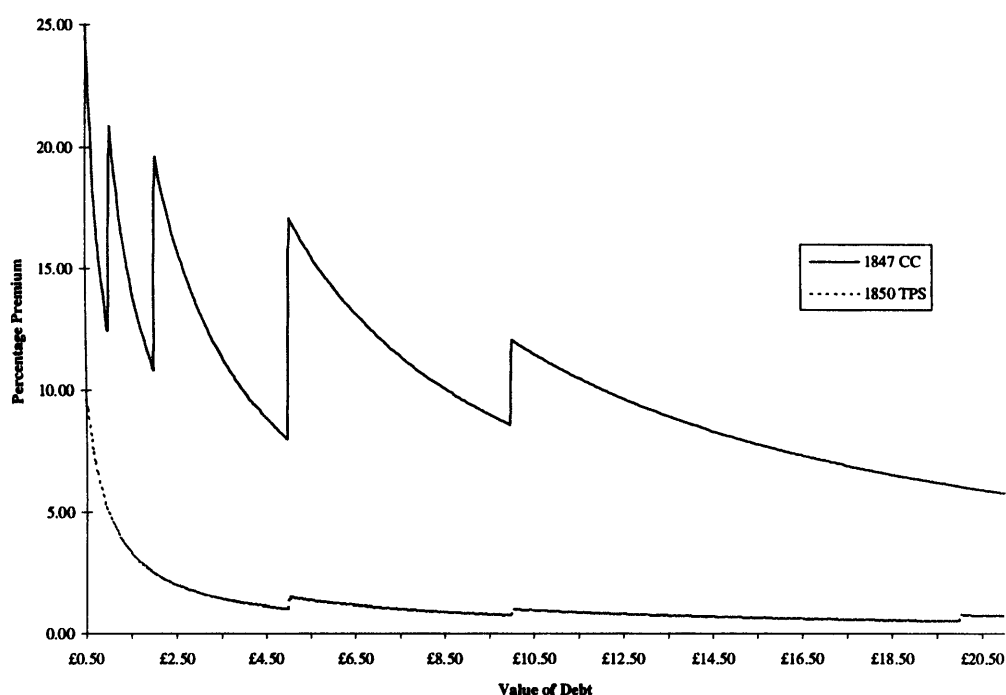
¹⁰⁵ P. W. J Bartripp, 'The County Court and superior court registrars', 349-79.

¹⁰⁶ In the early period those debts over £10 contracted as result of contract, were charged at a slightly lower level than those resulting from a breach of tort. Tort is defined as; 'A civil wrong or injury arising out of a failure to act, (independently of any contract), for which an action for damages may be brought.' This was in accordance with the original intentions of the act, to enable the recovery of commercial debts, rather than as immediate relief for non-contracted eventualities.

cent. With some 90 per cent of plaintiffs entered for debts of £2 or less, contemporary criticisms were justified. These were the minimum costs, and would have been increased, should the defendant chose to contest the suit or default upon the court judgement. In contrast the ex-ante system of the L.T.P.S. was consistent and cheap (Graph 3.2 and Table 3.10).

Graph 3.2

County Court fees as percentage premium of debt value; compared with fees of L.T.P.S. ex ante system, 1847-51



(Series 1850 TPS comprised of 500+ plots, hence lower line appears solid rather than dotted)
Source: 9 & 10 Vict., c.95, Schedule D; L.R.O., DE 3848/4, L.T.P.S. Minute Book, 1854-66.

The inequalities caused by the charging bands of the ex-ante system were far less than those of the County Court (Table 3.10). Four bands were distributed relatively evenly across the first £20, with small incremental steps rising as the value of the debt increased. The establishment of a minimum charging fee of 12d. on debts inclusive of £5 in value, contrasted with the serious fluctuations on the same debt in the County Courts. At one extreme, a debt of £2.0s.1d resulted in a surcharge of 2.5 per cent, compared with the 25 per cent in the court. Conversely a debt of £5 was charged at 1 per cent. In the next charge band, 5.0s.1d. cost only a 1.5 per cent premium compared with 16.9 per cent in the court.

However, as in the County Court, the greatest saving went to those recovering large debts. The maximum charge of 3s [36d.] on debts between £20-50 equalled a surcharge of only 0.75-0.3 per cent.¹⁰⁷ It seems likely that the L.T.P.S. charging bands were designed to cover the minimum fixed costs of the service, hence smaller debts created less saving. Nevertheless another incentive, the offer of a fixed number of 'free' debts, was built into the ex-ante system. This appears to have been an attempt to overcome the problem of fixed costs and cross subsidy, and the further encourage small traders and individuals to use the Society for the collection of low value debt.

Table 3.10

**L.T.P.S. ex-ante fees,
1849-62, 1863**

Value of debt	Charge(d)
≤£5	12
>£5≤£10	18
>£10≤£20	24
>£20	36

Source: L.R.O., DE 3848/4,
L.T.P.S. Minute Book, 1850-66.

Table 3.11

L.T.P.S. ex-ante fees, 1862

Value of debt	Charge(d)
≤£1	3
>£1≤£5	6
>£5	12

Source: as table 3.10.

Table 3.12

L.T.P.S. ex-ante fees, 1863

Value of debt	Charge(d)
≤£2	6
>£2≤£5	12
>£5≤£10	18
>£10≤£20	24
>£20	36

Source: as table 3.10.

Table 3.13

L.T.P.S. ex-ante fees, 1865+

Year	Premium (%)	Notes
1865	2.5	Up to £10, not exceeding 5s. on any one debt.
1869 ⁺	2.5	Up to £10, not exceeding 5s. on any one debt, with a registration fee of 6d on all accounts of £2 and under.
1873	1.25-2.5	Debts paid privately direct to members charged at 1.25%, not exceeding 2s. 6d.

Source: L.R.O., DE 3848/4, L.T.P.S. Minute Book, 1854-66.

Originally restricted to eight, but later extended to 12 debts per year, the 'free' service was intended to attract the subscription of new members and to retain and remind existing members of the advantage of the L.T.P.S. The costs savings made from the free service diminished as the number of debts beyond the first 12 increased. Moreover the greater the value of the thirteenth and subsequent debts, the less the benefit.¹⁰⁸ The service was

¹⁰⁷ The jurisdiction of the courts was extended in 1851 to cover debts of up to £50.

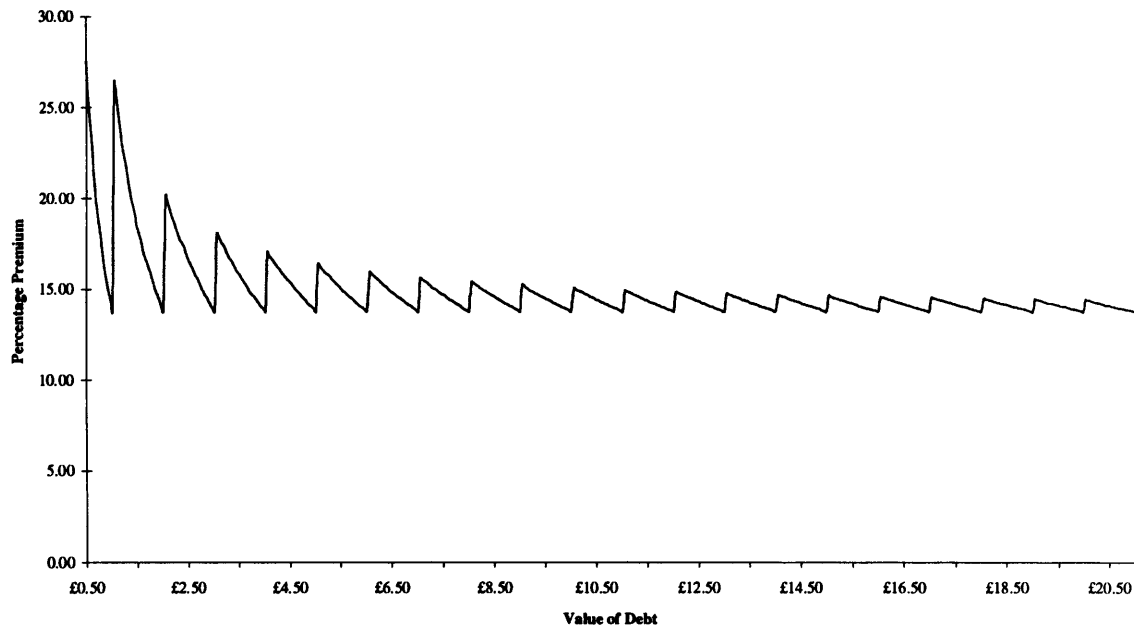
¹⁰⁸ For example, if a creditor had 13 debts of £1, compared to the County Court, the free debt service would offer the benefit, $S = YN - [X(N-F)]$. Where S equalled the savings made, N equalled the number of debts entered, F equalled the number of free debts, X equalled the normal fee of the L.T.P.S., Y

intended therefore to benefit the small trader who pursued a small number of low value debts over the year. This was astute marketing. The measures were intended to position the L.T.P.S. at the centre of the market. By providing an apparently invaluable service to all sectors of the commercial community, the Society enhanced its reputation, gained leverage within the regional economy and recovered commercially sensitive information which could be used to further enhance its position.

In 1851, the charging bands of the County Court system were replaced by a sliding scale of charges. Fees were charged on a pro-rata basis and rounded up to the nearest pound or part thereof (Graph 3.3).

Graph 3.3

Premium on County Court fee (per cent), 1851



Source: 13 & 14 Vict., c.61, 4.

First stage entry of a plaint was charged at 7d. per £. This was followed by a hearing fee of 2s.2d. per £. Further additional costs could be imposed, depending upon the actions of the defendant, judge, clerk or plaintiff, but left a minimum surcharge on any court activity at 2s.9d. or a 13.7 per cent surcharge.¹⁰⁹ Although the pro-rata system damped

equalled the equivalent cost of the court. In monetary terms, the thirteenth £1 debt would produce a saving of £1.5s.

¹⁰⁹ See Appendix 3.2.

down the worst excesses of the original system, the charges still presented a significant premium for the use of the courts.

These charging discrepancies were acknowledged by the Romilly Commission in 1855. Their report recommended a further restructuring of the Court process and fees system. These were measures which were welcomed by the representatives of commercial organisations. In a petition to the House of Lords, the National Association of Trade Protection Society Secretaries criticised the present system of fees as a 'great and serious grievance', and considered the recommendations of the Commission to be 'a great boon and likely to be of great advantage to the commercial community generally and petitioners in particular.'¹¹⁰ The system of 1857 took away the necessity for all complaints to be formally recorded and heard in the court session, and replaced them with a system which allowed complaints to be admitted by consent or default. This then brought the minimum costs of the court down from 2s 9d. to 1s.10d. or 9.16 per cent (Graph 3.4).¹¹¹

Nevertheless, these premiums were still large when compared with the fees of the L.T.P.S. which had been restructured in 1862 and amended in 1863 (Tables 3.11-3.12). The short-lived 1862 system was focused on the savings made on debts under £5. The premium paid on a debt of £1 fell from 5 per cent to 1.25 per cent, with all debts over £1 paying a levy which never exceeded 1 per cent. The costs of the L.T.P.S. system in the 1850s had been cheap but the 1862 fees were even lower. It would appear that this pricing mechanism was a somewhat crude attempt to boost interest in the Society with low charges.

One year later, in 1863, the L.T.P.S. fees were restructured (Graph 3.4). It seems likely that this was a direct reaction to the mismanagement and fraud exposed by the attempted

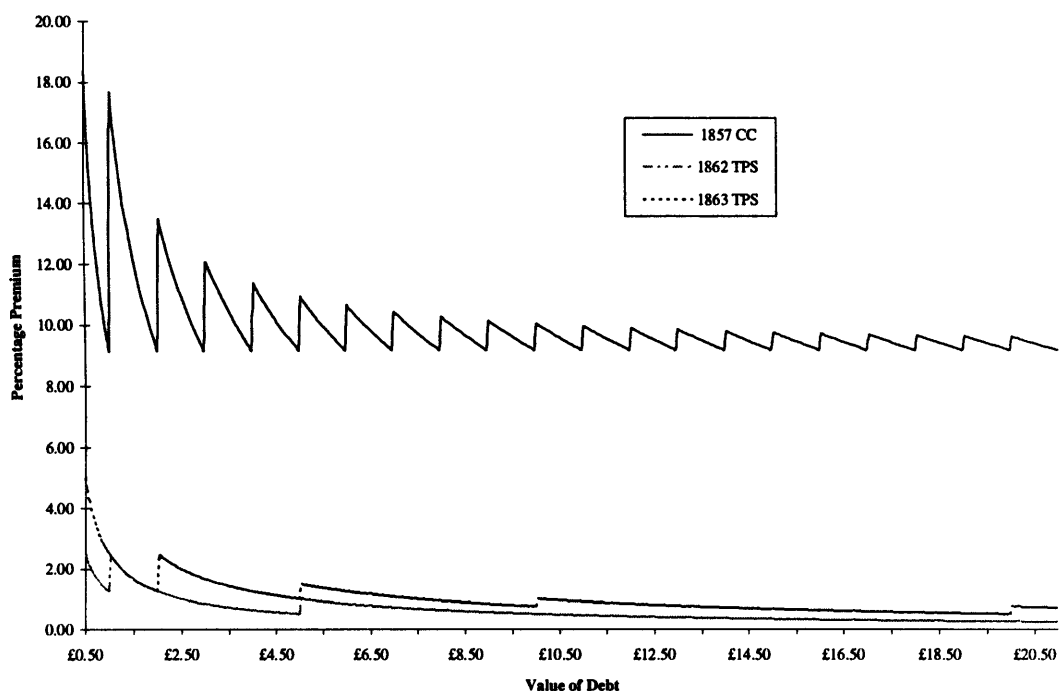
¹¹⁰ Reported May 1856. L.R.O., DE3848/4, L.T.P.S. Minute Book, 1854-66.

¹¹¹ This meant it could be processed by the clerk (who was now recognised as the registrar) and did not require a full hearing fee to be charged. Consequently the sliding scale of fees was amended. The registration of a complaint and despatch of a summons cost 10d. per pound, and settlement by consent or default was charged at 12d. per pound. If the case was contested or required a formal hearing in the court, the additional charge rose to 24d. in the pound

suicide of William Flavell, manager of the Society.¹¹² The appointment of William Chamberlin in 1863, marked the start of the professional management of the Society. These changes mirrored the development of newer forms of commercial management such as company law reform, limited liability and bankruptcy amendment in the wider commercial world. (See Chapter 6 for a discussion of the Society's contribution to these developments).

Graph 3.4

Minimum County Court and L.T.P.S. premium, 1857; 1862; 1863



(Series 1862, 1863 TPS comprised of 500+ plots, hence lower lines appears solid rather than dotted)
Source: 19 & 20 Vict., c.108.; L.R.O., DE 3848/4, L.T.P.S. Minute Book, 1854-66.

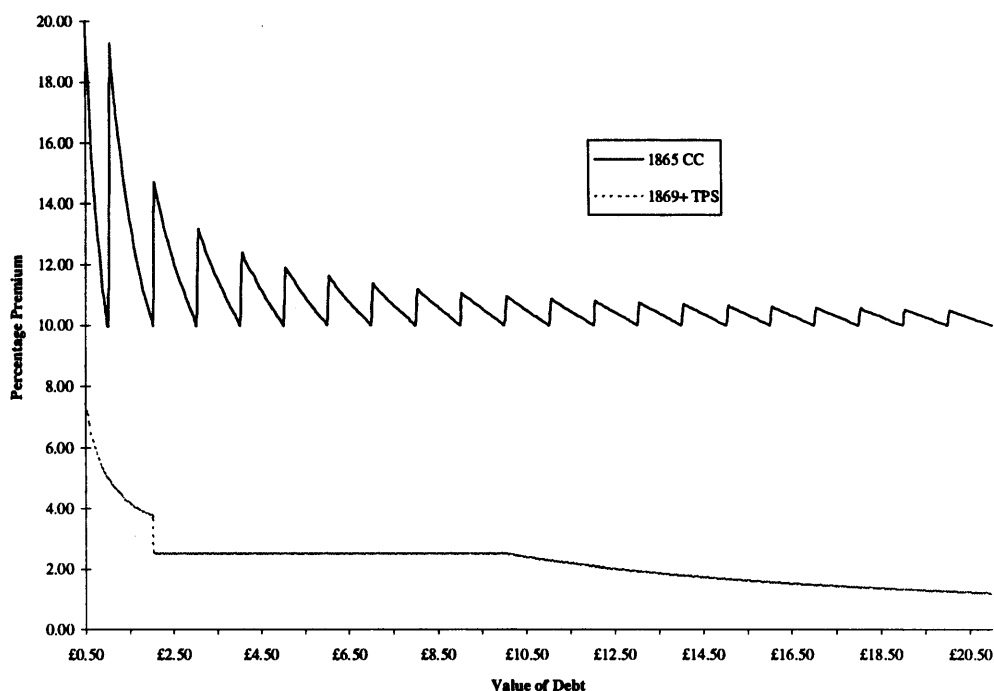
The 1863 system saw the reintroduction of charges for debts over £5 (Table 3.12). With debts under £5 the boundary was drawn at £2, rather ^{than} £1. For these smaller debts the reforms offered a compromise. They were significantly cheaper than the original L.T.P.S. system, yet in comparison with the 1862 structure particularly hit those debts on or under £1 in value. Analysis of the latter development of the L.T.P.S. fees between 1863-75 provides an explanation for the emergence of these charging structures.

¹¹² See Chapter 6 for a description of Flavell's bungled efforts.

After 1865 it is clear that the disproportionate costs of the ex-ante system were borne by those presenting debts under £2 in value (Table 3.13). In 1865 a flat premium of 2.5 per cent was introduced on all cases. The net effect of this was mixed (Graph 3.5).¹¹³ The change had the effect of increasing the premium paid by all members, with the maximum benefit going to those who presented debts over £10 in value. Within three years these charges were readjusted, and a registration fee of 6d. was introduced on debts of £2 or under in January 1869. This final readjustment established a minimum charge for the ex-ante service and consequently increased the real costs faced by those who pursued small debts.¹¹⁴ In contrast the fees of the County Court were stabilised in 1865 and remained consistent for the remainder of the period. The minimum cost of the court was 2s. equivalent to a premium of 10 per cent on a debt of £1.¹¹⁵

Graph 3.5

Minimum County Court and L.T.P.S. premium, 1865; 1869+



(Series 1869+ TPS comprised of 500+ plots, hence lower line appears solid rather than dotted)
Source: 19 & 20 Vict., c.108.; L.R.O., DE 3848/4-5, L.T.P.S. Minute Books, 1854-80.

¹¹³ See Appendix 3.2.

¹¹⁴ The 6d. charge increased the premium paid on a debt of £1 from 2.5 to 5 per cent and a £2 debt from 2.5 to 3.75 per cent, see Appendix 3.2.

¹¹⁵ Registration of a plaint and a summons 1s. per £. Settlement by default or consent, 1s. per £. A disputed debt or hearing in the court was charged at 2s. per pound; P. Johnson, 'Small debts and economic distress', 70.

The introduction of this registration fee was one of the few amendments proposed by Society's committee which was objected to by the ordinary membership at the Annual General Meeting. No details survive of objections other than the comment that the measure would have to be 'carefully watched.'¹¹⁶ The imposition of a registration fee and the response it generated suggests that the organisation was attempting to juggle with a number of contesting priorities. The dilemma was twofold. Firstly, that charges had to meet the need to balance the books, a somewhat neglected concern during the period of Flavell's management. Secondly, that the Society had to meet the needs of those members who pursued high value debts (usually larger manufacturers and wholesalers) yet also preserve the reputation, integrity and cost benefits of the Society amongst the smaller manufacturers and retailers who comprised the core of the organisation.

It may have been that income generated by the existing percentage premium on small debts was insufficient to cover the actual fixed costs of the system. Moreover, the introduction of a registration fee rather than to subsidise fixed costs by increasing the surcharge on higher value debts suggests that the management of the L.T.P.S. felt the need to show signs of professional management and the interests of those presenting larger value debts, were beginning to assume an importance. Nevertheless it is clear from the persistence of the free debt service throughout the century that the L.T.P.S. continued to feel it was necessary to offer an incentive to those members who wished to recover small value debt.¹¹⁷ In exploring in depth the relative changes in the costs of the ex-ante system, it is easy to lose sight of the fact that for all members, the premium charged by the L.T.P.S. was always less than that of the County Court.

Conclusion

It took twenty years before the fees and costs of the County Court system settled down into an equilibrium. In the intervening period the disadvantages of the system were accentuated by the unequal charging structures whereby a high overall level of costs was

¹¹⁶ L.R.O., DE 3848/5, L.T.P.S. Minute Book, January 1869.

¹¹⁷ After the 1850s, the number of small value debts (under £2) pursued by the Society rose throughout the period, (see Chapter 4).

compounded by wide disparities across charge bands. The resulting fee stimulated the commercial community to establish its own ex-ante service. This was not intended to replace the role of the County Court but to pre-empt recourse to it. Analysis of both the costs and fees of both the County Court and the ex-ante system has revealed how each system had limitations. These varied from the vague early language of the Schedule of Fees and the necessity of paying officials from court charges, to the evolving scale of charges imposed by the L.T.P.S. service. It would appear that the financial crisis of the early 1860s stimulated the need for professional management techniques within the organisation and resulted in a degree of marginalisation to the original strata of small manufacturers and traders who founded the Society. This marked the attempt of the Society to actively position itself at the centre of market relations within the town.

These internal conflicts should not obscure the fact that the ex-ante system provided a service which was considerably cheaper for all values of debt than the equivalent County Court process. In its most disadvantageous period (1847-57) the Court imposed a minimum surcharge of between 7-27 per cent on the value of a debt. A figure which by the 1860s was stabilised at around 10-20 per cent. These were minimum charges: a contested case or default by the defendant would increase involvement of the court and hence the premium paid. In comparison the fees demanded by the ex-ante system were minute and amounted to little more than 1-2.5 per cent of the value of the debt. By focusing upon these internal incentives, disincentives and costs, it should not be forgotten that in the operation of both institutions the premium paid in order to recover a debt was usually recovered from the debtor, although the time taken to achieve this could differ considerably.

This unique study of the development and operation of the County Court system and the response of the L.T.P.S., sheds more than light upon the localised conditions in Leicester. The introduction of a standardised County Court system benefited the interests of the commercial community and the private interests of the legal profession. Yet, the new system appears to have caused temporary dislocation amongst the ranks of the small manufacturer and retailers who functioned at the urban and regional level. Their influence within the Court was diminished by the structures of the system. Lay Commissioners were replaced by a professional bench, court fees were arbitrary and

costly and the procedure could become expensive in terms of time and convenience. The chapter has shown how, by 1850, this group by means of the L.T.P.S., began actively to intervene and readjust the court process to their advantage.

The intervention took two forms. In the court room, a mutual collaboration was reached with local solicitors. Their new powers of representation were emasculated by financial restrictions. However, by acting as agents for the L.T.P.S., co-operation made participation in the system cost-effective and gave the solicitors access to the networks and connections of the local business community. Outside the court, the ex-ante system provided an option for debt recovery which was less time consuming, private and cheaper. Evidence obtained by analysing the shifting pattern of charges made by ex-ante system confirms the development of contested priorities within the L.T.P.S. itself. These appear to confirm a change in the private interests of the institution, in particular the conscious moulding of the Society as a commercial intermediary. Consequently, its pricing structures had to be seen to be shrewd, yet equitable. If the Society was to position itself successfully at the nexus of commercial relationships within the region, it had to offer incentives which would develop the trust and co-operation of both large and small businesses. The ex-ante system was one such incentive.

In examining the role of the L.T.P.S. within the structure of debt recovery, the strategies and tactics of plaintiffs and defendants brought before the courts have been touched upon. The next chapter will first examine the long-term trend in the performance of the County Court of Leicester in relation to national trends. It will then move on to investigate in detail the tactics and strategies of individuals, and firms as both defendants and plaintiffs within the County Court.

Appendix 3.1

Percentage premium paid on debt County Court and L.T.P.S. ex-ante system

Value of Debt	1847 CC Premium	1851 CC Premium	1857 CC Premium	1865 CC Premium	1850 TPS Premium	1862 TPS Premium	1863 TPS Premium	1865 TPS Premium	1869+ TPS Premium
0.5	25.00	27.50	18.33	20.00	10.00	2.50	5.00	2.50	7.50
1	12.50	13.75	9.17	10.00	5.00	1.25	2.50	2.50	5.00
1.0042	21.58	27.39	18.26	19.92	4.98	2.49	2.49	2.50	4.99
1.5	14.44	18.33	12.22	13.33	3.33	1.67	1.67	2.50	4.17
2	10.83	13.75	9.17	10.00	2.50	1.25	1.25	2.50	3.75
2.0042	19.96	20.58	13.72	14.97	2.49	1.25	2.49	2.50	2.50
2.5	16.00	16.50	11.00	12.00	2.00	1.00	2.00	2.50	2.50
3	13.33	13.75	9.17	10.00	1.67	0.83	1.67	2.50	2.50
3.0042	13.31	18.31	12.21	13.31	1.66	0.83	1.66	2.50	2.50
3.5	11.43	15.71	10.48	11.43	1.43	0.71	1.43	2.50	2.50
4	10.00	13.75	9.17	10.00	1.25	0.63	1.25	2.50	2.50
4.0042	9.99	17.17	11.45	12.49	1.25	0.62	1.25	2.50	2.50
4.5	8.89	15.28	10.19	11.11	1.11	0.56	1.11	2.50	2.50
5	8.00	13.75	9.17	10.00	1.00	0.50	1.00	2.50	2.50
5.0042	17.15	16.49	10.99	11.99	1.50	1.00	1.50	2.50	2.50
5.5	15.61	15.00	10.00	10.91	1.36	0.91	1.36	2.50	2.50
6	14.31	13.75	9.17	10.00	1.25	0.83	1.25	2.50	2.50
6.0042	14.30	16.03	10.69	11.66	1.25	0.83	1.25	2.50	2.50
6.5	13.21	14.81	9.87	10.77	1.15	0.77	1.15	2.50	2.50
7	12.26	13.75	9.17	10.00	1.07	0.71	1.07	2.50	2.50
7.0042	12.25	15.70	10.47	11.42	1.07	0.71	1.07	2.50	2.50
7.5	11.44	14.67	9.78	10.67	1.00	0.67	1.00	2.50	2.50
8	10.73	13.75	9.17	10.00	0.94	0.63	0.94	2.50	2.50
8.0042	10.72	15.46	10.31	11.24	0.94	0.62	0.94	2.50	2.50
8.5	10.10	14.56	9.71	10.59	0.88	0.59	0.88	2.50	2.50
9	9.54	13.75	9.17	10.00	0.83	0.56	0.83	2.50	2.50
9.0042	9.53	15.27	10.18	11.11	0.83	0.56	0.83	2.50	2.50
9.5	9.04	14.47	9.65	10.53	0.79	0.53	0.79	2.50	2.50
10	8.58	13.75	9.17	10.00	0.75	0.50	0.75	2.50	2.50
10.0042	12.08	15.12	10.08	11.00	1.00	0.50	1.00	2.50	2.50
10.5	11.51	14.40	9.60	10.48	0.95	0.48	0.95	2.38	2.38
11	10.98	13.75	9.17	10.00	0.91	0.45	0.91	2.27	2.27
11.0042	10.98	14.99	10.00	10.90	0.91	0.45	0.91	2.27	2.27
11.5	10.51	14.35	9.57	10.43	0.87	0.43	0.87	2.17	2.17
12	10.07	13.75	9.17	10.00	0.83	0.42	0.83	2.08	2.08
12.0042	10.07	14.89	9.93	10.83	0.83	0.42	0.83	2.08	2.08
12.5	9.67	14.30	9.53	10.40	0.80	0.40	0.80	2.00	2.00
13	9.29	13.75	9.17	10.00	0.77	0.38	0.77	1.92	1.92
13.0042	9.29	14.80	9.87	10.77	0.77	0.38	0.77	1.92	1.92
13.5	8.95	14.26	9.51	10.37	0.74	0.37	0.74	1.85	1.85
14	8.63	13.75	9.17	10.00	0.71	0.36	0.71	1.79	1.79
14.0042	8.63	14.73	9.82	10.71	0.71	0.36	0.71	1.79	1.79
14.5	8.33	14.22	9.48	10.34	0.69	0.34	0.69	1.72	1.72
15	8.06	13.75	9.17	10.00	0.67	0.33	0.67	1.67	1.67
15.0042	8.05	14.66	9.78	10.66	0.67	0.33	0.67	1.67	1.67
15.5	7.80	14.19	9.46	10.32	0.65	0.32	0.65	1.61	1.61
16	7.55	13.75	9.17	10.00	0.63	0.31	0.63	1.56	1.56
16.0042	7.55	14.61	9.74	10.62	0.62	0.31	0.62	1.56	1.56
16.5	7.32	14.17	9.44	10.30	0.61	0.30	0.61	1.52	1.52
17	7.11	13.75	9.17	10.00	0.59	0.29	0.59	1.47	1.47
17.0042	7.11	14.56	9.70	10.59	0.59	0.29	0.59	1.47	1.47
17.5	6.90	14.14	9.43	10.29	0.57	0.29	0.57	1.43	1.43
18	6.71	13.75	9.17	10.00	0.56	0.28	0.56	1.39	1.39
18.0042	6.71	14.51	9.67	10.55	0.56	0.28	0.56	1.39	1.39
18.5	6.53	14.12	9.41	10.27	0.54	0.27	0.54	1.35	1.35
19	6.36	13.75	9.17	10.00	0.53	0.26	0.53	1.32	1.32
19.0042	6.36	14.47	9.65	10.52	0.53	0.26	0.53	1.32	1.32
19.5	6.20	14.10	9.40	10.26	0.51	0.26	0.51	1.28	1.28
20	6.04	13.75	9.17	10.00	0.50	0.25	0.50	1.25	1.25
20.0042	6.04	14.43	9.62	10.50	0.75	0.25	0.75	1.25	1.25
20.5	5.89	14.09	9.39	10.24	0.73	0.24	0.73	1.22	1.22
21	5.75	13.75	9.17	10.00	0.71	0.24	0.71	1.19	1.19

Source: 9 & 10 Victoria, C.95. Schedule D; 13 & 14 Victoria, C.61; 19 & 20 Victoria, C.108; L.R.O., DE 3848/4-5, L.T.P.S. Minute Books, 1850-80.

Appendix 3.2

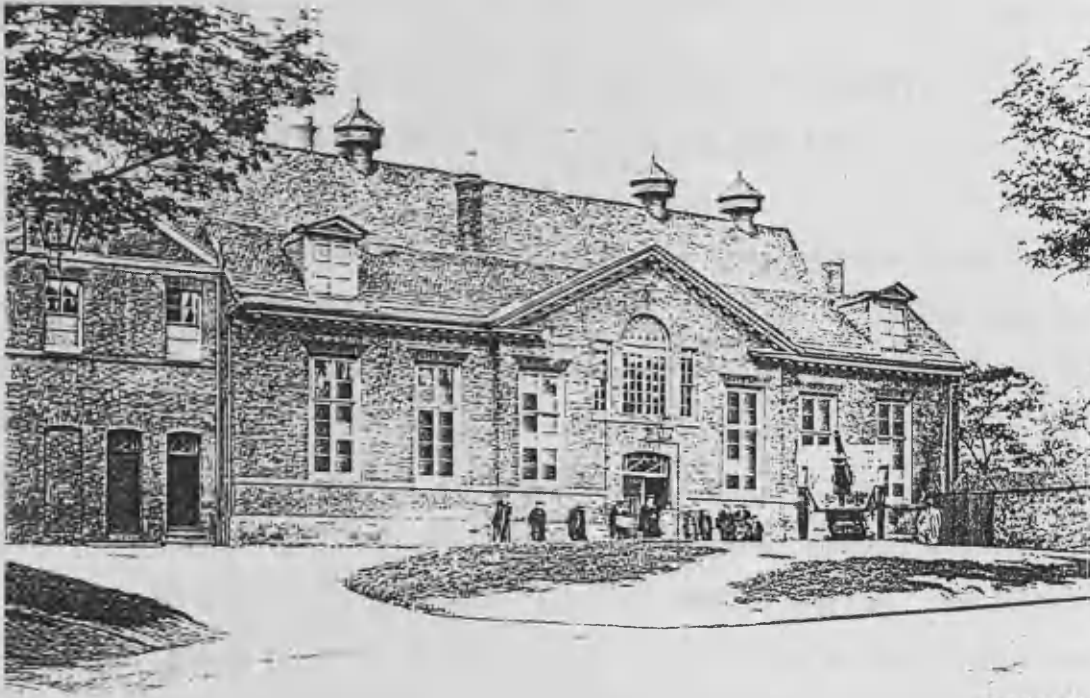
Scale of fees County Court process 1846

JUDGE'S FEES	AMOUNT OF DEMAND											
	≤20s.		≥20≤40		≥40≤£5		≥£5≤£10		>£10C*		>£10T*	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Every Summons.	0	3	0	6	1	0	2	0	3	0	3	0
Every Hearing Without Jury.	1	0	1	6	2	6	7	6	10	0	15	0
Every Hearing or Trial With a Jury.	2	0	3	0	5	0	10	0	15	0	20	0
Every order or Judgement or Application for an Order.	0	3	1	6	1	0	2	0	3	0	3	0
CLERK'S FEES												
Entering every Plaintiff and issuing the Summons thereon.	0	3	0	6	1	0	2	0	3	0	3	6
Every Subpoena, when required.	0	3	0	6	0	9	1	0	1	6	1	6
Every Hearing, Trial or Non-Suit without a Jury.	0	4	0	6	1	0	1	6	2	0	3	6
Adjournment of any Cause.	0	3	0	4	0	6	1	0	2	0	2	0
Entering and giving notice of special defence.	0	3	0	6	1	0	1	6	2	0	2	0
Swearing every Witness for Plaintiff or defendant.	0	2	0	2	0	3	0	4	0	6	1	0
Entering and drawing up every Judgement or Order and copy thereof.	0	3	0	6	1	0	1	6	2	6	3	0
Payment of Money in or out of Court, whether or not by instalments at different Times, including taking notice thereof and taking receipt.	0	2	0	4	0	6	-	-	-	-	-	-
Paying money into Court, and entering name in Books and Notice thereof, or of sum in full satisfaction having been paid into the court, each instalment or payment.	-	-	-	-	-	-	0	6	0	8	1	0
Payment of Money out of Court, and taking receipt, exclusive of stamp.	-	-	-	-	-	-	0	9	1	0	1	6
Every search in the Books.	0	2	0	2	0	4	0	6	1	0	1	0
Issuing every Warrant, Attachment or Execution.	0	6	0	6	1	0	1	6	2	6	3	0
Supersedeas of Execution, or Certificate of payment, or Withdrawal of cause.	0	3	0	6	0	6	1	0	1	6	2	0
Warrant of commitment for an insult or misbehaviour in Court.	1	0	1	0	1	0	1	0	1	0	1	0
Entering and giving notice of Jury being required.	0	6	0	9	1	0	1	6	2	0	2	6
Issuing Summons for Jury.	0	6	0	9	1	0	1	6	2	0	2	6
Swearing Jury.	0	6	0	8	0	10	1	0	1	6	1	6
Every Hearing, Trial or Nonsuit with a Jury.	1	0	1	6	2	0	3	0	5	0	7	6
Taking Recognisance or Security for costs.	-	-	-	-	-	-	2	0	2	6	3	0
Inquiring into sufficiency of Sureties proposed and taking Bond on removal of Plaintiff, or Grant of new Trial, or other Occasion.	2	6	2	6	2	6	2	6	2	6	2	6
Taxing Costs.	-	-	-	-	-	-	1	0	2	0	3	0

*For details on contract and tort cases see footnote 106.

Source: 9 & 10 Victoria, C.95. Schedule D.

Leicester County Court, 1848-1998
Exterior



Source: L.R.O., DE 3736/Box 6, Photographs: Leicester Castle/County Court, c.1920.

Leicester County Court, 1848-1998
Interior



Source: L.R.O., DE 3736/Box 6, Photographs: Engraving, Interior Leicester Castle/County Court.

THE URBAN ECONOMY AND THE COUNTY COURT: STRATEGIES AND CONTESTED PRIORITIES

Between 1870 and 1901 over 32 million small debt cases were registered in the County Courts of England and Wales. Whilst the overall trend in the number of debts registered kept pace with population, short-term fluctuations have been clearly associated with the economic cycle. This pattern is particularly evident during the down-turn of the late-1870s, mid-1880s and late 1890s.¹ Johnson's pioneering study of the annual returns of the County Courts sought to draw 'inferences about both national and regional fluctuations in the economic circumstances of working-class households.'² Yet Johnson also acknowledged that 'it is possible that a more intensive study of data for individual towns will reveal more complex relationships between default on debt and local economic conditions.'³

It is the intention of this chapter to do just that - explore in more detail the interaction between the courts and those participants within the local economy. The chapter will advance analysis beyond the specific short-range horizons of cost and incentive addressed in Chapter 3. Instead it will focus upon what the overall and individual court records can reveal about the demands and priorities of businesses and domestic consumers within the expanding economy of Victorian Leicester. The chapter is divided into two sections. The first section commences by evaluating long-term activity in the town's County Court district in relation to overall national trends in addition to features within circuit 20: the Midland court circuit centred on Leicester. The section then turns to re-establish the persistence of small-firms in Leicester and the appeal of the County Court and the L.T.P.S. within the 'low trust' economic environment. The intention is not to repeat what Johnson has argued about the validity of the local court data as a mirror of the 'endemic financial insecurity of working-class life.'⁴ Instead, it is to qualify

¹ See Appendix 4.1.

² P. Johnson, 'Small debts and economic distress in England and Wales 1857-1913', *Economic History Review*, 46, 1993, 65-87.

³ P. Johnson, 'Small debts and economic distress', 86.

⁴ P. Johnson, 'Small debts and economic distress', 85.

these assumptions and take the analysis one step further in order to assess the personal and commercial strategies of the individual plaintiffs and defendants who came into the courts. To this end, section two examines a number of case histories and draws conclusions about the utility of the law and the conscious strategy evident amongst the commercial and domestic participants in the expanding economy of Victorian Leicester.

First a caveat must be raised about Johnson's work. Although aware that the court data was the 'end product of a commercial transaction followed by a legal process'⁵ and, that the vast majority of those complaints (debt cases registered at the first stage of the court) were brought against working-class defendants, he makes the assumption that aggregate complaint data was a simple reflection of the economic conditions which faced the working-class debtor. Although this may have been the case, these statistics were at least one stage removed from the distress of the working-class defendant. By default, the decision to enter a case in the court was made by the plaintiff. Consequently the aggregate statistics reflected changes in the demand for debt recovery, not debt itself. As such the direct link between the court and the local economy came through the plaintiff. It reflected their strategies, decisions and priorities - the majority of whom were drawn from the small firms of retailers, manufacturers and other tradesmen.

The Leicester County Court district encompassed 80+ parishes and villages which surrounded the town. The furthest extremities were no more than eight miles from the centre of the town and ranged from Thrussington and Queniborough in the north, Countesthorpe in the south, Halstead in the east and Botcheston in to the west (Map 4.1).⁶

The population of the court district was drawn largely from the town. In 1851, 66 percent of the district were resident within the urban area. By 1901 the boundaries of

⁵ P. Johnson, 'Small debts and economic distress', 66.

⁶ The intention of the judicial commission of 1846 was to provide a County Court, no more than a day's walk from any man's home. A full description of the towns and parishes that made up the Leicester County Court district can be found in Appendix 4.2. Details of the Judges who served in the district can be found in Appendix 4.3.

the town and the population had sufficiently expanded to form 81 percent of the court district (Table 4.1). The Court district is, therefore, taken to be synonymous with the town and defines the physical extent of the town's urban economy.

Map 4.1

Physical extent of Leicester County Court district



Source: L.T.P.S. *Directory of Leicester*, 1870; Wright's *Directory of Leicester*, 1895; Census 1851-1901.

Table 4.1

Population of Leicester County Court district, 1851-1901

	1851	1861	1871	1881	1891	1901
Population of Court district	91,023	101,825	131,099	174,997	217,077	259,685
Population of Leicester	60,584	68,056	95,220	122,376	174,624	211,579
Proportion in Leicester (%)	66.5	66.8	72.6	69.9	80.4	81.5

Source: Census returns., 1851-1901, see Appendix 4.2.

If the physical boundaries of the County Court district can be defined, is it possible to relate the long-term trends in court activity in Leicester with those elsewhere? Just as the national use of the courts increased through the period, so the Leicester court showed a steady climb in popularity. Annual debt registrations increased from 7,000 or so in 1870 to over 15,000 in 1900. The cycles of debt registration broadly followed the national trends, with highs recorded in 1879, 1888 and the final years of the century. However if the per-capita debt levels are calculated, greater differentiation emerges.⁷ (Graph 4.1)

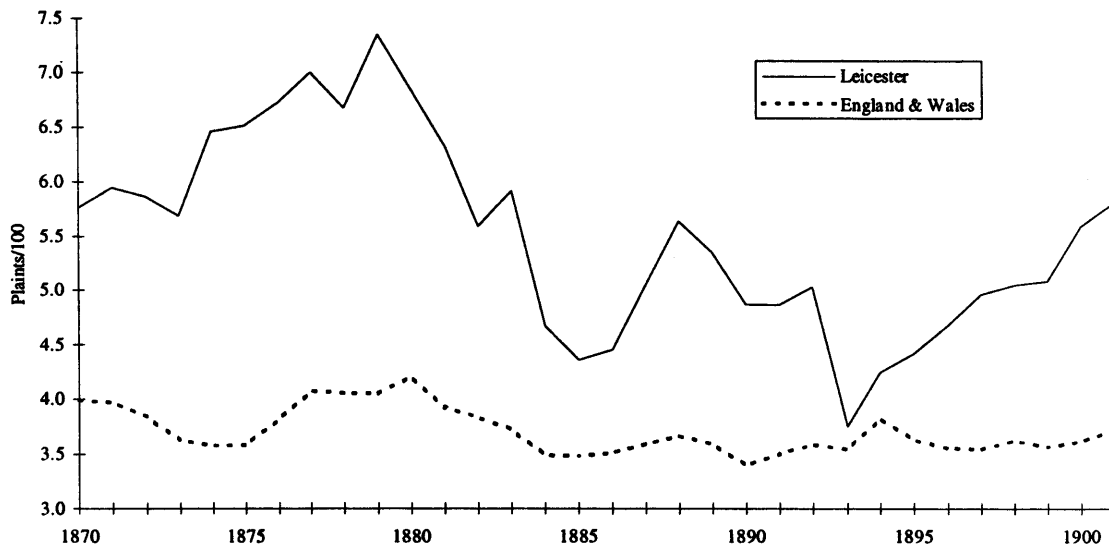
Plaint activity in the Leicester district was clearly much higher than that of England and Wales. The mean number of plaintiff cases per 100 inhabitants per annum between 1870-1900, produced a national average of 3.69. In Leicester the mean debt level was 5.52. This differential was matched by considerable fluctuation in court activity at this time. Again the broad cycles of the macro-economy appear to be followed; however short-range fluctuations appear to have been severe, especially during the depression of the 1870s. These statistics are broadly supported by the regional analysis of Johnson (Table 4.2). Although he was unable to reconstruct per-capita statistics for individual court towns, calculations based on approximated Counties from the period up to 1914, reflect the trend discernible in the Leicester district, where the county as a whole recorded the joint third highest level of debt registration in the country.⁸

⁷ The statistics for the Leicester circuit have been calculated by reconstructing the population of the Court district. Although the district comprised the town and many of the adjacent poor law parishes the population of the area was not recorded by the Lord Chancellor's department. These statistics were derived from descriptions of the County Court district published in local directories and cross-referenced with the census. Annual changes were determined by compound growth calculations.

⁸ Calculation of data from the eight main court towns of Leicestershire produced an overall mean of 4.72 plaintiffs/100.

Graph 4.1

**Plaints entered per hundred people:
Leicester and England and Wales, 1870-1900**



Source: Derived from *Returns of Proceedings in the County Courts of England and Wales, P. P.*, 1870, LVII.27; 1871, LVII.141; 1872, L.117; 1873, LIV.81; 1874, LIV.123; 1875, LXI.261; 1876, LXI.65; 1877, LXIX.205; 1878, LXII.57; 1878-79, LIX.167; 1880, LIX.109; 1881, LXXVI.109; 1882, LIV.51; 1883, LV.89; 1884, LXIII.43; 1884-85, LXIV.75; 1886, LIII.5; 1887, LXVII.21; 1888, LXXXII.37; 1889, LXI.15; 1890, LIX.67; 1890-91, LXIV.119; 1892, LXV.5; 1893-94, LXXXIV Pt1.19; 1894, LXXXI.15; 1895, LXXXI.187; 1896, LXIX.5; 1898, LXXIII.5; 1898, LXXIII.197, 1899, LXXIX.5, 1900, LXIX.5. Census, 1861-1901.

Table 4.2

**Mean annual number of complaints/100 people
by County 1868-1913**

	County	Mean
1	Warwickshire	7.84
2	Gloucestershire	5.32
3	Leicestershire*	5.22
3	Staffordshire	5.22
4	Derbyshire	5.12
5	West Riding	4.91
6	Nottinghamshire	4.82
7	Cambridgeshire	4.63
8	Cheshire	4.54
9	Lincolnshire	4.20
	England & Wales	3.85

*Leicestershire also includes Rutland.

Source: P. Johnson, 'Small debts', Table 3.

Johnson sought to explain these regional differences in terms of working-class welfare. He believed the presence of the Midland counties, could be explained in terms working-class unemployment, income levels and income stability. The relatively low levels of complaint activity for the industrial north-west were linked to the characteristics of employment in the area in particular the broad employment opportunities offered to

women and other working class support mechanisms such as the co-operative movement and friendly societies.⁹

These conclusions, should be treated with caution. If the statistics for the County and Court circuit of Leicester are analysed further, some intriguing differentials emerge (Table 4.3). Inter-district variation was considerable, with the highest mean debt levels in Ashby and Leicester, decreasing to levels at or around the national average in Uppingham and Market Harborough.

Table 4.3

**Mean annual number of complaints/100 people:
Leicester Court circuit, 1870-1900**

	Court town	Mean
1	Ashby de la Zouch	6.20
2	Leicester	5.52
3	Loughborough	5.41
4	Oakham	5.31
5	Melton Mowbray	4.85
6	Hinckley	3.65
7	Market Harborough	3.24
8	Uppingham	3.18

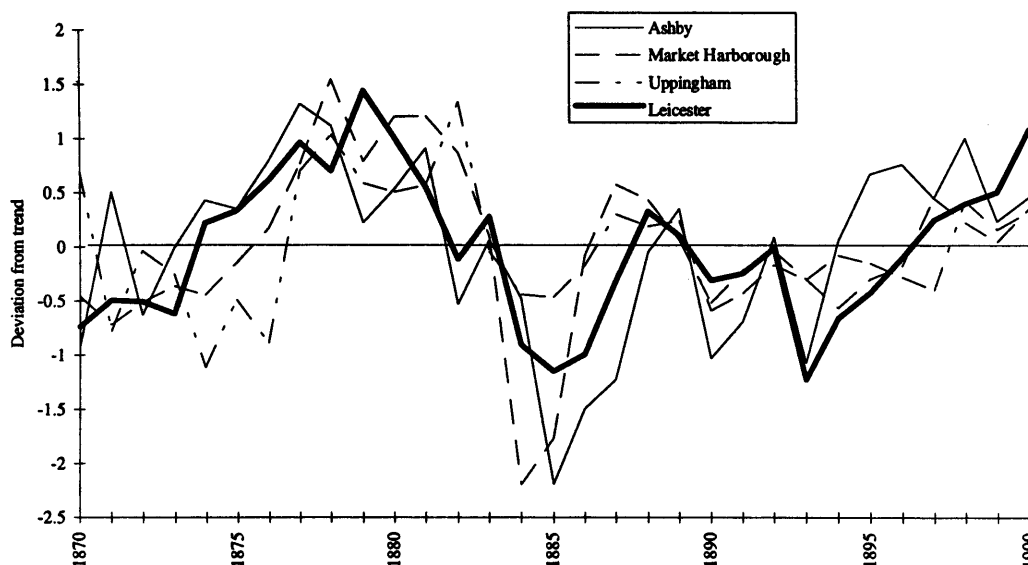
Source: Census, 1861-1901; *Returns of Proceedings in County Courts*, P. P., (see Graph 4.1).

Apart from attributing what appears to have been a rough rural - urban divide, a lack of alternative economic indicators makes it difficult to further explain these differences in the mean level of debt. However an analysis of the variance rather than the actual level of debt, suggests that trends within the Leicester Court district were broadly consistent (Graph 4.2). The deviation of court activity showed a relatively stable pattern of debt registration until the late 1880s, after which annual variance between court towns became less consistent, yet still followed the general macro-economic trends. These debt profiles are similar to those areas examined by Johnson and tentatively suggest that these aggregated court statistics act as a good proxy for local economic conditions.

⁹ P. Johnson, 'Small debts and economic distress', 76.

Graph 4.2

**Variance of complaints registered in selected court towns:
circuit 20 1870-90**



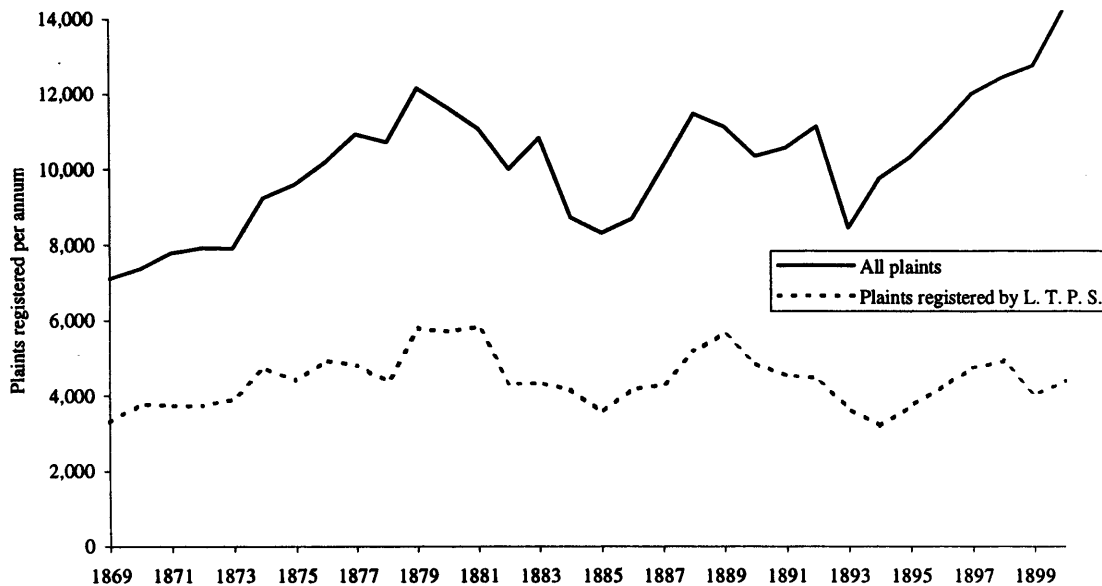
Source: *Returns of proceedings in County Courts, P. P.*, (see Graph 4.1).

Unlike the court circuit, analysis of the Leicester data offers an explanation for the high level of debt registered in the town. It would appear that a direct correlation existed between the debt recovery services of the L.T.P.S. and the actions of the County Court (Graph 4.3). Each month the circulars of the L.T.P.S. recorded the number of complaints registered in the County Court on behalf of its members. These describe an extraordinary level of activity. Between 1868 and 1900, 43 per cent of all the 325,000 complaints recorded in the Leicester Court were registered by the Society. This was in addition to the private ex-ante system run as an additional service for members.¹⁰

¹⁰ In the corresponding period between 1870-90, the courts registered 206,000 complaints, of which 46.8 per cent were presented by the L.T.P.S. See Appendix 4.1.

Graph 4.3

**Plaints registered by L.T.P.S. and all complaints entered:
Leicester County Court, 1869-1900**



Source: *Returns of proceedings in County Courts, P. P.*, (see Graph 4.1); L.R.O., DE 3848/5-7, L.T.P.S. Minute Books, 1866-1909.

This was a phenomenal volume of business and may offer some explanation for the high level of debt registration in the Court district. Such activity was not only confined to the town; for instance between 1875 and 1888, 21,759 complaints were registered by the Society outside the Leicester district.¹¹ It is also clear that the L.T.P.S. did not operate in isolation. Many other organisations were created to carry out similar tasks such as the Leicester Society - a national association formed in the late 1850s.¹² It would seem likely therefore that the debt recovery services of the Leicester Society were not unique. Other regional associations may also have had a significant impact upon the aggregate levels of debt registered in many other regional courts. This is a hypothesis but reinforces the necessity of further research into the actions of other regional societies.

These figures also illuminate the impact of the L.T.P.S. on the ground. By the late-1860s, the ex-ante system and debt registration services must have firmly incised the image and reputation of the L.T.P.S. into the minds of the commercial community and

¹¹ L.R.O., DE 3848/5-6, L.T.P.S. Minute Books, 1866-95.

¹² These issues are discussed in Chapter 5.

many other domestic consumers in the town. It was both a credible alternative and cheaper accompaniment to the standard small debt procedure of the County Court. In dealing with over 40 per cent of the small debt cases registered in the County Court, the L.T.P.S. almost physically imposed itself upon the conduct of the local market. Such services illustrate how the Society's management, organisation and physical presence were intended to emulate and reflect the institution of the County Court. Furthermore its actions also reinforced its own commercial integrity and signalled its reputation as a trusted intermediary. This was essential if the Society was to effectively reduce the transaction cost of its members and also begin to condition the behaviour of non-members and thus the conduct of the local market.

Examination of the characteristics of the Leicester economy in Chapter 2 illustrated the important role played by small businesses in the town. Vörös and others have shown how the majority of all retail services - the grocers, bakers, shopkeepers, drapers and tailors of the area - were largely short-lived, small scale or family concerns.¹³ These were patterns of commercial operation, which Nenadic and others have demonstrated were found across all of Victorian Britain. As she argues, most business were 'small and short-lived, they were clustered in retail and services, they served the predominantly local market and, despite the rise of larger firms, the number of small enterprises increased in most sectors as the period advanced.'¹⁴

The attractiveness of the small debt Court lay in its mundaneness. Although there were variations in the cost and administration of the law from town to town, the everyday functions of the Court were largely repetitious. Such a mechanical, everyday approach to civil justice should be valued. The County Court provided an arena where many of the day to day mundanities of strategy and priority faced by those who lived and worked within the town were played out. As a result, the actions of the Leicester court can be

¹³ A. Vörös, 'The transformation of the economic structure and the persistence of firms in Leicester, 1850-1900', Urban History, M.A. dissertation, *University of Leicester*, 1998; C. P. Hosgood, 'The 'pigmies of commerce' and the working class community: small shopkeepers in England, 1870-1914', *Journal of Social History*, 22, 1989, 442-45. See Chapter 2.

¹⁴ S. Nenadic, 'The small family firm in Victorian Britain,' *Business History*, 35, 1993, 89.

used as a case study - a barometer - to investigate the prevailing commercial and personal attitudes of those firms and individuals who acted within the larger urban economy.¹⁵ This chapter now turns to focus and magnify a snap-shot of individuals and the underlying strategies which brought them before the Leicester County Court. It focuses specifically on a common year, (1868) but dips in to explore similar strategies at intervals throughout the remainder of the century.

The utility of the law: strategies on the ground

This section will now consider this information in detail. The tactical use of the instruments of the law and the forum of the County Court is further analysed by examining the behaviour and occurrence of individuals within the court record. This is achieved by comparing incidents in the small debt court, with contemporary insolvencies and the tactical use of instruments such as bills of sale. This is complemented by analysis of the profile of defendants in the period after 1879, before the chapter concludes with a brief examination of the spatial relationships between plaintiffs and defendants in the period.

The survival of County Court records has been fragmentary. Only a small number of the official plaint and ordinary summons books which recorded the differing stages of the court process remain (Figure 4.1). These books cover two main periods, 1869-75 and 1879-84. However, in addition to these official documents the monthly circulars of the L.T.P.S. record most of the same court activity.¹⁶

Figure 4.1

Survival of nineteenth century records appertaining to Leicester County Court

Year	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84
Ordinary Summons Books																
Plaint Books																
L.T.P.S. Transcripts*																

* NB. L.T.P.S. transcripts are also preserved for the period, 1885-1900.

Source: L.R.O, DE 3848/29, L.T.P.S. Monthly Circulars, 1869; L.R.O., 'Periodicals File'; L.T.P.S. Monthly Circulars, 1870-72, 1876, 1878,-79; L.R.O. DE 3848/30-31, L.T.P.S. Monthly Circulars, 1873, 1876; L.R.O, DE 4482/27-29, Leicester County Court Plaint Book 1869, 1873-75; L.R.O, DE 4482/21-2, Leicester County Court Ordinary Summons Book 1879-80.

¹⁵ M. Dauntton, 'Industry in London: revisions and reflections', *London Journal*, 21 1996, 3.

¹⁶ The L.T.P.S. monthly circulars recorded those cases which advanced to the second stage of the court process, where either through mutual consent or the order of the court an order or agreement to repay a debt was entered into the court record (see model of court process in Chapter 3).

The methodological approach grew in response to the limitations imposed by the selection strategies of the County Court archivist. The original plaint and ordinary summons books were chosen with the intention of recording a sample of volumes from differing years and different stages of the legal process. As a result, no contemporaneous Plaint and Ordinary Summons' have survived. This meant that the official sources prevented the reconstruction of the full case histories of any individuals who entered the legal process. However, for the short period of time, in 1869 and 1879, the official records and the unofficial transcripts of the L.T.P.S. overlap. This permitted individual histories and the personal strategies and attitudes of suitors and defendants to be reconstructed. From 1854 onwards, each monthly circular devoted a number of pages to 'County Court Reports' - which were transcripts of all those plaints heard or settled before the court at its second stage.¹⁷ Each monthly return detailed the plaintiff's name, defendant's name, address, trade, the form and value of the debt and the terms of settlement. In addition, until June 1871, each report also noted those plaintiffs who were current members of the L.T.P.S.¹⁸

The records of 1869, provided the best overlap of official and unofficial sources. The 3,685 plaints recorded at second stage by the L.T.P.S. during that year, provided a backdrop against which those plaints registered at first stage in August 1869 could be projected. This exhaustive study of events in 1869, was supplemented with results from a survey of those records which survived in the ordinary summons book of June 1879.

¹⁷ In addition to the local circuit courts of Loughborough, Melton, Ashby, Uppingham, Hinckley and Market Harborough, the circular also regularly reproduced records from the surrounding region, including Derby, Warwick, Nottingham, Lincoln and Northampton. Second stage refers to the court hearing and order to pay/judgement (see Chapter 3).

¹⁸ This notation was abandoned in order to save page space and further preserve the privacy of members' court actions, L.R.O. DE 3848/5, L.T.P.S. Minute Book, 1866-1880. By cross-referencing with a data-base of known members assembled from the monthly returns entered in the minute books of the Society, the full identity of those members active in the courts could be made. This database listed some 5,336 individuals as having joined between 1854-1900. However it cannot take into account those members who left the Society at any one time, and as these minutes were often only cursorily completed and depended upon the Secretary of the Society having received up to date details from clerks, is likely to have under-recorded the members joining. For additional information the problems and procedure of record linkage see, S. Nenadic, 'Record linkage and the family firm', *Bulletin of the John Rylands Library*, 74, 1992, 169-93.

A further long-term perspective was derived from a 1:20 sample of L.T.P.S. records taken at five year intervals for the remainder of the century.¹⁹

The points of contact between the court and the economy in 1868 and 1879 need further clarification. As the overall statistics evaluated earlier suggest, both years were low points in the economic cycle; where the latter year marked probably the worst slump of the century. Chapter 3 described how the 1879 down-turn was indicated by an increase in the number of complaints registered in the court. And yet, the trend in those cases which progressed to second stage was little different from preceding or subsequent years. This is tentative evidence for an underlying strategic use of the court, where either defendants or plaintiffs sought to defer creditors or pressurise debtors through the use of the law. Furthermore, it reinforces the necessity of exploring the progress of individuals and their cases as they progressed through the various stages of the small debt court.

Seasonality also influenced the pattern of debt registration. What is known about the rhythms of saving, spending and employment suggests that the records of June and August did not mark the cruellest months in the Court calendar (Graph 4.4). These summer months usually offered greater employment opportunities for the working-class consumer and hence more advantageous commercial conditions for traders, with a resultant dip in the number of debts registered.²⁰ This was apparent in the complaints presented to the Leicester court in 1869, where the August figures (in number and value) represented less than one twelfth of all complaints registered in the year.²¹

Although self-selected, the records of 1869 can be seen as typical of County Court practice throughout much of the period. This was reflected in the data which placed

¹⁹ The name of the plaintiff was removed from all the L.T.P.S. reports after July 1886. As a result evaluation of the interval sample (1870-1899) focused upon examination of the characteristics of the defendants and the value of the debt incurred.

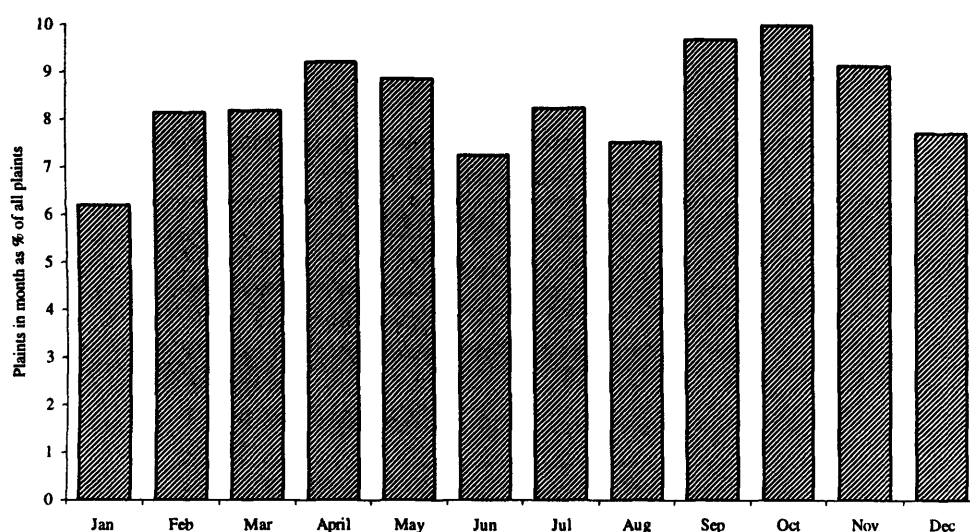
²⁰ H. R. Southall, 'The tramping artisan revisits: labour mobility and economic distress in early Victorian England', *Economic History Review*, 44, 1991, 272-96; J. Hoppitt, *Risk and failure in English business 1700-1800*, (Cambridge, 1987).

²¹ Total number of complaints 1869 (including those over £20 in value) = 7,192; ∴ mean number of complaints per month was 599. Total value of complaints, £17,294; ∴ mean value of complaints per month £1,441, compared with a total value of £1,217 for court activity in August. L.R.O., DE 4482/27, Leicester County Court Complaint Book 1869; *Return of the Proceedings in the County Courts*, P. P., 1870, LVII.27.

Leicester firmly at the centre of the local economy. In 1869 the boundary of the town encompassed 72.6 per cent of the County Court population yet accounted for 81.3 per cent of all defendants and 84.4 per cent of plaintiffs.²² Those non-resident were largely drawn from the surrounding parishes and villages of the Court district. However a few, mostly large merchants or brewers, came from as far afield as London, Bradford, Manchester, Birmingham and Burton-upon-Trent.²³

Graph 4.4

Seasonality of complaints presented by L.T.P.S. in the Leicester County Court, 1869-79



Source: L.R.O. DE 3848/29, L.T.P.S. Monthly Circulars, 1869; L.R.O., 'Periodicals File', L.T.P.S. Monthly Circulars, 1870-72, 1874, 1878-79; L.R.O. DE 3848/30-31, L.T.P.S. Monthly Circulars, 1873, 1876.

Of the 483 complaints registered in August 1869, 64 per cent requested payment for 'Goods Sold and Delivered' (Table 4.4). This description covered the sale and exchange of goods. It was a formulaic term and applied from a small debt owed to the baker, to default upon trade credit granted by much larger enterprises. Other descriptions such as 'Medicine and attendance,' 'Lodgings,' 'Work done,' 'Bill of Exchange' or 'Money lent', revealed more specific reasons or the nature of an individual dispute. This latter

²² L.R.O., DE 4482/27, Leicester County Court Complaint Book 1869. Similar proportions were also recorded in 1879, where the population of the town made up 70.5 per cent of the court district and whose residents comprised 83.6 and 82.8 per cent of defendants and plaintiffs respectively. See Table 4.1 also L.R.O., DE 4482/2/1-2, Leicester County Court Ordinary Summons Book 1879-80.

²³ This latter group was made up entirely of brewers and reflected the growing influence of the national beer trade at the local level, see page 105.

group included the 'shooting of chickens,' 'conversion of a dog,' 'hire of a cart' or 'damage for a broken window.'²⁴

The strength of these descriptors lies in the emphasis they put upon the position of the courts as a place where all manner of productive, retailing and consumer contracts could be enforced. Furthermore, although these terms were subjective and depended upon the whim of the court clerk, it is likely that a broad change between these figures reflected a shift in the focus of court activity. This explains an increase in the proportion of 'Goods sold and delivered' in 1879 as the hardships of the year saw more people use the courts to recover debt for goods previously issued on credit.²⁵

Table 4.4

**Nominal form of all complaints presented in Leicester County Court,
August 1869 and June 1879 (per cent)**

Description	1869	1879
Goods sold and delivered	64.0	75.5
Medicine and attendance	7.6	6.9
Work done and materials	5.4	4.1
Bills of Exchange/Guarantee/Promissory note	4.8	3.7
Money lent	3.5	2.9
Board and lodgings	1.9	2.5
Others	12.8	4.4

Source: L.R.O., DE 4482/27, Leicester County Court Complaint Book 1869; L.R.O., DE 4482/2/1, Leicester County Court Ordinary Summons Book 1879.

Occupational structure of plaintiffs and defendants in the County Court

In terms of occupation, the 235 individual plaintiffs were drawn from 95 different trades.²⁶ The 431 defendants came from 91 different occupations. The majority of both groups came from two broad sectors, retailing and manufacturing (Graph 4.5).²⁷ Retail

²⁴ L.R.O., DE 4482/27, Leicester County Court Complaint Book 1869.

²⁵ This is also a plausible explanation for the increase in the proportion of debts brought for default on board and lodgings in 1879, (see Table 4.4).

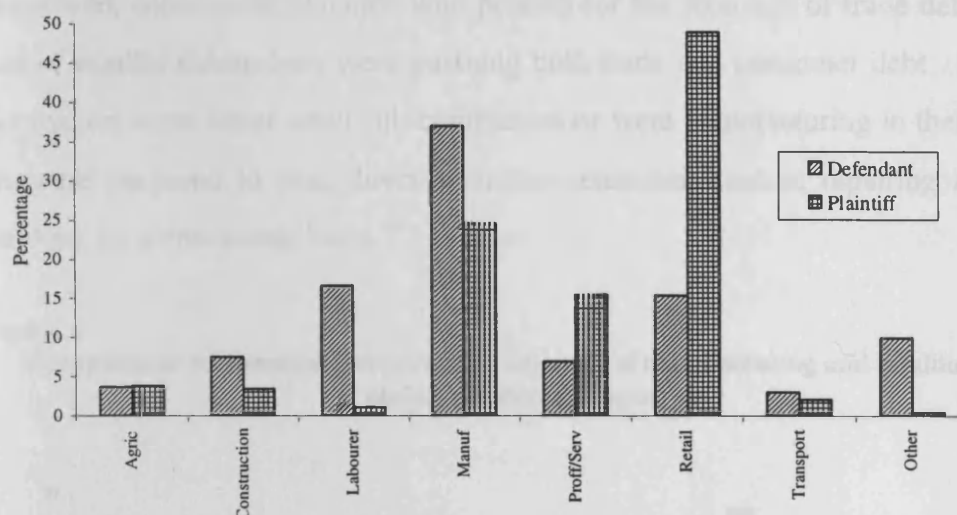
²⁶ The August data recorded 14 female defendants (3 per cent), and 12 female plaintiffs who registered 20 (4.3 per cent) of all complaints.

²⁷ Initial occupational categories are taken from those definitions used by Armstrong, which were a modification of the Booth model for the study of poverty in the 1880s. W. A. Armstrong, 'The use of information about occupation', in E. A. Wrigley (ed.), *Nineteenth century society: essays in the use of quantitative methods for the study of social data*, (Cambridge, 1972), 191-310; D. Mills and J. Mills, 'Occupation and social stratification revisited: the census enumerators' books of Victorian Britain', *Urban History Yearbook*, 1987, 63-6; S. A. Royle, 'Aspects of nineteenth-century small town society: a comparative study from Leicestershire', *Midland History*, 5, 1979-80, 52.

accounted for 49 per cent of plaintiffs and 15 per cent of defendants and manufacturing 35 per cent of plaintiffs and 37 per cent of defendants. Others came from the professional and service sector and large proportion of defendants were either described as labourers or worked in the unskilled and semi-skilled trades of the construction industry.²⁸

Graph 4.5

Occupational sectors of plaints registered, August 1869



N.B. Manufacturing category includes plaints presented by Framework Knitters.
Source: L.R.O, DE 4482/27, Leicester County Court Plaint Book 1869.

In the retail sector, plaintiffs fell into three categories: food and drink; clothing and furnishing and the provision of fuel, all of which were clearly associated with the supply of goods for sale or resale to the consumer market. The largest occupational group were grocers who entered over 11 per cent of all plaints (Table 4.4). Other food retailers included butchers, bakers, shopkeepers and wine merchants and a small number of green-grocers and fishmongers. Some 19.6 per cent of plaintiffs came from the clothing and furnishing trades. Most were drapers and tailors, but the presence of furniture dealers and auctioneers emphasised the continued importance of the second hand trade for furniture and moveable goods.²⁹ Examples include the case entered by

²⁸ A number of defendants were unable to be classified. Examination of the personal details of the unclassified defendants using the reference to contemporary trade directories suggested that the majority were also from unskilled occupations.

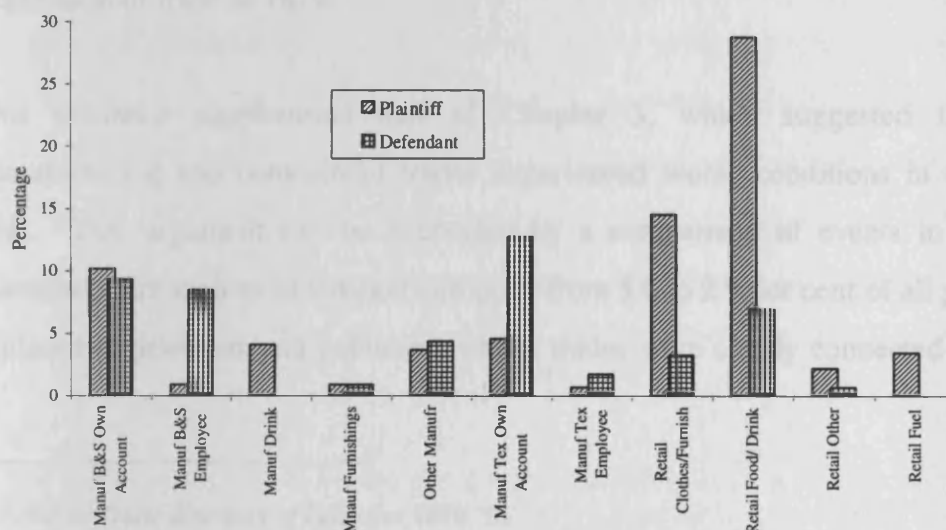
²⁹ S. Nenadic, 'Middle rank consumers and domestic culture in Edinburgh and Glasgow 1720-1840', *Past and Present*, 145, 1994, 122-56.

Cooke & Warner, auctioneers of Horsefair Street, who pursued William Jeffs an upholsterer of Colton Street for recovery of £6.12s for furniture sold on to him. Or the previous auctions held by Cooke & Warner at which a number of farmers, maltsters and timber dealers had failed to pay a commission.

Within manufacturing 10 per cent of plaintiffs were from the footwear trade (Graph 4.6). Of these, all but two were described as shoemakers, shoe dealers or manufacturers. These were commercial plaintiffs who pressed for the recovery of trade debts or, in the case of smaller shoemakers were pursuing both trade and consumer debt. Many of the shoemakers were either small sub-contractors or were manufacturing in their own right, but were prepared to deal direct with the consumer market, repairing and retailing footwear on a one-to-one basis.³⁰

Graph 4.6

Occupational composition (proportion of all cases) of manufacturing and retailing sectors, plaintiffs registered, August 1869



N.B. Manufacturing on own account category includes plaintiffs presented by Framework Knitters.
Source: L.R.O, DE 4482/27, Leicester County Court Plaintiff Book 1869.

The footwear 'manufacturers' were bigger firms - those with significant premises who traded on a larger scale. One such firm active in August, was Edward Mace and Co. of the Cardigan Street bootworks, who described themselves as, 'Boot and Shoe

³⁰ See Chapter 2, where the structure of the shoe trade is discussed in more detail.

Manufacturers, Curriers, and Leather Merchants, Wholesale and for Export.’³¹ Such firms were often engaged in manufacture and distribution to the leather and retail trades and were prepared to supply materials and components to other shoemakers, finishers and small manufacturers but did not have contact with the individual consumer. Other manufacturers included elastic web and hosiery firms, ironfounders and brewers. Although local breweries such as Carver & Bates of Northampton Street were present amongst plaintiffs, many were based in Burton upon Trent. The presence of Ind Coope, The Burton Brewery and Worthington & Co. reflected the wider expansion of the national market for beer.³²

Comparison with the profile of plaintiffs in 1879 shows both continuity and change (Table 4.5). Most notable was an increased presence of grocers and butchers as well as jewellers, publicans and innkeepers. This was matched by a decrease in those plaintiffs drawn from the shoe trade. These former occupations were those most associated with the domestic consumer and again reflect the slump in working-class incomes and depression of trade in 1879.

This evidence supplements that of Chapter 3, which suggested that that the manufacturing and commercial trades experienced worse conditions in the preceding year. This argument can be supported by a comparison of events in 1879, where manufacturers such as shoemakers dropped from 5.8 to 2.9 per cent of all plaintiffs to be replaced by jewellers and publicans, whose trades were clearly connected with retailing

³¹ *L.T.P.S. Trade directory of Leicester 1870*, 16.

³² The early presence of these larger brewing concerns was marked by Worthington & Co. of Burton, who sought the advantages of membership of the L.T.P.S. as early as 1854. By 1873 it is clear from evidence presented to the Select Committee on Imprisonment for Debt, that these larger brewers had become a noted presence within the County Court system: ‘There is a very large number of agents for the sale of beer on commission; persons employed by the large brewers in the neighbourhood of Burton and the sale of beer is very much pressed in the town.’ *House of Commons Select Committee on Imprisonment for Debt, P. P.*, 1873, (348) XV, Q. 6019. This trend was further stimulated by introduction of restrictive licensing legislation in 1869 which had imposed more control over the retailing of beer. A regulated system benefited those larger manufacturers whose economies of scale, advertising and sales techniques, permitted penetration of the local beer market, a feature noted as commonplace in Leicester at this time. T. R. Gourvish and R. G. Wilson, *The British brewing industry, 1830-1980*, (Cambridge, 1994); R. B. Weir, ‘Brewing and distilling’, in J. Langton and R. J. Morris, *An atlas of industrialising Britain, 1780-1914*, (London, 1986), 119-24.

and the consumer market.³³ This suggests the existence of a lag effect, where those plaintiffs who were linked to the consumer market felt the effects of economic downturn later than those in the manufacturing sector.

Table 4.5

Most frequent groups of plaintiff, August 1869 and June 1879					
1869	No. plaints Tot: 463	% of all plaints	1879	No. plaints Tot: 245	% of all plaints
Grocer	52	11.3	Grocer	48	19.6
Physician	35	7.6	Coal	21	8.6
Tailor	31	6.7	Physician	16	6.5
Shoemaker	27	5.8	Butcher	17	6.9
Butcher	22	4.8	Jeweller	16	6.5
Brewer	19	4.1	Brewer	15	6.1
Draper	18	3.9	Draper	13	5.3
Coal	16	3.5	Shoemaker	7	2.9
Auctioneer	14	3.0	Innkeeper	6	2.4
Baker	13	2.8	Baker	6	2.4

Source: L.R.O, DE 4482/27, Leicester County Court Plaintiff Book 1869; L.R.O, DE 4482/2/1, Leicester County Court Ordinary Summons Book 1879.

This occupational profile of plaintiff in Leicester matches the few studies of court activity in other towns.³⁴ Other commercial trades included construction in particular builders, timber merchants and bricklayers and the professional/service sector occupied by brokers, agents, accountants and doctors. Johnson noted the dominant position of trades such as tailors, drapers, grocers, coal merchants and doctors in the records of the Manchester County Court.³⁵ These were occupational categories which were recorded in the Leicester Court, where grocers, drapers, furnishers, coal merchants and doctors were all listed as the main plaintiffs.³⁶ However a muted note of caution should be

³³ The number of single cases entered into the court also increased from 50.8 per cent in 1869 to 53.6 per cent in 1879. Of these, 66.9 per cent were pressed by retailers compared with only 48.9 in 1869. The combination of more individual suits and an increased number of retailers, suggests growing pressure to recover debts amongst smaller traders in 1879 and hence a general consumer depression.

³⁴ The only profile of complaints registered in the courts which permits comparison with the profile in 1869 and 1879 has been made of the Bath Court of Request in the late 1820 and 1830s. The limitations of such a comparison are obvious, a non-industrial town surrounded by a large rural hinterland some thirty years previous, compared with the ascendant position of mid Victorian Leicester. Nevertheless cross comparison confirms the presence of food and drink provisioners, and the clothing trades, although the position of farmers and graziers as a source of credit was somewhat more limited in Leicester by the 1860s than Bath a generation before. M. Finn, 'Debt and credit in Bath's Court of Requests', *Urban History*, 21, 1994, 220.

³⁵ P. Johnson, 'Small debts and economic distress', 68.

³⁶ S. C. *Imprisonment for Debt*, P. P., 1909, (239) VII. 281; Appendix 27.

sounded. Johnson's occupational evidence was taken from those cases which resulted in final court judgements, yet his statistical data and overall conclusions were drawn from the aggregated number of complaints entered at first stage. Like was not compared with like. It is probable that the intervening period saw the settlement of many debts [illustrated below]. Consequently, a reliance on the occupational profile of defendants at the second stage of the court may under-represent the activities of some firms. In particular those businesses who used the courts to hasten repayment, coerce debtors and for whom it was unnecessary to press a debt any further than complaint stage. This is a problem Johnson does not recognise.

An occupational analysis of defendants in 1869 underlines the extent to which retailers (15.3 per cent) and manufacturers (36.9 per cent) were engaged in the courts (Graph 4.5).³⁷ Others included many described as 'labourers' (16.6 per cent); building trade workers (7.6 per cent) and those engaged in the professions and services (6.9 per cent). The prevalence of retailers and manufacturers amongst defendants reinforces the role of the court for the recovery of debt from small scale traders and manufacturers. The manufacturers were drawn largely from the shoe and hosiery trade, where over half were trading in their own right as small producers, shoemakers and shoe finishers. Others such as clickers, nailors, framework knitters, dyers, shoehands and shoe closers were also likely to have been operating independently.

Table 4.6

Most frequent occupations of defendants, August 1869 and June 1879

1869	No. complaints Tot: 463	% of all complaints	1879	No. complaints Tot: 245	% of all complaints
Labourer	67	14.5	Labourer	49	20.0
F.W.K	47	10.2	Shoehand	25	10.2
Unknown	41	8.9	Unknown	18	7.3
Shoemaker	35	7.6	Mechanic	18	7.3
Shoefinisher	15	3.2	Shoemaker	8	3.3
Farmer	11	2.4	Tailor	8	3.3
E.W Weaver	10	2.2	F.W.K	7	2.9
Carpenter	9	1.9	Ironmoulder	7	2.9
Shoenailor	9	1.9	E.W Weaver	6	2.5
Publican	9	1.9			

F.W.K. = Framework Knitter; E.W. Weaver = Elastic Web Weaver.

Source: L.R.O, DE 4482/27, Leicester County Court Complaint Book 1869; L.R.O, DE 4482/2/1, Leicester County Court Ordinary Summons Book 1879.

³⁷ See above page 103.

Comparison of the occupational profile of court defendants between 1869 and 1879 reveals both continuity and change (Table 4.6). Labourers continued to form the largest single group, although these were accompanied by an increase in the number of semi and unskilled employees of the shoe trade. By contrast framework knitters appear to have dropped down the occupational hierarchy. This group had once worked independently in their own right. However, by the late 1840s mechanisation had placed them into a position of technological redundancy and reduced many to poverty. Although framework knitting experienced something of an Indian Summer in the early 1860s, the trade and its workers plunged into steep decline from the early 1870s.³⁸

By 1879, 36 per cent of defendants were drawn from small traders. Many of these debts were undoubtedly the result of consumer credit agreements which had gone wrong in much the same way as any claim registered by a grocer against an employee or manual worker would. However close evaluation of cases suggests that in 1879 around 17 per cent of all cases were directly related to trade credit, compared with 27 per cent in 1869. Such as the three claims presented by Richard Broadbridge a 'machine engineer' of Southgate Street for the recovery of debts of between 10-28 shillings from three different shoemakers in the town. Or those presented by the Carlisle Biscuit company of Carlisle against Henry Hubbard, a commercial traveller of Conduit Street, or the 6s sought by George Vann a fish dealer of Wharf Street for goods sold and delivered to Henry Smith a general dealer in the town. These figures are only subjective assessments, as the exact nature of the relationship between defendant and plaintiff can never be known. Nevertheless the significant difference between the two proportions of trade credit in the respective years reinforces the impression of 1879 as a period of particular hardship for small manufacturers and those traders who served the consumer market.

This latter group accounted for most of the retailers prosecuted in the court. They were usually grocers, shopkeepers, hawkers, butchers, bakers drapers and tailors, who were

³⁸ D. Booth, 'Urban poverty amongst framework knitters in Leicester during the 1840s', M.A. dissertation, *University of Leicester*, 1985; F. A. Wells, *The British hosiery and knitwear industry: its history and organisation*, (London, 1972); B. Lancaster, *Radicalism, co-operation and socialism: Leicester working class politics, 1860-1906*, (Leicester, 1987), 14.

sued for what appear to have been either bad trade debts or other private agreements, such as 'money lent' or 'work done' made with similar traders and manufacturers. These private disputes illustrate how many financial agreements extended beyond the immediate family and were arranged with other traders who had spare capital to lend. One example was the suit of William Goodson, a shopkeeper of Lower Vine Street, who was in dispute with John Beasley, a cabinet maker of East Bond Street, who had owed him money to the value of £7.4s. Another was the case presented by J. D Paul, ironmonger and prominent member of the L.T.P.S. He entered a plaint for 'money lent' for the sum of £4.15s to Edward Willett a farmer from Markfield, a village seven miles to the north-west of the town. In a later submission to the Select Committee on Imprisonment for Debt in 1873, Paul shed more light upon the complex credit networks in which he formed a central link. In answer to a question about his trade with the hinterland of the town he commented,

'I deal with the village wheelwright, the village carpenter, the village blacksmith and the village saddler; nearly all those men when they start in business begin with no capital at all; they are honest people whom I have known as apprentices; they are industrious and perhaps their only customers are half a dozen farmers living near their place of business; their ordinary way of doing business is this. The bill [from J.D. Paul] would go in at Christmas, and the tradesman would go around to one or two of his principal customers and he would say, "Cortarider (that is my traveller) is coming on a certain day, give me £5 or £10 to give to him." He uses those customers as a sort of Banking account; he does not hold the money, he hands it over to the traveller, perhaps if it is a £10 account, he will be given £5; two or three months afterwards he sends in £2 or £3 and by the end of the year he would get it cleared off.' ³⁹

These comments reveal how simple trade relations could often extend and develop into complex credit networks, where one relationship could be used as a basis to secure other formal cash advances or credit arrangements. Whilst this could lend strength to a commercial relationship, the failure of one link in the chain could ripple through many other contracts. It was likely therefore, that the decision-making process - about which debt to pay, delay or default - was hierarchical and focused upon damage limitation. Examples of these credit hierarchies include the prevalence of 'the gentlemanly debtor,'

³⁹ S. C. *Imprisonment for Debt*, P.P., 1873, (348) XV.1 pp. 257-62. Q. 6048. On the role of farmers as sources of credit and as the primary customers in rural areas see, B. L. Anderson, 'Money and the structure of credit in the eighteenth century', *Business History*, 12, 1970, 85-101; B. A. Holderness, 'Credit in a rural community', *Midland History*, 3, 1975, 94-116; D. A. Kent, 'Small businessmen and their credit transactions in early nineteenth century Britain', *Business History*, 36, 1994, 47-64.

who in need of credit would 'send for his butcher and baker and get bailed,' such tradesmen advancing cash loans with the knowledge that the long-term benefit of the relationship would over-come any short-term loss.⁴⁰ Just as a collapse in confidence could precipitate a run on the banks, the collapse or failure of personal credit connections could also imperil more than one individual or firm. The essence of many of these relationships was rational expectation, where personal connection, reputation and probability all influenced the strategies of the individual or firm. The County Courts only preserve a fragmentary record of those credit relationships which failed. However, their ordinariness involving manufacturers, tradesmen and workers from all levels of society reveals the fluidity of class relations, importance of credit as a lubricant within the Victorian economy, and by extension, how important personal strategies were to securing these ends.

Credit brinkmanship: the drop-out of cases between first and second stage

Evidence for such personal strategies can be found in an analysis of the dropout of cases between first and second stage of the court process. The intervening period of 14 days to one month between the registration of the plaint, issue of a summons and the subsequent hearing of a case in the Court, can be seen as the period of advanced negotiation between defendant and plaintiff. This was a stage in which the actions and reactions of the respective parties could produce a number of outcomes. The most common was mutual settlement of the debt or a court judgement to repay a debt by instalment. These latter settlements were often accepted as they provided a structured and, in theory, equitable means of repaying debt. In most cases the repayment schedule was extended over a number of months or in exceptional circumstances, stretched to a number of years.⁴¹ It was at this point when the court formally heard, recognised and arbitrated upon debt, and that the clerks of the L.T.P.S. took an interest in and made a record of all cases settled in this manner. In doing so they implicitly acknowledged that the first plaint stage of the court process was a negotiation phase - where debts were either settled, re-structured or ignored - and as such, neither plaintiff or defendant could

⁴⁰ Example noted in M. Finn, 'Debt and credit', 223.

⁴¹ See Chapter 3 for an examination of debt repayment schedules in 1879.

be marked down as a credit 'risk'. However the hearing and judgement stage of the process marked the point when the defendant publicly acknowledged that they were either unable or unwilling to settle a debt outright. These cases were of potential interest to the Society's members and worth publishing in the monthly circular. Consequently an analysis of the changes in characteristics between debts which were settled at first and second stage of the court process, should reveal more about those individuals who chose to use the court as a place where credit brinkmanship could be exercised, settling, re-negotiating or even fleeing a debt before a case proceeded to the public court hearing.

In August 1869, 201 cases or 43.4 per cent of the plaintiffs registered that month progressed through to the second stage hearing. This compared with just over 50 per cent of plaintiffs for the whole of that year. By contrast, in the summer of 1879, 54 per cent of plaintiffs registered resulted in an instalment repayment compared with some 31.8 per cent of plaintiffs for the whole of the year. Explaining these differences is somewhat problematic as the specific variables which influenced the decision to accept repayment by instalment cannot be accurately identified. Yet if a comparison is made between the number of plaintiffs registered in the courts, and those which finally reached judgement stage, a number of interesting features emerge. Most notable were changes in the proportion of repayment orders to total plaintiffs entered (Table 4.7). These show a decrease from 50 to 42 per cent between 1869 and 1874 to reach a low of around 32 per cent in 1879, before climbing to 40 per cent in 1880 and falling again to 35 per cent by the end of the century. These proportions represent the drop out rate of cases entered into the courts and provide evidence for credit brinkmanship and the strategic use of the courts by creditors to encourage prompt settlement.

Table 4.7

Proportion of all plaintiffs which resulted in recorded judgements, 1869-99

	1869	1870	1874	1879	1885	1889	1893	1899
No. plaintiffs (1st stage)	7,124	7,373	9,234	12,135	8,399	11,127	8,512	13,212
No. judgements (2nd stage)	3,825	4,134	3,940	3,890	2,804	4,458	3,312	4,579
Proportion (%)	50.8	56.1	42.6	31.8	33.40	40.0	38.9	34.7

Source: *Return of the Proceedings in County Courts, P. P.*, 1870, LVII.27; 1871, LVIII.141; 1875, LXI.261; 1880, LIX.109; 1886, LIII.5; 1890, LIX.67; 1894, LXXI.15; 1900, LXIX.5. L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869; L.R.O., 'Periodicals File'; L.T.P.S. Monthly Circulars, 1870, 1874, 1879; L.R.O., 7D70/3, 7, 13, L.T.P.S. Monthly Circulars, 1893, 1897, 1899.

Evidence for these strategies needs to be clarified. As Johnson has argued and is illustrated earlier in this chapter, the number of plaintiffs registered at first stage reflected

local economic fluctuations.⁴² This rapid recourse to the law and then demonstrative slow down at the second stage, suggests two forms of individual strategy. First, in times of difficulty normal credit relations became 'sticky' and defendants either found it harder or were more reluctant to repay their creditor, only doing so when a plaint had been registered and a summons issued. Second, in such economic conditions, creditors were less likely to wait for those debts which would normally be put aside or pursued privately, and instead rushed to register them as plaints before the court. Both these tendencies reflected problems with liquidity and the flow of capital within the individual firm and or the household economy; they also suggest the presence of further tightness from other relationships such as the personal employment prospects of those engaged in waged labour or pressure from other businesses further up the supply/production chain for other retailers and manufacturers.⁴³

These tendencies were common features of credit relations. In the late eighteenth and early nineteenth centuries,

'persuasion and bullying were obvious starting points for creditors demanding repayment, but words alone were not enough. Creditors needed the weight of the law to enforce payment from a reluctant debtor..[and]..warn against the reckless contraction of debts.'⁴⁴

The use of the law as a 'persuader' is reflected in change to the median value of debts settled at first and second stage of the court process. In 1869 the Leicester court recorded debts at the first plaint stage of a median value of 12s. (£0.60). At second stage, this value increased to £1.10s. (£1.50). Ten years later, during one of the worst economic depressions of the century, the patterns were similar, where first stage debts stood at 17s 8d (£0.88) and those which reached judgement £1.2s.5d. (£1.12). These aggregated statistics suggest that many of the debts settled at first stage were small. This trend is confirmed by assessment of the distribution of all debts at first and second stage (Graph 4.7).

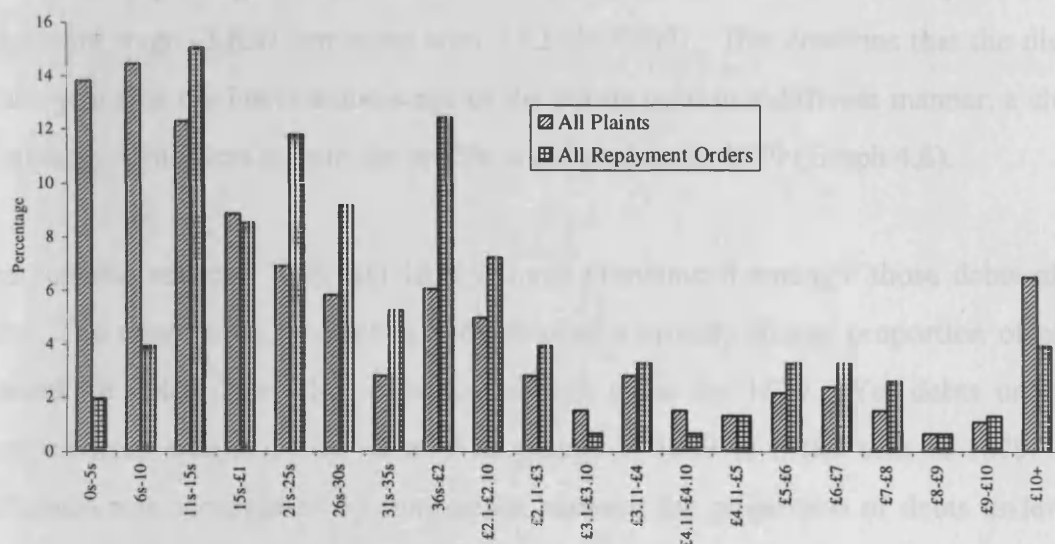
⁴² See page 94; P. Johnson, 'Small debts and economic distress', 66.

⁴³ E. Knox, 'Between capital and labour: the petite bourgeoisie in Victorian Edinburgh', unpublished PhD. thesis, *University of Edinburgh*, 1986.

⁴⁴ J. Hoppitt, 'The use and abuse of credit in eighteenth century England', in N. McKendrick and R. B. Outhwaite (eds.), *Business life and public policy: essays in honour of D. C. Coleman*, (Cambridge, 1986), 73.

Graph 4.7

Proportional value of claims entered and suits ending in judgements and repayment by instalment of all cases entered in Leicester County Court, August 1869



Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869; L.R.O., DE 4482/27, Leicester County Court Plaintiff Book, 1869.

With a distribution heavily skewed towards those debts under £2 in value, the graph clearly illustrates the role of the courts as the forum for the collection of small debt. Furthermore the difference in the value of debts at first stage and those who progress to second stage can be clearly seen in bars 1 and 2 of the graph. This can be interpreted as evidence of the stickiness, or reluctance of debtors to repay. The majority of those debts under £1 appear to have been attempts to defer the repayment of short-term credit, the debtor settling on receipt of a summons, in preference to facing the time, additional cost and inconvenience of public attendance and examination in the court. One debt settled in this way was the 9s. paid to John Lumley a flour seller of Southgates by Dennis Horrock, a tailor of Abbey Street for previous board and lodgings. Another was the 2s.6d. paid by George Kibble of Syston Street to Peter Kirby, a butcher of King Richard's Road. The high proportion of first to second stage cases for debt over £10. also reinforces the impression that larger creditors and traders were also willing to defer repayment until pushed. One such trader was Charles Sheppard of Cank Street, who only settled his debt of £12.5s owed to Alfred Berridge, a druggist of Cank Street after a summons had been served.

Events a decade later in 1879 illustrate similar practices. In addition, although the year marked a thirty year high in the number of complaints entered in the court (12,135 cases), there was only marginal increase in the actual number of cases which proceeded to judgement stage (3,890 compared with 3,825 in 1869). This confirms that the distress of the year saw the intervention stage of the courts used in a different manner, a change of strategy, which can be seen in the profile of debt values in 1879 (Graph 4.8).

The contrast between 1869 and 1879 is most pronounced amongst those debts of low value. The distribution of debts in 1869 showed a broadly similar proportion of complaints entered for debts over 10-11s. compared with those for 1879. Yet debts under 6s. dropped from around 14 per cent of all complaints in 1869 to 6 per cent in 1879. This difference was accentuated by comparison between the proportion of debts under 10s. which proceeded to second stage in 1869 and those in 1879. As is evident, the early settlement or drop out of cases in 1869 did not occur during the depression of 1879.⁴⁵

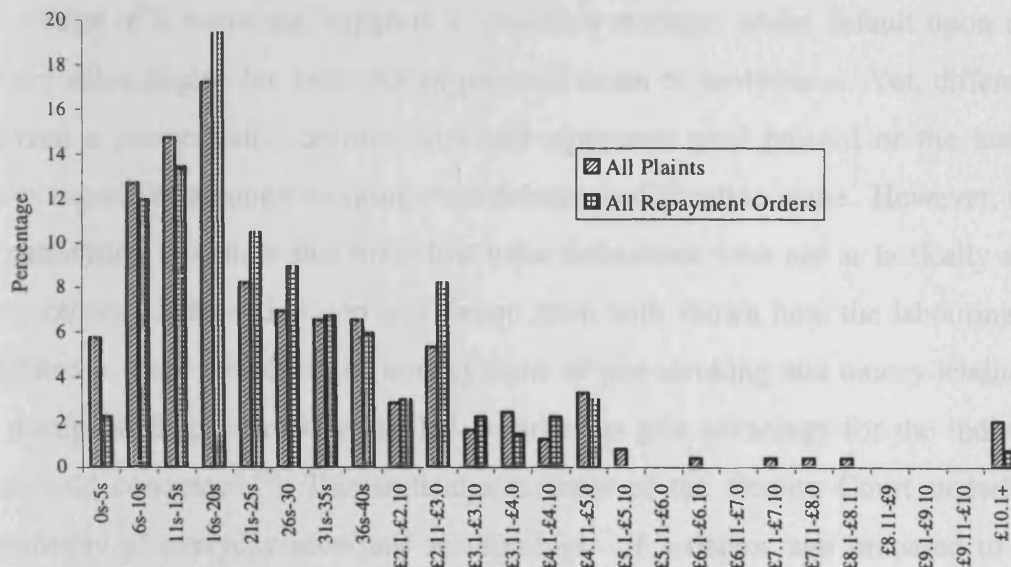
The contrast in the fortunes of those debts of lower value reinforces the impression of 1879 as a year of exceptional hardship. In difficult circumstances, a smaller proportion of very small value debts (under 6s.) were entered as complaints, yet a similar proportion (2 per cent) proceeded to judgement. In contrast, the proportion of debts between 6-11s., entered at complaint stage remained constant and yet the proportion of these debts which proceeded to judgement climbed sharply from around four to 11 per cent. Although interpretation of these differences is problematic, the evidence does suggest a different approach to the use of the courts in times of hardship. Rather than experiencing a stickiness or reluctance to repay debt, it would appear that debtors were less inclined or unable to settle until the case entered judgement stage of the court. This supports the evidence of Tebutt and others who suggest that in periods of exceptional distress amongst working-class consumers, small shopkeepers and creditors were prepared to extend credit. Consequently pressure to repay could often be held off until conditions

⁴⁵ Compare 'repayment order' in columns 1, 2, 3 for each graph.

improved or until their own commercial circumstances rendered the recovery of old debt necessary.⁴⁶

Graph 4.8

Proportional value of complaints entered and suits ending in judgements and repayment by instalment of all cases entered in Leicester County Court, June 1879



Source: L.R.O., DE 4482/2/1, Leicester County Court Ordinary Summons Book 1879; L.R.O., Periodicals File; L.T.P.S. Monthly Circulars, 1879.

These figures can only form an impression of the strategies and attitudes which influenced the presentation of debts before the County Court. However the evidence does appear to support the argument that in normal economic conditions, some defendants, especially those who owed small amounts (usually under £1), were reluctant to repay their debts and were prepared to wait until a court summons before they found the requisite cash. For instance, in August 1869, of the 77 men identified as labourers, 39 chose to settle before judgement. These first stage defendants amassed debts with a median value of 6s. In contrast the remaining 38 who progressed to second stage had median debts of £1.2s.5d.⁴⁷

⁴⁶ P. Johnson, *Savings and spending: the working class economy in Britain, 1870-1939*, (Oxford, 1985), 144-49; M. Tebutt, *Making ends meet: pawnbroking and working class credit*, (Leicester, 1983), 14-17; C. Hosgood, 'The "pigmies of commerce" and the working class community: small shopkeepers in England, 1870-1914', *Journal of Social History*, 22, 1989, 442-45.

⁴⁷ In August 1869 44 per cent (202) plaintiffs proceeded to judgement stage. Amongst labourers in 1879, debts at first stage produced a median of 12s.6d. Those at second stage 15s.11d. The higher value and difference of only 3s.5d. between appears to reflect a higher level of credit default resultant from the economic hardship of the period.

This fragmentary evidence of stickiness and default amongst a group with low earnings potential, and who were vulnerable to short-term economic shocks, clearly suggests that a consciousness of the mechanism and procedure of the County Court system penetrated down to the lowest strata of urban society. The retention of such low value debts until the receipt of a summons, suggests a conscious strategy; whilst default upon debts of greater value implies the existence of personal crises or misfortune. Yet, differentiating between a premeditated decision to avoid repayment until pressed or the inability to repay, especially amongst working-class debtors, is difficult to make. However, it would be patronising to believe that these low value defendants were not as tactically astute as many others. Indeed, Johnson and Tebutt have both shown how the labouring classes exhibited a sharp awareness of how systems of pawnbroking and money-lending could be manipulated and shrewdly juggled, in order to gain advantage for the individual or household concerned.⁴⁸ This tactical awareness of the County Court underlines the complexity of everyday economic relationships. If a debtor was prepared to await a County Court summons or judgement, pressure applied earlier (perhaps through the use of the services of the L.T.P.S.) may have induced a debtor to repay or at least reach an earlier accommodation with the creditor, so improving the cash flow to their business.

Individual strategy: plaintiffs at first stage, August 1869

Who sought to use the County Court system in August 1869? The plaint book named 235 individual plaintiffs. Yet, eight men or 3.4 per cent of all plaintiffs, presented 108 or 23.2 per cent of all plaints. These individuals were a doctor, butcher, shoemaker, draper, coal merchant, baker, vet and a Friendly Society. The butcher, William Ragg of St Margaret's Street and baker Joseph Morris of George Street were located in the working class area to the north of the town. Most of their debtors were identified as labourers, framework knitters or shoehands. The close proximity of these defendants, drawn as they were from the surrounding streets, suggests that the businesses of Ragg and Morris was dependent upon a sustained trade within the local neighbourhood. John Billson, coal merchant of Soar Lane pressed for the recovery of nine debts, all of which

⁴⁸ M. Tebutt, *Making ends meet*, 58; P. Johnson, *Saving and spending*, 146.

came from residents in the working-class districts of Willow Bridge and Palmerston Street in the north of the town. William Henderson, a credit or 'travelling' draper from Rutland street, was heavily involved in the supply of goods to the domestic market. Consequently his customers appear to have been being drawn from amongst the Streets of terraced housing found to the north and west of the town centre around West Bridge and Sanvey Gate. Other specific trade debts were presented by a vet John Hack, for work done on the animals belonging to a number of cabmen, carriers and butchers. Other multiple plaintiffs at first stage included shoemakers and machinists such as Joseph Clowes and Henry Broadbridge who were active pressing claims for the recovery of debt from a number of small shoe manufacturers in the town.

At the top end of the consumer-trader relationship stood the physician. In August 1869, Dr John Sloane, physician of Welford Road presented 35 claims worth £97. This made him the most active plaintiff in the August Court.⁴⁹ Bound by the Hippocratic oath, physicians were prepared to treat most people. Yet as the mixed profile of defendants named by Sloane suggests, patients of all classes were reluctant to pay for their services.⁵⁰ This was a phenomenon experienced by most of the medical profession. In some practices, bad debts could account for 30-40 per cent of a physician's notional income, whilst many others delayed full payment for months and often years.⁵¹

Other groups active as multiple plaintiffs in the August Court included the local representatives of the Ancient Order of Foresters (AOF). During the 1860s the Friendly Society movement expanded and, for the first time, began to attract members from amongst the unskilled and semi-skilled.⁵² In an effort to recover unpaid subscriptions from amongst this new strata of members, some nine claims were brought against

⁴⁹ During the whole year, Sloane was also the most active individual at the second court stage, with 150 claims awarded in his favour.

⁵⁰ Analysed in more detail below page 125.

⁵¹ A. Digby, *Making a medical living, doctors and patients in the English market for medicine, 1720-1911*, (Cambridge, 1994), 155-57.

⁵² For more on the role of the friendly society movement see E. Hopkins, *Working class self help in nineteenth century England: responses to industrialisation*, (London, 1995); G. Crossick, *An artisan elite in Kentish London*, (London, 1978), Chapter 9.

labourers and framework knitters. Whilst these actions probably reflect no more than the actions of a zealous local official, they underline the reciprocal obligation of membership. By pressing a court case, the Society demonstrated to its other members how only the personal discipline of regular payments earned access to the benevolence of the organisation.

Amongst grocers and shopkeepers 28 individuals brought only 52 complaints. Unlike the active plaintiffs, this averaged less than 2 debts per person and reflected the localised nature of debt and credit, where small community traders used the Court to pursue only the most recalcitrant of debtors. For instance Joseph Winterburn grocer, of Upper Kent Street who recovered debts from residents in the surrounding streets, such as the 12s owed by Richard Wale a shoemaker of Kent Street and the £2.6s. owed by Thomas Jarvis a gardener of Upper Conduit Street. Such evidence, albeit fragmentary, confirms the impression that credit control amongst these neighbourhood traders was both private and localised and that the pursuit of debts through the courts was both exceptional and central to harmonious neighbourhood credit and trade relations within a local community. Successful credit trading was a two way process. Successful long-term credit dealings provided the consumer with access to a local trader who may lend a sympathetic ear in times of crisis. In turn, this pattern of trade provided the shopkeeper with a relatively loyal, stable and secure customer base.

The spatial distribution of debt affirms the centrality of the neighbourhood amongst many plaintiffs and defendants. This is clearly illustrated in the debts presented by grocers, butchers and shopkeepers in 1869 (Figure 4.1). Short-range contacts across local neighbourhoods, effectively zoned these small scale debt relationships into the working-class neighbourhoods of Wharf Street, and Sanvey Gate to the north, Conduit Street to the east and West Bridge and Oxford Street to the south west. The relative absence of cases originating from the shopkeepers of the central business district reinforces the impression that most trade was local, and that purchases from the larger shopkeepers in town were carried out with cash or on credit terms which were strictly adhered to by the consumer. Those cases which appear to cross the morphological features of the town crossing railway lines and leap-frogging from one area of the town

to another were for debts of greater value. Examples include the trade debts pursued by Joseph Winterburn, Upper Kent Street grocer, against a shopkeeper located on Friday Street at the other end of the town, and a cash loan extended to a widow on Wanlip Street.

An analysis of the spatial functions of debt however partial confirms the connections identified by Pritchard in 1870, in relation to housing mobility within and between those working-class districts typified with large amounts of new housing which were found to the east, north and western peripheries of the town.⁵³ They included the new streets found in the area of Infirmary Square, as well new bye-law housing erected either side of the Humberstone Road. These were the same places where many in which many of the judgement debtors and their creditors were found. Conversely, the absence of housing mobility detected by Pritchard in the area immediately south of the historic town centre, was also matched by the small number of debt cases recorded in the area.

Pritchard attributed short-range patterns of mobility to the effects of personal knowledge, where the town's recent immigrants, 'deprived of any long-term contacts must have been especially dependent upon those few immediate links they could build up on arriving in the city.'⁵⁴ This led them to move only short distances at a time, in order to retain kinship and family connections as part of a community or personal survival network. There is equal reason to infer that the pressure of credit relationships encouraged a similar behaviour, where personal knowledge of an individual or the credit worthiness of a family network could work in the favour of both creditor and debtor, securing predictable customers for a shopkeeper and also the buffer of a friendly creditor should family or individual circumstances deteriorate.⁵⁵

⁵³ R. M. Pritchard, *Housing and the spatial structure of the city: residential mobility and the housing market in an English city since the industrial revolution*, (Cambridge, 1976), 54-67.

⁵⁴ R. M. Pritchard, *Housing and the spatial structure*, 65. Ideas Pritchard has developed from A. S. Wohl, 'Housing in London', in S. D. Chapman (ed.) *Working class housing*, (Newton Abbot, 1971), 13-54,

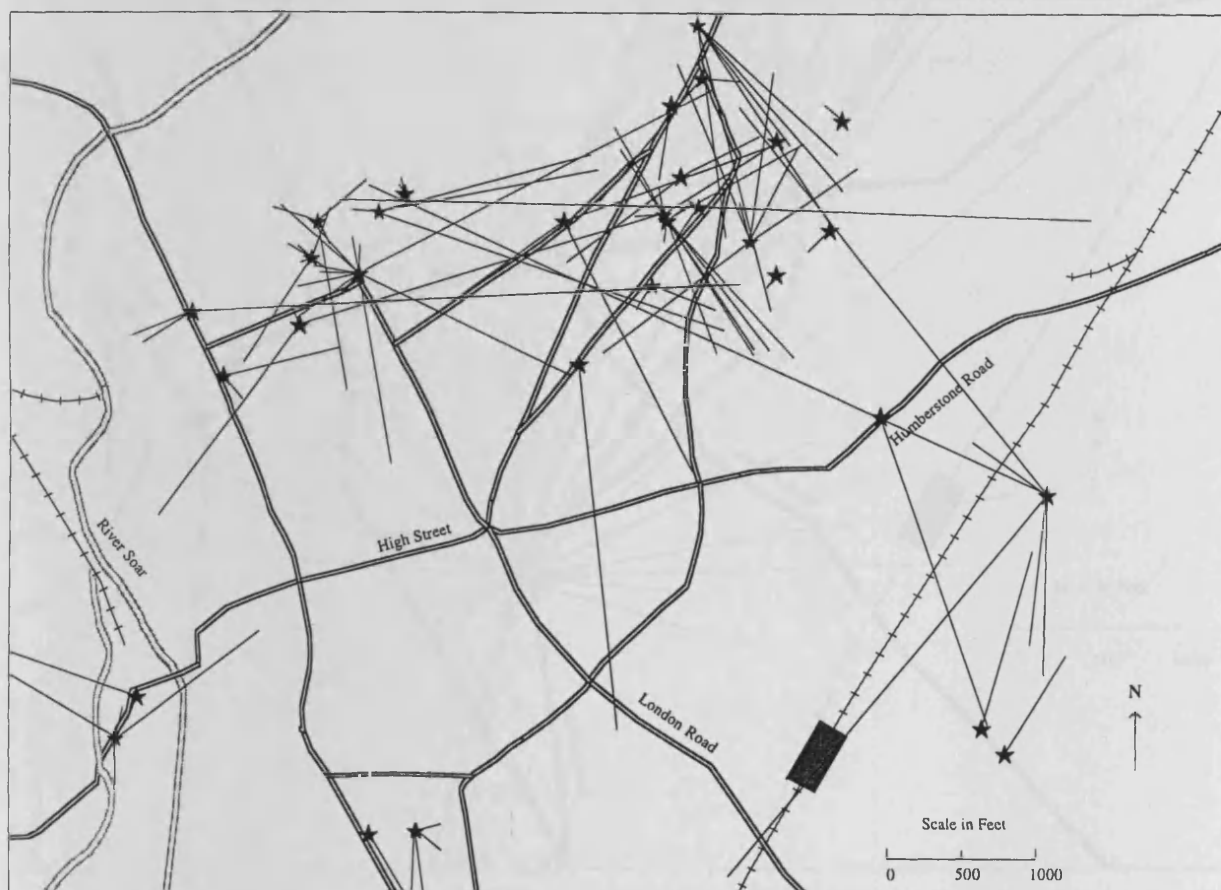
⁵⁵ A recent analysis of the strategies of the poor includes T. Hitchcock, P. King and P. Sharpe (eds.), *Chronicling poverty: the voices and strategies of the English poor, 1640-1840*, (Basingstoke, 1997).

Furthermore, he states that morphological features of the city, such as the railway, arterial roads or the river were 'important in reinforcing housing differences, but were less able to intervene when there are pressures encouraging families to cross them.' One such pressure was the need to 'tap fresh credit.'⁵⁶ Therefore a reversal of circumstances could suggest a different pattern of behaviour, where the new inhabitants of the city, with few kinship networks, or goodwill exhausted elsewhere found an advantage in relocating to other areas of the town. These patterns of internal migration hint at the difficulties which must have faced many neighbourhood businesses. They also reinforce the likelihood that many of the spatial and temporal patterns of debt and credit charted in the Courts reflected the games of advantage and retreat played out between domestic consumers and the firm, as well as between firms themselves.

⁵⁶ R. M. Pritchard, *Housing and the spatial structure*, 64-5; A. S. Wohl, 'Housing in London', in S. D. Chapman (ed.), *Working-class housing*, (Newton Abbot, 1971), 13-54; H. J. Dyos, *The Victorian suburb*, (Leicester, 1961), 61.

Figure 4.2

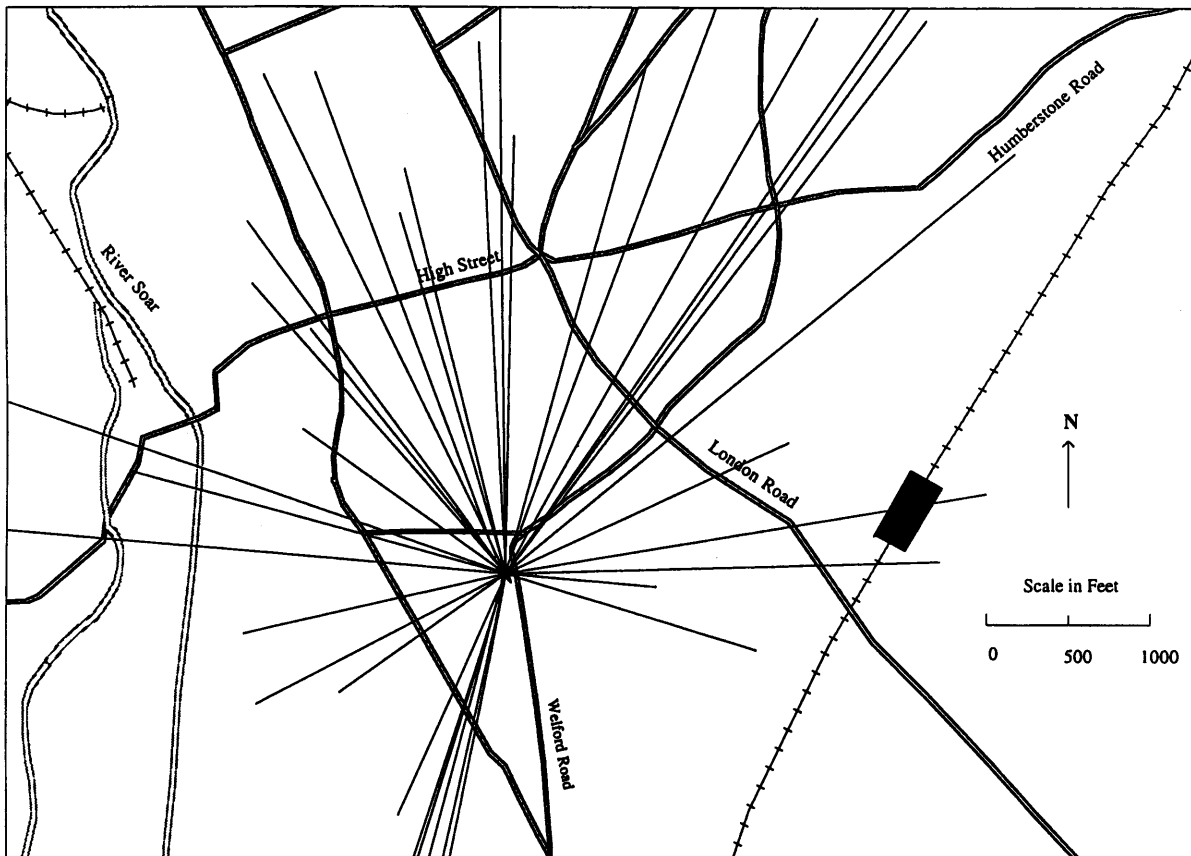
**Spatial distribution of grocers' and shopkeepers' debts,
Leicester County Court, August 1869**



Source: L.R.O., DE 4482/27, Leicester County Court Plaintiff Book 1869; L.R.O., DE 3848/29; L.T.P.S. Monthly Circulars 1869.

Figure 4.3

**Spatial distribution of Dr Sloane's debts,
Leicester County Court, August 1869**



N. B. Dr John Sloane practised from his house and surgery at 7 Welford Road.
Source: L.R.O., DE 4482/27, Leicester County Court Plaint Book 1869; L.R.O., DE 3848/29; L.T.P.S. Monthly Circulars 1869.

Individual strategy: defendants at first stage, August 1869

Of the 7,124 complaints registered at first stage in 1869, 3,885 or 51 per cent proceeded to a judgement hearing at second stage. A transcription of the August complaint book, produced a representative sample of complaint activity.⁵⁷ By comparing the August data with a transcript of all second stage Court activity in 1869, a sample of individual case histories and hence the tactics of defendants and plaintiffs during the entire year could be reconstructed.⁵⁸

This sample permitted analysis of the change in the value of debt between first and second stage of the Court (Table 4.8, columns 1, 2). As would be expected, the value of debts remain highest amongst those plaintiffs whose credit was granted for extended period or for higher value goods and services (auctioneers, brewers and surgeons). Nevertheless comparison also reveals how the median value of debt owed to some plaintiffs jumped considerably between first and second stage. With the exception of the Auctioneer and Brewer, debts owed to plaintiffs at first stage, produced a median value of less than £1. Yet, of those cases which proceed to second stage of the Court, the median value for all complaints increased to 1.5 (£1.10s.). Furthermore selected trades showed considerable variation. Most pronounced were the debts owed to a physician, where low value medical debts of 9s. or so, would be settled at first stage; but debts over this value were more likely to be defaulted upon and proceed to judgement at second stage, and repayment by instalment.

Other transformations saw low value Butchers' debts repaid along with grocers' and tailors.' These differentials between debt levels at first and second stage suggest a tactical awareness amongst defendants. Defendants' appear to have been reluctant or resistant to repaying debts of low value (under £1) until pushed by a court summons.⁵⁹

⁵⁷ For example, the occupational profile of plaintiffs in August matched the second stage profile of all plaintiffs in the year. From this it can be inferred that the August complaint book, provided a representative sample of plaintiffs and defendants. From the 464 complaints registered in August, the most active groups of plaintiff were selected for examination. For description of the cases brought by less active occupational groups, see Appendix 4.4.

⁵⁸ In August only 6.4 per cent of complaints (30 people) had more than one complaint registered against them.

⁵⁹ This level of debt below £1 would equate to the equivalent of just under one weeks wage for unskilled and semi-skilled male workers, (Building labourers summer wage, £1.8s.9d - £1.11s; other labourers £1.6s; shoe trade semi-skilled £1.6s- £1.9s, or approximately equal to semi-skilled male and female

After which the low value delayed payments to the butcher, grocer, tailor and surgeon would be repaid.

Table 4.8

Median levels of debt (£)
Value settled at first and second stage of the County Court process, August 1869 and all year

Plaintiff trade	Median value of debts 1st stage: August	Median values of debt at 2nd stage: August	Median values of debt at 2nd stage: all 1869
Auctioneer	4.25	6.10	2.98
Baker	N/A	1.48	1.28
Brewer	3.35	2.00	1.00
Butcher	0.23	1.12	1.13
Coal merchant	0.90	0.65	0.75
Draper	0.85	1.50	1.38
Grocer	0.60	1.95	1.28
Shoemaker	0.45	0.72	0.97
Surgeon	0.45	2.00	1.53
Tailor	0.60	1.88	2.00
All claims	0.60	1.50	1.20

Source: L.R.O., DE 4482/27, Leicester County Court Plaint Book 1869; L.R.O., DE 3848/29; L.T.P.S. Monthly Circulars 1869.

This pivotal point of debt levels over or under £1 is reflected in many of the responses to the loans of small-scale money-lenders explored by Tebutt who found evidence that, ‘it was frequently remarked that working-class borrowers placed the greatest importance upon honouring small debts.’⁶⁰ In the County Court a similar prioritising of debts appears to have taken place, the majority of those debts under £1 being repaid after the receipt of a summons. This tendency supports the L.T.P.S. fee system explored in Chapter 3 which similarly hinged around debts of or under £1. It also reinforces what appears to have been the intention of the L.T.P.S. to position itself at the centre of market relations within the locality. Thus, by offering a service which directly intersected with this low level reluctance to repay - exhibited by debtors owing around £1, - the Society lubricated the sticking point and strengthened the operation of the market and sent a clear message to many other small scale traders and consumers in the district.

wages in the hosiery trade machinists and females, 13s.- 19s). See *Report of Enquiry by Board of Trade into Working Class Rents, Housing, Retail Prices and Standard Rate of Wages in the United Kingdom.*, Leicester, P. P., 1908 cd. 3864. CVII 319, p. 266. Although these were the wage levels thought to be paid in 1905, the wage rates cited by Lancaster in the primary hosiery and footwear trades were little different than 30 years previous; B. Lancaster. ‘*Radicalism, co-operation*’, 18, 19, 31-3.

⁶⁰ M. Tebutt, *Making ends meet*, 53. Small debts in this case being those of or under £1.

Debt prioritising at second stage

This evidence of debt values can only be used to paint a broad picture of a defendant's strategy in the courts. Yet, further examination of the proportion of claims which survived between first and second stages supports the argument that the prioritising of debt repayment was also dependant upon the form of debt as well as its value (Table 4.9). The survival rates in the table appear to divide into two groups: those trades with low survival rates of under 40 per cent, and those higher survival groups over 50 per cent. Low survivors included the principal occupations in which trade debts were settled before judgement, most notably to auctioneers, brewers and shoemakers.⁶¹ Johnson makes the assumption that the presence of members of the boot and shoe trade as plaintiffs reflected the recovery of normal domestic credit for clothing and apparel.⁶² However, in the Court this differentiation is harder to make, as shoes were not only sold in Leicester but formed the backbone of the manufacturing trade of the town. As the trade was dependent upon small scale production, the start-up capital required to gain access into the footwear industry was very low. As the level of start-up capital required to enter the trade was very low, so the level of cash and credit required as working capital was modest.⁶³ Thus, it is difficult to determine from the Court data, whether footwear debts were the result of failed consumer or trade credit. Many of those claims presented against footwear workers imply that many were trade debts for small quantities of goods and materials. This reflected the small scale fragmented nature of production in the footwear trade where many of those who would have appeared to be waged employees (such as shoemakers, machinists or finishers) were in fact small businesses trading in their own right. One such example was the debt of 11s. recovered by the shoemaker Richard Woolman of Gladstone Street from Henry Watts, a shoefinisher from Watts Yard, Friars' Causeway for 'fixtures sold.' Whilst many such firms were subcontracted to a larger manufacturer or wholesale house, each held personal responsibility for the purchase of components as well as the payment of rent

⁶¹ Comparison with the survival rate of cases presented in 1879 also show broad similarities, where 75 per cent of surgeons' cases surviving to second stage, 68 per cent of grocers' claims, 59 per cent of coal merchants and 50 per cent of drapers and tailors' and 83 per cent of bakers'.

⁶² P. Johnson, 'Small debts and economic distress', 68.

⁶³ See Chapter 2.

and gas for the use of a workshop, or the employment of 'two or three young boys or seaters as they were known in the trade.'⁶⁴ The fragmented and stratified nature of this trade explains many of the cases brought where low levels of circulating capital explain the tendency of many to resist repayment until pressure from a court summons.

Table 4.9

Survival rate of plaintiffs from first to second stage, August 1869

Plaintiff trade	Survival rate, stage 1-2. (%)	Sample size
Physician	74	35
Coal merchant	69	16
Grocer	66	52
Draper	61	18
Baker	83	13
Shoemaker	33	27
Auctioneer	36	14
Brewer	36	19
Butcher	18	22

Source: L.R.O., DE 4482/27, Leicester County Court
 Plaintiff Book 1869; L.R.O., DE 3848/29; L.T.P.S.
 Monthly Circulars 1869.

The survival of plaintiffs from first to second stage reveals a typology of debt (Table 4.9). At one level were the debts presented by grocers, bakers and butchers etc. They were the everyday creditors who operated from within localised communities. As analysis of the spatial distribution of grocers' debt affirmed, these represented worst cases the failure of neighbourhood sanction, personal opprobrium or informal debt collection resulted in a need for the pressure of the law. In contrast both the high survival rate of debts brought by surgeons and coal merchants and the relatively low value of these debts both at first and second stage, provided evidence of rational actions which were finely graduated, amounting to conscious strategy and tactics by the defendant.

The debts owed to Dr John Sloane, illustrate this tactical awareness. Dr Sloane's presence as one of the most active plaintiffs at first stage in August was matched by his presence at second stage, where 75 per cent of his cases in remained unpaid until presented to the judge. This was not an unusual pattern. Sloane was the largest single second stage plaintiff throughout the year, and was named in 150 of the 3,000+ second stage

⁶⁴ B. Lancaster, *Radicalism and co-operation*, 33; quoting from the reports of Joseph Dare mission worker to the poor during the 1860s.

cases. Sloane's ubiquity lends more credence to the argument of Digby, that the medical profession was particularly vulnerable to the resistance of the patient to repay debt.⁶⁵ Similar obdurate behaviour in places other than Leicester ensured that many medical debts were only 'reclaimable with some exertion,' and that for the less affluent patient, 'payment by instalment might have been the only feasible solution to salvage large accounts accumulated over several years.'⁶⁶ Whilst Sloane preferred to press for payment after a few weeks or months and would not consider allowing his debts to extend to a year, the prevalence of debts at second stage suggests that resistance to the repayment of medical debt until pushed by the court was an example of debt prioritising in action.⁶⁷ In evidence given to the 1873 Select Committee on Debtors' Imprisonment, Sloane revealed the obstruction of his patients. The resistance to the repayment of debt from the poor, to whom he gave, 'almost his entire attention,' meant that he had to 'keep a collector who goes around and collects his money.'⁶⁸ Sloane believed that if the power of imprisonment was removed from the court he 'could not go on,' and that default would be such that he would, 'dare not to trust them, and ... should cease to give them medical advice.' These trenchant medical opinions illuminate some of the strengths and weaknesses of the creditor-debtor relationship. While default upon a medical debt was often a result of its high value - the lengthy periods over which such credit was extended and the reluctance with which debtors settled the bills placed before them - suggests that debtors were only too aware of the personal advantage they could gain from the physician's paradoxical obligation towards the treatment of the sick and the maintenance of their own gross income.

Further covert strategies also seem apparent in the survival of such a large number of coal merchants' debts. In these cases, the median value of debt was the lowest of all

⁶⁵ See A. Digby, *Making a medical living*, 156. Attitudes towards the medical profession are more generally discussed in F. B. Smith, *The people's health, 1830-1910*, (London, 1990).

⁶⁶ A. Digby, *Making a medical living*, 157.

⁶⁷ In 1869 Sloane's medical debts produced a median value of £1.76. Digby estimates that contemporary medical fees amounted to no less than 2s 6d. Excluding the cost of medicines, this equates Sloane's debt to some 14 visits, which suggests debts which may have been accrued over a maximum 12 month period, but were more likely to have been only a few months or weeks.

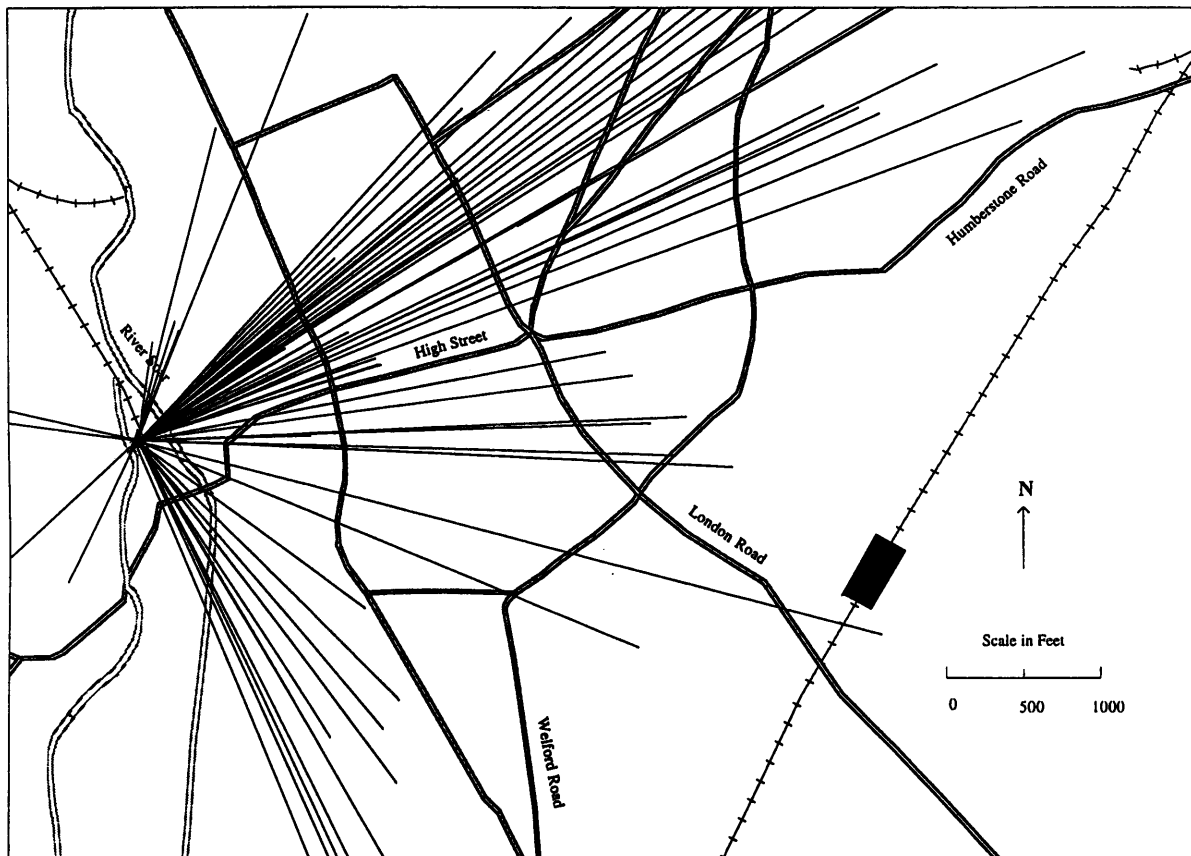
⁶⁸ *S.C Imprisonment for Debt, P. P.*, 1873, Q. 6106.

plaintiff trades at 15s., and yet the proportion which passed to second stage of the court process was very high at 69 per cent of those cases in August. This reflected strategies on the part of the customer and the coal merchant. Although the value of debt recovered by the coal trade had the lowest median value of all categories, the trade itself had a very high profile amongst second stage plaintiffs, accounting for over 300 cases or 10 per cent of all judgement debts throughout the year. The weight of evidence indicates that defendants were prioritising; it was an active decision not to pay the coal bill.

Why was it that such coal debts were more likely to be ignored or avoided upon receipt of a summons than those higher value debts from the grocer, butcher or draper? This is explainable as a combination of strategies and influences: the seasonality of demand and low cost of coal as a proportion of overall commercial or household expenditure; the existence of a competitive market for the product and therefore easy access to credit; and the tendency for many of those who dealt in fuel to be located outside the immediate neighbourhood in coal wharves around the railway lines or canal and hence lacking a local reputation which compelled prompt repayment to the grocer, butcher or baker (Figures 4.4-4.5).

Figure 4.4

Spatial distribution of debts belonging to William Gleadow, coal merchant, 1869



Gleadow's premises were located off the canal at West Bridge Wharf.

Source: L.R.O., DE 4482/27, Leicester County Court Plaintiff Book 1869; L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars 1869.

Figure 4.5

Spatial distribution of debts belonging to John Nixon, coal merchant, 1869



John Nixon's premises were located off the Midland Railway sidings on Humberstone Road.

Source: L.R.O., DE 4482/27, Leicester County Court Plaintiff Book 1869; L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars 1869.

Debt prioritisation and credit strategies were diverse and complex but can be examined by means of an analysis of the 3,000+ second stage cases in 1869. The main occupational sectors reflected the profile of those cases presented at first stage in August, with plaintiffs predominately drawn from retailing, the footwear trade and the medical profession (Table 4.10).⁶⁹ Similarly those defendants who reached second stage in the year also echo the profile of those cited at plaintiff stage in August, the only

⁶⁹ 78 per cent of plaintiffs were identified and 83 per cent of defendants.

difference in the top ten occupations was the absence of those engaged in the elastic web trade. As consumers Framework knitters (F.W.K) and labourers, conspicuously dominate this occupational profile. Others, in particular shoemakers and shoefinishers, publicans, farmers and butchers, reflect the presence of trade creditors amongst defendants.

Table 4.10

Most frequent occupation of plaintiff at County Court second stage, 1869

Plaintiff trade	No. of all plaintiffs Tot: 2,883	% of all plaintiffs	No. of plaintiffs	No. debts per plaintiff
Grocer/shopkeeper	384	13.3	97	4.0
Draper	313	10.9	20	15.7
Coal	304	10.5	20	15.2
Physician	216	7.5	14	15.4
Footwear	204	7.1	18	11.3
Draper (travelling)	168	5.8	8	21.0
Brewer/beer sellers	161	5.6	20	8.1
Tailor	107	3.7	22	4.9
Loan agent/broker	98	3.4	5	19.6
Ironmonger	71	2.5	10	7.1

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

Table 4.11

Most frequent occupation of defendant at County Court second stage, 1869

Defendant trade	No.	Per cent
FWK	331	10.8
Labourer	297	9.7
Shoemaker	202	6.6
Shoefinisher	109	3.6
Tailor	89	2.9
Innkeeper/publican	71	2.3
Farmer	71	2.3
Butcher	58	1.9
Quarryman	55	1.8
Warehouseperson	54	1.8
Shoehand	27	1.7
Widow/spinster	50	1.6

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

In order to draw out the contrast between the actions of labourers and framework knitters and those of other trade defendants in the Court, indices of credit and personal diversity were calculated. A credit diversity index (C.D) reveals the spread of credit connections between different occupational sectors, where credit was granted to a specific occupational category, by individuals from a broad range of trades and

occupations. This was calculated by dividing the total number of cases in which members of each category were defendants by the number of individual trades represented by their plaintiffs (Table 4.12)⁷⁰. A personal diversity index (P.D) uses the same principal to examine the spread of relationships between defendants and individual plaintiffs. A low value for these indices signifies an extended range of credit relationships, where a value of one would reflect perfect differentiation. Framework Knitters with an index of 5.72 represent the group with the least diverse range of credit. This was confined to food and fuel retailers and grocers, with a small number of plaintiffs pressed for apparent trade debt from individuals such as cotton doublers. Correspondingly labourers show similar connections although a few others debts to coal merchants, builders and travelling drapers were also noted. At the opposing end of the index, farmers, publicans and widows had broader debt relationships with firms such as timber dealers, carriage builders, ironmongers and others; whilst widows also show contact with more esoteric trades such as gilders, plumbers, and wine merchants. In terms of the personal diversity, framework knitters and labourers show connection with a narrower band of creditors. These included the debts of Dr Sloane, where 15 labourers accounted for 10 per cent of his second stage cases; or James Leavesley a draper of Great Wigston, who in the course of the year saw all six of his plaintiffs entered against labourers proceed to judgement. By contrast, other groups such as publicans and innkeepers owed money to a diverse range of breweries and retailers from across the town and country; carpenters also exhibited broad contacts. The low index value of credit diversity of carpenters was related to the preponderance of timber dealers and other related tradesmen such as ironmongers and furniture dealers. However in terms of personal diversity, the index reveals that these inter-personal connections appear to have been greater, implying credit contact with a broader range of businesses.

Similar broad variation in the personal activity of plaintiffs was also detected. The comparative ratios of suits per plaintiff amongst groups such as grocers, beersellers, butchers and bakers who had between 3-4 cases per plaintiff, reflected the neighbourhood interactions of such small scale merchants. It is likely therefore, that those debtors who reached the second stage of the process were not exhibiting

⁷⁰ A similar process was carried out in Finn's examination of the Bath Court of Requests. M. Finn, 'Debt and credit', 231-33.

'stickiness' or reluctance to pay, but were rather the most recalcitrant or poorest of the local community. In comparison, surgeons, drapers, coal merchants and the footwear trade experienced a higher ratio of between 10-16 debts per plaintiff. Analysis of the most active plaintiffs in the court reveal how a narrow strata of 11 individual plaintiffs accounted for 21 per cent of all second stage debts during the year (Table 4.13).

Table 4.12

Defendants' second stage credit (C.D) and personal diversity (P.D) indices, 1869

Defendant trade	C.D index	P.D index
FWK	5.72	2.10
Labourer	4.95	1.86
Shoemaker	4.29	1.75
Shoefinisher	2.42	1.21
Tailor	2.52	1.26
Farmer	1.84	1.17
Innkeeper/publican	1.86	1.13
Butcher	2.05	1.16
Carpenter	2.09	1.12
Warehouseperson'	2.00	1.35
Widow	1.40	1.09

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

Table 4.13

Most active individual plaintiffs in County Court second stage, 1869

Plaintiff name	Plaintiff trade	No. complaints
Sloane	Physician	130
Gleadow	Coal merchant	67
Nixon	Coal merchant	65
McDonald	Draper (travelling)	56
Anderson	Draper (travelling)	51
Durrad	Loan agent/broker	48
Millington	Coal merchant	36
Bramley	Loan agent/broker	31
Wingate	Physician	29
Warren	Draper (travelling)	29
Hallam	Draper	27

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

The high proportion of default on medical debts revealed in the August plaintiff book was echoed by those cases brought by Dr John Sloane, whose presence in the year, was almost twice that of any other plaintiff. Other active individuals came from the drapery and coal trades. Travelling drapers, Mssrs. Anderson, McDonald, and Henderson reflected the assertion made in 1861 that such traders, 'are principally, indeed altogether now, men from the Scottish side of the border [who] have located themselves

throughout England.’⁷¹ These men, not surprisingly known as ‘Scotch drapers,’ carried out the practice of travelling through towns and the countryside selling clothing and household linen from door to door, and collected payment by means of regular instalments. This was a trade which was widely condemned by contemporaries who believed that, ‘tallymen were mainly thieves preying on the ignorance of housewives.’⁷² This view was readily endorsed by respectable drapers who claimed that women were encouraged to buy items, which they could ill afford; and at prices which were excessive for goods of suspect quality. These were criticisms which made the tally trade very unpopular with the County Court judiciary. By contrast, the evidence of the debts presented by the tallymen of the Leicester court suggests that they operated at the more respectable end of the trade. It seems unlikely that itinerant packmen would have established permanent establishments for their trade on one of the main thoroughfares of the town, as William Henderson had done at 80 Rutland Street. Similarly George Anderson operated from premises at 26-28 Humberstone Gate. Indeed, whilst women seem marginally more likely to have been defendants in travelling drapers’ cases (where they made up 12 per cent, compared with 5 per cent of those presented by other drapers), 91 per cent of their defendants were drawn from the town with average levels of debt only marginally less than the more conventional draper.⁷³

Nevertheless, men such as Donald McLeod of Pocklington’s Walk, appear to have fulfilled the image of a ‘perambulating Scotchman,’ who pressed his few complaints against defendants from Syston, Thrussington and Frisby on the Wreake. However the general evidence appears to confirm the assertions of contemporary observers that the worst excesses of the packmen’s trade were deterred from entering the Leicester Court by the diligence of the presiding judge. For when justice serjeant Robert Miller had,

‘... before him cases which he considers are unfair, either from the method in which the debt was contracted, or the price at which the goods are charged, he says to the plaintiff, “I will not have my court used to collect debts of this kind”
That is to say, whether the debts of Scotch drapers or any other debts? - Yes quite so.’⁷⁴

⁷¹ G. R. Rubin, ‘From packmen, tallymen and ‘perambulating Scotchmen’ to credit drapers’ associations, 1840-1914’, *Business History*, 33, 1991, 207.

⁷² G. R. Rubin, ‘From packmen’, 209.

⁷³ Drapers: median, £1.38; mean, £1.87. Travelling Drapers: median, £1.30; mean, £1.58.

⁷⁴ *S.C Imprisonment for Debt*, P. P., 1873, Q. 6081-2.

Melanie Tebutt has also noted how clothing and drapery could serve as a means of access to other extended forms of neighbourhood credit networks. In particular cash made available from the pawnbroker after a 'Scotch draper's incursion into an area often led to a flood of bedding bundles at the pledge shop as customers attempted to raise hard cash on them.'⁷⁵ The release of such cash would then allow it to be used to settle weekly credit debts accumulated with bakers, grocers and other local shopkeepers. Relationships with the tallymen therefore were much more sophisticated than a simple one-way transaction. The clothing and household goods bought from the traveller were often repaid at a shilling in the pound per week. However, once in possession, the goods were fixed assets and added to the 'observable and realisable capital stock of the household'⁷⁶ where if necessary they could be used as collateral in the short-term credit relationships with the pawn-broker or shopkeeper in the course of the working week. Consequently, it is likely that many of those suits brought against the working-class debtor by the tallymen, were the result of conscious prioritising by defendants secure in the knowledge that default repayment ordered by the court - at around 2-3 shillings per month - would be no more than the existing repayment schedule. Whilst incurring the additional costs of court fees and attendance, the defendant would have gained a 'breathing space' or at least retained possession of the articles for their own use. Evidence of the motives behind the actions of individual Scotch Drapers in the Court are difficult to isolate and little has been done to analyse the business pressure that the itinerant traders faced. Rubin has argued that this period marked the start of an attempt by the respectable end of the credit drapery trades to differentiate itself from those who were predators upon the poor.⁷⁷ In Leicester the fragmentary evidence suggests that those active in the Court operated with similar notions of integrity. By 1885 the President of the Leicester Scotch Drapers' Association, (whose members met once a year for a smoking concert), could claim that members were, 'animated with a true desire to facilitate each others interests to the best of their ability ... [and believed] ...

⁷⁵ M. Tebutt, *Making ends meet*, 21. Although no records of pawnbrokers in Leicester remain, the location of such traders in the town is discussed in S. Page, 'Pawnbroking in Victorian and Edwardian Leicester', *Transactions of the Leicestershire Archaeological and Historical Society*, 20, 1990, 24-30.

⁷⁶ P. Johnson, *Saving and spending*, 163.

⁷⁷ G. R. Rubin, 'From packmen', 206-7.

that a genuine good feeling of unity and concord existed among them, more complete perhaps than any other combination of tradesmen.’⁷⁸

Other fragments of evidence affirms that these principled men, competed for the same customers, and were still vulnerable to the strategy of the working-class consumer. This vulnerability was illustrated by nine bankruptcy petitions filed in the Leicester court in 1879. Four were entered by travelling drapers, including George McDonald, who had been actively pursuing debts up to the moment of his collapse; declared bankrupt with assets of £16 and liabilities of £1,470.⁷⁹

It is likely that those defendants who appeared at this second stage of the court faced chronic indebtedness or financial collapse. However in many cases it is feasible to argue that the defendant was as aware of how the court process could be used to their own strategic advantage as much as that of the plaintiff who pursued the original debt.

A high ratio of debts per plaintiff was also recorded amongst individual coal merchants in the town. Some 20 different coal traders came to the court, yet the bulk of their activity (55 per cent) was entered by three coal merchants, William Gleadow, John Nixon and John Millington. Nixon and Millington traded from the coal sidings of the Midland Railway on Humberstone Road and Gleadow was based off the canal at West Bridge Wharf (Figures 4.4-4.5). As these men operated from premises associated with the stock holding of coal, (whereas those titled ‘coal dealers’ were predominantly based in residential districts), it is reasonable to assume that the merchants represented some of the larger firms engaged in the trade.⁸⁰ Whether the debt reached this stage of the Court as a result of the conscious decision of the coal merchant or that of the defendant is problematical and likely to be a mixture of both. The evidence shows a high proportion of coal debts at second stage; the sign of conscious debt default in August; an

⁷⁸ *Leicester Mercury*, 7 January 1885.

⁷⁹ L.R.O., DE 4482/39, Leicester County Court Bankruptcy Petitions, 1870-82.

⁸⁰ The absence of these primary coal merchants as plaintiff in trade debts brought against coal dealers, suggests that much of their trade was dependant upon domestic retailing rather than wholesaling coal to three smaller coal dealers. Gleadow sought to recover £55 of debt with a median value of £0.65 in the year, whilst Millington pressed for £37.4s. (median £0.75) and Nixon £56.19s 5d. (median (£0.87)).

exceedingly low median value of coal debts, and a majority of the complaints entered by these coal merchants placed in spring and summer. This points to an awareness amongst consumers that by defaulting on coal debt, the Court could be used to help the management of their own credit and debt payments.

Why did many consumers choose to default upon low value coal debt? Evidence points to the relative size and detachment of these firms from the neighbourhood (Figures 4.4-4.5). Centred on the railway and canal junctions of the town, these large coal merchants were not plugged into the networks of kinship and information, available to many other neighbourhood traders. As a result they were an easy target for a defendant eager to gain credit, but less willing to repay. Personal sanction and moral opprobrium was less likely to have an influence, and hence the sanctions of the law, were required more often. Such factors were accentuated by the highly competitive nature of coal dealing in the town, illustrated by the rapid turn-over of coal dealers at the time.⁸¹ Indeed, competition from coal carts meandering up and down the streets of the town, had become such a problem that complaints about their 'continual bell-ringing, door knocking and touting' resulted in a bye-law against the practice in 1879.⁸²

The apparent necessity of controlling the uncertainties in the Court, was reflected in the role of the L.T.P.S. where eight of the ten most active plaintiffs were members of the Society. William Gleadow had been one of the founding members who had called for 'cordial co-operation' amongst tradesmen in the town in 1850 and continued to play an active role as the honorary secretary until the early 1870s. John Nixon had joined the Society in 1866 and John Millington in 1867. The only non-members were Henderson, the travelling draper, and Dr Sloane, who as we have seen chose to maintain a discreet distance from the institution and instead employed his own man to look after the collection of debt. During the course of the year, the L.T.P.S. presented 3,312 complaints before the court. Of these, 2,070 or 62 per cent of the Society's cases (57 per cent of all cases), advanced to second stage. The individual characteristics of these debts were

⁸¹ See Chapter 2.

⁸² L.R.O., Pamphlet Volume 70; Leicester Corporation, 'Bye-law for suppressing shouting, bell ringing and other excessive noises in the streets', 29 June 1880.

little different from the remaining suits.⁸³ However the distinction between members and non-members appears to have been important, the Society facilitating the more effective recovery of high numbers of low value debts, whose pursuit may otherwise have been discounted or delayed for a further period. One must assume that these debts brought by members had already proceeded through the ex-ante system. This was an example of the L.T.P.S. as market enforcer, sending a message to consumers who sought to default on debt, and those traders who too easily wrote off debt, that adherence to a contract and the repayment of credit were essential prerequisites for the efficient operation of the market within the Leicester region.

Defendants at second stage: debt concentration and interconnections

In addition to revealing the concentration of debt amongst individual plaintiffs, analysis of activity at second stage reveals how the court process narrowed to focus upon a small number of defendants. The re-occurrence of defendants throughout the year illustrates how many of these people appear to have been either chronically indebted, insolvent or particularly recalcitrant.

In 1869, between first and second stages of the court 49 per cent of plaintiffs and 60 per cent of the individuals involved dropped away. This left the Courts to concentrate upon 2,668 individuals at second stage, of whom 25 per cent had more than one case heard against them. This focus of activity was further narrowed to name 74 individuals in some 397 or 10 per cent of all second stage debts (Table 4.14-4.15).⁸⁴

⁸³ In some trades the median level of debt appears have been slightly higher for members' cases. However no firm conclusions can be drawn from this, see Appendix 4.4.

⁸⁴ Between first and second stage the 7,124 plaintiffs presented against 6,600 individuals reduced to 3,685 plaintiffs and 2,668 people at second stage, where 556 people were named in 2-3 cases and 76 individuals had 4 or more plaintiffs found against them. L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869; *Return of the Proceedings in County Courts, P. P.*, 1870, LVII.27.

Table 4.14

Debt concentration amongst defendants, Leicester County Court, 1869

No.	No. individuals	No. plaints
1	2,036	2,036
2	416	832
3	140	420
4	41	164
5	16	80
6	8	48
7	1	7
8	2	16
9	4	36
10	1	10
11	0	0
12	3	36
2,668		3,685

Source: L.R.O., DE 3848/29,
L.T.P.S. Monthly Circulars, 1869.

Table 4.15

Occupations of multiple defendants (4+) in Leicester County Court, 1869

Occupation	No.	Per cent
Construction	14	18.8
Luxury service	11	15.9
FWK	12	17.4
Innkeeper/publicans	6	8.7
Farmers	6	7.2
Hawker/traveller	5	7.2
Shoe manuf	6	7.2
Grocer/butcher	4	5.8
Other	5	4.3
Carrier	3	4.3
Other manuf	2	2.9

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly
Circulars, 1869.

These cases were largely made up of small firms, who sold their labour services or were involved in retailing of one form or another. The most prominent occupations were those engaged in the building trade, such as David Clarkson, a painter and decorator of Morledge Street, who owed debts of £36 to paper hanging dealers, a builder and two chemists, and William Clarke, a builder from Willow Street, whose trade creditors included ironmongers, joiners and timber dealers. They were the small contractors whom J. D. Paul had lauded as the backbone of the building trade in the city, and who had risen up from the ranks of semi-skilled and artisans to form their own speculative building ventures. However as Paul outlined, the very nature of their business success

made them vulnerable to an equally rapid descent and so access to credit facilities had to be firmly controlled:

'The man who was a builder's foreman, or a carpenter's foreman, or a bricklayer's foreman, or a bricklayer who can do a great deal of work, comes to me and says, "I have been at work for so and so for a good many years: I am going to take a small contract for myself to build so many houses for operatives: I shall want you to give me credit for the goods to carry on the contract with." I know whether he is sober or not; I try to find out whether he has a fair chance of doing good for himself, if that is so I say, "How much credit do you want?" He says, "perhaps I shall want £5." I say to him, "You shall have £5 worth of goods for three months, but you must bring the money by that time and then we will go on again." That is the way nearly every substantial builder in Leicester has begun business.

Do they go to other persons that they want goods from, besides the ironmongers, in the same way?

Yes. A bricklayer will do the brickwork of half a dozen small houses and get a pound or two out of each. Those men are obliged to offer an advantage to the investor over and above the capitalist builder and over and over the speculative builder. The class is very useful, they check the capitalist builders' prices.

You mean to say that the man has sons at work in the business?

Yes, in all cases they work with their hands; they check by that means the day's labour of the wages men, they afford a kind of standard to go by...but there is a great difficulty in rising from the wages class and many of them fail in doing it.⁸⁵

Clarkson and his fellow traders with multiple complaints against them, were examples of the downside of the credit relationship described by Paul. Other prominent traders named as multiple defendant in the 1869 records included publicans. The reoccurrence of many of these drink traders appears to reflect the position of the publican sandwiched between the growing organisation and influence of the national brewing firms, and the expectations of the local neighbourhood whose regular customers, Kent argues, often viewed pubs as the place where a soft short-term cash loan could be advanced.⁸⁶ Such pressures were reflected in the activity of William Groves, a publican whose struggles with cash flow can be charted through the County Court (Figure 4.6).

The misfortunes of Groves give an ironic tone to the name of his pub the 'Horn of Plenty.' During the course of the year nine second stage judgements were awarded against him. In all they amounted to debts of £20.16s.10d. Up to April 1869, Groves' Court judgements suggest his debt was personal, he owed monies to a tailor, coal merchant and local grocer. These were debts which demanded monthly

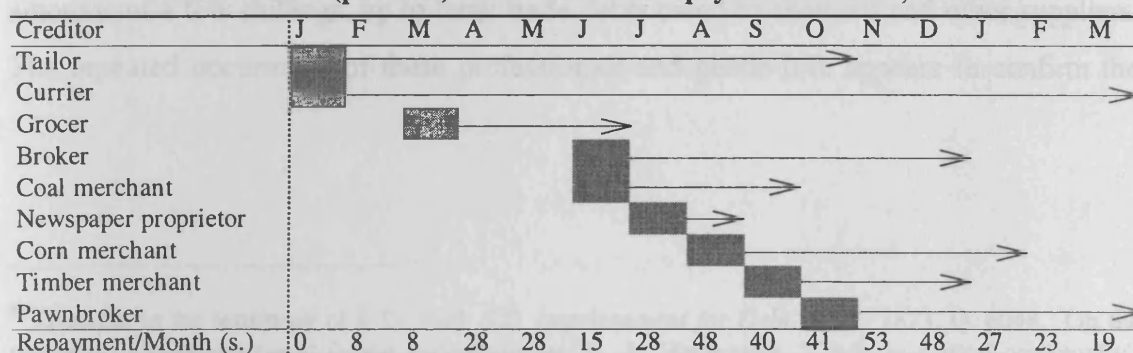
⁸⁵ *S.C. Imprisonment for Debt, P. P.*, 1873, Q. 6052-55.

⁸⁶ D. A. Kent, 'Small businessmen and their credit', 57-8.

instalments of £1.8s. By mid summer it would appear that his position was becoming more desperate, sued by a money-lender for cash advanced earlier in the year Groves was also pursued by the proprietor of the *Leicester Advertiser* for advertising space sold. This may have been an attempt to boost his flagging trade, but appears to have failed and was swiftly followed by a demand for £4.4s. for goods bought from a corn merchant in the town. These mid-summer pressure had seen Groves clear his debt to the grocer, but increased his net monthly instalments to £2.8s. By October, the nadir had been reached. Sued by pawnbrokers S & W Sheffield of Pocklington's Walk for £4.16s. lent, his repayments in November stood at £2.13s. a month. Without further hindrance, Groves would not have cleared these debts until the spring of 1870. Yet, these were second-stage judgements, it is likely the Groves would have prioritised settlement of other debts at first stage or privately at other times. Even so he appears for final time amongst the judgements of February 1870 and had lost the licence of the premises by early 1871. Groves' misfortunes illustrate how contact with the Court could be an ongoing process. The cycle of credit acquisition and debt repayment exposed at second stage provides a snap-shot of the ongoing pressures which small firms were faced with. The necessity of balancing cash flow with debt repayment meant that the different stages of the Court process could offer both sanctuary as well as stricture. For many defendants, the decision to defer or repay the judgement of the Court formed part of a rational evaluation, embracing an assessment of past, present and a future strengths, weaknesses, opportunities and threats.

Figure 4.6

William Groves' (publican) indebtedness and repayment schedules, 1869-70*



*Excludes court fees

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

A rational decision to hold off repayment can also be detected in the action of a number of farmers. For example, Joseph Reynolds a farmer of Lubbesthorpe held off ten plaintiffs totalling £66 during the course of the year. However it is clear that the courts were unwilling to allow this credit deferment to be extended, and made Reynolds pay each different creditor within 14 days of the order. High value short-term repayment schedules, reflected contemporary opinions that they often sought to exploit their localised strength. As the largest firms in an area, they frequently supported a host of local traders, and service providers such as corn merchants, wheelwrights, blacksmiths and carpenters. This appears to have placed many farmers in a position where their position as debtors could be used to squeeze smaller creditors: cash only being released after recourse to the second stage of the Court process.⁸⁷

Other multiple defendants included a number of professionals and those engaged in the provision of luxury services. Two dentists, a taxidermist, a 'professor of music' and 'professor of dance,' plus other widows and spinsters all reoccurred named as second stage defendants during the year. It seems likely that many of these cases arose out of credit which had been secured by the reputation of the defendant. Alexander and others have commented on how those who dealt with aspiring and professional groups were often expected to issue long-term credit, granted solely upon the perceived reputation of the individual.⁸⁸ However, as was clear in the Court records, perceptions were often different to the reality. For instance, Edward Lyne and George Nicholds, both dentists, resident in the genteel area of New Walk and around Gallowtree Gate, were ordered to pay in 16 cases which totalled nearly £34 during the year. These debts varied from trifling amounts of a few shillings, up to large trade debts owed to chemists and other suppliers. The repeated occurrence of these professionals and gentle-folk appears to confirm the

⁸⁷ Asserted in the testimony of J. D. Paul, *S.C. Imprisonment for Debt*, P. P., 1873, Q. 6048. On the problems of debt and credit facing agriculture see; B. A. Holderness, 'Credit in a rural community', *Midland History*, 3, 1975, 94-116; B. L. Anderson, 'Money and the structure of credit in the eighteenth century', *Business History*, 12, 1970, 85-101.

⁸⁸ D. Alexander, *Retailing in England during the industrial revolution*, (London, 1970), 86-90; J. Benson and G. Shaw, (eds.) *The evolution of retail systems, c.1800-1914*, (Leicester, 1992).

impression of J. D Paul, that many of the well to do, were not averse to using the County^{Court} to their advantage⁸⁹.

Further down the occupational hierarchy, the exploitation of reputation appears to have taken place. The best examples come from contrasting the experience of framework knitters with that of labourers. Knitters comprised the third largest group with multiple (four plus) judgements awarded against individuals. By comparison individual labourers featured only amongst the lists of first stage and single judgement defendants. No labourer got to the position where they had four or more judgements made against them. Although the framework knitters had become increasingly beleaguered and faced similar levels of debt as general labourers, the evidence suggests that they retained sufficient reputation as men 'working on their own account' to permit easier access to credit than an unskilled labourer, if drawn from a narrower creditor base.⁹⁰ There are two scenarios evident in the analysis of these multiple suits. Firstly, the information gap which opened between the perceived and actual reputation of an individual, permitted some defendants to exploit the credit relationships and the Court for their own advantage and secondly, that multiple suits at second stage, could reflect the chronic indebtedness of the defendant.

Examination of the credit connections evident between defendants and plaintiffs in the Court brings to the surface many of the hidden networks of complex interpersonal and family credit and finance relations which underpinned much of individual and small business activity at this time. Furthermore, analysis of personal actions brought to the Court exposes how deeply awareness of the civil law had penetrated into the minds and practices of small firms and kinship networks. This is best illustrated by reference to the actions of Henry Durrad, a loan agent, or money-lender.

Henry Durrad, of the Alliance Advance and Deposit Society of Charles Street, was the sixth most active plaintiff in the Court.⁹¹ Businesses such as Durrad's competed with the

⁸⁹ See above page 141.

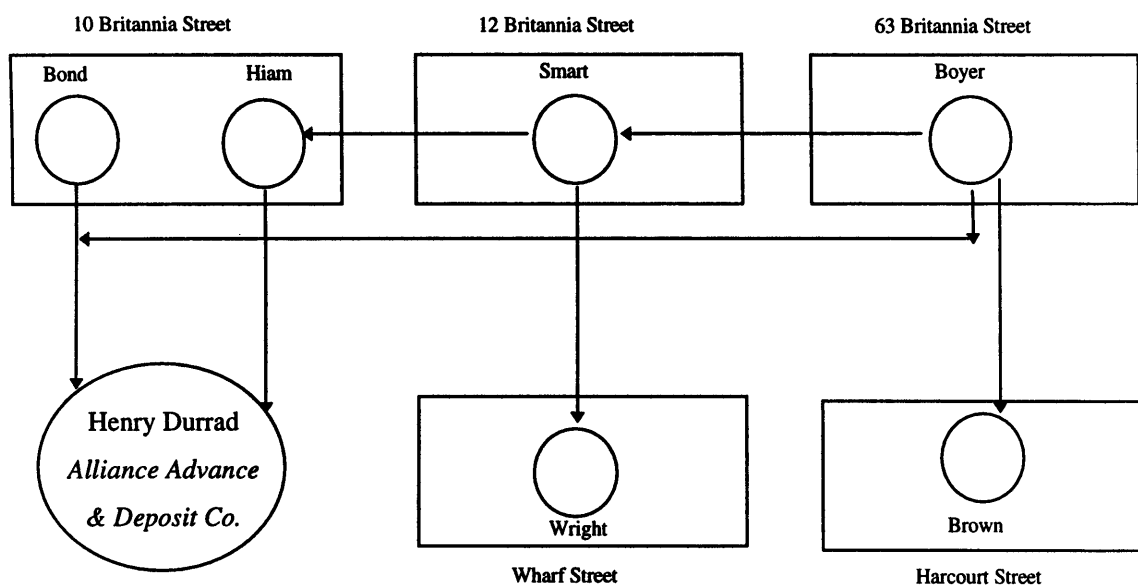
⁹⁰ See Table 4.12.

⁹¹ In 1869, Durrad received 48 judgements in his favour which named 95 different defendants. Those cases were connected to a further 100 judgements entered into the court in the year.

pawnbroker and the local money-lender as a primary source for cash loans amongst the proprietors of many small firms.⁹² The bulk of Durrad's trade was based upon the issue of a cash loan secured by a promissory note or IOU. These documents usually named 2-3 signatories and when defaulted upon, were often produced as evidence of the contract in the Court. Most borrowers were skilled artisans such as foremen, bricklayers or shoemakers or small scale retailers and producers. The extensive nature of the credit networks which were built up by these firms is illustrated by the cases pressed against Thomas Hiam, William Smart, and Amos Boyer, clothes dealer and coal higglers respectively of 10, 12 and 63 Britannia street (Figure 4.7).

Figure 4.7

Credit network of Henry Durrad money-lender, 1869



Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

These three men were cited by Durrad as defendants for a cash loan of £3. However their personal credit connections were far more than a simple one to one relationship. In October 1869, Amos Boyer had been cited along with Thomas Bond, a timber contractor, resident in Thomas Hiam's house, as a co-defendant involved with another loan of £2.12s. issued by Durrad. Yet even earlier in the year, Boyer had also been

⁹² M. Tebutt, *Making ends meet*, 50-4.

ordered to repay a debt of £1.12s within 14 days to Alfred Brown, a chairmaker, of Harcourt Street. Similarly Thomas Smart, cited as a defendant in the original plaint, would have already been repaying in 3s. instalments a previous debt of £3.15s. he owed to the butcher Frederick Wright of nearby Wharf Street. The terms of the judgement imposed upon Smart would have seen him clear of the butcher's debt in the Spring of 1871, having repaid portion of the original debt to Durrad by the Christmas of 1870.

These connections between those who used their mutual friendships in order to obtain credit, were also reflected in the debt networks which can be traced between families. Although identifying family members is difficult, uncommon surnames, such as those of James and Joseph Lant, a shoe clicker and shoe finisher of Berkeley and Wilton Streets, who borrowed £2.12s. from Durrad shows how family networks could be used to enter the formal lending market. Such connections between the finance market and the family can also be seen in the cases of William and Ann Camp of Alfred Street who were sued for a total of £7.6s.3d. in six separate court judgements between January and November 1869. Before reform in 1870 and subsequently in 1882, the extent of family indebtedness was concealed as married women were unable to be sued personally for debt or property until the passage of the Married Womens' Property Act in that year. However, close examination of incidents saw other single women, often widows, or pensioners sued alongside others or as independent family members. These fragmentary insights into the family connections of debt, illuminate the concealed role of women as one of the main arbiters of domestic consumption. It also reflects how important the present or past reputation of senior or junior family members could be when it came to the extension of credit, particularly from that of neighbourhood traders.⁹³

The judgements awarded to Durrad also show how important the maintenance of liquidity was for a small business. Shoemakers, shoefinishers, shopkeepers, bakers, grocers, butchers, carpenters, brickmakers and butchers all approached him for the advance of short-term cash loans varying from between £18s. to £11. Tebutt has noted

⁹³ Such was the resultant form of these credit relationships that many local shopkeepers were frequently integrated into the world of women and local gossip, but were excluded from the associations and networks of other men. T. Hitchcock, P. King and P. Sharpe (eds.), *Chronicling poverty*; M. Tebutt, *Making ends meet*, 37-67; C. Hosgood, 'The pigmies of commerce', 439-60.

how similar short-term allocations of money from the pawnbroker frequently acted as a bridging loan for small businesses who, when faced with occasional difficulties, would pledge a portion of their stock in return for cash.⁹⁴ In these Leicester cases it would appear that Durrad was prepared to act in a similar manner, granting a cash loan, yet without collateral and based solely upon the personal reputation of the defendants. The scale of Durrad's involvement in the Court and the fact that most of these debts reached judgement during the autumn and early winter suggests that many other bridging loans had been advanced and successfully repaid by small traders throughout the year and that winter posed particular cash flow problems for many borrowers.

The awareness amongst small firms and individuals of the strategic potential of the law and the County Court can be seen in the occurrence of other quasi financial/legal instruments, such as insolvency and the tactical use of a bill of sale. A bill of sale allowed 'money to be lent on goods by assigning title in them to the lender while leaving them in the possession of the borrower.'⁹⁵ In practice this meant that a loan could be raised, whilst also protecting the stated goods from seizure in the County Court, and limiting future claims on property in the event of a bankruptcy.⁹⁶

Analysis of the 75 bills of sale registered in the Leicester Court between 1869-1870 shows how the bill of sale could be used as a defensive measure to ward off the demands of creditors. Small tradesmen and manufacturers made use of the arrangement, agreeing bills which varied in value between £46 and £1,704. The preferential creditors, selected in a bill of sale, were drawn from amongst those closely connected with the defendants' trade, such as a baker and miller, publican and maltster, or a hosiery manufacturer and framesmith. These measures were initiated in reaction to pressure from other small creditors, as almost half of those who transferred nominal control of their property in a bill of sale had previously had a second stage judgement awarded against them. The larger creditor then stepped in, offered a bill of sale, and secured preferential treatment

⁹⁴ M. Tebutt, *Making ends meet*, 22.

⁹⁵ W. R. Cornish and G. de. N. Clark, *Law and society in England 1750-1950*, (London, 1989), 240-42.

⁹⁶ After 1878 and until reform in 1882, changes in the bill of sale law further protected the security of the property held in this contract by the creditor.

of their own debt at the expense of third party. Many of these bills involved securing the possession of furniture and household goods. However, larger value agreements often transferred possession of fixed assets, such as business premises. This was what happened to the property of John Wholey, a fishmonger of Market Street. He continued to trade, but in return for £100, transferred possession of his house and premises to his creditor, Reuben Wand, a drysalter of Haymarket. The downside of a bill were harsh terms, such as the loss of premises, and if the bill was formally registered, the fear that publicity might provoke other creditors to rush and recover the debts owed to them. This was probably more of a fear than a reality, as only in two of the 33 Leicester based bills of sale, were Court judgements later recorded against the main signatory. The tactical sue of the bill of sale was confirmed by J. D. Paul who commented 'many men who carry on business in Leicester ...[had goods]... not worth taking out an execution in the County Court ... because they either been covered with a bill of sale or the debtor had ... gone to live in a house where the goods were not worth the seizure.'⁹⁷

Prior to 1878 the only reason to register a bill of sale was to protect goods from seizure in the Court or to seek protection in the event of bankruptcy. Furthermore, Cornish argued that the extra inconvenience, expense and potential loss of privacy which surround these arrangements meant that many private bills of sale were not registered.⁹⁸ Between 1878-1882, as a result of ill defined changes in the law the registration of a bill of sale, offered greater sanctuary to an insolvent debtor. Provided a case was registered, the goods and chattels of an insolvent could be secured against the claims of any creditor. As awareness of these loop-holes became known, registration of bills of sale escalated. Contemporaries blamed this tactical use of the law upon the 'Shylockian propensities of money-lenders' who, by securing the goods of a debtor in return for a cash sum, were able to steal a considerable march over other 'legitimate' creditors.⁹⁹ These were assumptions which assumed exploitation by the money-lender. In practice, some bona fide debtors may have 'inadvertently' signed their debts to the money-lender,

⁹⁷ S. C. *Imprisonment for Debt*, P. P., 1873, Q.6056.

⁹⁸ W. R. Cornish and G. de. N. Clark, *Law and society*, 241.

⁹⁹ W. R. Cornish and G. de. N. Clark, *Law and society*, 242.

yet for many debtors it was a rational move. Assets could be protected, creditors frozen out and short-term problems, transferred to a relationship with one man - the money-lender. Consequently, the legitimacy of any bill of sale at this time was dependent upon the personal view of those directly involved or excluded. One man's fraudulent behaviour was another's strategic use of the law; the money-lender only providing a means to this end. A comparison between the size and composition of bills of sale prior to 1878 and during this period of legal hiatus (1878-1882), shows the extent of activity in the Leicester Court (Table 4.16).

Table 4.16

Distribution of Bills of Sale and presence of money-lenders in agreements registered, Leicester County Court, 1881

Value of Bills of Sale	Number of cases	(%)	Number of Money-lenders	Bills to Money-lenders (%)
£1-£10	73	14.4	70	23.2
£10-£20	130	25.6	112	37.2
£20-£50	142	28.0	83	27.6
£50-£100	81	16.0	29	9.6
£100+	81	16.0	7	2.3
Total	507	100	301	100

Source: L.R.O., DE 3848/6, L.T.P.S. Minute Book, 1881-95, 24 March 1882.

The tactical use of the registered bill of sale to protect goods for the advantage of the debtor and those who made the cash advance is reflected in the upsurge of cases registered in 1881. In the Leicester court the number of registered bills of sale grew from between 30-60 cases per year before 1878, to 131 in 1878 and 507 by 1881.¹⁰⁰ Some of this latter growth is likely to have reflected the deteriorating economic conditions of the late 1870s. Yet, examination of data recorded by the L.T.P.S. makes it clear how important the role of money-lenders became after 1878. In 1869, only one bill out of the 33 registered by defendants living in Leicester involved a money-lender.¹⁰¹ By 1881, 301 or 59 per cent, of the 507 local bills were presented by these men. The emergence of the private arrangement of the money-lender into the public arena of the Court is illustrated by the change in the value of the registered Bills. In 1877, when money-lenders drew up their own private undeclared arrangements with debtor, overall

¹⁰⁰ 1869, 27 cases for £7,911; 1870, 55 cases for £6,880; 1872, 40 cases. Source: L.R.O., DE 3848/29; L.T.P.S. Monthly Circulars, 1869; L.R.O., DE 3848/6; L.T.P.S. Minute Book, 1881-95, 24 March 1882.

¹⁰¹ Henry Durrad.

registrations in England and Wales, produced a mean value of £179 per bill. By 1880, with loop-holes in the law, the mean value registered bills had fallen to £76.¹⁰² This willingness by the money-lender and debtor to use to law for their advantage was also reflected in the Leicester Court.

In Leicester between 1869 and 1870, only one bill of sale under £20 was registered and the majority (68 per cent) covered loans in excess of £50. By 1881, the profile of Court activity had reversed. Forty per cent of bills were under £20 and only 32 per cent over £50. This was matched by an increase in the involvement of money-lenders, who registered 88 per cent of their cases on loans of £50 or under, with particular attention given to those loans between £10-20. A summary of the occupational profile of these cases further supports the argument that the money-lender provided a source for short-term bridging loans for a business and could also be a tactical way to appease or avoid the attention of unwanted creditors (Table 4.17). The most prevalent occupational groups were those found amongst the classifications of small traders brought in as defendants and plaintiffs in the County Courts. Although the L.T.P.S. did not distinguish between the presence of labourers or semi-skilled debtors, the classification of those trades appears to reflect the spectrum of those loans advanced by Henry Durrad in the proceedings of 1869.

Table 4.17

**Most frequent occupations of those registering a Bill of Sale,
Leicester County Court, 1881¹⁰³**

Trade	Proportion (%)
Artisans(working class)	17.5
Misc.	14.5
Grocers/provision dealers/bakers	14.1
Wine, spirit, beer sellers	13.1
Farmers and graziers	9.3
Building trades	8.3
Drapery and clothing	5.0

n=507

Source: L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1881- 95, 24 March 1882.

¹⁰² Overall bill of sale registrations England and Wales: 1875, 11,814 for £2,123,000; 1880, 56,828 for £4,333,000. W. R. Cornish and G. de. N. Clark, *Law and society*, 241.

¹⁰³ Other trades (number) leather boot & shoe 20; butchers and fishmongers 16; hosiers 14; hardware 8; coal merchants & dealers 7; brokers & agents 6; printing & stationary 4; corn & cattle 4; ironmongers 3; jewellery & fancy goods 3; tobacco & cigars 3; earthenware dealers 2; chemists & druggists 1: L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1881-95, 24 March 1882.

Atiyah has claimed that the contemporary concerns about the activities of money-lenders and bills of sale, reflected a 'neo-liberal concern for the plight of the consumer.'¹⁰⁴ This led to the reformation of bill of sale legislation in 1882.¹⁰⁵ However, branding the money-lender as parasite or 'Shylock' who exploited the debtor, ignored the reciprocal benefits offered by the relationship. A bill of sale protected the interests of both parties. Whilst the arrangement undoubtedly favoured the money-lender or principal signatory, the real losers were third party creditors, those not intimate with the deal. As a result one should not see the outrage expressed by some of the trading community and professionals such as County Court judges, accountants and solicitors, as a philanthropic concern to restrict usury or the exploitation of the weak. Instead the complaints of organisation like the L.T.P.S. reflected a fear that the law was providing a refuge for the unscrupulous trader. The rules of the market, were being undermined by the civil law itself: 'the fraudulent debtor should be prevented from deploying fictitious bills to hide away his property; other debtors should submit to bankruptcy, rather than signing their assets to the money-lender; the trader should be prevented from making a hostage of all his means by signing a floating bill over whatever assets he held from time to time.'¹⁰⁶

Perceptions of the money-lender and the bill of sale should be reviewed. The advantages of family relationships and kinship networks for short-term finance or extended credit, was not available to every small firm. Dislocated families, feud or poverty could sever these conventional sources of finance. However, bridging loans or extended credit could be obtained from the offices of the money-lender. Similarly the bill of sale bridged a gap in the market. It often placed the money-lender in a position of strength, but offered advantages for the debtor: trade could continue, premises and property could be held and third-party creditors stalled. Although money-lenders appear to have been responsible for the majority of bills registered, it is no surprise to find that most the remaining 40 per cent of cases were registered by those who appear to have been either family members or individual trade creditors. Each party acknowledged the personal

¹⁰⁴ P. S. Atiyah, *The rise and fall of freedom of contract*, (Oxford, 1979), 108-13.

¹⁰⁵ W. R. Cornish and G. de N. Clark, *Law and society*, 242.

¹⁰⁶ W. R. Cornish and G. de N. Clark, *Law and society*, 241.

advantage to be gained from registering a bill, and sought to by-pass or circumvent the normal rules of market behaviour and debt recovery, in order to secure an advantage for themselves.

The courts and insolvency

The use of the County Court as a part of everyday commercial strategy can also be seen in the way that many Court judgements preceded insolvency. The contribution of unpaid debts to the insolvency of a firm has been recognised by many.¹⁰⁷ Often these debts were attributed to the danger of granting 'reckless credit' - unsecured credit to unknown individuals who would default or flee. In reality more of the problems could be traced to the dangers of insufficient liquidity or circulating capital, rather than wholly 'bad debt.'¹⁰⁸

The early signs of problems were manifest County Court. Plaintiffs were often beleaguered debtors and used the Court in a desperate attempt to recover unpaid accounts. Sometimes - maybe one or two months later - these suitors would then appear, named as defendants in cases, or found amongst the lists of the bankrupt or insolvent. Twelve of the 32 debtors who were declared bankrupt or who made arrangements and compositions with their creditors in 1870, had been active in the small debt court in 1869 and filed 39 complaints against their own bad debtors. Often their suits were matched by counter-suits from other creditors as the cycle of debt and illiquidity became to overtake a firm. Over half of those declared insolvent in 1870, had been named as defendants in 25 other cases. One example was, Elisabeth McAlpin, a hosier of Granby Street, who in April, September and October 1869 saw three of her complaints proceed to judgement against a tailor, farmer and bootmaker for a total of £15.18s. Yet

¹⁰⁷ J. Hoppitt, *Risk and failure.*; D. A. Kent, 'Small businessmen and their credit', 47-64; V. Markham-Lester, *Victorian insolvency*, (Oxford, 1995), 252-59.

¹⁰⁸ Bankruptcy and the Law are discussed in more detail in Chapter 6. The editor of *The Grocer* in 1895 actively blamed the lack of circulating capital as a cause of many failures; P. Hosgood, 'The pigmies of commerce', 442. This was an opinion reflected in the response of W. Simpson to the Select Committee on debt in 1909: '*Being a small trader, it would be an impossible thing, from lack of capital, to give extended credit would it not?* Yes, although it is a question of degree, if I may say so. *In the cases of bankruptcy of small traders, is it not a common excuse for them to say that their bankruptcy is due to bad debts?* Frequently.' *S.C Imprisonment for Debt, P. P.*, 1909, Q. 3445-6.

in October she herself was ordered to repay debts of £8.11.7d. at £1 per month to Thomas Scott of Market Street, before she finally succumbed to the demands of her creditors in January 1870 and arranged to pay a composition of five shillings in the pound. Another case was that of Thomas Crowdell, a butcher of Braunstone Gate, whose plaint in June 1869, for a debt of £6.9d. against William Davis, a shoemaker resident in nearby Buckingham Street, was adjudged in his favour. Davis began payments in instalments of 3s. per month, which would have taken until the mid summer of 1873 to repay. Unfortunately Crowdell's trade creditors were less benevolent and in July he was named as a defendant in the Court and ordered to pay 'forthwith' £4.15s for the purchase of 'a calf' from Henry Hull a cattle dealer on the adjacent Hinckley Road. Pressure from his own creditors, combined with the slow speed in which he could regain the capital owed to him was too much, and in September 1869, Crowdell was declared bankrupt.

Others were also vexed by the attentions of creditors and used the Court to relieve pressure brought upon them. One example was the public dissolution of a business partnership. Many of these official notifications of a split appear to have caused by the personal or commercial weakness of a partner. Between 1869-1870 the majority of the 56 dissolved partnerships cited the debts of one or more partners as the reason for the event.¹⁰⁹ Examples included the elastic web weavers, Powney & Broughton of Upper Brown Street whose decline commenced in August 1869 with the issue of six plaints for £44 12s. 9d. for sundry debtors. By September creditors had filed three counter-claims against the company. In January 1870, the partnership spilt, with the debt of Henry Powney cited as the main reason. Broughton continued to trade in his own right, but Henry Powney continued to spiral down and was officially declared bankrupt in November 1870.

The frequent appearance of a defendant at judgement stage often marked the sign of impending financial ruin. Nine of the 74 defendants who had 4+ cases awarded against

¹⁰⁹ Of the 30 partnerships which were dissolved by the courts in 1870, 20 cited bad debts by one or more partner as the primary reason for action. L.R.O., DE 4482/39 Leicester County Court Bankruptcy Petitions, 1870-82.

them in 1869 were declared bankrupt or made arrangements or compositions with their creditors in the few months after court appearance.

However, other means of evading creditors were less sophisticated. If suicide was a rarely considered option, flight from the town was frequently attempted. This was what George Stewart 'bird preserver,' - cited in 12 cases during the year - attempted to do. Between January and July 1869 he was resident in Silver Street but, by the time of the three final judgements made against him in November, he had been traced to a new address in Leamington Spa. This was a pattern repeated throughout the 1870s, where of the 128 bankruptcy petitions filed in the County Court between 1870-1882, 28 per cent cited the defendant's flight or 'absenting himself from home' as the reason for the petition.¹¹⁰

A further sample of court activity at five year intervals between 1869-1899, suggests that the characteristic features of debt and debtor seen in 1869 changed little over the remainder of the century. Labourers, unskilled workers and small producers connected with the footwear and construction trades continued alongside small scale retailers and producers as main defendants.¹¹¹ The only significant change was the increase in the number of unskilled operatives within the shoetrade. After 1879, these employees began to feature as defendants in significant numbers and replaced the framework knitter as the second most prominent occupational group.

In terms of debt value, court activity remained much the same for the remainder of the century (Graph 4.9). The only significant variation, would appear to have been those debts under £2, where the proportion of cases concerned with debt of or under £1 increased by 10 per cent. This was matched by a corresponding fall in the number of debts between £1-£2 and implies a tightening of creditors' attitudes towards the low value, short-range debts associated with domestic retailing. Such a foreshortening of

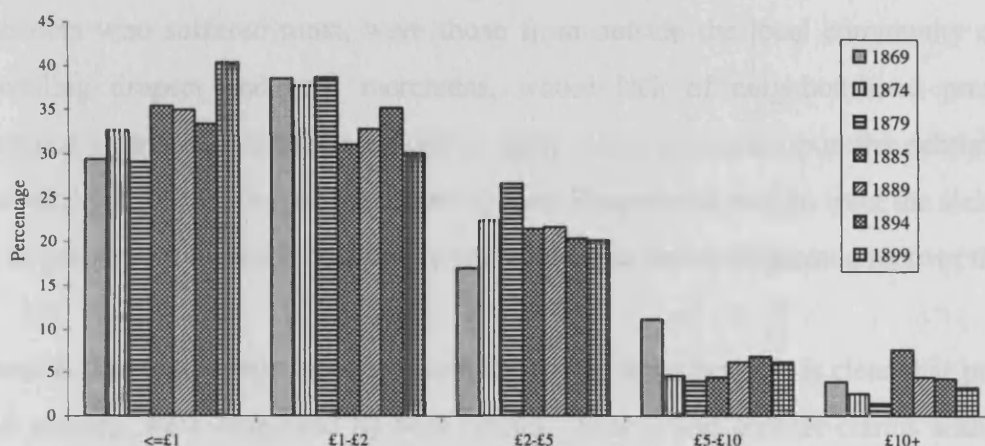
¹¹⁰ Thirty per cent named 'failure to comply with a County Court Summons', 5 per cent named fraud and the remaining 35 per cent gave other causes such as a voluntary petition or failure to comply with a previous composition or arrangement. L.R.O., DE 4482/39 Leicester County Court Bankruptcy Petitions, 1870-82.

¹¹¹ See Appendix 4.5.

credit supports what is known about the development of commercial retailing during the final decades of the century. Knox and others have argued that with the growth of mass production, branded and pre-packed goods, manufacturers became increasingly dependant upon rapid stock turnover and cash flow.¹¹² These requirements were then transferred to the wholesaler whose influence over access to trade credit and cash flow constituted an 'assault ... upon the economic interests and social standing of the small master retailer,' with the result that these men were forced to 'give only short-credit and take only short-credit, incur no bad debts, balance your books and live within your means.'¹¹³

Graph 4.9

**Proportional distribution of judgements by value of debt,
Leicester County Court, 1869-99**



Source: L.R.O., Periodicals File, L.T.P.S. Monthly Circulars, 1874, 1879, 1885; L.R.O., 7D70/8,13, L.T.P.S. Monthly Circulars, 1894, 1899.

Conclusion

Analysis of the micro-scale activity within the County Court using a case study of Leicester, has provided a snapshot of the court system in action. It was a system which was broad in both its appeal and operation. The chapter has shown how variance in the scale of plaintiff activity in the Court was a reflection of regional economic fluctuations.

¹¹² E. Knox, 'Between capital and labour,' J. Benson and G. Shaw, (eds.) *The evolution of retail systems, c.1800-1914*, (Leicester, 1992); G. Crossick and H.-G. Haupt, 'Shopkeepers and master artisans and the historian: the petite bourgeoisie in comparative focus', in G. Crossick and H.-G. Haupt (eds.), *Shopkeepers and master artisans in nineteenth century Europe*, (London, 1984).

¹¹³ E. Knox, 'Between capital and labour', 46.

Furthermore, the level of court activity makes it clear that few firms or households (as plaintiffs and defendants) were untouched by the small debt process or the other legal processes of the County Court.

Furthermore, this chapter has illustrated how the different stages and procedures of the small debt process, permitted a strategic, or tactical use of the law - a knowledge of the system could buy time or delay pursuit by creditors. Such an awareness appears to have applied to both individual consumers and commercial debtors. Debts could be prioritised. Consumer brinkmanship saw individuals and firms choose to default or delay repayment of one person, in favour of another. In the consumer market, those paid first were the local traders, grocers and shopkeepers, whose central position in a neighbourhood ensured that they had only to occasionally use the Courts. Those creditors who suffered most, were those from outside the local community especially travelling drapers and coal merchants, whose lack of neighbourhood presence or personal opprobrium made it difficult to apply moral strictures upon the debtor. Others included physicians who were obliged by their Hippocratic oath to treat the sick, yet had to be prepared for considerable delay and avoidance before they could recover their fees.

Tactical use of the court was not confined to the defendant. It is clear that prioritising and strategy were employed by both parties. Claims and counter-claims with multiple appearances in the Courts marked the problems of cash flow and hence the liquidity of a business. Hence at a crucial moment, the delay or advantage offered by the courts, could secure the short-term survival of a firm. Conversely court judgements and repayment schedules, if they worked against a defendant could finish off a business. What is clear is that the Court was not simply a clearing house for working-class indebtedness. It offered opportunity for the practice of strategy and tactics by both firms and individuals. For some it was a slippery slope on the path to insolvency, for others it was part of everyday commercial or personal strategy. Analysis of bills of sale and the role of the money-lender, provide a case in point. Bills of sale were criticised by contemporaries precisely because a loop-hole in the law, allowed them to be exploited by defendants to prioritise their debts, continue to trade and avoid the attentions of other creditors. This may have broken the rules of the game, but it was astute practice.

Similarly, the role of the money-lender should be re-evaluated. It is clear from their involvement in the registration of bills of sale, that they also gained from the holes in the law. However Court evidence also indicates the extensive role played in bridging the short-term problems of debt faced by many traders. Multiple networks of kinship and family relationships, were often non-existent or simply unable to provide the short-term cash loans or access to capital, essential if a firm was to survive. The money-lender stepped into breach.

The scale of activity and complexity of relationships reveals that the County Court was not simply an arena for the recovery of debt. Those debts had to be pursued or hunted down, the defendant often slipping the net or using the topography of the law, its loopholes and delay for their own advantage. Furthermore the chase was not one-directional. Defendants appeared as plaintiffs and plaintiffs as defendants. Court action, either directly or indirectly would have touched every firm and family within the region. It was therefore essential that the L.T.P.S., as the self-established guardians of market behaviour, gained access to the Courts. The debt recovery service, played out inside and outside the Court room, established their presence, especially amongst plaintiffs and by taking responsibility over half the complaints entered in the Court, they gained a presence and over-view over the entire market.

In examining the evolution and performance of the County Court and the strategies and attitudes of those who were touched by it, the implicit problems of trust, reputation reliability and the dissemination of information have been tentatively exposed. The following chapter will seek to further examine these issues. This will focus upon the flow of information. This was discernible in the action of the L.T.P.S., in particular its attempt to reduce the transaction costs of commercial relations, by improving the reliability and flow of information to its members. The chapter will also seek to examine the manner in which these actions contributed the influence of the Society as an intermediary, the arbiter of market behaviour amongst the commercial and urban community.

Appendix 4.1

Plaints entered in County Courts of England and Wales and Leicester County Court, 1869-1901

Date	All claims ('000) England & Wales	Claims registered Leicester Court	Claims registered by L.T.P.S.
1869		7,124	3,312
1870	898	7,373	3,780
1871	904	7,790	3,736
1872	886	7,917	3,729
1873	850	7,900	3,902
1874	849	9,234	4,735
1875	861	9,578	4,422
1876	930	10,187	4,938
1877	1,007	10,920	4,820
1878	1,014	10,714	4,393
1879	1,028	12,135	5,783
1880	1,081	11,637	5,716
1881	1,022	11,075	5,836
1882	1,009	10,001	4,299
1883	991	10,815	4,345
1884	940	8,720	4,171
1885	948	8,315	3,577
1886	966	8,673	4,187
1887	1,000	10,069	4,298
1888	1,031	11,474	5,185
1889	1,022	11,127	5,665
1890	978	10,347	4,852
1891	1,019	10,565	4,542
1892	1,055	11,127	4,465
1893	1,055	8,440	3,674
1894	1,153	9,734	3,212
1895	1,105	10,308	3,727
1896	1,095	11,108	4,265
1897	1,105	11,993	4,751
1898	1,142	12,422	4,913
1899	1,137	12,744	4,020
1900	1,166	14,268	4,401
1901	1,213	15,066	4,537

Source: P. Johnson, *Saving and spending: the working class economy in Britain, 1870-1939*, (Oxford, 1985); *Returns of Proceedings in County Courts, P. P.*, (see Graph 4.1); L.R.O., DE 3848/5-7, L.T.P.S. Minute Books, 1866-1909.

Appendix 4.2

Villages and parishes included in Leicester County Court District

Ansty	Frisby	Marefield	Stretton Parva
Ansty Pastures	Foston	Markfield	Thrussington
Aylestone	Gaulby	Nosely	Thurcaston
Aylestone Park	Glen Magna	New Humberstone	Thurmaston (North)
Baggrave	Groby	Newton Linford	Thurmaston (South)
Barkby	Gilroes	Newton Harcourt	Thurnby
Barkby Thorpe	Glen Parva	Norton Kings	Tilton
Beeby	Glenfield	New Parks	Thurlaston
Belgrave	Glenfield Frith	Normaton Turville	Ulverscroft
Birstall	Halstead	Newton Cold	Wanlip
Billesdon	Hamilton	Newton Unthank	Wistow
Botcheston	Houghton on the Hill	Narborough	Whetstone
Burton Overy	Humberstone	Oadby	Wigston
Bassett House & The Knoll	Hungerton	Potter's marston	Wigstone Magna
Bushby	Huncote	Queniborough	
Blaby	Illston on the Hill	Quenby	Leicester St Margaret
Bradgate Park	Ingarsby	Rathby	St Leonard
Braunstone	Keyham	Ratcliffe-on -the-Wreake	All Saints
Beaumont Leys	Kilby	Rearsby	Blackfriars
Cossington	Kirby Muxloe	Rothley	St Martins
Cropstone	Kirby Frith	Rothley Temple	St Nicholas
Croxton (South)	Knighton	Rolleston	Whitefriars
Copt Oak	Launde	Rowley Fields	Castlevew
Carlton Curlieu	Lowesby	Swithland	Newark
Cosby	Leicester Frith	Shaw Lane	St Mary's
Countesthorpe	Leicester Forest	Syston	Freak's Ground
Croft	Leicester Abbey	Scraptoft	Newfoundpool
Evington	Littlethorpe	Stoughton	
Enderby	Lubbesthorpe	Stretton Magna	

Source: L.T.P.S. *Directory of Leicester*, 1870; Wright's *Directory of Leicester*, 1895; Census 1851-1901.

Appendix 4.3

County Court Judges: Leicester district, 1848-1909

Name	Dates Served
John Hildyard*	1848-56
Serjeant Robert Miller	1856-76
Francis Barrow	1876-83
James John Hooper	1883-92
D. O. French esq	1892-98
William Wightman Wood	1898-1909+

* Hildyard also served as judicial representative on the preceeding Courts of Request.

Appendix 4.4

Values of debts presented by plaintiffs at judgement stage, Leicester County Court 1869 (£)

		Mean	Median	N	Skew	Sd	Total value (3)
Agent	All	2.992	2.050	98	2.153	2.969	293.192
	Memb	3.456	2.700	66	1.735	3.153	228.092
Coal	All	1.284	0.752	304	4.620	1.841	390.408
	Memb	1.291	0.752	278	4.641	1.870	358.796
Baker	All	1.690	1.279	71	2.034	1.366	119.967
	Memb	1.807	1.375	44	1.825	1.591	79.521
AOF	All	0.989	0.898	10	0.890	0.240	9.892
	Memb	0.989	0.898	10	0.890	0.240	9.892
Auctioneer	All	5.162	2.975	19	2.647	5.644	98.071
	Memb	5.831	3.013	14	2.263	6.362	81.638
Bag hosier	All	1.910	1.215	8	1.691	1.597	15.279
	Memb	1.910	1.215	8	1.691	1.597	15.279
B & S	All	1.720	0.971	204	7.167	3.154	350.800
	Memb	2.414	1.050	88	5.157	4.509	212.450
Innkeeper/Brewer	All	2.011	1.000	161	4.281	2.996	323.833
	Memb	1.922	0.913	138	4.485	2.908	265.271
Builder	All	2.707	1.750	61	1.289	2.707	165.117
	Memb	2.738	1.819	54	1.278	2.790	147.850
Butcher	All	1.747	1.129	58	1.828	1.486	101.346
	Memb	1.494	1.050	28	2.533	1.308	41.829
Cabinet	All	2.069	1.575	52	1.771	1.802	107.600
	Memb	1.957	1.400	33	1.964	1.819	64.596
Chemist/Druggist	All	2.068	1.375	47	3.650	2.416	97.196
	Memb	2.566	1.575	25	2.728	3.142	64.138
Clothier	All	2.375	1.763	28	1.273	1.820	66.513
	Memb	2.375	1.763	28	1.273	1.820	66.513
Corn factor	All	3.579	2.000	35	1.886	3.874	125.275
	Memb	3.736	2.071	32	1.762	4.007	119.550
Draper	All	1.871	1.379	313	2.669	1.662	585.658
	Memb	1.951	1.492	234	2.534	1.734	456.592
Travelling Draper	All	1.580	1.300	168	3.009	1.129	265.458
	Memb	1.497	1.360	112	0.632	0.833	167.663
EW Manufr	All	4.588	1.944	20	2.979	6.714	91.767
	Memb	2.449	1.554	15	1.890	2.585	36.742
Fish & game Dealer	All	2.609	1.485	8	0.736	2.103	20.875
	Memb	2.163	1.400	7	1.337	1.860	15.142
Furniture	All	2.366	1.525	46	4.331	2.887	108.833
	Memb	1.925	2.200	4	-0.598	1.135	7.700
Gas Co	All	1.180	0.819	12	3.239	1.257	14.158
	Memb	1.180	0.819	12	3.239	1.257	14.158
Greengrocer/Fruiterer	All	1.448	1.033	35	2.380	1.213	50.688
	Memb	1.451	1.267	13	0.971	1.101	18.863
Grocer	All	1.874	1.275	384	4.730	2.217	719.713
	Memb	2.119	1.225	182	3.275	2.616	385.708
Hosiery Manufr	All	2.127	0.988	38	3.811	3.710	80.817
	Memb	1.759	0.900	23	3.470	2.775	40.463

Appendix 4.4 continued.

		Mean	Median	N	Skew	Sd	Total value (3)
Ironmonger	All	2.672	1.550	71	2.956	3.220	189.692
	Memb	2.762	1.502	62	2.872	3.362	171.267
Leather merch	All	3.973	2.096	26	2.316	4.765	103.292
	Memb	4.908	2.525	15	2.138	5.441	73.621
Pawn brokers	All	5.002	1.550	17	2.367	7.924	85.038
	Memb	3.886	1.354	10	3.004	6.716	38.858
Printers	All	3.616	1.179	14	3.684	8.639	50.621
	Memb	4.124	0.775	11	3.273	9.681	45.363
Physician	All	2.127	1.525	216	2.428	1.934	459.513
	Memb	1.921	1.313	56	2.493	1.890	107.588
Tailor	All	2.921	2.000	107	2.414	2.908	312.533
	Memb	2.900	2.000	96	2.220	2.764	278.358
Timber/Stone merch	All	2.770	1.215	64	4.023	4.307	177.254
	Memb	1.646	0.933	45	2.389	1.890	74.088
Undertaker	All	0.893	0.750	13	0.909	0.467	11.608
	Memb	0.893	0.750	13	0.909	0.467	11.608
Wine & Spirits	All	5.646	2.835	40	4.191	7.982	225.854
	Memb	4.737	3.250	35	1.134	4.131	165.800
Yarn agent	All	3.021	1.173	18	2.970	4.478	54.383
	Memb	2.566	1.092	13	3.499	4.818	33.363
Misc./Manufr	All	3.294	1.425	68	1.842	4.157	223.979
	Memb	3.311	1.485	46	1.656	3.967	152.292
Prof./Newspaper	All	2.363	1.444	10	1.731	2.152	23.633
	Memb	4.608	4.250	3	0.529	2.452	13.825
Transport/Coach Builder	All	2.480	1.725	27	2.307	2.448	66.963
	Memb	2.537	1.029	19	2.065	2.848	48.208
Farmer	All	2.819	1.750	5	0.538	2.262	14.096
	Memb	2.461	1.750	3	1.238	1.918	7.383

Source: L.R.O., DE 3848/29, L.T.P.S. Monthly Circulars, 1869.

Appendix 4.5

Most frequent occupations of defendant, Leicester County Court, 1874-99

1874			1879			1885		
Occupation	No	% n=196	Occupation	No	% n=199	Occupation	No	% n=158
Labourer	24	12.2	Labourer	23	11.6	Labourer	12	7.6
Shoehand	14	7.1	Shoehand	18	9.1	Shoehand	27	17.1
F.W.K	12	6.1	F.W.K	11	5.5	Shoemanufr	6	3.8
Shoemaker	5	2.6	Bricklayer	4	2.0	Shoemaker	3	1.9
Shoefinisher	4	2.0	Carpenter	5	2.5	Farmer	5	3.2
Grocer	3	1.5	Baker	3	1.5	Tailor	4	2.5
Baker	3	1.5	Shoeclicker	3	1.5	Publican	4	2.5
Carpenter	2	1.0	Grocer	3	1.5	Shoemanufr	3	1.9
Bricklayer	2	1.0	Shoefinisher	3	1.5	Shoefinisher	3	1.9
Tailor	2	1.0	Shoemanufr	3	1.5	Grocer	3	1.9
E.W.W	2	1.0	Fishmonger	3	1.5	Baker	3	1.9
Unknown	36	18.4	Unknown	32	16.1	Unknown	24	15.2

1889			1893			1899		
Occupation	No	% n=225	Occupation	No	% n=162	Occupation	No	% n=243
Labourer	26	11.6	Labourer	22	13.6	Labourer	17	7.0
Shoehand	32	14.2	Shoehand	19	11.7	Shoehand	14	5.8
Shoefinisher	7	3.1	Widow	9	5.6	Widow	5	2.1
Shoemanufr	7	3.1	Carpenter	5	3.1	Bricklayer	4	1.7
Bricklayer	5	2.2	Grocer	5	3.1	Grocer	4	1.7
Grocer	5	2.2	Baker	4	2.5	Farmer	3	1.2
Shoerivetter	5	2.2	Bricklayer	4	2.5	F.W.K	3	1.2
Baker	4	1.8	Hosiery hand	4	2.5	Hosier	3	1.2
Shoeclicker	4	1.8	Builder	3	1.9	Shoefinisher	3	1.2
Fishmonger	3	1.3	F.W.K	3	1.9	Baker	2	0.8
Tailor	2	0.9	Ironmoulder	3	1.9	Builder	2	0.8
Unknown	36	16.0	Shoefinisher	3	1.9	Shoemanufr	2	0.8
			Unknown	21	13.0	Unknown	63	26.0

Source: L.R.O., 'Periodicals File'; L.T.P.S. Monthly Circulars, 1874, 1879, 1885; L.R.O. 7D70/7,13, L.T.P.S. Monthly Circulars, 1893, 1899.

**EXTENDING THE NEIGHBOURHOOD:
THE L.T.P.S. AND THE DISSEMINATION OF INFORMATION, 1850-1900**

‘The credit which may be got from other people depends not upon the nature of the trade, but upon their opinion of his fortune, probity and prudence.’

A. Smith, *The Wealth of Nations*, Volume 1 Chapter 10, 110.¹

The costs of enforcement, and intertwining strategies of firms and individuals within the context of the County Court system have been examined, but it is equally important to analyse the nature and form of information on which firms' strategies were based. An insight into the methods through which such information was gleaned and disseminated is provided by an analysis of the services of the L.T.P.S., who by acting as an intermediary between firms was able to collate, assemble, distribute and, on occasion comment upon information increasingly required to make business decisions.

The information provided by the L.T.P.S. to its members was broken down into four main services. Firstly a 'status enquiry' service based upon the exploitation of a network of commercial connections within Leicester and through mutual links with similar institutions and individuals was extended to other towns in the region and across the country as a whole. Secondly came the distribution of the monthly circular and commercial compendium, a journal which recorded the judgements of the County Court. It also contained details of insolvencies and arrangements with creditors in addition to a monthly list of absconding debtors in the towns, together with commercial hearsay and gossip plus the current thinking of the committee of the Society upon matters deemed to be of commercial interest to members, such as the bankruptcy law or proposed reforms to shop hours. Thirdly 1870-1880 the Society also took direct responsibility for the compilation and publication of a regular trade directory for the town, a role which was returned to the commercial printers in 1880 but which remained closely monitored by the Society for the remainder of the century. The final means of information dissemination offered by the L.T.P.S. was the office of the Society itself, which after construction of new premises on New Street in 1872, provided an atmosphere where members could

¹ Second edition, (Oxford, 1880).

conduct personal business such as making verbal enquiries about prospective customers or consulting a range of trade directories, periodicals and newspapers in addition to establishing informal fraternal links with other tradesmen of the town.

Before these information services can be explored fully it is important to consider briefly the reasons why L.T.P.S. sought to provide the information it did. The expanding scale and changing structure of Leicester, the businesses within it and that of the country as a whole were explored in chapter 2, where economic expansion in Leicester was marked by the creation of new streets, suburbs and industries. The fragmented nature of manufacture in the new industry of the footwear trade saw production located in workshops sheds etc. which were dispersed widely around the new streets of the town. Similarly the existing systems of production in the hosiery trade underwent transformation, as technological innovation encouraged many firms to switch to new methods of manufacture based in new factory premises and utilising new mechanised processes.

This growth in the physical scale of the town and the changing nature of industrial production with larger numbers of producers, more complex and specialist areas of manufacture would, therefore, have increased the commercial uncertainty faced by a firm.² Such uncertainty would have varied in its magnitude and importance from firm to firm. For a small retailer seeking to establish new premises within a networks of new streets or suburbs or experiencing an influx of new residents to an area, the problems of negotiating the rules of neighbourhood credit, or getting to know the potential customer base would have constituted uncertainty. Similarly the problems facing the largest of hosiery manufacturers seeking information about the commercial integrity of prospective customers in Dundee, Köln or New York would have also posed problems of uncertainty. Thus the information services provided by the L.T.P.S. sought to span this broad chasm of commercial uncertainty by providing an information service tailor made to address the smallest micro-level enquiries to the largest of overseas exporters.

² D. Reeder and R. Rodger, 'Industrialisation and the city economy', in M. J. Daunton, (ed.), *The Cambridge urban history of Great Britain*, Vol 3, (Cambridge, forthcoming); C. J. Simon and C. Nardinelli, 'The talk of the town: human capital, information and the growth of English cities, 1861-1961', *Explorations in Economic History*, 33, 1996, 384-413; N. Lamoreaux, N. Raff and P. Temin, 'New economic approaches to business history', *Business and Economic History*, 26, 1987, 57-79.

In broadening the horizons and increasing the opportunities for firms both large and small economic and urban expansion in part contributed to a shift in the emphasis of the firm. Casson and other have argued that economic expansion at this time can be seen as shifting the interests of business from the production or supply of goods to that of the organisation of information. Conventionally the use and deployment of such commercial information has been seen as a means through which a firm reduced the direct costs of transacting business. Thus transaction costs were the costs of avoiding or picking up the pieces when other people in a commercial arrangement behaved in a 'selfish, dishonest or opportunistic manner.'³ However Casson has argued that this clear cut definition, identifying information purely in terms of its commercial use and value should in fact be broadened out into what he has termed the concept of 'information cost:'

'Information costs relate to the costs of collecting, communicating and memorising information. they also include the costs of calculation and the costs of forming the judgements required for a decision. ... Transaction costs tend to be information costs because the rational response to dishonesty is to collect more information about the people concerned. Many information cost are not transaction costs, however, because a great deal of the information collected by the firm is not required to combat dishonesty.'⁴

This theoretical context provides a starting point to the analysis of the activities of the L.T.P.S. Some services associated with the supply of information such as the 'status enquiry' services or the ex-ante debt collection service were intended explicitly to address the problems of transactions costs. Yet, even within these services and especially amongst other functions which the L.T.P.S. carried out it is clear that the agenda of the Society extended beyond that of the immediate commercial conditions facing its members. The creation of the Society was intended to provide to provide mediation position, where a member could monitor the performance of competitors or appraise other decisions about the market or investment through the use of the information which had been gathered, handled and disseminated by the neutral service of the L.T.P.S.

³ M. Casson, 'Institutional economics and business history: a way forward?', *Business History*, 39, 1997, 151-71.

⁴ M. Casson, 'Institutional economics', 151-71.

Nevertheless the information services of the L.T.P.S. were intended to do more than serve the immediate commercial needs of members. The co-operation and supply of information provided by other members, other Societies or other firms and the public at large, was part of the larger diffusion of the values of a civil society so clearly evident within the activities of the County Court. Much of the information the L.T.P.S. received made judgement upon and disseminated to its members was based upon whether an individual or firm made an attempt to adhere to or refute these unwritten rules of the game. Notions of an individuals fortune, probity or prudence were discerned from other subjective assessments of commercial or personal behaviour clearly connected to ideas of idleness, sobriety and thrift. Therefore whilst the Society was commercially neutral enough to attract the support and co-operation of a broad range of business interests (even this neutrality was decidedly partisan at either end of the period), it was definitely not morally neutral. Its values were that of civil society, and the information it sought for its members, although dressed in the form of commercial intelligence, was based upon the adherence or defection from this code.

How great, and in what forms, did the L.T.P.S. collate and disseminate its information? Underpinned by the overall concept of information cost and infused with the notion of civil society this question will be examined by analysing the four forms of information service provided.

Status enquiries

The status enquiry service of the L.T.P.S. formed the principal way in which specific information was passed to members. Unlike other services, this was dedicated to the specific needs of the individual member with the intention assessing the 'trustworthiness and respectability' of any potential debtor.⁵ Enquiries confined to traders within Leicester were completed by the clerks of the Society free of charge, whilst those directed to customers from outside the town incurred a minimal enquiry fee. Such enquiries were made possible by a network of

'similar Societies together with other agents and correspondents in every town in the United Kingdom, and in important commercial centres abroad. No pains have been spared to obtain as correspondents persons of standing and good business information: and many direct agents have been appointed.'⁶

⁵ L.T.P.S. *Trade directory of Leicester* 1875, 16.

⁶ L.T.P.S. *Trade directory of Leicester* 1875, 16.

In Leicester the correspondents were the members of the Society. This was one of the methods with which the L.T.P.S. attempted to address the problem of defection or the prisoner's dilemma which lay between traders in the town. As an intermediary between businesses, the Society offered any member the opportunity to gain both specific and more general commercial information about other traders or customers within the town. However in joining the Society an individual member had to also recognise the reciprocity of commercial relationships and be prepared to divulge commercial information to the agents of the Society as and when necessary. Any member who defected from such an agreement by with-holding the information required would face the possibility of exclusion from the network of information in addition to running the risk of drawing subjective or adverse comment in queries directed towards the Society. The construction of a sense of mutuality and trust between members also explains why moneylenders were actively excluded from the ranks of membership. The position and status of money-lenders was largely dominated by self-interest. Whilst it would have been in the interests of the money-lender to know more of the personal circumstances or position of their customers, supplying information when requested by the L.T.P.S. may have undermined their own position, exploiting and working with those individual or businesses whose liquidity was often propped up by lending from this grey area of the market.

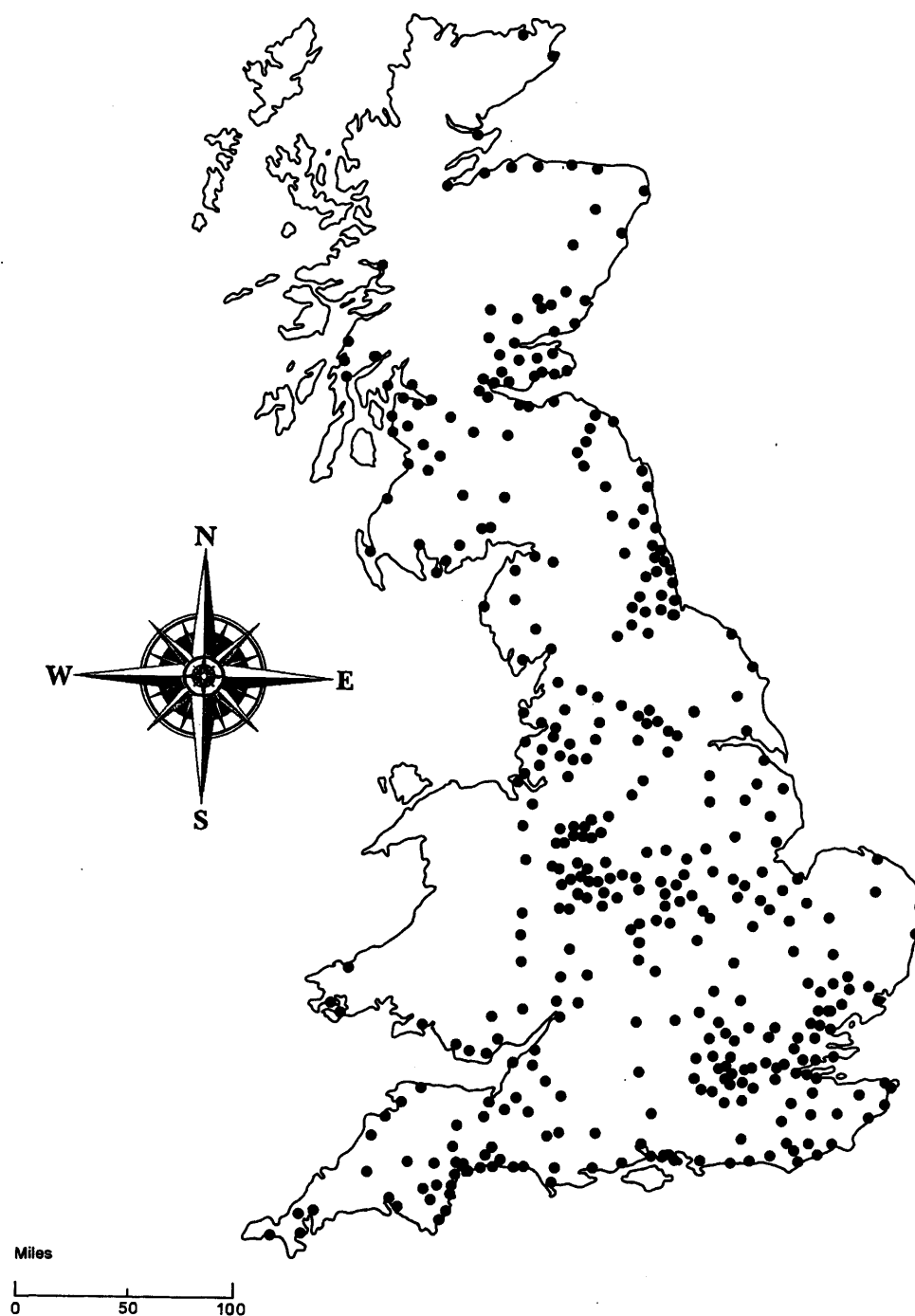
A recognition of the mutuality of interests between competing towns and districts appears to have been established as early as 1854 when the L.T.P.S. could claim at its annual meeting correspondence with agents and representatives in 468 other towns throughout the country. This network of contacts extended throughout most towns of significance in the British Isles from Thurso to Penzance, and Kinsale to Great Yarmouth, and even at this early point in time the Society claimed to be able to link the status enquiries of Leicester's business community with overseas customers as far afield as Dominica and Melbourne.⁷ By 1875 the Society had established 'direct communications with corresponding offices in Berlin, Vienna, Brussels, Frankfort-on-the-Maine [sic]' and was able to answer reliably enquiries in the Unites States. Seven

⁷ See Appendix 5.1. L.R.O., DE 3848/4 Annual Report 1854 bound inside; L.T.P.S. Minute Book, 1854-66; L.T.P.S. *Trade directory of Leicester* 1875, 16; Wright's, *Directory of Leicester* 1882, 94.

years later European contacts had been further extended to reach Hamburg, Malta, Holland and Norway.

Map 5.1

Towns in communication with L.T.P.S., 1854



Source: L.R.O., DE 3848/4 Annual Report 1854 bound inside L.T.P.S. Minute Book, 1854-66.
See Appendix 5.1.

The co-ordination of these activities was not without its difficulties. It would appear that the earliest and most reliable forms of information exchange within Britain developed through the network of Trade Protection Societies. Although no direct evidence remains, it is clear from the manner in which the early negotiations occurred that it took time before the common interests of all those involved was established. The failure to identify common ground would have been exacerbated by the diverse nature of the participating Societies. These Societies ranged from those based in the large urban centres founded around the manufacturing towns of Edinburgh or Glasgow, where the Scottish Trade Protection Society had been formed in 1852⁸, to other populous centres such as Manchester and London and perhaps less predictably, towns such as Torquay, Hastings and Great Yarmouth where the pace of urban expansion created problems of commercial uncertainty not unlike that encountered in the larger manufacturing districts.⁹

The varied expectations, attitudes and self-interests of these different Societies ensured that the individuals who stood between these institutions were chosen with care.¹⁰ Those given the role were normally the direct employees of these trade associations, the managers or secretaries, whose self-interests would have been clearly subsumed into the functioning of each Society. By giving the responsibility of negotiation to these third-party individuals, the participating Societies signalled their own integrity and trustworthiness to each other. The members whose commercial interests these men were ultimately appointed to represent were therefore kept in the background, during these early phases of co-operative negotiation.

By 1866 the informal arrangements co-ordinated by the management of these differing Societies had identified sufficient areas of mutual trust and co-operation that the

⁸ E. Knox, 'Between capital and labour: the petite bourgeoisie in Victorian Edinburgh', unpublished PhD. thesis, *University of Edinburgh*, 1986, 69.

⁹ L.R.O., DE 3848/52, Minutes of the Congress of Secretaries of the Trade Protection Societies of the United Kingdom, 1850-1864. On the development of sea-side resorts, see J. K. Walton, *The English seaside resort, a social history, 1750-1914*, (Leicester, 1983); 'Residential amenity, respectable morality and the rise of the entertainment industry, the case of Blackpool, 1860-1914', *Literature and History*, 1, 1975, 62-78.

¹⁰ Casson describes this activity as a necessary role of threes bodies which mediated at a higher level than that of the ordinary firm or organisation. M. Casson, 'Institutional economics and business history', 162.

Association of Secretaries and Managers was broadened to embrace each Society in their entirety through the formation of the National Association of Trade Protection Societies. The Associations objectives with regard to the status enquiry service was to encourage:

- I. The formation of Societies or the establishment of agencies in those districts where there [were] none, at home or abroad.
- II. Mutually reciprocating information as to the commercial status of persons seeking credit.
- III. Circulating confidential information.¹¹

When put to the test these abstract agreements, signed in an atmosphere of mutual co-operation in London, proved a little more difficult to apply. The influence of more specific parochial interests was evident in the events which surrounded an attempt to replace Mr Kemp the corresponding agent in Birmingham. Without a trade protection society in the city enquiries directed about the status of traders in Birmingham were dependent upon the unsatisfactory actions of Mr Kemp. In 1867 Kemp's dilatory approach to his work was raised at the National Association and a resolution passed in which the Leicester Society was charged to,

'take the initiative with regard to the problem of Birmingham, in efforts to establish correspondents in the Birmingham district ... and as soon as such arrangements are complete correspondence with Mr Kemp shall cease'¹²

The L.T.P.S. then sought to stabilise the situation in Birmingham by creating a permanent agency in the town. However it was clear that as soon as the immediate problem of the reliability of Kemp had been overcome with the recruitment of new correspondents, the goodwill and co-operation between members rapidly evaporated. The L.T.P.S. proposed to pay for this latter proposal by raising a 'pro-rata amount according to each Society's number of enquiries previously sent to Mr Kemp.'¹³ Unfortunately for the Leicester Society the Association's mutual interests did not extend

¹¹ L.R.O., DE 3512/25, Minutes of the First meeting of the National Association of Trade Protections Societies, 30 May 1866. In addition to concerns about information exchange the first objects of the Association also cited, 'co-operation in the recovery of debts as far as possible' and the 'promotion or opposition as may be necessary the passage through Parliament of measures calculated to affect the interests of the trading community.' See Chapter 6 where the political dimensions of the L.T.P.S. and the national perspective are developed.

¹² L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80, 16 May 1867.

¹³ L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80, 16 May 1867.

as far as cross-subsidy and Mr Mellors the Association's secretary replied that all other members 'declined to assist in establishing an agency in Birmingham.'¹⁴

Nevertheless the mutual exchange of local information appears to have continued so long as it served the interests of each Society. By 1870 the L.T.P.S. was in direct correspondence with all 30 members of the Association, a claim which was regularly repeated in advertisements placed by the L.T.P.S. for much of the remaining century.¹⁵

The actual scale of the activity of the L.T.P.S. status enquiry service in this early period cannot be discerned since accurate surveys of events were only kept after 1869. However the accessibility of the service, where costs were restricted to a 3d. fee to cover the price of postage, suggests that the service was intended to serve a broad section of the Leicester Society's membership. Yet, in order for the Society to fully perform this function as an intermediary between all elements in the commercial community it had to project an image of trust and responsibility, something which appears to have been somewhat difficult in the early years after the Society's formation. The most obvious examples of the difficulty of maintaining such integrity were found within the management structures of the Society itself. As many of these lower tiers of clerks and administrators, handled specialist labour services, monitoring them was not easy, thus as early as the 1850s all the way through the remainder of the century internal fraud and petty theft was a reoccurring problem. Similarly the opportunities presented for such behaviour extended to William Flavell the first full-time manager of the society, whose suicide attempt in 1863 drew attention to his embezzlement of over £200 from the Society. The subsequent manner in which the Society attempted to cover-up this high level fraud, by simply banishing Flavell to Hinckley for five years, demanding repayment by instalment and then re-appointing him in a clerical role for the remainder of his working life, illustrates how the Society was well aware of the necessity of maintaining a public image of trust, reputation and reliability amongst its membership and the broader community.

¹⁴ L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80, September 1867.

¹⁵ L.T.P.S., *Trade directory of Leicester* 1875, 16; Wright's, *Directory of Leicester* 1899, 35.

The internal development of the management systems of the L.T.P.S. accurately reflected the models of information management outlined by Casson who stated that, 'in order to intermediate efficiently it is necessary to create a division of labour in information handling and to structure the flow of information within [a] system.'¹⁶ This the L.T.P.S. achieved through the creation of tiers of information management. In specific terms this meant the appointment of clerks and the creation of different departments in which specialist employees gathered information for the county court circular whilst the more subjective information was collated by the full-time manager. The circumstances surrounding the fraud of both these tiers of information management compelled the L.T.P.S. to seek further security by appointing a new manager William Chamberlin whose personal integrity was secured through his membership of a professional organisation, (The Chartered Institute of Accountants after 1870), and a cash bond of £200.¹⁷

The professionalism and integrity of Chamberlin became apparent in the mid-1860s when his effective reconstruction of the Society's membership and financial base was echoed in the more open manner in which it began to record its affairs. After the appointment of Chamberlin, a Mr Pocock of the London Mercantile Traders' Association was invited to inspect the books of the organisation. Thereafter the internal procedures and financial priorities improved the regular use of daily banking accounts. In addition to boosting the internal integrity of the Society, improvements in management control and financial probity ensured that records were more reliably kept and have survived. Consequently the bolstering of the reputation of the Society was mirrored by a rapid increase in the number of status enquiries registered by members. In 1865, 1,641 such queries were made. By 1869 this had increased to 5,404 and climbed rapidly throughout the 1870s to reach 18,224 by 1880 (Graph 5.1.)

Two principal explanations of this mushrooming in the demand for the services of the Society can be suggested. First although it is clear that much of the stimulus for the acceleration in the scale and activity of the Society was driven by the reforms of

¹⁶ M. Casson, 'Institutional economics and business history', 166.

¹⁷ L.R.O., DE 3848/4, L.T.P.S. Minute Book, 1866-80, August 1863. On the creation of the Institute of Chartered Accountants, see T. Margerison, *The making of a profession*, (London, 1980).

Chamberlin, these changes also came along at the right time. Reform can be seen as an overt signal to the local trading community that the L.T.P.S. was an organisation with requisite the trust and integrity needed in order to act as an 'honest broker' in the exchange of commercial information within the economy. The demand for such a service was particularly strong as the period between 1861 and 1871 as it marked the period when the expansion of the new industry of the town (footwear) was matched by expansion of the urban fabric, with an accompanying increase of 40 per cent in the population of the town.

That the commercial integrity and reputation of the Society had been established by the early 1870s can be illustrated by an incident which followed the Society's move to new business premises in 1874.¹⁸ Business was transferred from premises at 10^{1/2} Horsefair Street to purpose built offices on New Street in the summer of 1874. However, as soon as the old building had been vacated it was occupied by the so called 'Merchants' and Traders' Association'. This blatant attempt at deception illustrates the extent to which the integrity of the Society was revered amongst the commercial community such fraudsters sought an opportunity to exploit the confusion of a change of address. This deception was rapidly addressed by the L.T.P.S. who issued a notice about the 'sham society' and the operation vanished as quickly as it had appeared.¹⁹

Having briefly surveyed the origins, extent and internal development of the status enquiry service of the L.T.P.S. it is important to explore the actual scale of the service in operation and, more importantly, the form of information which the L.T.P.S. made available to its local members through its networks of correspondents and agents elsewhere.

The growth of the popularity of the status enquiry service clearly mirrored the commercial and urban expansion of the town (Graph 5.1). Between 1870 and 1877 a rapid take-off saw the service expand from 5,810 to 17,081 per annum. These figures then stabilised and rose slowly during the remaining decades of the century; activity

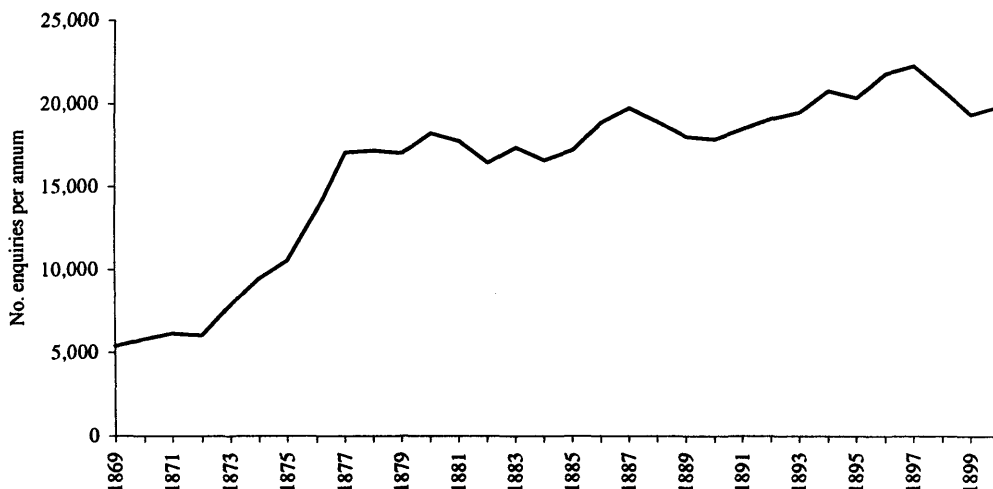
¹⁸ The spatial features of the new, purpose built office are discussed below.

¹⁹ L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80, July 1874.

peaked in 1880, 1887, and 1897 and troughed in the early-mid 1880s, 1890 and 1899 (Graph 5.2). This increase of some 300 per cent in the 1870s, cannot be solely attributed to membership growth, which only increased by 50 per cent from 1,000 to 1,500 in the period but instead reflected both the buoyant economic conditions within the town and the enhanced reputation of the Society itself. Moreover, the very nature of these forms of status enquiries, from firms from across the town and indeed throughout the country suggest that economic conditions beyond the boundaries of Leicester itself contributed to demand for the Society's information service.²⁰ Given the number of variables which affected economic cycles, interpreting level and variance in the number of status enquiries is somewhat difficult. All that can be said is that fluctuations are likely to have mirrored the confidence of the commercial community. Evidence is not consistent, but it would appear that activity in the 1870s and 1880s reflected the uncertainty which surrounded the turning points of the economic cycle where enquiries peaked in 1880-81 as the economic cycle began to turn rather than during the depths of depression in 1878-79.

Graph 5.1

Number of status enquiries presented to L.T.P.S., 1869-1900



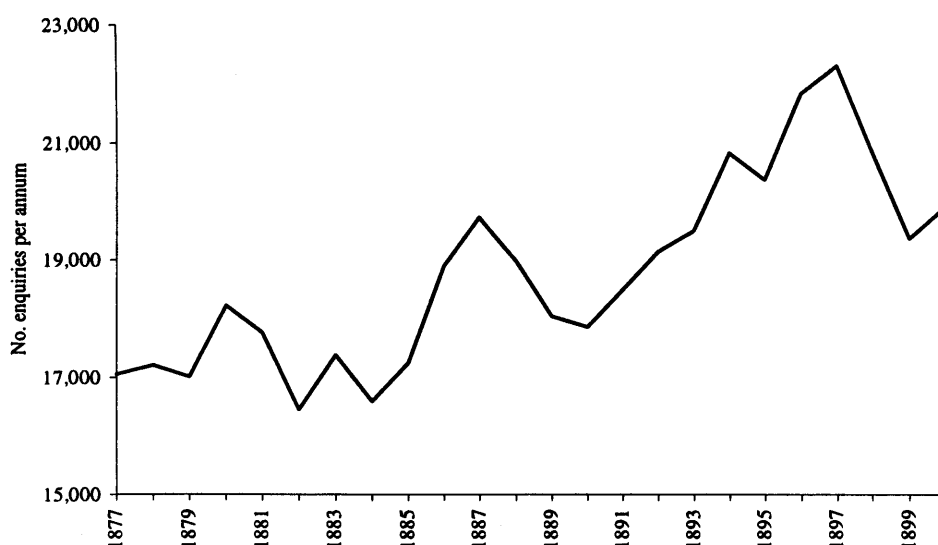
Source: L.R.O., DE 3848/4-6, L.T.P.S. Minute Books, 1854-95; L.R.O., 7 D 70/1-14, L.T.P.S. Monthly Circulars, 1887-1900.

²⁰ P. Mathias, *The first industrial nation: the economic history of Britain, 1700-1914*, (London, 1983), 351-97; R. Floud and D. McCloskey, *The economic history of Britain since 1700, volume 2, 1860-1939*, (Cambridge, 1990), 247-64.

Concern about the fluctuation in the number of enquiries made by L.T.P.S. members should not obscure the volume the work carried out by the L.T.P.S. If the working year is taken to have comprised around 260 days the offices of the Society would have received between 60-90 written enquiries every day. In addition the Society also claimed to be receiving a similar number (between 20-28,000) of verbal enquiries every year.²¹ This frenzy of activity was compounded by the correspondence it generated in terms of contacts with other members or agents and their replies which were then collated, rewritten and forwarded to the member who had originated the enquiry. The volume of correspondence received and dispatched by the Society underlines the central position of the L.T.P.S. as an intermediary, acting as it did as a clearing house for the collation, shifting and dissemination of market information between the firms of the town (Table 5.1)²²

Graph 5.2

Number of status enquiries presented to L.T.P.S. 1877-1900



Source: Source: L.R.O., DE 3848/4-6, L.T.P.S. Minute Books, 1854-95; L.R.O., 7 D 70/1-14, L.T.P.S. Monthly Circulars, 1887-1900.

That these written forms of enquiry formed an important part of the search and enquiry operations of business can be seen the way the service was organised. Books containing 10, 20 or 40 prepaid forms were available from the society. This informal system

²¹ L.R.O., DE 3848/7, L.T.P.S. Minute Book, 1895-1909. Annual reports inserted at the end of each year.

²² See below where the physical and architectural aspects of L.T.P.S. activity are considered.

speeded the information flow; it removed the necessity of a formal letter and allowed the Society to respond just as quickly with the reply written on a counterfoil strip in the same concise manner as the postal telegram service. Similarly the manner in which the Society appears to have subsidised all aspects of the enquiry service underlines the pivotal importance of the control and dissemination of information to the Society. Control over the flow of this information was not just relevant to the parties concerned, but permitted the Society to evaluate and regulate the commercial priorities of its members and by extension those with whom they did business. A minimum fee of 3d. was retained for almost 50 years and although the system was refined, the charges appear to have reflected an attempt to cover the costs of the letter post rather than the specialist search costs of the information service itself (Table 5.2). These refinements included the introduction of threshold charges in 1868 where the 3d. fee was restricted to the first 40 queries followed by a further decrease in the threshold to 20 enquiries in 1888.

Table 5.1

Letters sent and received by L.T.P.S., 1876-88				
Date	Letters sent	Sent per day*	Letters received	Received per day*
1876	37,333	143	18,439	71
1877	44,507	171	21,942	84
1878	46,893	180	24,056	93
1879	50,437	194	34,747	134
1880	56,178	216	34,675	133
1881	75,027	288	38,017	146
1884	95,372	366	32,621	125
1885	94,616	363	31,126	120
1886	87,990	338	31,217	120
1887	89,151	342	29,528	114
1888	95,780	368	33,726	130

Source: L.R.O., DE 3848/5-6, L.T.P.S. Minute Books, 1866-95; L.R.O., 7 D 70/1, L.T.P.S. Monthly Circulars, 1887. *Assumption of 260 working days in the year. Statistics for 1882-83 not recorded.

Table 5.2

Matrix of status enquiries: entitlement versus costs, 1850-1900				
Charge	1850-68	1868-88	1888-97	1897+
3d.	∞	40	20	0
6d.	∞	41+	21-100	0-100
12d.	∞	∞	101+	100+

Source: L.R.O., DE 3848/4-5, L.T.P.S. Minute Book, 1854-80; L.R.O., 7 D 70/11, L.T.P.S. Monthly Circulars, 1897.

It was not until 1897 that the Society made an attempt to cover the costs of its administration. It increased the minimum charge to 6d. per query, complaining that

‘after payment of agents and correspondents and the postages connected.. a considerable loss is made on the enquiries for which 3d. only is charged ... have compared charges with those of other societies and with one or two exceptions, no Society undertakes the work for under 6d.’²³

A 3d. fee levied upon a credit enquiry worth £1 would have only equated to a surcharge of 1.2 per cent and, as the service was free for enquiries confined to the town, cannot have met the costs of search and collation. This minimal or free service can be seen as an incentive to members both large and small. Even those local shopkeepers and grocers who had intimate knowledge of their neighbourhoods and were interested principally only in debt recovery and the circulars produced by the Society were drawn into participation. In seeking to gain advantage through the use of the services of the Society a member acknowledged the rules of participation. Participation meant an obligation, which in turn could be used to channel the intimate commercial intelligence of the street or neighbourhood to the information clearing house of the L.T.P.S. An acknowledgement of the manner in which membership entailed a reciprocal obligation was declared as early as 1854, when an influx of new members resulted in the comment in the Annual report that ‘every additional subscriber is a new source of information for all and adds to the power and influence of the Society.’²⁴

An important insight into the physical methods of gathering information and the value systems which the L.T.P.S. used to filter this data before it was fed back into the commercial community can be gained from a study of the few fragments of the status enquiry correspondence which remain.

The surviving correspondence relates to the status enquiries made between 1891 and 1905 by Archibald Turner & Co., elastic and India rubber goods manufacturers, located at the Bow Bridge Works on King Richard’s Road, west of the town centre. As one of only 105 firms in Leicester who sought limited liability registration in 1897, the nominal capital value of £70,000 which had been raised upon 7,000 shares valued at £10 at

²³ L.R.O., DE 7 D 70/11, L.T.P.S. Monthly Circular, December 1897.

²⁴ L.R.O., DE 3848/4, Annual Report 1854 bound inside L.T.P.S. Minute Book, 1854-66.

incorporation suggests that the firm was one of the larger enterprises in the town (Table 5.3).²⁵

Turner's books recorded 41 replies from queries directed to the L.T.P.S. in the period. While some caution must be expressed about the representation of these records as they form the smallest of sample of L.T.P.S. activity they are all that remain. However the ephemeral nature of the source and the style in which many of these queries appear to have been answered suggests that these replies were not unusual, but reflected the everyday repetitive routines of the L.T.P.S. office.

Table 5.3

Notes on incorporation of limited liability, Archibald Turner & Co. 26 April 1897

Description	Remark
Number signing up to association	7
Number of shares taken up	7
Nominal capital	£70,000
Number of shares into which divided	7,000
Number of shares taken	4,650
Calls made on each share	on 350, £10
Total amount of calls received	£3,500
Total amount stated considered as paid	£43,000
Number of shareholders in company	11

Source: *Returns of the Names, Objects, Places of Business, Date of Registration, Nominal Capital, Number of Shares etc. of all Joint Stock Companies Formed or Registered in the City of London, P. P., 1898, 375, LXXXIV. 537.*

Evidence of family and personal reputation and of the longevity of a business appear to have been some of the more subjective of search criteria employed by the L.T.P.S. Such information was welcomed as evidence by the management of Turner & Co. that credit could be advanced. Equally Bailey & Co. of Glastonbury, Somerset were considered 'very safe' for the £100 of credit applied for as they had been 'trading for 30 years.'²⁶ Such an opinion was a contemporary recognition of the facts of life about small business, namely that many rarely lasted beyond a few years or passed to the next generation. Nenadic has also drawn attention to the personal, moral and financial integrity which family involvement appears to have brought to many small firms, where family networks

²⁵ Archibald Turner & Co. 1897, *Annual Return of the Means and Objects of those Companies Seeking Joint Stock Registration., P.P., 1898. 375, LXXXIV.537.* Between 1869-1900, 184 firms seeking joint stock incorporation were registered in Leicester. See Appendix 7.1 for a full list.

²⁶ Archibald Turner & Co. Status Enquiry Book is misfiled amongst the records of H. Staynes & Co. Leather Merchants; L.R.O., 16 D 69/98, Letterbook/Status enquiries, H. Staynes & Co. 1888-1903; Counterfoil number 43602, September 1891.

created internal stability and permitted inter-generational survival.²⁷ Such factors appear to clearly reflect the information which the L.T.P.S. sought fit to impart to its members. The case of Mr Cattell of Birmingham provides an illustration of such criteria, where he was considered good for credit worth £100 solely because he had 'successfully succeeded his father ... in this old established haberdashery.'²⁸ Equally the reputation of the forthcoming generation who were likely to take over a business was often considered valuable information. This appears to have been the case in the circumstances surrounding the application for credit from Mrs Ann Fagin of Wolverhampton. As a female, trading 'very well in not over good times' the L.T.P.S. thought her worthy of £50 of credit. However the additional assumptions which had been clearly linked together to form this opinion were apparent, as although the informant did not know whether she had 3 or 4 sons, the fact that these boys were 'steady and have saved money' provided evidence of sufficient personal integrity for the L.T.P.S.²⁹

Other considerations of credit worthiness included genetic predisposition to bad business practice where the commercial problems of a previous generation could also be projected on to the succeeding family members. Thus the L.T.P.S. believed Messrs. G.E. & W. Wike of Bury to be safe for the £100 applied for, but warned,

'they have been in business several years, formerly with their father who some years before, ... failed in a large way, ..[although].. they have a good reputation I cannot speak as to their payments. I should think the whole of their capital is in this business and I cannot understand how they keep it up as they do, it must be a profitable business, but advise caution.'³⁰

Whilst the eugenics of business practice have yet to be explored Nenadic's study of small business behaviour in Edinburgh confirms the assumption made by the L.T.P.S. in the Wikes' evidence, that combining single business ownership with diversification into

²⁷ S. Nenadic, 'The small family firm', 89-100; 'The life-cycle of firms in late nineteenth-century Britain', in P. Jolbert and M. Moss (eds.) *The birth and death of companies an historical perspective*, (New Jersey, 1990), 181-95.

²⁸ L.R.O., 16 D 69/98, Letterbook/status enquiries, H Staynes & Co. 1888-1903; Counterfoil number, 43606, January 1894.

²⁹ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903; Counterfoil number, 8366, June 1895.

³⁰ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903; Counterfoil number, 3371, January 1896.

other income generating activities, such as investment in bricks and mortar, could be used as evidence of an astute business mind and hence a sign of a reputable firm.³¹

Other signs of respectability which the L.T.P.S. looked for amongst these small business debtors included evidence of sobriety, industriousness or a sign of good practical knowledge of the trade or the market in which they worked. This could be inferred from evidence of a previous apprenticeship within a trade, such as the case of F. Moseley a saddle manufacturer from Walsall in the West Midlands, who was considered good for £50 as he had 'served his apprenticeship with Mr Christie of this town,' which made him a 'very practical man.'³² In a similar manner the integrity of a previous employer could rub off on to the small trader, such as the conclusion drawn about Mr Lindley from Manchester who was considered a good risk because, 'before starting on his own [he] was with the Dole Street Warehouse, so thoroughly respectable.'³³

Aside from these purely subjective assessments, the L.T.P.S. also attempted to make more objective analyses of the enterprises in question. The extent to which some correspondents would go in this work is illustrated by a dispatch concerning the trade of William Allen in Aberdeen, whose local correspondent could not recommend credit of £50 as he 'cannot ascertain anything upon which such credit could be based. The office and warehouse is a small one, say £15 per annum, can't judge of stock, window in lower half obscured ... get security.'³⁴ Other assessments about the integrity of a firm could also be based upon knowledge of the business operation. The Coventry Brace & Buckle Co. were considered credit worthy based on the knowledge that the firm employed, '8-

³¹ S. Nenadic, 'The small family firm in Victorian Britain', *Business History*, 35, 1993, 92. On speculative investment in housing see, D. McCrone and B. Elliott, *Property and power in a city*, (London, 1989); M. Daunton, *Coal metropolis, Cardiff, 1870-1914*, (Leicester, 1977); J. Burnett, *A social history of housing*, (Newton Abbot, 1979); G. Crossick and H. G. Haupt, *Shopkeepers and master artisans and the historian: the petite bourgeoisie in comparative focus*, in G. Crossick and H. G. Haupt (eds.), *Shopkeepers and master artisans in nineteenth century Europe*, (London, 1984).

³² L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 8366, October 1895.

³³ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 3375, April 1897.

³⁴ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 3379, February 1900.

10 boys and girls and sends off average a crate of braces a week, a steady, industrious and respectable man, but it is hard work at the present.'³⁵

As the L.T.P.S. was intimately connected with the small-debt and insolvency activities of the town and surrounds some of the more objective assessments were based upon evidence of previous default on court judgements or other recollection of prompt or delayed settlement of previous debts. Even after peering through the windows of William Allen in Aberdeen the agent commented further that the Society had had to 'apply for £3.1s.7d in March 1898, which he paid. Had a County Court Judgement in absence July 1898, £14.12.3d., £5 paid ... Cannot recommend credit of £50.'³⁶ Similarly enquiries in November 1899 revealed that Hammond & Co., Hat and Cap Manufacturers of Slater Street in Leicester had held a 'Private creditors meeting in March 1896, Liabilities, £6,765, Assets £4,169, 11/- £. We have not heard of any complaints of their payments since this arrangement, but judging from appearances it is not a flourishing concern and care should be exercised.'³⁷

Many other similar assessments also reveal what the L.T.P.S. believed to be best business practice, as in November 1901 when the Society passed comment upon Orton & Gilbert Hosiery manufacturers of Chatham Street, who requested goods worth £50. Even though these men had the pedigree of once having worked for Pool, Lorrimer & Tabberer respected hosiery manufacturers, their business had only been trading for 4 years and the L.T.P.S. advised best practice to 'not let them get to far. Had to write to them for a small account in September 1900. It is said they do a rather cutting trade.'³⁸ Trading suggestions regarding other potential creditors included 'advise keeping him

³⁵ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 3369, October 1895.

³⁶ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 3379, February 1900.

³⁷ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 3378/4697, November 1899.

³⁸ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 87663, November 1901.

strictly to terms, 'is not considered a case for credit without security' and 'advise you keep clear.'³⁹

Although this evidence is fragmented and concerns only the status enquiries of individual firms it is clear that the forms of information which the L.T.P.S. believed were reliable indicators of the business integrity were commonly based upon a shrewd market assessment of the fixed capital of a firm, past problems of indebtedness, stock-control or the physical appearance of premises. Yet, equally apparent were the non-market defined criteria, principally formed around an assessment of the integrity of personal history and the network of the extended family. A good working record, business longevity or a sense that the family network provided support systems with a strong moral and financial integrity were all collated and factored into the information equation.

The opinions which the Society expressed as a result of these calculations also illustrate the semi-detachment of the L.T.P.S. from the market. Studies of the control of capital and credit flows between larger manufacturing concerns and smaller enterprises in this period have drawn attention to the use of extended or renewed credit a means by which many larger firms sought to gain the 'loyalty' of smaller contractors and retailers.⁴⁰ Although there is insufficient evidence in their queries to suggest that Archibald Turner & Co. sought to exploit this advantage it is clear that the L.T.P.S. believed it to be an issue. Thus whilst it is impossible to judge the rights or wrongs of such action it is clear that in order to preserve the reputation and integrity of the Society as intermediary, it had to encourage all firms to behave in an honest manner, and not exploit market advantage to the detriment of others. An idealist objective, but one which the L.T.P.S. had to be seen to endorse, even if in practice this coda was largely disregarded.

³⁹ L.R.O., 16 D 69/98, Letterbook/status enquiries, H. Staynes & Co. 1888-1903, Counterfoil number, 8364, July 1895; 3457, February 1903; 605, February 1893.

⁴⁰ E. Knox, 'Between capital and labour'; D.A. Kent, 'Small businessmen and their credit transactions in early nineteenth century Britain', *Business History*, 36, 1994, 47-64; C. P. Hosgood, 'Shopkeepers and society'; C. Young, 'Small craft business owner', 21-37; C. Behagg, 'Masters and manufacturers: social values and the smaller unit of production in Birmingham, 1800-1850', in G. Crossick and H-G. Haupt, *Shopkeepers and master artisans*, 141-5.

The affairs recorded in the status enquiry book of Turner & Co. reveal that much of the commercial intelligence received by the firm did not come through the L.T.P.S. but via private correspondence with other firms, consolidated by the use of other information organisations. In evaluating inter-firm finance and relations through the use of share holding and directorships Newton and others have commented upon the informal networks between many of such similarly sized enterprises.⁴¹ The example of Archibald Turner & Co. albeit only a single firm, reveals something of this day to day interconnectivity between both competing and complementary enterprises. Letters were sent and received from many other firms in the town including W. H Staynes, leather merchants, Pool, Lorrimer & Tabberer and Benjamin Russell & Co. hosiery manufacturers, in addition to numerous other smaller concerns and other firms based in or near to the home address of the potential debtor. Other regular correspondents used to supply further information to corroborate these sources included banks such as Paget's, The Leicestershire Banking Company and Barclay's Bank. And although some enquiries with regard to credit applications from overseas were directed to the L.T.P.S., many others about trade in New York, Philadelphia, Toronto, Sydney or Copenhagen went to specialist institutions such as the 'Credit Association', and the 'Mercantile Agency' both based nearer the nexus for overseas trade information in London.⁴²

The role of the L.T.P.S. as an intermediary controlling the final form or 'spin' of the information it disseminated clearly illustrated the business ethics it valued. In addition, by providing services which addressed most of the information/transaction costs faced by a business the Society also sought to impart its own discipline over the market. Incentives or control over the access to these services which would have normally been unattainable for most firms ensured the L.T.P.S. could attempt to regulate the behaviour of its members and, by extension, distort or twist the attitudes and operation of other businesses and ultimately the market itself so as to fit the code of ethics and business practices it believed to be best. This in itself was something of a self-fulfilling strategy

⁴¹ L. Newton, 'Regional bank-industry relations during the mid-nineteenth century: links between bankers and manufacturers in Sheffield, c.1850 to c.1885'; F. Carnevali, 'Between markets and networks: regional banks in Italy'; A. Godley and D. Ross, 'Introduction: banks networks and small-firm finance.' All in a special issue of *Business History*, 38, 1996.

⁴² Archibald Turner & Co. Status Enquiry Book misfiled amongst the records of H. Staynes & Co. Leather Merchants; L.R.O., 16 D 69/98, Letterbook/Status enquiries, H. Staynes & Co. 1888-1903.

since ultimately the best business practice of the Society was that which benefited the membership.

Directories and Circulars

In addition to the role of the status enquiry service as a means of information transfer, the L.T.P.S. also became involved in the publication of the trade directories. In order to further assess this additional role it is first necessary to analyse the theoretical and methodological background to the compilation of trade directories.

Trade directories were the bibles of commerce.⁴³ The level at which they were compiled was urban and the market whose demand they met was predominantly that of business. Although much of the non-specialist information they reproduced related to the projection of civic governance and identity, through lists of local politicians, charitable institutions, religious houses and antiquarian history, their market purpose was facilitate the flow of information between commercial enterprises many of whom were or aspire to be part of the civic elite of whose information the directory use as a means of legitimisation or enticement to encourage these commercial interests to purchase the volume. Therefore, as Jones has observed, 'the entry of an individuals name in the local directory was not only commercially useful but perhaps also a sign of status which was as much a social reality as was class.'⁴⁴ This was the nub of their purpose; they can be seen as both plumage and practicality, the bound volume was portable and permanent. In addition, while its commercial information could circulate amongst the inhabitants of the town, it was portable enough to be carried out into the County and the Country at large, physically connecting the individual on the printed page with the civic dignitaries institutions and values of each particular urban Society.

⁴³ For a synopsis of the methodological limitations and application of the use of trade directories see G. Shaw and T. Coles, 'Directories and the local historian I - the evolution and availability of directories', *Local History Magazine*, 44, 1994, 14-17; 'Directories and the local historian II - methods of compilation and the work of large-scale publishers', *Local History Magazine*, 45, 1994, 10-14; 'Directories and the local historian III - directories as sources in local history', *Local History Magazine*, 46, 1994, 12-17. Also G. Shaw, 'The content and reliability of nineteenth century trade directories', *Local Historian*, 13 1978, 205-9; E. P. Duggan, 'Industrialisation and the development of urban business communities: research problems, sources and techniques', *Local Historian*, 11, 1975, 457-65; P. Jones, 'Studying the middle-class in nineteenth-century urban Britain', *Urban History Yearbook*, 1987, 22-31; P. J. Atkins, G. Shaw and A. Tipper, *British directories, a bibliography and guide to directories published in England and Wales 1850-1950 and Scotland, 1773-1950*, (Leicester, 1989).

⁴⁴ P. Jones, 'Studying the middle-class', *Urban History Yearbook*, 1987, 27.

It is this within the context of this dual purpose that an assessment of the contents and compilation by the L.T.P.S. in 1870 of the first 'modern-style directory for the city' should be considered.⁴⁵ This reveals more about the control and flow of information within the city and also offers a fragment of evidence to the methodological debate about the reliability of the directory as a historical source.

The involvement of the L.T.P.S. in the production of trade directories should be seen as evidence of an attempt to improve the overall business strategy of firms in the city. Yet, unlike the evidence from the private world of the status enquiry service and the closed informal structures of inter-firm collaboration illustrated by the networks of regular correspondence maintained between Archibald Turner & Co., the compilation and publication of a trade directory should be seen as imparting a social value to the flow of information. A freely available directory available for consultation which listed individuals and firms who would not otherwise be involved with the Society contributes to the better flow of information, and in turn would lead to an improved trading environment for all.

The one caveat in establishing the idea of a social or public value to the improved flow of information is that the values espoused were those of the L.T.P.S. Deliberate omission from the directory was not an option. Undoubtedly most firms, even the very small, welcomed inclusion within the directory. However, it is clear from the way in which the L.T.P.S., or more specifically a small sub-committee of the Society which controlled its compilation and distribution, that the directory was more than an attempt to facilitate the flow of information within the city. It can be viewed as a tacit attempt to mould some of the values of urban society. Like signatories to a legal document, any individual named on the printed page of the directory became physically identified with the commercial values of the L.T.P.S.

⁴⁵ A review of the chronology of directories published with relation to Leicester can be found in R. M. Pritchard, *Housing and the spatial structure of the city: residential mobility and the housing market in an English city since the industrial revolution*, (Cambridge, 1976), 210-12.

As the problems of commercial uncertainty brought about by the unprecedented growth of the town in the 1860s and early 1870 had stimulated the take off in demand for the services of the Society, it is no surprise that the Society's period of active involvement in the publication of directories coincided with these years too. The first edition of the 'L.T.P.S. Directory of Leicester' was published on the 15th December 1870, and was followed by a second revised edition in July 1875, which was reprinted as a third edition in 1878. Yet as early as spring 1879, the L.T.P.S. began to distance itself from direct involvement in the compilation of directories. Christopher Norton Wright, the publisher who had been commissioned to produce the earlier volumes, was forced to offer free advertising space to the Society and a discounted rate for members in return for a notice in the Society's monthly circular. How this collaboration had been slowly withdrawn was illustrated by the Society's demand that 'it must be understood the committee do not lend the Society for the purpose of canvassing or permit it to be used on the title page of the work.'⁴⁶

In contrast to these terse comments the attitude of the Society to the proposed directory of 1870 could not have been more welcoming. At a special meeting of members in June 1870 it was 'carried unanimously that a directory of the town of Leicester should be published,'⁴⁷ with a sub-committee of the Society was immediately formed to co-ordinate the work. Publication was subsidised by the Society with members able to purchase a copy for 1s. and non-members for 2s. A commission of 15-20 per cent was also introduced by the committee in order to encourage Mr Wright to maximise the advertising space sold and the number of volumes purchased. In all Wright claimed that his 10 weeks of effort had seen him personally go over half the town and with his assistants covering the remainder of the area, a total of 15,000 entries resulted. This inclusiveness had been explicitly ordered by the Society whose directions to Wright stated that he should endeavour to record as many trades as possible and to name 'all householders at and above 4s. [rent] per week.' Some 500 volumes were produced with 300 going to the public and 200 sold to members, and a deficit of £70 was subsidised

⁴⁶ L.R.O., DE3848/5, L.T.P.S. Minute Book, letter from C. N. Wright 18 March 1879, reply 1 May 1879. After this date Wright went on to produce Leicester directories under his own name until 1920. R. M. Pritchard, *Housing and the spatial structure*, 201.

⁴⁷ L.R.O., DE3848/5, L.T.P.S. Minute Book 1866-80, 22 June 1870.

from the funds of the Society.⁴⁸ Complimentary copies of the directory were then sent to all the associated Trade Protection Societies in England and other recipients included the local press, officers of the County Court in Leicester and the other Courts in the circuit, the borough and county police, postmaster, town clerk, borough accountant and goods manager of the Midland Railway.⁴⁹

In a second edition of the volume in 1875 the process of compilation was repeated and refined in an attempt to broaden the coverage and appeal of the volume. Villages on the urban fringe of the city such as Belgrave, Aylestone and Humberstone were surveyed and the final volume produced in a hard or softback format. These refinements allowed the directory to be priced on a sliding scale and ensured that over 1,500 copies were sold.⁵⁰

The involvement of the L.T.P.S. in the production of trade directories illustrates how the Society openly sought to establish better conditions for trust within all levels of commercial society in the town. By including all of the residential and commercial community, down to the smallest of 4s. householders, many of the search and monitoring costs faced by all members of the trading community, whether it be information about the location of the nearest jobbing bricklayer, the interest rates on money loans from the pawn-broker, the prices of stationary supplied by Messrs. Winks & Son, or the vacation arrangements of dancing mistress, Madame Skinner de Lenglee were brought together in the trade directory. This consolidation of information, where the hum-drum shopkeeper could share a page with the most worthy of dignitaries in the town, was an effective means of over-laying certain minimum standards upon the business community at large. By publicly attempting to control the search and monitoring costs of all businesses in the town the Society projected itself as an institution with a reputation for integrity and trust. This enhanced its own position and those of its members and also extended its value systems down to those on the lowest rung of the commercial ladder. Although individual firms could vary their own business strategies

⁴⁸ The volume was divided into three separate lists, sorted by the streets, individuals and trade categories of the town.

⁴⁹ L.R.O., DE3848/5, L.T.P.S. Minute Book, 15 December 1870.

⁵⁰ L.R.O., DE3848/5, L.T.P.S. Minute Book, 27 January 1875, 14 April 1875.

and behave in an undisciplined manner should they wish, the 'judicious intervention' of the L.T.P.S. in the flow of information during the 1870s served to limit the immediate damage caused to others and help establish the ground rules for the operation of the urban market in subsequently decades.⁵¹

The fact that the L.T.P.S. pulled away from direct involvement in compilation of directories after 1878 also serves to underline the market making role of the Society. Their early activities had organised and consolidated the organisation of information flow in the market, it was therefore unnecessary for the L.T.P.S. to remain directly involved with a process which could be left to C.N. Wright and others. Instead after this date the L.T.P.S. turned its attention to the stabilisation of the uncertainty of business relationships in other areas of the market, most notably direct involvement with the problems of the application of the existent laws of Bankruptcy and insolvency, with the creation of a specific 'Bankruptcy Department' in 1879.

Monthly Circulars

In attempting to embrace as wide a proportion of commercial and domestic population as possible it was in the interests of the L.T.P.S. to make the information contained in the trade directory widely available. By contrast, the Monthly Circulars published by the Society were intended to service the private information costs of the member. Unlike the debt recovery service or status enquiries, access to the monthly circular incurred no extra charge and came as part of the standard membership subscription.

The monthly circular was described as containing those 'subjects of interest to the trading community.'⁵² This information took on two forms: that of the objective reports of cases heard or other wise dealt with in the law courts, and the more subjective comments and local information as to the trading status of individuals or the criminal or fraudulent activity of others. Much of the legal information appears to have been

⁵¹ These arguments are broadly expressed in R. Rodger, 'Managing the market-regulating the city: urban control in nineteenth century United Kingdom', in H. Diederiks, P. Hohenberg and M. Wagenaar (eds.), *Economic policy in Europe since the late Middle Ages: the visible hand and fortune of cities*, 204.

⁵² L.T.P.S. *Trade directory of Leicester* 1875, 16.

distilled from issues of the *London Gazette*, supplemented by further details which had been posted in the courts of the surrounding counties - Derbyshire, Lincolnshire, Northamptonshire, Rutland, and Warwickshire. At the local level this data was augmented with the full reports of all County Court Judgements heard in Leicester and the other court towns of the County - Ashby de la Zouch, Market Harborough, Loughborough, Melton Mowbray etc.

Most of the legal information which the L.T.P.S. reproduced was public and available to all and yet the information cost for an individual to undertake such an exercise would have been prohibitive. Instead, the L.T.P.S. stepped in as an intermediary and offered a specialised labour intensive service to members which collated, sorted and reproduced all the information deemed of interest to its members. This activity reflects what Casson has determined as the 'rational action approach to economic modelling.' That is, 'individuals can value information they do not have by forming an expected value of what it would be worth if they had it ... Information is collected by a rational individual only so long as its expected value exceeds its cost.'⁵³ Yet it is unlikely that any individual would accept the time and cost of sitting in a court room writing down names, addresses and case details based on the likelihood that a future prospective debtor may be found amongst the cases. Instead their rationality was bounded and this information ignored. The solution provided by the L.T.P.S. circular met the ideal notion proposed by Judge Wightman Wood of the Leicester circuit in 1909. In response to his call for more publicity to be given to those persons who did not pay a court judgement, Mr Rendall enquired:

'In what way is publicity to be given? First there might be a register kept in every County Court office of all the judgements, that register being free to inspection. Is not such a register kept now? It is kept in London, I believe at the head offices of the County Courts, and is obtained no doubt by some Trade Protection Societies.

*Only Judgements over £10? It is not really of much practical importance in the district. I think a small shopkeeper should be able to walk into a County Court office and turn over the register and see for himself who the persons were who had judgements against them, and who had not.'*⁵⁴

⁵³ M. Casson, 'Institutional economics and business history', 152-3.

⁵⁴ *S. C. on Imprisonment for Debt*, P. P., 1909, Q. 5638-40.

Wightman Wood was sufficiently experienced to know that this was essentially the solution the L.T.P.S. offered by means of the monthly circular. Even before 1860 the Society's clerks had attended circuit Court hearings and recorded the judgement of the Court. Thus, in return for a fixed subscription, the Society undertook the task and cost of the search and collation of data and efficiently transmitted this to members in an clear list of alphabetically sorted names. This information was then available to any one individual to 'extend the boundaries' of their economic rationality, almost free of charge. It is easy to imagine the practical application of this information source amongst larger firms and even the smallest of traders who operated amongst the newly built suburbs of the town.⁵⁵ Admittedly such information would only have been partial but, allied to other local knowledge or references, it contributed to a situation where the costs of calculating and forming a judgement about an individual credit were significantly resolved, as were business risks.

In accepting this form of information as an indication of the reputation of an individual the member was also implicitly accepting the value judgements of the L.T.P.S. The disclaimer placed at the head of each list of court information underlines how the Society carefully sought to carefully protect the legitimacy of the information it gave to its members, stating

'To be included in the following list is not intended as an imputation on the position of the parties named. Some of the cases were for damages, others for suretyships only on notes; others were disputed, in others there were contra claims and from various causes persons of good position have cases entered against them. The facts only are given for members to make inquiries'⁵⁶

By marking with an asterisk those cases brought on behalf of its members the Society sought to transmit further subjective judgements. In the idealised world of the L.T.P.S. where members functioned with full personal honesty and integrity, for a debt to result in the courts after it had passed through the judgement and enforcement services of the L.T.P.S. would mean it was a definite 'bad debt'. Nevertheless the fact the asterisk notation was removed after June 1871 suggests that this information was not quite as wholesome as intended. It is possible that the notation was removed in order to save

⁵⁵ Individuals from the new suburbs and streets of the town appear frequently amongst the lists of new members. On the specific suburban expansion of Leicester in the latter nineteenth-century, see, R. M. Pritchard, *Housing and the spatial structure*, 447-9.

⁵⁶ L.R.O., 'Periodicals File', L.T.P.S. Monthly Circular, February 1870.

page space. However in light of the way in which the courts were used by all levels of society in order to play out their complex credit and debt strategies, claims and counter-claims, it is more likely that the information could also serve as an indication that plaintiff had been 'reckless' in giving credit or was facing trouble of their own. Consequently removing the asterisk and therefore re-adjusting the flow of information to its members the Society prevented any one individual drawing a direct judgement upon another member and hence preserved the integrity of the Society as intermediary between member and the market.

Other forms of legal information reproduced included bankruptcy and insolvency arrangements, details of private arrangement and compositions, those Bills of Sale registered in the locality, and business partnerships which had been dissolved. Much of this information was public in that it was available in the *London Gazette* or had been recorded at the Queen's Bench in London, but the monthly circular made it available for the perusal of the most humble of members. In doing, it assisted the dissemination of commercial practices and ethics and aided the development of national standards of business conduct through networks of Trade Protections Society branches.

For payment of an additional fee the Society would also furnish members with a Commercial Compendium. This contained the same information as the Monthly Circular, (except the small debt hearings), but was issued on a weekly basis and forwarded directly from the London section of the Association of Trade Protection Societies. During the turmoil preceding the reform of the Bankruptcy laws in 1880-1883, this compendium was issued on a twice weekly basis in an effort to keep members informed of those seeking to make use of the loopholes in the law before they were plugged in 1883.⁵⁷ After this date, in an effort to avoid such uncertainties in the future,

⁵⁷ V. Markham-Lester, *Victorian insolvency: bankruptcy, imprisonment for debt and company winding up in nineteenth century England*, (Oxford, 1995), 171-221. This was the period of so called 'unofficialism' in the bankruptcy law. Whilst the removal of the role of the official receiver was welcomed by the L.T.P.S. in 1869 as evidence of the retreat of the state from the visible hand of intervention in the market, by 1879 the problems of creditors and debtors making private arrangement to the detriment of others saw a call for the return of officialism and the market intervention of the state. At this time, in an attempt to circumvent these inefficiencies in the market and to co-ordinate relations between creditors, the Bankruptcy Department of the L.T.P.S. was formed. See Chapter 6 where the use and abuse of the market intervention of the bankruptcy laws are analysed in detail.

further subscriptions secured a weekly 'List of Creditors in important failures.' That this latter circular was considered to be of 'valuable to wholesale houses' reflected the growing role of the larger wholesaler and the subsequent control of credit in the market.⁵⁸

The other main area where the circulars sought to overcome the information costs faced by a business related to the less tangible world of hearsay, criminality and gossip. In a business world, 'characterised by low trust and a pervasive fear of fraudulent depredations,'⁵⁹ the monthly circular provided a means of disseminating practical information and warnings to the closed community of its members and also served to remind members of the advantages to be had from membership and adherence to codes of business behaviour.

The feeling of commercial integrity and the establishment of trust which the Society attempted to engender between its members can be clearly seen in the criminal notices it posted. Frequently in the earlier period during the 1850s and 1860s, the Society warned its members about the impending arrival of organised bands of commercial fraudsters. These were the 'Towzery Gangs' or the 'Lottery Tribes' who, as migrant traders, established business premises, ordered stock on credit, and then frequently fled overnight leaving empty premises and creditors unpaid. This was the warning posted about the activities of William Taylor who had taken,

'respectable apartments in New Walk and favoured a number of members and other tradesmen with orders but no cash forthcoming enquiries were made. Then it was ascertained he had some time visited ..Chepstow. He then left for Bristol where he obtained a quantity of goods and bolted. he, however, found that Leicester was getting too 'hot' for him and has been obliged to make his 'retreat.'⁶⁰

A similar situation surrounded Charles Bailey, a fish-monger, whose activities, 'carrying on the nefarious practice of preying on the honest trader' as part of the 'Long Firm' had been charted in the monthly circulars of the Society before he was finally caught and sentenced in the autumn of 1870.⁶¹

⁵⁸ Wright's, *Trade directory of Leicester* 1888, vii.

⁵⁹ S. Nenadic, 'The small family firm', 88; E. Knox, 'Between capital and labour'; D.A. Kent, 'Small businessmen and their credit transactions'; C. Young, 'Small craft business owners.'

⁶⁰ L.R.O., DE3848/4, L.T.P.S. Minute Book 1854-66, June 1866.

⁶¹ L.R.O., DE3848/5, L.T.P.S. Minute Book 1866-80, January 1871.

These men were worst of commercial defectors, and the manner in which the L.T.P.S. applauded their fate reflected the Society's need to establish itself as a pillar of reputation and trust in society. As has been explored the Society itself was not immune from the problems of internal fraud and misbehaviour. However given the chance to promote its own image amongst members the Society was not above a little puff, declaring as early as 1854 that the failure of the 'Towzery Gang' in the town was due to the 'wholesome lessons' the Society had 'administered' on the values of the commercial traders in the town.⁶²

Other columns attempted to track the ebb and flow of residential mobility and migration in and out of the town. Like most nineteenth-century towns, residential mobility was a continuous feature of Victorian Leicester.⁶³ An annual residential turn-over of some 20-30 per cent was not uncommon in many areas of the town and the effects of population turnover were further compounded by the rapid construction of new streets and entire suburbs. For the neighbourhood shopkeeper or the largest manufacturer, the task of tracing the address of absconding debtors and bankrupts or even making positive enquiries about the status of a reputable individual was difficult to achieve. This was the purpose of the 'Addresses wanted' columns of the circular which named those labourers, grooms, hawkers, shoemakers, shopkeepers and other traders who whether due to legitimate movements or midnight flits had disappeared from the normal channels of information. Instead, the Society appealed to the integrity of its members as part of the *quid pro quo* of the information flow to help furnish the relevant details.⁶⁴

⁶² L.R.O., DE3848/4, L.T.P.S. Minute Book 1854-66, January 1854.

⁶³ R. M. Pritchard, *Housing and the spatial structure*, 49-67. This continued throughout the period in Leicester as old streets gave way to new suburbs and local populations, often divided along class or craft line moved to make use of this residential segregation. See N. Wood, 'Landlords and occupiers, class and ownership in north Leicester, 1878-1914, Unpublished M.A dissertation, Centre for Urban History, University of Leicester, 1992, 63-8.

⁶⁴ 'The present Addresses of the undermentioned parties are particularly requested for the use of Members, and as the names of many of undoubted respectability will frequently appear under this head of the circular, it is highly desirable that it be regarded only as an enquiry for unknown Addresses. It is hoped that every Member will regard as his duty to give information at the Office of any of the Addresses known to him.' L.R.O., 7 D 70/1, L.T.P.S. Monthly Circulars, 1887.

Premises of the Society

The offices of the L.T.P.S. also had their own importance as a focal point where many of those individuals directly involved in the services of the Society came together. As such, the physical manifestation of these business premises can reveal much about the balance of power, authority, trust and integrity which the L.T.P.S. sought to project to its members and the urban community at large.

Much has been written about the symbolic systems of power and authority projected within the urban environment.⁶⁵ Morris, Urry and others have explored how the creation of new systems of urban space, parks, gardens, town-halls etc., became part of a means of 'seeking, consolidating, and defending power [whereby], the middle-class, especially their ideological, political and social leaders undertook the creation of the town as a discreet, self-aware integrated social and constitutional entity.'⁶⁶ While attributing such development to an irreducible middle-class can lose many of the nuances of influence or dominance which should be attributed to commercial, professional or industrial interests, the acceptance of space and buildings as instruments in the 'political' process should not be discounted.

The evolving design and expressions of power discernible in the public buildings and open space within the Victorian town were similarly reflected in the form and use of design and space in private buildings. Thus, the offices of the L.T.P.S. were erected to serve a practical purpose and to also project the values of the Society into the urban community at large and specifically those who were drawn into the building. Just as the Society sought to collate and formalise the new networks of streets and commercial and residential inhabitants of the town through the trade directory of 1870, it also recognised the importance of establishing its office as fixed point of reference amidst all the geographical uncertainty of the expanding town. The first offices had been based in rented premises in and around the central business district, the new premises on New

⁶⁵ H. Lefebvre, *The production of space*, (Oxford, 1991); T. A. Markus, *Buildings and power, freedom and control in the origin of modern building types*, (London, 1993).

⁶⁶ R. J. Morris, 'The middle class and the towns and cities of the Industrial Revolution, 1780-1870', in D. Fraser and A. Sutcliffe, *The pursuit of Urban History*, 299. See also R. J. Morris, *Class, sect and party: The making of the British middle classes: Leeds, 1820-1850*, (Manchester, 1990); J. Urry, *Consuming Places*, (London, 1995).

Street (freehold site purchased in May 1871) were positioned at its very heart.⁶⁷ New Street and its surrounds were filled with the homes and offices of many of the professional elite of solicitors and accountants in the town, and importantly for the L.T.P.S., the new site at number four was adjacent to the offices of the County Court and its Registrar, Thomas Ingram.

The site of the new premises, excluding construction costs, was purchased for £1,177 equivalent to 70 per cent of the Society's annual receipts.⁶⁸ Such a substantial capital investment demonstrated the importance the Society attributed to its location; and in particular the reputation it sought to acquire and hold within the urban community. Close physical proximity to the agencies of the Civil Law was not only useful for the work of the Society, but also clearly associated its values and actions with the national standards of business and personal integrity maintained or at least projected by these professionals and the Law.

In contrast to the efforts made in physically placing premises at the heart of the town, the architecture of the building itself was remarkably sober. Instead of the mid-Victorian abundance found amongst many of the banks and financial institutions of the time, where ornately decorated facades imbued the building and the institution with a sense of wealth and stability, the facade of the Society's office was unadorned of feature. It is possible that the narrow confines of New Street may have restricted the application of such exuberance. However a facade which aped classical design, with a regularly proportioned frontage, plain stuccowork, keystones above the windows and pediment on the roof line, suggests that the intention of the building was to project an image of regularity order, form and permanence. Such design clearly anchored the values of the Society with those of the past and helped project its image of integrity and trust into the minds of those in contact with the commercial community.

The building was intended to accommodate both creditors and debtors and as such the ordering of space within the building is equally interesting (Figure 5.1). One of the most

⁶⁷ L.R.O., DE3848/5, L.T.P.S. Minute Book 1866-80, May 1871. Previous premises had been located on Millstone Lane and Horsefair Street.

⁶⁸ L.R.O., DE3848/5, L.T.P.S. Minute Book 1866-80, Annual Report, 1870-71.

striking internal features of the office was the space given over at the front and side of the building to residential and commercial usage. These rooms were constructed by the Society but let, and in 1875 were occupied by George Robinson a Tailor.⁶⁹ Thus whilst the facade of some 64 feet (20m), gave the impression of large scale premises and the importance of the building and the status of the L.T.P.S., it would appear that the Society had little necessity for such substantial premises and included residential premises into the design as a means of securing an additional rental income. A common entrance hallway made no pre-judgement about the purpose of a visit. Members, debtors and creditors all had to pass through it. But once inside the private space of the office, the differentiation between debtors and creditors was made explicit. A small debtors' office, sealed off from the remainder of the office, contrasted with a larger members' room, the door of which was shielded by a stained-glass panel designed to block the eye-line of the debtor. It was inside this communal members' area that the Society posted notices, placed arm chairs and made available other trade directories, newspapers and commercial intelligence. In essence this was the club room, where anecdotal information and the gossip of the commercial community could be transferred between members. In a smaller scale imitation of the halls of banks, the members and debtors' zones were separated from the Society's employees by a large wooden counter, beyond which a large open space, with high sky-lights decorated with stained glass tracery illuminated the room below.

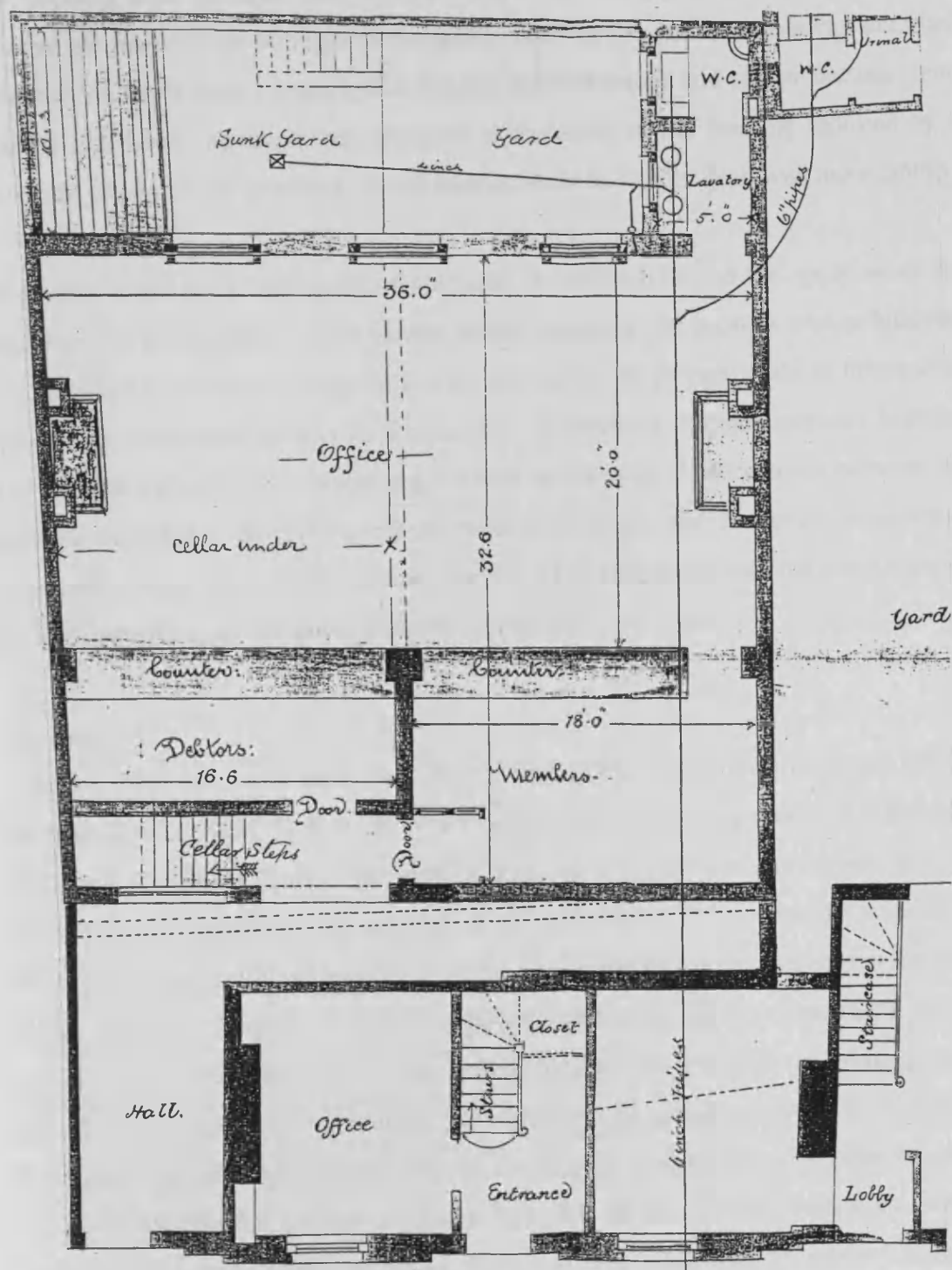
Changes to the interior arrangements of the office in subsequent decades enhanced this differentiation between the public and private space. The members' area was extended, debtors' quarters further reduced and additional rooms erected on the first and second floors in order to provide a further private meeting room and space for the increased numbers of clerical staff employed. Similarly as the hierarchies of information management as the departments of the Society became more specialised, W.H. Chamberlin, the Manager became separated from the employees of the Society when a partitioned section was introduced into the office and by 1904, following the advancement made to communications technology, further space was allocated to a private telephone area for the use of members.⁷⁰

⁶⁹ L.T.P.S., *Trade directory of Leicester* 1875, 194.

⁷⁰ L.R.O., DE 3512/46, Building Plans L.T.P.S. Office, 1904.

Figure 5.1

Floor plan of proposed L.T.P.S. office: New Street Leicester, September 1872



Source: L.R.O., Leicester Corporation Building Plans, 2609, 28 September 1872.

Later modifications reflected the growing confidence and influence of the Society. The construction of a meeting room for the Society in 1879, was expressed on the outside of the building with wrought iron banisters inscribed with the Society's initials placed around the windows of the extension, and the lintel of the entrance doorway inscribed with the Society's name. Latterly the division between public and private became more pronounced when the residential premises at the front of the building replaced by a 'drop-in' office, where members' verbal queries could be rapidly dealt with more rapidly.

In all, the architectural and spatial features of the office reflected the position of the Society as an intermediary within normal market relations. Its location and architecture was intended to project an image of solidity and order, the private world of information flows, debts and credit relationships tucked away behind a common entrance hallway. The external embellishments and reorganisation of the internal office space reflected the growing confidence of the Society as both its members and the wider commercial community began to accept its values, based as they were upon national institutions of the law and minimum standards of business practice.

Conclusion

Although the information services of the L.T.P.S. were formed to directly address the information costs faced by firms involved in Leicester's expanding economy in the mid-nineteenth century, analysis of the form of many of these services also reveals how the control and flow of information was used as an instrument in the process of manipulating the market. This should not be seen as a conscious effort to openly intervene in the free-market system, but rather a means of re-adjusting some of the externalities of the market. The twists and turns of free-market negotiation and personal strategy were permitted so long as they were carried out within the guidelines laid out by the L.T.P.S.. Uppermost was adherence to the Law and for this the Society offered a series of *quid-pro quo*. Membership brought access to channels of commercial intelligence, which could assist in making market decisions. However, with information came the obligation of reciprocation. Membership was an active means of encouraging the trading community to participate within the civil rules of the institution and by through connections

between these members and their other customers or producers these values were filtered into the whole of society.

The Society achieved these ends by imbuing itself with an aura of respectability and integrity. The architectural and spatial manifestation of the office and social atmosphere of the organisation, together with its position, installed in the centre of town, adjacent to the other offices of the Law, clearly signalled the Society's attempt to project itself as a 'neutral' intermediary in the market. Trust was also established through the evolution of its own internal organisation and management; a full-time manager, invested with the respectability of professional status enhanced its trustworthy status. The internal specialists, the clerks and departments of the Society, who actually dealt with the collation of explicit information, were ultimately accountable to this manager who was the focus for the external (member) relations of the Society. This authority relationship created a hierarchical structure which detached the active members of the Society, (the management committee) from visible signs of intervention, but who ultimately handed down their orders to the manager and hence dictated the value systems and attitudes expressed by the Society.

The trade directory was one means through which these concepts of trust and respectability projected the value systems into the wider urban community. Although the publication of a new series of trade directories facilitated the flow of information within the market, the Society's role was not wholly benign. It used the kudos and respectability which came from inclusion within a directory as a means of incorporating many of those small firms or individuals (those 4s. householders) into the market of the town and, as the directory was portable and was widely distributed, introduced these named individuals to the influence of the wider economy. Whilst undoubtedly many of these small-scale enterprises, would have welcomed inclusion amongst these lists, participation was not a voluntary process. The crucial phase of urban adjustment in the 1870s saw the Society establish the bench mark for these publications, after which it conspicuously pulled away from active involvement in the compilation of directories, and left the process to the operation of the market.

As Casson has observed, the theory of such information flows, 'offers a vision of the economy as a cybernetic system. This vision counterbalances the more conventional view of the economy as a system of material flow. The focus is on the handling of the abstract commodity of information, rather than on the handling of physical commodities themselves.'⁷¹ This underlines the importance of the role of the monthly circulars and status enquiries amongst the membership of the L.T.P.S., where the Society undertook the responsibility for handling much of the high-cost information required to make the urban economy work and in return expected their members to participate in its reciprocal flow. From the fragmentary evidence discernible from the monthly circulars and the status enquiry returns, it is clear that much of this information itself was based upon those signs of trust and respectability which the L.T.P.S. sought to reproduce. Wholesome signs included evidence of the intimacy of the support networks of the family and the family firm together with evidence of astute stock-control, and the social values of sobriety and thrift. Whilst some of this information shows signs of modern cost accounting or analysis of business practice, much of it - the gossip, family networks, previous reputations and skills base - was no more than an extension of the forms of information which would have been known at the neighbourhood level; the L.T.P.S. acting as the means of transmitting the qualitative data to the broadening urban community and the economy at large.

The claim stated as early as 1854, that the Society was in communication with 468 other towns across the British Isles and overseas, reinforces the impression gained from the daily grind of correspondence received, letters sent out and applications for information submitted, how control over the flow of information was as important elsewhere in the Country as it was in Leicester. Similarly the early difficulties of trust and reputation which plagued the early relations between the Trade Protection Societies in the U.K also suggests that the exchange of information at a macro-scale was not without its difficulties. The evidence suggests that regional competition and fear of unfair advantage similarly plagued these inter-relations and it was not until the formation of the Association of Trade Protection Societies in 1866 as a mediator to negotiate between

⁷¹ M. Casson, 'Institutional economics and business history', 153.

these regional intermediaries, that the logic of collective action and the reciprocal flow of commercial information began to be fully exploited.

Although the L.T.P.S. and other institutions like it, played an important role in the collectivisation of commercial values, it was not the sole conduit of business information. Those connections which left a less indelible impressions in the historical record were equally important. As even the records of one of Archibald Turner & Co., one of the larger manufacturers in the town reveal, informal co-operative networks between competing firms and financial institutions helped facilitate much information flow. Undoubtedly, other networks such as those of the neighbourhood, the family, religion and even the 'talk of the town', would have played an equal if not greater part in the commercial strategies of many businesses and individuals. The expansion of the urban environment and the increased distances between consumer and producer meant that the networks of many of these conventional information flows became increasingly unreliable. The L.T.P.S. was created to re-establish connections by acting as an intermediary. Yet, in order to facilitate such communication, the L.T.P.S. sought to impose more formal codes of behaviour upon the market.

Because of its skills in handling collective information, the Society also began to see a role in defending the collective interests of its members against external competition. In a few areas, this collective defence was focused upon what it considered to be trade abnormalities, fraud or unfair practices. Yet, for much of the period the collective actions of the society were focused upon the political and legal arena. It is within the specific context of the use and abuse of the laws of Bankruptcy and insolvency that the next chapter will explore some of the features and trends visible in actual bankruptcy trends and the remedial campaigns initiated or supported by the L.T.P.S.

Appendix 5.1

L.R.O., DE 3848/4 Annual Report 1854 bound inside L.T.P.S. Minute Book, 1854-66.

Towns in communication with the L.T.P.S. in 1854

Abbey Leix	Bridgewater	Chesterfield	Ferryhill
Aberdeen	Bridgend	Chester le-Street	Fishguard
Aberfeldy	Bridgnorth	Chichester	Folkstone
Accerington	Blyth	Chipping Onger	Forest of Dean
Alexandria	Bolton	Chorley	Forfar
Alloa	Boston	Chowbent	Forres
Alnwick	Bowden	Christchurch	Fort William
Altringham (Cheshire)	Brackley	Clevedon	Gainsborough
Amersham	Bradford	Clifton	Galsahiels
Anstruther	Bray	Clognakilty	Galway
Arbroath	Brechin	Cupar Angus	Gateshead
Ardroesan	Brentwood	Cupar Fife	Gibralter
Ashby-de-la-Zouch	Bridport	Darlaston	Girvan
Ashford (Kent)	Brierley Hill	Darlington	Gisburn
Ashton under Lyne	Brighton	Dartmouth	Glasgow
Athlone	Bristol	Dawlish	Glastonbury
Auchterarder	Brixham	Denny	Gloucester
Auchtermuchty	Buckingham	Deptford	Glynde
Axminster	Burlington	Derby	Godalming
Aylesbury	Budleigh Salterton	Devonport	Gosport
Ayr Aytton	Burnley	Dewsbury	Grantham
Ayton	Burslem	Dominica	Grassington
Bagshot	Burton-on-Trent	Doncaster	Gravesend
Balbriggan	Bury st Edmonds	Dorchester	Great Baddow
Ballymena	Buxton	Douglas	Great Bridge
Banbury	Cambridge	Dover	Greenock
Bandon	Camelford	Downham-Market	Greenwich
Banff	Canterbury	Driffield	Grimsby
Bangor	Cardiff	Droheda	Guernsey
Barbridge	Carlisle	Dublin & Ireland	Guilford
Barnard Castle	Carrickfergus	Dudley	Haddington
Barnes	Castle Carey	Dumfries	Hadleigh
Barnstaple	Castle Conner	Dundee	Hailsham
Basingstoke	Castle Douglas	Dunfermline	Halifax
Bath	Cavan	Dunkeld	Halstead
Bathgate	Chatham	Dunoon	Haltwhistle
Battle	Cheadle	Dunse	Hamilton
Bedford	Chelmsford	Durham	Hampton Court
Belford	Cheltenham	Earlsferry	Hanley
Belfast	Chester	Earlston	Hanwell
Belper	Clonmel	Eastbourne	Hartlepool
Berwick	Colchester	Edinburgh	Harwich
Bewdley	Colinsburgh	Egham	Haslingden
Bideford	Corbridge	Elgin	Hastings
Bilston	Cork	Ely	Haydon Bridge
Bingley	Coventry	Epping	Hawick
Birkenhead	Cowbridge	Eton	Hemel Hempstead
Birmingham	Crediton	Evesham	Hereford
Bishop Auckland	Crieff	Exeter	Hexham
Blackburn	Cromer	Exmouth	Hinchley
Blackpool	Croydon	Falkirk	Hitchin
Blackrock	Cullen	Falmouth	Honiton
Blairgowrie	Cumnock	Fenton	Horncastle

Appendix 5.1 continued

Hounslow	Ludlow	Pater	Staley Bridge
Huddersfield	Lutterworth	Peebles	Stamford
Hull	Lyme Regis	Pembroke	Stilton
Huntingdon	Lynn	Penzance	Stirling
Huntley	Maidstone	Perth	Stockton-on-Tees
Ilfracombe	Maldon	Peterborough	Stoke-on-Trent
Ilkeston	Malta	Peterhead	Stonehouse
Inverary	Manchester	Preston	Stourbridge
Inverness	Marden (Kent)	Plymouth	Stourport
Inverury by Keithall	Margate	Poole	Stowmarket
Ionian Islands	Market Bosworth	Pontypool	Stranraer
Ipswich	Market Drayton	Portarlinton	Stratford-on-Avon
Jedburgh	Market Harborough	Portsea	Strathaven
Kelvedon	Masborough	Portsmouth	Streatham
Keighley	Maxwellton	Potteries	Street
Keith	Melbourne (Australia)	Ramsgate	Stroud
Kendal	Melton Mowbray	Ravenstonedale	Sudbury
Keswick	Middlesbrough	Reading	Sunderland
Kettering	Milford Haven	Redruth	Swansea
Kettlewell	Mitcham	Richmond (Surrey)	Tain
Kidderminster	Moffatt	Richmond (Yorkshire)	Tamworth
Kilbirnie	Monmouth	Rochester	Taunton
Kirkcaldy	Montrose	Romford	Tavistock
Kilkenny	Moreton Hampstead	Ross	Teignmouth
Kilmarnock	Morpeth	Rothbury	Tetbury
Kilmartin	Mortlake	Rotherham	Tewkesbury
Kineardine	Nairn	Rothsay	Thetford
Kingston (Surrey)	Nantwich	Rugby	Thornhill
Kingstown	Nayland	Ryde	Thurso
Kinross	Neath	Rye	Tillicoultry
Kinsale	Needham Market	St Albans	Tipperary
Kirkcudbright	Nenagh	St Helens	Tipton
Kirkwall	Netherton	St Hellier	Tiverton
Kirriemuir	Newark	St Leonards-on-Sea	Topsham
Lanark	Newbury	Salford	Torquay
Largs	Newcastle-on-Tyne	Salisbury	Torrington
Lauder	Newcastle-under-Lyme	Sanquhar	Totness
Launceston	Newnham	Saxmundham	Tring
Leamington	Newport (Monmouth)	Scarborough	Trowbridge
Leeds	Newry	Seaham Harbour	Truro
Leek	Newton Abbott	Seaton Carew	Tunbridge
Leicester	Newton Bushell	Settle	Tunbridge Wells
Leominster	Newton Stewart	Sheffield	Topstal
Lerwick	Northampton	Sherbourne	Ulverston
Leven	North Devon	Shifnal	Uttoxeter
Lewes	North Shields	Shrewsbury	Uxbridge
Lichfield	Norwich	Sidmouth	Wakefield
Limerick	Nottingham	Skipton (Craven)	Walsall
Lincoln	Nuneaton	Sligo	Wantage
Liverpool	Oban	Slough	Warkworth
Lochgilphead	Okehampton	Southampton	Warwick
London	Oldham	Southend	Waterford
Londonderry	Ongar	Southport	Wednesbury
Longton & the Potteries	Ormskirk	Southsea	Wellingborough
Loughborough	Oundle (Hants)	South Shields	Wellington (Salop)
Louth	Oxford	Spalding	West Bromwich
Lowestoft	Paisley	Stafford	West Hartlepool

Appendix 5.1 continued

Weymouth
Whitby
Whitehaven
Wick
Wigan
Wigtown
Willingdon
Winchester
Windsor
Wisbeach
Witham
Witney
Woburn
Wolverhampton
Woodbridge
Wooler
Woolwich
Worcester
Wotton-under-Edge
Worthing
Wrexham
Yarmouth
Yeovil
York

POLITICS, INSOLVENCY AND COLLECTIVE ACTION

This chapter analyses the collective relations between the L.T.P.S and the wider community. Both inside the town and at the regional and national level, collective representation formed the principal way in which the L.T.P.S. communicated and negotiated with other commercial and political groups. On the national stage, effective co-operation with other regional trade protections societies was achieved through the Association of Trade Protection Societies. This umbrella organisation provided a coherent means whereby regional groupings could effectively lobby central government. By juxtaposing the collective actions of the L.T.P.S. with those of the Leicester Chamber of Commerce a clear distinction between the interests and aims of the Society and the opposing formal business organisation emerges. These were differences founded upon both timing and objectives. The broad market based objectives of the L.T.P.S., directed towards structuring the terms of conditions of commercial behaviour, contrasted with the largely self-interested concerns of the Chamber of Commerce. The L.T.P.S. attempted to shape the market in order to achieve changes which would benefit members; it also set precedents which would have a greater public value stabilising the market and hence improving the business environment of all.¹ By contrast, the actions of the Chamber of Commerce were orientated towards representing the private interests of its members - an elite, predominantly drawn from amongst the hosiery manufacturers of the town. By examining the response of the Trade Protection Society to the issues of municipal trading and the bankruptcy law, the greater 'public' or market based concerns of the Society are examined. This is contrasted with the policy objective and advantages of the Chamber of Commerce, where some of the unpriced gains (or externalities), benefited many amongst this commercial elite.

¹ R. Rodger, 'Managing the market - regulating the city: urban control in the nineteenth century United Kingdom', in H. Diederiks, P. Hohenberg, and M. Wagenaar, (eds.), *Economic policy in Europe since the late Middle Ages: the visible hand and the fortune of cities*, (Leicester, 1992), 204.

Collective action, the L.T.P.S. and the market

Why and in what areas did the Society utilise the power of collective action?² This is best explored by contrasting the activity and interactions between the L.T.P.S. and the other long-term institution formed to represent commercial interests, the Chamber of Commerce. At the national level, most of the Leicester Society's continuing action was focused on petitioning Parliament and was conducted through the Association of Trade Protection Societies. This early interaction was a characteristic feature of trade protection. The initial objectives and organisational structure of the L.T.P.S. can be attributed to those laid down by the first London Society in 1843 and by the late - 1840s an Association of Trade Protection Societies (A.T.P.S.) had been formed to co-ordinate the collective activities of the 30 or so organisations across the country. In contrast, although the Chambers of Commerce movement had formed a national association in 1860, the Leicester Chamber of Commerce held off invitations to join with the movement until 1888. This gap in timing between the early co-operation of the L.T.P.S. and the later actions of the Chamber was indicative of their differing objectives and serves to illustrate the wider significance of this local study.

Although the L.T.P.S. was formed to represent the collective interests of traders in the town, its long-term success and *raison d'être* was founded upon the maintenance of discipline within the market. Its aim in supplying information and services to members was to counter the uncertainties of the market by encouraging trust, integrity and a code of business conduct. This code was encouraged by offering members short-term trading advantages, in terms of commercial information and debt recovery, but was ultimately dependent upon the sanctions of the County Court system to enforce its values. At the local level this meant encouraging a broad spectrum of members and wherever possible avoiding direct involvement in those trading conditions which faced individual interest groups. At the national level, co-operation with other societies enhanced the impression of trust, integrity and responsibility as well as providing an effective means of projecting their values about the operation of the market at a higher level.

² 'Collective action' can be defined as 'any problem that provides benefits and/or costs for more than one individual, so that some co-ordination of efforts is required', T. Sandler, *Collective action: theory and application*, (Hemel Hempstead, 1992), 9; M. Olson, *The logic of collective action*, (Cambridge MA, 1965).

It is easy to group together commercial organisations such as the Chamber and the L.T.P.S. as homogeneous institutions formed to express the general 'commercial interest' of the nineteenth century town. However a clear distinction between the two needs to be drawn. In order for the L.T.P.S. to act as a successful commercial intermediary, projecting its values and effectively disciplining the operation of the market, it was essential that the Society maintained an appearance of cohesion and inclusiveness. By drawing support from different trades and sizes of business, these primary purposes could be addressed. In contrast, the Chamber of Commerce was an overtly 'political' organisation, created to represent the selective interests of those drawn into its elite. It performed rather as a pressure group, and acted to further its members interests but did not seek to provide any form of proactive service function such as the L.T.P.S. did with the debt collection or information services. The Chamber was solely a forum where the commercial elite of the town could express their personal concerns and facilitate strategies to resolve them through close interaction with other concerned individuals and also the civic and municipal elite of the town. The purpose of the Chamber was not actively to discipline or condition the operation of the market, but merely to adjust those trading conditions which directly affected individual members' interests, and hence explains why individual Chambers of Commerce were slow to adopt collective action and come together in the form of a national association.

The contrasting objectives of each organisation reflected their differing composition. An L.T.P.S. membership of 1,700 by 1888 compared with only 90 in the Chamber of Commerce.³ The members of the former were drawn from a broad base of large and small retailers and manufacturers and the latter represented the interests of larger manufactures, most of whom were drawn from the town's hosiery trade. For much of the century, some 60-70 per cent of the management committee of the Chamber were drawn from the textile trades (Tables 6.1-6.3) and it was not until the 1890s that representatives of the footwear trade and other industrial sectors gained positions of responsibility on the committee of the organisation with retailers only represented by one long-standing committee member.

³ Wright's, *Trade directory of Leicester*, 1888, 306.

Table 6.1

Occupational composition of L.T.P.S. committee 1870

	No.	Per cent
Textile trades	3	15.8
Shoe trade	1	5.3
Merchant/retail	12	63.2
Professional	3	15.8
Other	-	-

Source: L.T.P.S., *Directory of Leicester*, 1870.**Occupational composition of Chamber of Commerce committee 1870**

	No.	Per cent
Textile trades	19	63.3
Shoe trade	-	-
Merchant/retail	6	20.0
Professional	2	6.7
Other	3	10.0

Source: L.T.P.S., *Directory of Leicester*, 1870.

Table 6.2

Occupational composition of L.T.P.S. committee 1882

	No.	Per cent
Textile trades	3	16.6
Shoe trade	2	11.1
Merchant/retail	10	55.5
Professional	2	11.1
Other	1	5.6

Source: Wright's, *Directory of Leicester*, 1882.**Occupational composition of Chamber of Commerce committee 1882**

	No.	Per cent
Textile trades	20	74.1
Shoe trade	1	3.7
Merchant/retail	2	7.4
Professional	3	11.1
Other	1	3.7

Source: Wright's, *Directory of Leicester*, 1882.

Table 6.3

Occupational composition of L.T.P.S. committee 1895

	No.	Per cent
Textile trades	2	10
Shoe trade	4	20
Merchant/retail	9	45
Professional	4	20
Other	1	5

Source: Wright's, *Directory of Leicester*, 1894.**Occupational composition of Chamber of Commerce committee 1890**

	No.	Per cent
Textile trades	16	53.3
Shoe trade	4	13.3
Merchant/retail	4	13.3
Professional	3	10.0
Other	3	10.0

Source: L.R.O., DE 2334/2 Chamber of Commerce Minutes, 1890.

The dominance of the interests of the hosiery trade within the Chamber of Commerce reflected the influential position of many of the same men within the political elite of the town. This alignment of interests was marshalled by the likes of Alfred Burgess, John D. Harris and John Baines, all of whom were large hosiery manufacturers. By 1882 eight of the 14 aldermen in the Corporation and a further seven town councillors sat on the committee of the Chamber. The close relationships between the elite of the Corporation and that of the Chamber of Commerce points to the self-interest and nexus of political influence, if not direct power which was exercised by this group.

As soon as the L.T.P.S. was formed in 1849, the imbalance between the priorities and membership of the two organisations made for a somewhat ambiguous relationship. The

tension between the interests of large hosiery manufacturers who had formed the Chamber and the newly created L.T.P.S. was evident at the Society's inaugural meeting. The meeting supported a move to 'exclude any gentleman engaged in the local manufacture of the town from participation in its management.'⁴ Although hosiers were welcome to join, their influence and personal objectives were to be controlled. The *Leicester Mercury*, whose proprietor was a member of the Chamber described, these actions as 'sheer folly' and though 'a matter however of little consequence either to the manufacturer or to ourselves, but if the society is wished to be kept in existence - a more enlarged and liberal spirit must be manifested than such a resolution would seem to intimate.'⁵

This action by the L.T.P.S. was shrewd rather than foolish; it reflected the importance the Society attributed to maintaining an appearance of trust, integrity and impartiality. By contrast, the Chamber of Commerce made it quite clear in its preamble that its interests were pre-occupied with those of hosiery manufacturers. Formed by William Biggs, one of the most important hosiers and political figures in the mid-Victorian town, the Chamber was founded in order to 'discuss the common interests of manufacturers in relation to the threat from Chartism and be better positioned to approach the Board of Trade.'⁶ Such clear partisan concerns reflected the eagerness with which many hosiery manufacturers had sought to address the issue of Chartism. Biggs and his brother John were heavily connected with the Leicester Liberal party, and had fought and won the hotly contested municipal elections of 1845-46 on the issue of town improvement, the funding and nature of which had caused much division between the ratepayers of the town.⁷ Although many tradesmen and individuals within the Society may have supported the political actions and civic improvement of the Biggs' the decision to exclude the commercial elite from its management was intended to separate itself from the divisions of local politics. Thus as Chartism and the political upheaval of the 1840s subsided, the first Chamber of Commerce went into slow decline, and by 1854 the

⁴ *Leicester Mercury*, 10 November 1849.

⁵ *Leicester Mercury* 20 October 1849.

⁶ A. T. Patterson, *Radical Leicester*, (Leicester, 1954), 369.

⁷ A. T. Patterson, *Radical Leicester*, 167.

L.T.P.S. felt sufficiently secure in its management and objectives to nominally allow hosiery manufacturers on to the management committee for the first time.⁸

When the Chamber of Commerce re-emerged in 1860, its interests were still focused upon representing the commercial grievances of the hosiery elite of the town. Instead of the fear of the political and economic dislocation of Chartism, the new Chamber was formed solely to send representatives of textile manufacturers in the town to the tariff negotiations with France, which resulted in the Cobden - Chavalier Treaty of that year.⁹

The linkages between the conditions affecting the hosiery elite and the way in which they sought to utilise the Chamber to direct collective action can clearly be seen in the Chamber's relationship with the municipal corporation. These activities correspond with what Morris has identified as the 'externalities' of the market. Externalities have been defined as the

'relevant effects on production and work, which go wholly or partially unpriced. These include the costs of gaining access to work, and the workplace, by the employee, and dealing with the by-products of industrial growth such as pollution, as well the advantage gained by those businesses from improved communication and information links whether in the form of railways and postal services, or in the municipal case, roads and latterly telephone links.'¹⁰

A consideration of such largely urban externalities has pushed forward the debate about the intervention and role of the commercial community in the municipal governance of the nineteenth century town. Morris has argued that the stimulus for the development of the nineteenth century urban environment was not motivated by the desire to relieve social problems, nor to promote the personal standing of individuals, nor even enhance the civic identity of the town. Instead, he maintains that many infrastructural improvements and services provided by the municipal corporation were introduced in an attempt to compensate for the deficiencies of the market, often subsidised by the public purse.¹¹ These strategies complemented the way in which a local and private act of

⁸ L.R.O., DE 3848/4, L.T.P.S. Minute Book 1854-66, 9 February 1854.

⁹ *Leicester and County Chamber of Commerce centenary book, 1860-1960*, (Leicester, 1960) 3.

¹⁰ R. J. Morris, 'Externalities, the market, power structure and the urban agenda', *Urban History Yearbook*, 17, 1990, 103.

¹¹ R. J. Morris, 'Externalities, the market', 99-109; 'The state, the elite and the market': the visible hand in the British industrial city system', in H. Diederiks, P. Hohenberg, and M. Wagenaar, (eds.), *Economic policy in Europe*, 177-99; R. Rodger, 'Managing the market', 199-219.

Parliament could be used to create legal institutions such as the Courts of Request which could then be used to enforce the collective will of the market. In practice, the municipal corporation were drawn in to provide services - street lighting, sewage disposal, transport, street widening, policing, and eventually gas and electricity, - which offered a benefit to all but offered particular benefits to the business community.

Whilst it is clear that many of the market adjustments made by the L.T.P.S. cannot be considered as 'externalities,' some of the actions of the Chamber of Commerce definitely fall into this category. This was no more apparent than over the negotiations which surrounded the introduction of technical education to the town.

Stimulated by increased foreign competition and the growing use of tariff protection to protect the textile interests of many European manufacturers, the Chamber met in the later part of 1881 to discuss the establishment of a 'Leicester Technical School.'¹² The process commenced with visits to the technical schools of Bradford and Keighley supported by the circulation of 20 copies of *Technical Education in a Saxon Town* to politicians and other manufacturers within the town, in order to 'materially awaken interest in the subject.'¹³ By June 1882^{the} Chamber had established a technical schooling board which drew three members from each of the Town Council, the School Board, The Chamber of Commerce and the Governors of Wyggeston School. The case presented by the Chamber was sufficient to secure municipal support for the development of education in the hosiery trade. When that had been agreed, the Chamber's representative reported that they did not feel it necessary to push for schooling in other trades until the, 'practical results shall have been shown to the inhabitants of Leicester ..[who].. will be sufficiently public spirited to take up the matter on a more extensive scale.'¹⁴ Although other trade education was provided within the

¹² As an illustration the export values of woollen hose fell from £348,000 in 1861 to £288,600 in 1875. F. A. Wells, *The British hosiery and knitwear industry, its history and organisation*, (London, 1972), 149.

¹³ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 17 March 1882. Fear of technical superiority of German manufacturers operating from the Chemnitz area, stimulated the hosier W. T. Rowlett in 1885 to subsidise the translation of the Chemnitz Technical School textbook, *The technology of framework knitting*. B. Lancaster, *Radicalism, co-operation and socialism: Leicester working class politics, 1860-1906*, (Leicester, 1987), 6-7.

¹⁴ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 12 June 1882.

School when it opened, the initial capital finance from the Corporation had been based on support of education in the hosiery trade.¹⁵ This was a significant deflection of costs which was brushed over by the Chamber whose contribution of £100 was made by way of appeasement and was intended to 'have considerable weight in inducing the inhabitants of Leicester to support the movement.'¹⁶ This is clear evidence of the private benefits which individual members of the Chamber could accrue from the public subsidy of establishing technical education in the town.

The dominance of the interests of the hosiery trade within the Chamber of Commerce was not only a result of historical development but reflected the importance hosiery manufacturers placed upon the technological and manufacturing development of the trade in particular the switch to factory based production. For much of the century some 60-70 per cent of the management committee of the Chamber were drawn from the textile trades (Tables 6.1-6.3). This alignment of interests was marshalled by the likes of Alfred Burgess, John D. Harris and John Baines, all large hosiery manufacturers, who also held prominent positions amongst the political and cultural elite of the town. Thus in 1882, the year after the first soundings about technical education had been made, some eight of the 14 aldermen in the Corporation and a further seven town councillors sat on the committee of the Chamber. These figures stood in contrast to the two aldermen and four councillors on the committee of L.T.P.S., some whom were joint members from the Chamber of Commerce.¹⁷ The close relationships between the elite of the Corporation and that of the Chamber of Commerce points to the self-interest and nexus of political influence, if not direct power, which permitted the Chamber to subsidise some of the costs of technical education faced by its members from the public purse. This is clear evidence of the private benefits which individual members of the

¹⁵ E. P. Hennock, 'Technical education in England, 1850-1926: the uses of the German model', *History of Education*, 19, 1990, 299-332; G. W. Roderick and M. D. Stephens, *Education and industry in the nineteenth century*, (London, 1978).

¹⁶ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 25 July 1882.

¹⁷ Those who did cross between the two institutions often held only figure-head positions, T. T Paget M.P, a member of the banking family in the town was appointed as President of the L.T.P.S. and treasurer of the Chamber, with the mayor and other civic dignitaries appointed as honorary members. Those members who held an active role of the committee of both organisations were Henry Gee (shoe manufacturer) and R. P Swain (wholesale grocer.)

Chamber could accrue from the public costs of supporting the establishment of technical education in the town.

In the Chamber the small number of members, combined with the fact that many were also politically influential, produced an organisation geared to their specific interests. An indication of the political alliances can be seen in the frequency with which the municipal corporation sought advice or representatives on commercial issues from the Chamber of Commerce. The joint deputation, established by the Corporation in order to press for the establishment of a customs warehouse in the town, and the private consultation made with representatives of the chamber in order to identify suitable artisans to represent the interests of the town at the Paris Exhibition of 1879, were just two among many examples of the close alignment of Council and Chamber interests.¹⁸

The concentration of power and interest within the Chamber also made it less likely to seek to adjust or influence change on behalf of the whole market. Instead the sectional interests of its members, particularly hosiery trade issues, became the focus of much attention. Instead of focusing upon broad issues such as tariff reform the structure of free trade or the injustices of the laws of bankruptcy, the Chamber spent much of its time addressing the single issue symptoms rather than addressing the larger structural 'disadvantages' within the market itself. Examples included seeking action concerning the exporting of yarn to India, or the availability of pattern books for the India trade, opposing regulation of wages in the hosiery trade, airing complaints over the size of new pattern military sock and tunic, and seeking permission to reproduce the civic arms of Leicester in a textile trade exhibition held in Moscow.¹⁹ Even when the Society dabbled its woollen socks into broader issues the specific interests of its members were evident. This was reflected in the vigorous opposition it mounted in order to preserve the local implementation of the 1890 Public Health Act. This Act gave municipal authorities the right both to regulate and punish with a fine the inappropriate disposal of water and waste into public-authority sewers. In a defensive measure intended to prevent the

¹⁸ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 2 January 1873; 12 June 1878; 9 June 1879.

¹⁹ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 12 June 1871; 7 June 1876; 7 December 1892; 10 June 1874.

'strict enforcement of this provision, which would paralyse all the trades and manufactures of the town'²⁰ the Chamber successfully persuaded the Council to establish a board of arbitration to discuss the matter. Other incidents, such as the manner in which the Chamber approached the Post Office with regard to the regularity of postal services throughout the town, or problems with the timetabling and provision of trains to destinations such as Halifax, Bradford and London also exposed the agenda which lay at the centre of the organisation.²¹

The L.T.P.S. appear to have also recognised the influential position of the Chamber within the locality. The deference shown towards the Chamber of Commerce with regard to many local issues, reflected the domination and wider influence which the Chamber held within local political and cultural life. As a result, the Society often found it prudent to approach the Chamber of Commerce for the legitimisation of its concerns at the local level. One example occurred in December 1881 when the Chamber was approached for support over a call to seek a reduction in local telegraph rates. Unfortunately the Chamber found little wrong with the existing system and the matter was dropped. Similarly, in 1888, a request to help establish a 'weekly commercial exchange' in the town was forwarded to the Chamber with the suggestion that a joint deputation be assembled and the mayor approached on the issue. In response, the Chamber reported that 'most [members] were of the opinion that it was unnecessary' and L.T.P.S. proposal was abandoned. Other local situations where the Society sought collaboration with the Chamber included issues such as postal rates, problems with the frequency of trains, the necessity of establishing a joint passenger station within the town, telephone services and the necessity of using the influence of the committee of the Chamber in order to persuade the railway companies to supply a printed list of freight costs, something which they had hitherto been unwilling to provide.²²

The difference of key personnel and attitudes between the Society and the Chamber reflected their differing internal priorities. Where the Society saw itself as a self-

²⁰ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 12 September 1890.

²¹ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 26 February 1889.

²² L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 15 December, 1882.

appointed intermediary, established to regulate or discipline the whole of the market, the Chamber functioned to address the sectional interests of its small number of elite members. As a result, for most of the century the best interests of the Society were maintained by keeping a discrete distance from the personnel and actions of the Chamber of Commerce. Undoubtedly joint members existed. However it is important not to lose sight of the fundamental differences between the two organisations - one a trade organisation, albeit very influential, and the other a market regulator, seeking to condition the behaviour of a diverse range of firms and consumers who acted with the urban economy.

At the local level the success of the Society was dependent upon its projection of an image of trust, integrity and impartiality within commercial relations. In part, this was achieved through the Society's services, (debt collection and information dissemination) but was also complemented by the way in which the Society established itself as an industrial intermediary, utilising its professional management structures and purpose built offices to broker negotiations within the small firms who made up the town's emerging footwear trade. After their creation in the 1870s, both the Leicester Boot and Shoe Manufacturers' Association and the Board of Arbitration of the Shoe Trade chose to appoint W.H. Chamberlin as administration secretary, and used the New Street premises as the venue for trade meetings and negotiations. These actions permitted the Society to build upon its reputation as the bastion of permanence, commercial dependability and integrity within the town as it successfully appealed to the representatives of both capital (small footwear manufacturers) and labour (trade union representatives.) After 1891 this position at the physical centre of the negotiations between capital and labour within the most important industry of the town began to be eroded as negotiations between the national associations and the trade union movement began to be conducted centrally. Although the offices of the L.T.P.S. were used for negotiations during the industrial disputes of 1895 the intermediary status of the Society was beginning to be by-passed by the shoe trade. In 1896 the Society's role was further squeezed following the

introduction of a government sponsored Conciliation Board and in 1899 the physical connection with the trade associations of the footwear trade was finally severed.²³

The strength of these actions were that they were intended to be inclusive. Although the vested interests of committee members such as J. J. Preston and W. Stanyon played a part in stimulating the intervention of the Society, these events stood in sharp contrast to the closed world of the Chamber of Commerce.²⁴ By providing the arena, administrative structure and means through which the producers of the footwear trade could communicate with each other and the representatives of labour, the Society made itself invaluable. This was particularly important within the footwear trade which, characterised by 'its artisan mode of organisation and lack of centralisation',²⁵ made it important to bring together producers and provide a way of establishing or disciplining market behaviour. Thus the facilities provided by the L.T.P.S. provided a means, where at least up until the late 1880s arbitration and negotiation in the shoe trade was marked by personal friendship and collaboration.

The L.T.P.S. sought to adjust trading conditions which were far less specific than self-interests of the Chamber of Commerce. The interests of the Society were based upon conditioning individuals towards accepting the boundaries of market relations as drawn up by the Society, and made it important to steer clear of undue political involvement. Consequently, although there was a general support for the ideas of liberalism, within the Society the political elite were generally confined to a figurehead.^{role} The necessity of embracing the interests of all was reflected in the carefully chosen words given at the triennial meeting of the Society by the mayor, William Kempson, in 1874. Although a

²³ Until the mid 1880s relations between representatives of capital and labour were largely cordial. E. Brunner, 'The origins of industrial peace: the case of the British boot and shoe industry', *Oxford Economic Papers*, 1, 1949, 247-60.

²⁴ The Boot Manufacturers' Association was formed to 'promote the general interests of the boot trade.' Although none of the L.T.P.S. committee was active in the Association, by 1882 a committee member, William Dicks was its treasurer. By 1888 the arbitration board included John Bradshaw, a business partner of George Payne, who was on the committee of the L.T.P.S., T.T. Paget referee of the board and president of the L.T.P.S. and Edward Kell, vice president, board member and president of the National Union of Boot and Shoe Operatives. Wright's, *Directory of Leicester*, 1882: 271, 1888: 307.

²⁵ B. Lancaster, *Radicalism, co-operation*, 46; E. Brunner, *Origins of industrial peace*, 253-55.

long-standing member of the committee of the Chamber of Commerce, he was also an ordinary member of the Society and chose to address the

‘common interests of members large and small ... [where in order to produce] ... a good working Corporation, all the respectable men on both sides, who had feeling for the good of the town, should meet and select good men in different wards, and try to return them to maintain the respectability of the town.’²⁶

Market conditions, interest groups and gas appliances

The range of both business types and sizes explains the detached attitude of the Society to single interest trading conditions. On only one occasion did the Society betray its status as market intermediary when it acted to intervene on behalf of one specific interest group. This occurred in June 1880 when the Society undertook to present a petition signed by 33 ironmongers, gas fitters and whitesmiths, who called upon the Gas Committee to reverse the recent decision of the Town Council to become more actively involved in the promoting the sale of gas appliances.²⁷ The petition followed the recent exhibition of ‘gas cooking and heating stoves, gas engines, burners and other appliances,’ held in the Floral Hall. It had been sponsored by the Corporation with the express purpose of showing ‘the advantages and economical use of gas and water for domestic and manufacturing purposes.’²⁸ Described as a ‘great success’, in which a ‘large number of stoves sold to the public by the exhibitors,’ of whom only one representative from the ironmongers and gas fitters of the town had been in attendance.

Corporation involvement in gas supply first occurred in 1878 when, after poor management decisions and a struggle to find the necessary investment required to match the urban expansion of the city, a controlling share in the company was purchased by the Town Council.²⁹ As had happened in many other towns, Corporation involvement in these infrastructural services was welcomed in Leicester. Municipal trading whereby the council took a role in the operation of profit making services such as the provision of gas, water and latterly electricity and transport had been welcomed by many business and

²⁶ L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1866-80, 26 January 1874.

²⁷ L.R.O., CM 1/17, Leicester Corporation Council General Minute Book, 31 August 1880.

²⁸ *Leicester Daily Post*, 9 April 1880. On the issue of appliance trading see, F. Goodall, ‘Appliance trading activities of British gas utilities, 1875-1935’, *Economic History Review*, 46, 1993, 543-57.

²⁹ D. E. Roberts, *The Leicester gas undertaking, 1821 - 1921*, (Leicester, 1921), 6.

ratepayers.³⁰ Municipal investment deflected the external costs of the infrastructure from the private purse and generated profits which could be used to subsidise council expenditure in other areas and relieve the burden placed upon ratepayers.³¹

Council involvement in the renting of gas appliances fitted into this mould of public benefits and financial prudence. By subsidising the provision of gas stoves to the general public, the Council found one way of making use of spare gas production by encouraging off-peak demand. The latent demand for these actions was reflected in the take up of appliances after the exhibition. In April 1880, the Council successfully leased 61 stoves; by June this had increased to 207 and by December 367.³² Much of the credit for popularising the spread of gas cooking in the U.K. was attributed to the work of Alfred Colson, manager of the Leicester Corporation gas department after 1882, who within a year of his appointment wrote a booklet, *The economy and other advantages of cooking by gas* which was widely used by other municipal undertakings.³³ In Leicester, the annual hire charges of between 2s. - 10s. or 10-11 per cent of the costs of the appliances, varied little from those charged by other Corporations. However with no specific provision for installation, servicing spares or renewal, the hiring charge,

³⁰ R. Millward and S. Sheard, 'The urban fiscal problem, 1870-1914: government expenditure and finance in England and Wales', *Economic History Review*, 48, 1995, 505.

³¹ The actual contribution of gas profits to rate relief should not be exaggerated. Between 1881-83 profits amounted to an annual average of only £13,000, which rose to £17,500 per annum between 1897-99. L.R.O., *Annual Financial Reports of Leicester Corporation*, 1881-1900. On the issue of municipal trading see; J. R. Kellett, 'Municipal socialism, enterprise and trading in the Victorian city', *Urban History Yearbook*, 1978, 36-45; E. P. Hennock, 'Finance and politics in urban local government in England, 1835-1900', *Historical Journal*, 6, 1963, 212-25; R. Millward, 'From private to public ownership of gas undertakings in England and Wales, 1851-1947: chronology, incidence and causes', *Business History*, 35, 1993, 1-21; R. Millward, 'The emergence of gas and water monopolies in nineteenth-century Britain: contested markets and public control', in J. Foreman-Peck, (ed.), *New perspectives on the Victorian economy*, (Cambridge, 1991), 91-124. Between 1878 and 1900, Corporation gas production rose from 517 million cu ft to 1,729 million cu ft, a figure matched by pipelines which grew from 90 miles of main to 202 miles which facilitated an expansion of the consumer base from 19,000 to 45,500., L.R.O., CM 1/34 Leicester Corporation General Minute Book, 30 July 1901.

³² L.R.O., CM 18/1 Leicester Corporation Gas Committee Minute Book 1878-85, April 1880-December 1880.

³³ F. Goodall, 'Appliance trading', 543-57. After the arrival of Colson stove hire expanded from 650 in December 1882 to 2,500 by December 1885. By 1903 four out of five houses with a gas supply leased a stove from the Corporation. L.R.O., CM 18/1 Leicester Corporation Gas Committee Minute Book, 1878-85.; private correspondence with Dr F. Goodall, Business History Unit, London School of Economics. On Colson see, D. J. Jeremy (ed.), *Directory of business biography*, Vol. 1, (London, 1984), 753-4.

therefore, involved considerable cross-subsidy from the price of gas.³⁴ It was objection to this which had prompted the ironmongers of Leicester to pursue their grievances and resubmit their petition to the Town Council in August 1880:

'To the Town Council of the Borough of Leicester. We the undersigned Ironmongers, Gas fitters &c of this town request the Council to take into consideration the action of the Gas Committee in letting out Gas and Cooking stoves on hire, which injuriously affects us as a large body of ratepayers. At the extremely low rates charged for the use of the stoves, it is impossible for us to compete with them, and as a representative body elected by the ratepayers to protect their interests we think that it is establishing a precedent of a very dangerous character and one which few of the ratepayers if it were fairly placed before them would support. Having been induced under a false impression to purchase large stocks we were disposed to do all we could to further the avowed interest of the committee viz. the increased consumption of gas when the circular of the Corporation was issued extinguishing our trade in that direction. We feel that the council has never discussed the question or they would not have consented to a course so utterly opposed to commercial usages.'³⁵

The intentions of these petitioners was two fold: firstly, they sought to assert their moral authority by criticising the Council for under-pricing and, therefore, not acting in the best interests of ratepayers; and secondly, for threatening the viability of their own trading conditions. These criticisms reflected similar opinions outside the town. In 1882, the *Ironmonger* argued that gas undertakings were 'employing their capital and organisation to further their own interests .. in letting out stoves on hire, they are not invariably doing what is prudent and wise.'³⁶ After correspondence with the gas department manager, the Council launched an 1,800 word rebuttal of these criticisms rounding off with their own attempt to legitimise council practice by espousing the values of the market:

'The course pursued by your committee is one which they venture to think would not be omitted in private business enterprise- it is pursued by other corporations owning gas works and the opinion of your committee has been and is that this large undertaking should be managed on behalf of the general ratepayer on purely business principles.'³⁷

³⁴ F. Goodall, 'Appliance trading', 547. By 1903 the Leicester Corporation just covered the cost of repairs with receipts from rental charges, but set aside £8,285 for depreciation against the capital outlay of £72,000.

³⁵ L.R.O., CM 18/1, Leicester Corporation Gas Committee Minute Book, 10 August 1880. The names of the 33 petitioners are reproduced in Appendix 6.1.

³⁶ *Ironmonger*, 20 May, 1882; quoted in F. Goodall, 'Appliance trading', 547.

³⁷ L.R.O., CM 1/17, Leicester Corporation General Council Minute Book, 31 August 1880. A transcript of this answer can be found in Appendix, 6.2.

Although, the ironmongers of the town may have had some legitimate grounds for complaint, their tirade against the Town Council was weakened by the deficiencies of their own actions. At the Floral Hall exhibition of 1880, manufacturing companies, ironmongers and other retailers had been successfully attracted from other local and more distant towns such as Nottingham, Derby, Birmingham, West Bromwich and London. Yet the 'exhibition was not taken up heartily by local fitters and ironmongers as was done at Nottingham and other towns'³⁸ and only one ironmonger, who later signed the petition (James Bellaers), had taken space at the exhibition. The failure of tradesmen to identify a latent demand for gas appliances was also observed elsewhere. For instance, in Glasgow in 1885, town councillors sought to justify municipal intervention in gas trading on the grounds that no ironmongers in the city were selling gas appliances and that if, 'they waited until the ironmongers of Glasgow educated the people, they would wait until doomsday.'³⁹

Although the L.T.P.S. committee backed the petition and the Society's solicitor represented the memorialists at the August Council meeting, it would appear that these actions represented one of the few clear examples of individual self-interests overtaking the collective interest of the Society. Two clear pieces of evidence support this contention: firstly, the involvement and actions of J.D. Paul, a prominent ironmonger, member of the Society, and a leading signatory to the petition; and secondly, the decision of the Society to switch investments from private companies into Corporation stock.

In terms of personnel. J.D. Paul appears to have been influential, if not solely responsible, for persuading the Society of the ironmonger's cause. John Dennis Paul, proprietor of 'Cort & Paul' and one of the primary manufacturing ironmongers and builders merchants in the town, was a long-standing and active member of the L.T.P.S. In the 1870s he had been both secretary of the Society and was appointed to represent the interests of members at the Select Committee on imprisonment for debt in 1873. By 1880 his respected status had ensured his long-term place on the committee of the

³⁸ L.R.O., CM 1/17, Leicester Corporation General Council Minute Book, 31 August 1880.

³⁹ F. Goodall, 'Appliance trading', 547.

Society, and in 1882 he was appointed joint vice-president, a post he held until his death in the late - 1890s. It was Paul who first introduced a four man deputation of ironmongers to the Society on 3rd June 1880 and was first signatory to the final petition presented to the Gas Committee and Council in the summer of 1880. Such activity stood in contrast to his failure to act upon the notice of the intent to trade in gas appliances published in January 1880,⁴⁰ of which he had been 'personally told of the intention of the gas committee', and his failure to attend the trade exhibition held in April.⁴¹

That Paul had successfully manipulated the support of the Society directly in order to further his own interests is supported by the simultaneous investment decisions made by the Society. If the stinging criticism of the conduct of Corporation business and the development of municipal trading was so roundly condemned by the Society and its membership why, then, was the decision taken late in 1880, to release the £1,200 of capital the Society held in North Western Railway debenture bonds and to reinvest it in equivalent Leicester Corporation Stock?⁴² The investment patterns of the Society reveal the importance of long-term security and growth. Corporation stocks, prudently managed provided little long-term uncertainty. Similarly, the only private stocks which the L.T.P.S. held were those of the Midland Railway Company, the largest listed company in the country, and a low risk environment for the Society's funds.

Two clear conclusions can be drawn from this investment evidence and the information on individual and collective intervention at the local level as discussed earlier in the chapter. Firstly, in the locality the importance of preserving the intermediary status of the Society, superseded the singular interests of individual members. In order to preserve an image of trust and integrity, the Society had to steer a careful course by maintaining a distance from other more partisan commercial bodies, such as the Chamber of Commerce and the local political elite. This meant it had to be selective in its co-operation with these groups, entering or withdrawing from debate as and when was

⁴⁰ L.R.O., CM 18/1 Leicester Corporation Gas Committee Minute Book, 13 January 1880.

⁴¹ L.R.O., CM 1/17, Leicester Corporation General Council Minute Book, 31 August 1880.

⁴² L.R.O., DE3848/5, L.T.P.S. Minute Book, Annual Reports, 1881-85.

expedient. Such evidence of shrewd strategy stands in contrast with the blunt attempt at intervention into appliance trading in 1880 and supports the assertion that events in 1880 were something of an aberration, manipulated by one prominent individual, J.D. Paul. Thus for the remainder of the century there remained a clear divergence between the actions of the Society and those of specific trade groups within the town. Trade associations, created to represent the interests of groups such as butchers, bakers, grocers, drapers and travelling salesmen were all formed in the 1880s and 1890s. However as individuals, many of these petty shopkeepers and manufacturers remained affiliated to the L.T.P.S. It offered them the advantage of plugging into the connections and market information and these together outweighed the disadvantages of adhering to the market discipline imposed by the Society. The diverse membership and interests of the Society, therefore, directed the collective influences of the Society towards addressing the structural problems of the market. Specifically, this meant the reform of the laws which governed the control and operation of business relations, particularly, those where the Society's expertise was focused, namely the operation of the County Court system and reform of the laws of bankruptcy and insolvency.

Political lobbying, collective action and the National Association of Trade Protection Societies

In order to influence changes to the law the Society had to be able project its voice into the arena of Westminster politics. Although individual trade societies such as the L.T.P.S. were on occasion prepared to attempt to act alone in seeking the ear of prominent individuals such as the President of the Board of Trade or the Lord Chancellor, it was recognised that the best means to lobby Parliament was to collaborate with other like-minded organisations. This was recognised by the nascent L.T.P.S. whose inaugural constitution of September 1849 drew attention to the enhanced national influence which mutual collaboration could be expected to bring to regional organisations.

'By the concurrent operation of Societies generally established ... in constant communication with each other, their influence upon the legislature would be felt; while attention to the local duty of protection from fraud would preserve the vitality and interest of the members, when no such general topics demanded their notice.'⁴³

⁴³ L.R.O., DE 3512/1, L.T.P.S. Inaugural Circular, 26 September 1849.

To improve political access, to gain influence and ultimately to have an impact on policy it was necessary to concede a measure of autonomy for individual members of regional Trade Protection Societies. These arrangements were originally founded with the purpose of extending co-operation with other Societies so local societies could exchange commercial information on businesses or conditions outside the locality. The resultant organisation, the National Association of Trade Protection Societies [hereafter A.T.P.S.], was formed as an umbrella organisation.⁴⁴ However in addition to its stated aims of 'extending the principle and benefit of a trade protection society' and exchanging commercial information, the A.T.P.S. also recognised its duty to 'promote or oppose as may be necessary the passage through Parliament of measures calculated to affect the interests of the trading community.'⁴⁵

This collective voice echoed loudest in the halls of Westminster where the A.T.P.S. was frequently involved in the lobbying on behalf of its members. These actions were an effort to reproduce the strategies of earlier collective associations, such as the Anti-Corn Law League, the National Education League and the Liberty and Property Defence League, all of which were formed from the 1840s. They sought to utilise the increased political power of the middle-class to pressure Parliament to enact specific reform.⁴⁶ One of the features of the collective formation of A.T.P.S. was the early date in the late 1840s when it was created. This stands in contrast with the rather lethargic adoption of collaborative action by other business groups. In his study of the evolution of the structure of company law and insolvency arrangements in the nineteenth century, Markham-Lester and others have placed great emphasis upon the impact of the influence of the Association of Chambers of Commerce. Yet, although most of the meetings 'in its first twenty years, discussed at length the current status of bankruptcy law', the

⁴⁴ See Chapter 5. This Society was originally formed as the Association of Trade Protection Society Secretaries, with the intention of bringing together the professional representatives of a number of regional societies. However by 1866 interest and representation amongst these Societies was thought to be sufficiently established to permit representation by ordinary committee members and the A.T.P.S. was formed. L.R.O., DE 3512/25, Minutes of the First meeting of the National Association of Trade Protections, 30 May 1866.

⁴⁵ L.R.O., DE 3512/25, Minutes of the First meeting of the National Association of Trade Protection Societies, 30 May 1866.

⁴⁶ See Chapter 2, in relation to the formation of the L.T.P.S.. H. L. Malchow, 'Victorian pressure groups: directions for research', *Albion*, 1973, 107; D. A. Hamer, *The politics of electoral pressure: a study in the history of Victorian reform agitation*, (London, 1977), vii.

organisation was not formed until 1860: ten to fifteen years after the trade protection societies first began collaborating at a national level.⁴⁷

Explanation for this early emergence can be found in the fact that collaboration within the Trade Protection Society movement provided more than a means of lobbying Parliament. Negotiations under the umbrella of the A.T.P.S. mapped out the rules for the practical exchange of commercial intelligence between regional societies which was difficult to accomplish in one on one negotiations between different Societies. In short, immediate self-interests were sacrificed for greater long-term gains. Correspondingly, the Association of Chambers of Commerce was late to emerge because the collective interests of members were not fired until a political injustice, the costs and deficiencies of the bankruptcy law, prompted their cause in 1860. Moreover, this emphasis on self-interest was reinforced by the absence of the Leicester Chamber from the ranks of the national association until March 1880. The commercial elite in Leicester who ran the Chamber felt sufficiently empowered to manipulate trading conditions which concerned them, without having to compromise by joining with the national association until 1880.⁴⁸

At the national level, the topics which the A.T.P.S. focused upon reflected those concerns which institutions such as the L.T.P.S. sought to project at the local level. As market intermediaries the primary value of these Societies was to promote an adherence to market discipline. Consequently, whilst Societies on occasion were prepared to intervene to readjust those conditions which affected their local members, it was expedient to remain largely quiescent. In order to project its values the trust of the commercial community had to be retained; specifically avoiding undue involvement with the interests of any one trade sector or political grouping, and instead focusing upon collective influence to address some of those market imbalances which were common to

⁴⁷ V. Markham-Lester, *Victorian insolvency: bankruptcy, imprisonment for debt, and company winding up in nineteenth century England*, (Oxford, 1995), 5; A. R. Illersic and P. F. B. Liddle, *Parliament of commerce: the story of the Association of British Chambers of Commerce*, (London, 1960).

⁴⁸ L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 10 March 1880. In March 1872 the Leicester Chamber rejected the personal appeal from an agent of the Association of Chambers of Commerce to reconsider the 'propriety of joining them.' L.R.O., DE 2334/2, Leicester Chamber of Commerce Minute Book, 13 March 1873.

all businesses. This naturally meant a concentration upon the rule of law and the use of collective influence at the national level, lobbying both the law makers (politicians) and the law facilitators (Lord Chancellor and judges).

The co-ordinated approach can be clearly seen in the circumstances which surrounded the presentation of the Association's evidence to the Walpole Select Committee investigating the abolition of imprisonment for debt in 1873. As noted in Chapter 3, this issue was close to the heart of the Protection Society movement which perceived imprisonment for debt as the only deterrent to prevent debtors from arbitrarily defaulting upon the repayment of cash loans or credit agreements. Jones has demonstrated how parliamentary committee recommendations, which were often based upon the testimony of witnesses, were the 'driving force for legislation and the basis of parliamentary debate.'⁴⁹ The Select Committee began its enquiries in the autumn of 1872 and a special meeting of the A.T.P.S. was convened at which regional Societies were called upon to 'take whatever action they may deem necessary to secure evidence in opposition to the abolition of debt imprisonment and to submit the same to the Select Committee now sitting.'⁵⁰ The Select Committee invited the A.T.P.S. to present three representatives before the committee, one of whom came from the Leicester Society. Throughout the weeks in which the enquiry sat the A.T.P.S. maintained close connections with some of the sitting members and attended many of the hearings in public session. This allowed Mr Mellors, Secretary of the Association to collate a daily report which was then telegraphed to the respective regional societies. In this way those Societies which were preparing testimony, such as the L.T.P.S., could adjust and redirect their lines of argument in response to the direction of the enquiry.⁵¹ The fragmentary evidence of many of these dispatches suggests that much attention was directed towards tracking the questions of Thomas Bass, 73 year old Liberal M.P for Derby. Bass exercised a 'lively concern in questions relating to the welfare of the working classes' which had seen him enter two earlier parliamentary motions which called for the abolition of imprisonment

⁴⁹ S. Jones, 'The professional background of company law pressure groups', *Accounting, Business and Financial History*, 7, 1997, 234.

⁵⁰ L.R.O., DE 3848/5 L.T.P.S. Minute Book, 1866-80, November 1872.

⁵¹ L.R.O., DE 3512/25, Minutes of the National Association of Trade Protection Societies, November 1872.

for debt.⁵² These actions are evidence of collective collaboration writ large. Each regional society suppressed its self-interest and addressed what they perceived as a common threat - the effective regulation of market relations.

The strength of the A.T.P.S. lay within its membership. By 1881 it listed some 34 Societies as members. These stretched from the expanding resort towns of Hastings and Great Yarmouth, to the larger manufacturing and commercial centres of Manchester, Leeds, Halifax and London. Within the A.T.P.S. the Leicester Society appears to have had a considerable influence. This advantage appears to have been founded upon its own professional management structure, expanding membership and new premises and position at the centre of the country. As a result by 1878, ten years after the restructuring of the administration of the Society, Joseph Roberts, wholesale grocer and honorary secretary of the L.T.P.S. was appointed vice-president of the Association.

These developments reinforced the strength of the L.T.P.S. in those areas where its interests lay. A toe-hold within the National Association enabled the Leicester Society more effectively to project its influence and value systems upon other regional societies and, perhaps more importantly, direct the agenda for collaborative action. For instance, the nomination of J.D Paul as representative of the A.T.P.S. to give evidence to the Select Committee of 1873, or the resolution to create bankruptcy departments and petition the Lord Chancellor.⁵³ These actions connected with the development of the Societies activities at the local level where attention was directed more towards conditioning and refining the rules or boundaries of the market, rather than directing all attention to the exploitation of market conditions on behalf of specific interest groups.

The issue of collaborative action and the readjustment of market regulation is best seen in the approach of the L.T.P.S., and by extension the A.T.P.S., to the issues of

⁵² *Concise dictionary of national biography*, (Oxford, 1992), 167.

⁵³ L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1873; 1880. Other examples of the L.T.P.S. taking the national initiative, included the resolution which supported Chamberlain's Bankruptcy Bill in 1882, as 'the best of the numerous ... bills which have been introduced for many years.' L.R.O., DE 3848/6, L.T.P.S. Minute Book 1882. Other proposals which the L.T.P.S. initiated included a call for the 'registration of private arrangements, extension of jurisdiction of the County Court and reduction in its fees; registration of County Court judgements of £5 and over.' L.R.O., DE 3848/6, Annual Report 1884.

bankruptcy law reform. These issues were particularly apparent during the period between 1869 and 1883 when the deficiencies of the existent bankruptcy law prompted co-ordinated action on the part of the national association and at a local level saw the L.T.P.S. initiate its own systems of monitoring and representation intended to overcome the immediate deficiencies of the law.

Regulating the market: the L.T.P.S., bankruptcy and personal insolvency, 1861-87

In simple terms the law of bankruptcy is no more than a subtle way of regulating the market.⁵⁴ Just as the County Court and the procedures of Small Debt recovery provided a guide-line for minimum standards of personal and commercial behaviour, so the laws of bankruptcy and the related personal and private forms of insolvency (composition, liquidation, private arrangements and administration orders) were formulated as a market control mechanism. Studying the activities of the L.T.P.S. sheds light on how, and in whose interests, this control operated at a local level. Rodger has argued that the 'streamlining and standardisation of' of the laws of bankruptcy (in this case in Scotland) were 'methods of advancing market unity. Expeditious bankruptcy proceedings produced a more efficient market, weeding out the inefficient producers before permanent damage to the market was experienced.'⁵⁵

By contrast, between 1869 and 1883 the English (and Welsh) bankruptcy laws were formulated to have virtually the opposite effect to their counterparts in Scotland.⁵⁶ Instead of streamlining or weeding out the weaker businesses with little damage to other business and the market in general, the bankruptcy law provided a cover under which unscrupulous traders, weak business or duplicitous creditors could shelter from the legitimate claims of other businesses. Culpability for the weakness of the law in the period can be traced to the collective influence of the commercial community in the preceding period when, from the 1850s onwards, pressure group action from

⁵⁴ R. Rodger, 'Managing the market', 204; V. Markham-Lester, *Victorian insolvency*, 2; J. Foreman-Peck, 'The 1856 Companies Act and the birth and death of firms' in P. Jobert and M. Moss, (eds.) *The birth and death of companies: an historical perspective*, (New Jersey, 1990), 33-4.

⁵⁵ R. Rodger, 'Managing the market', 205.

⁵⁶ For a analysis of the trends and developments of the nineteenth century insolvency law see V. Markham-Lester, *Victorian insolvency*; W. R Cornish and G. de. N. Clark, (eds.), *Law and society in England 1750-1950*, (London, 1989), 230-7.

organisations such as the Association of Chambers of Commerce or the National Association for the Advancement of Social Science, supported by petitions and support from other trade organisations including the L.T.P.S, were successful in readjusting the administrative thrust of the bankruptcy law. It is not necessary to relate the complexities and nuances of the differing bankruptcy laws except to identify the defining characteristic which resulted in collapsed effectiveness of the bankruptcy law between 1869-1883. This was the rise of what was termed as 'unofficialism.' This referred to the role, or lack of it, played by judicial representatives within the bankruptcy system. Unofficialism saw the withdrawal of the court and court officials from the examination and hearing of bankruptcy processes. This was carried out after pressure from the commercial community in the belief that the cheapest and most efficient means of administering and auditing the estate of an insolvent was to leave affairs in the hands of those businessmen directly involved.⁵⁷

Although the role of the state was recognised as essential in order to preserve the moral authority of the bankruptcy law, by the 1860s collective representatives of the business community were increasingly calling into question the validity of the government agent overseeing the bankruptcy process. Although the plea for an amendment to the bankruptcy law was often justified by reference to the principles of *laissez faire*, i.e. the state to have as little direct intervention within the performance of the law, the real reasons were more prosaic. In short, the retreat from officialism in 1869 was controlled by costs. Business interests believed that the role played by the official government agent was inefficient and imposed an unnecessary financial burden upon the estate of a bankrupt. Thus, removing the official agent from the process and permitting the process to be managed entirely by self-interested creditors introduced efficiency into the process and would therefore permit more of the value of the final estate to be divided up between legitimate creditors.

This was the simplified system. It was what the collective petitions presented by the A.T.P.S., had called for, and which Bill the L.T.P.S. observed 'with pleasure' was

⁵⁷ V. Markham-Lester, *Victorian insolvency*, 123-69.

passed in February 1869.⁵⁸ However, in removing the role of the state official from the bankruptcy process, the law provided a loophole for unscrupulous businesses and individuals to exploit and so avoid the attention of their creditors. These problems were particularly apparent in cases of liquidation and composition by resolution. Such agreements did not require a trustee's accounts to be audited, or permit judicial inspection of the case before official discharge. Consequently the event often developed into a process for whitewashing whereby friendly creditors would agree to meet at an inconvenient time and place and proxy nominations would be accepted without evidence. A friendly trustee would be nominated who would then proceed to waste the value of the insolvent's estate on imaginary fees and charges, before the estate was closed and the bankruptcy discharged without any formal audit. All these matters were compounded by the fact that the only official notification required was a brief notice hidden away within the pages of the *London Gazette*.

Clear evidence for the exploitation of these loopholes can be seen in the trends within the statistics for insolvency settlements at this time (Table 6.4). Aggregate bankruptcy levels (column 2) show a degree of cyclical fluctuation, declining in the period up to the mid-1870s, then rising until 1879 and declining after. Yet, the pattern of privately managed liquidations and compositions (columns 3-4) appears to have been increasing progressively in usage rather than following these other sort-term cycles. This switch to private settlement, rather than public inspection, would appear to have been most pronounced in the trough of the depression in 1879-80. The attraction of private settlement at this time is understandable, neither the insolvent nor his favoured creditors wishing to reveal their degree of debt and exposure to the public scrutiny of a formal bankruptcy inspection.

These figures can act as no more than a secondary indicator as to the way in which creditors, both large and small, sought to exploit the inadequacies of the bankruptcy law for their own advantage. However, the strategic manipulation of the law in these cases (by definition businesses and individuals with liabilities over £50) should be no surprise. If those small firms and domestic consumers who were brought before County Court

⁵⁸ L.R.O., DE 3848/5 L.T.P.S. Minute Book, 1866-80, February 1869.

were aware of how the system operated, and how it could be manipulated to defer or avoid the repayment of debt, then we should expect that larger debtors would exploit similar loopholes when presented with defective legislation.

Table 6.4

Bankruptcies, Compositions and Arrangements all County Courts, England and Wales, 1870-82*

Date	Bankruptcies	Liquidations by Arrangement	Composition with creditors
1870	1,032	1,700	1,329
1871	943	2,446	1,734
1872	684	3,202	1,696
1873	640	3,516	1,790
1874	656	3,865	1,871
1875	655	3,718	1,988
1876	682	4,501	2,573
1877	699	4,776	2,753
1878	829	5,704	3,273
1879	850	6,566	3,930
1880	715	9,677	2,936
1881	675	4,710	2,749
1882	673	4,096	2,474

*Does not include London.

Source: *General Reports by Comptroller of Bankruptcy*, 1870, 1871, LVIII.1; 1871, 1872, L.1; 1872, 1873, LIV.1; 1873, 1874, LIV.1; 1874, 1875, LXI.17; 1875, 1876, LXI.7; 1876, 1877, LXIX.23; 1877, 1878, LXIII.15; 1878, 1878-79, LIX.1; 1879, 1880, LIX.1; 1880, 1881, LXXVI.1; 1881, 1882, LIV.II. Tables 2, 9, 10.

Unlike many of the commercial associations and trade organisations which had successfully lobbied for the introduction of the 1869 act, the Trade Protection Society movement reacted to the unforeseen manipulation of the bankruptcy law in two ways. Firstly, in accordance with its earlier practices and those of other trade bodies, it re-engaged contact with politicians at the national level with the renewed intention of seeking a readjustment of the statute. Secondly, in a unique action, the A.T.P.S., prompted by a resolution proposed by the Leicester Society, sought to impose its own moral authority over unscrupulous debtors and creditors, by establishing a physical presence during the insolvency process. These acts, which usually involved posting a representative of the Society at the first meeting of creditors, or pre-planning creditors responses before the first official meeting, were acts which took the Societies beyond addressing the inadequacies of legislation and into the active realignment of the market and its members' interests at the local level.

In Leicester, the first signs of dissatisfaction with the existing system were apparent in 1874 when the L.T.P.S. forwarded a number of commercial suggestions to the office of the Lord Chancellor with regard to remedying the deficiencies of the Act. Yet, in addition to lobbying for change to the law, the Society also advised all members 'to attend [bankruptcy meetings] to prevent a debtor and his friends holding friendly proxies, from carrying their own resolution to the prejudice of other creditors.'⁵⁹ This message was a call to the commercial community to become pro-active in addressing the inadequacies of the law and to actively police its operation themselves.

This switch to collaborative, pro-active intervention coincided with what Markham-Lester has identified as the declining influence of business groups to affect political change. Tarnished by the failure of the 1869 law the Board of Trade under Joseph Chamberlain became increasingly reluctant to listen to the call of these commercial pressure groups.⁶⁰ The deaf ear of the government was acknowledged by the L.T.P.S. which commented that, 'It has to be regretted that the law still continues in the same unsatisfactory condition, notwithstanding the many attempts which have been made each year to amend it.'⁶¹ Although the L.T.P.S. continued to initiate resolutions and petitions amongst the A.T.P.S. for the amendment of the Act, the movement turned away from battering its collective interests against the closed door of the government and began to internalise its own collaborative actions. By exploiting the efficient administrative structure of the organisation, its concrete presence on the ground and depth of penetration within the commercial community, the organisation attempted to supervise the operation of the bankruptcy law.

In 1879 the secretaries and managers of the various regional Societies were brought together in the offices of the L.T.P.S. in order to

'consider what steps should be taken to establish Bankruptcy Departments. There was a large attendance and after full discussion many valuable suggestions were made and resolutions passed, with a view to securing united action and the greater control over Estates in different parts of the kingdom.'⁶²

⁵⁹ L.R.O., DE 3848/5 L.T.P.S. Minute Book, 1866-80, September 1874.

⁶⁰ V. Markham-Lester, *Victorian insolvency*, 208-11.

⁶¹ L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, Annual Report, January 1880.

⁶² L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, Annual Report, January 1880.

This was a natural extension of the preceding system of recording and publicising in the monthly circulars those private arrangements brought to the attention of the Society (256 in the Leicester district in 1879.)⁶³ The L.T.P.S. bankruptcy department began functioning in early 1880. With a newly built annex to the Society's premises, an additional clerk and an accountant paid a salary of £200 per annum⁶⁴ the department worked to 'secure the due and proper attention to Creditors' interests in cases of insolvency, the chief object being to procure the largest possible guaranteed offer of composition, and failing this, to effect a speedy and economical investigation and realisation of Insolvent Estates.'⁶⁵

The Society was at pains to emphasise the importance of the creditor maintaining control over the administration of an estate as the concepts of laissez-faire which had been used as justification for the campaign to introduce 'unofficialism,' had to appear to be supported. Nevertheless, what the Society attempted to do was re-introduce 'officialism' in its own image. Those creditors or debtors who demonstrated too much independence of action by trying to exploit the loopholes within the law were intended to be reigned in via the intervention of the manager of the Society.

Neither charges nor personal restrictions were imposed by the bankruptcy department. Unlike the ex-ante system for the County Court or the additional information services, the bankruptcy department came free at the point of use and was not even confined to members of the L.T.P.S. Between 1880 and the repeal of the bankruptcy law in 1883, representatives of the Society attended just under 2,000 insolvency cases. William Chamberlin, manager of the Society, was appointed the principal trustee in eight per cent of cases (Table 6.5.)

⁶³ L.R.O., 'Periodicals File', L.T.P.S. Monthly Circular, 1879.

⁶⁴ L.R.O., DE 3848/5 L.T.P.S. Minute Book, 1866-80, November 1879.

⁶⁵ Wright's *Directory of Leicester* 1882, 95.

Table 6.5

Insolvency cases attended by L.T.P.S., 1880-83			
Date	Manager as trustee	Members represented inside Leicester	Members represented outside Leicester
1880	101	295	254
1881	81	258	296
1882	33	240*	240*
1883	26	207*	207*

*Statistics approximated as fifty per cent, as only aggregate total recorded.

Source: L.R.O., DE 3848/6, L.T.P.S. Minute Book, 1880-95.

Details from the few cases recorded, suggest that the Society was prepared to intervene and take a role in the governance of both large and small estates. Extreme examples included the composition of John L Williams, Chemist of Willow Street, whose liabilities of £88 and assets of £40 were administered by William Chamberlin. Others included Thomas Ainge of Syston Street, whose debts of £80 and assets of £10 were also dealt with by the Society. At the other extreme, Chamberlin took responsibility for dealing with the liabilities of £3,024 and assets £1,639 which had forced Blake & Cooke Brothers, Hosiery Manufacturers of Wharf Street, to the wall in June 1882.⁶⁶

In their notice of 1880, the L.T.P.S. also claimed that their actions were part of a co-ordinated strategy agreed between the 33 other societies who formed the National Association. Even if this was only partly the case, the evidence helps to develop an image of a privately managed, yet cohesive strategy. In opening up the bankruptcy departments to all, not just to its members, the L.T.P.S. was responding to the need to provide for what economists describe as a 'public good.' In the context of the pre-1883 bankruptcy laws, the public good to be achieved was the collection and administration of receipts from bankruptcy cases, both large and small. It was difficult for one creditor to pursue profitably supervision of an estate or the collection of marginal assets in small bankruptcy cases (for example the case of John Williams above). This left the private administration of the law open to manipulation by insolvents and their friendly creditors. As the system worked better the more complete it was, the collective actions of the Trade Protection Society movement, free at the point of use, created a system through which the interests of all creditors could recover the assets of all insolvents.

⁶⁶ L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, June 1882.

Linked to this issue of intervention into the operation of the bankruptcy law is the issue of the Society and its members' motivations. Undoubtedly the weaknesses of the law had stimulated most of the Society's interest in the area. Yet intervention by the L.T.P.S. was done on its terms. This was manipulation of the market in its image. Consequently, whilst many of those meetings held outside the offices of the Society probably had little or no intention of being duplicitous, the Society felt compelled to establish its presence. However, in those cases where members sought protection through insolvency, the Society was prepared to hold preliminary meetings and manage affairs on behalf of both creditors and debtors, solely because as a member of the Society, the individual or firm had by extension accepted the Society's code of commercial behaviour.

By the early-1880s the pro-active experiences of the Trade Protection Society gave increased support to the call for the re-introduction of the official government receiver into the bankruptcy process. This was part of the proposed re-structuring of the system proposed by Joseph Chamberlain at the Board of Trade, who stated in 1883 that the bankruptcy law had to apply to a broad spectrum of insolvents from 'a general private bank to a little peddling tradesman in a country village.'⁶⁷ In many ways these new proposals, which re-introduced the official receiver, further public inspection and notice, matched the policy which the L.T.P.S. had been pursuing on the ground for the preceding three years. In 1881 a resolution which supported the general terms of Chamberlain's bill and called for a 'petition in its favour' was initiated by the L.T.P.S. and endorsed at the A.T.P.S. conference of that year.⁶⁸ By 1883, the Association declared the final Act to be a 'well considered attempt to improve its predecessor,' and acknowledged that the small increase of expenditure required for the introduction of the official receiver would not be 'money thrown away ... if the new law fulfils its declared objects by exposing and punishing fraudulent and reckless trading, protecting the interests of creditors and securing the prompt realisation and distribution of insolvent estates.'⁶⁹

⁶⁷ V. Markham-Lester, *Victorian insolvency*, 204. (Quotation from *The Times*, 21 April 1883.)

⁶⁸ L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, 27 February 1882.

⁶⁹ L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, Annual Report, February 1884.

These were views which contrasted sharply with those of groups representing other business interests. The Association of Chambers of Commerce opposed the efforts of Chamberlain from the beginning and in 1882, 'defeated by a large majority a resolution which gave even conditional support to the President of the Board of Trade'⁷⁰ preferring blindly to insist upon the inherent legitimacy of the creditor managed system of bankruptcy even though the preceding decade had illustrated its ineffectiveness.

This contrast between the collective opinions of the A.T.P.S. and the Association of Chambers of Commerce illustrated the differing perspectives of the two organisation. The Chambers of Commerce sought to manipulate the conditions of the market in their own self-interest. By contrast the A.T.P.S., illustrated by the operations of the L.T.P.S., were more absorbed in the operation of the market and specifically the market of the locality. The power and legitimacy which the Society sought in order to reduce the uncertainties of commercial life, depended upon appealing to all levels of the commercial community. A bankruptcy law which failed to censure the duplicitous creditor or debtor, no matter how insignificant the individual, or which equally failed to provide the small victim of the fraudulent with a legitimate means of redress, undermined the performance and legitimacy of the entire market. It was the need continually to address this imbalance which prompted much of the collaborative activity of the L.T.P.S. and the National Association.

Private Arrangements, 1883-87

Further problems with the bankruptcy law were also addressed by collaborative action at the local level. One of the major deficiencies of the 1883 Act was its failure to compel all those private arrangements which had been unanimously approved by creditors to be registered in the County Court. Thus no official statistical records of these unanimously approved private arrangements were recorded. As a result 'contemporary practice manuals such as Reginald Winslow's *The law of private arrangements between debtors and creditors*, sang the praises of private arrangements as a way to avoid the

⁷⁰ V. Markham-Lester, *Victorian insolvency*, 210.

requirements of the Bankruptcy Act.’⁷¹ In Leicester the L.T.P.S. believed that these methods had ‘kept the heavier failures out of court ..[which resulted in]... no means of ascertaining the liabilities of many of these estates.’⁷² Just as the L.T.P.S. had first set about monitoring the increasing number of private liquidations and compositions in the late 1870s, so ‘no exertion [w]as ... spared by the manager and the staff to make a complete list of private arrangements entered into within the district of the court ... the manager believes it is not possible for many to have escaped his notice.’⁷³

These were statistics which fell completely outside the official record. They were entirely personal and private. Yet the Society felt sufficiently confident of its position at the nexus of market relations to claim complete penetration of the locality. The likelihood was that these figures were accurate. The rapacious manner with which the Society pursued information about liabilities and debts under £50 would suggest that its knowledge of bankrupt estates over £50 was equally valid. The recorded figures suggest this is true as the number of bankruptcy applications (technically called receiving orders) increased significantly in 1888. This was the first year in which the private arrangement loophole had been plugged, yet comparison between the aggregate number of insolvencies recorded using the L.T.P.S. data and the post-1887 official statistics in the court district record an almost static level of insolvencies during the transitional period.(Table 6.6.)

Table 6.6

Bankruptcy and private Arrangements, Leicester County Court District, 1884-88.

Date	Bankruptcies*	Arrangements	Total
1884	59	50	109
1885	42	84	126
1886	52	96	148
1887	82	110	192
↓ Deeds of Arrangement Act, 1887 ↓			
1888	129	79	208
1889	102	77	179

Source: Arrangements, 1884-87; L.R.O., DE 3848/5, L.T.P.S. Minute Book, 1884-88. Other data, *Report by Board of Trade under Section 131 of Bankruptcy Act, 1883*, Table XIV, 1884, LXIII.293; 1884-5, LXIV.1; 1886, LX.1; 1887, LXXV.1; 1888, XCI.1.

* Bankruptcies were officially termed Receiving Orders.

⁷¹ V. Markham-Lester, *Victorian insolvency*, 218.

⁷² L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, September 1885.

⁷³ L.R.O., DE 3848/6 L.T.P.S. Minute Book, 1880-95, September 1885.

The details of the private arrangements recorded by the L.T.P.S. reveal that a broad cross-section of the commercial community were aware of how to exploit this minor fault in the 1883 legislation. Firms which made use of these arrangements and drew the attention of the L.T.P.S. included, Thos. Neale hosiery manufacturer, whose factory collapsed with liabilities of £14,087 in March 1885. Other cases involved smaller footwear manufacturers and dealers, grocers and innkeepers with private settlements of liabilities around £100, down to very small scale bankrupts such as the case of William Henry Smith, shopkeeper and beerseller of Jarrom Street who, with liabilities of £72 and assets of £18 slid into the security of insolvency after reaching a unanimous settlement with his creditors.⁷⁴

Attention to these small scale bankruptcies intersected with what is known about the Society's interest in the prevention, prosecution and recovery of those commercial and domestic debts which fell below the £50 threshold and were dealt with through the County Court Process. By plugging into the network of connections and market information the Society could glean more explicit knowledge about small-debt defaulters and Bills of Sale registrations and so monitor the pulse of the commercial community at all levels. Its debt collection and information services complemented the work of the bankruptcy department and gave direction to the form of collaborative actions and agenda which the Society could act upon.

After 1887 the Society began to publish the annual insolvency statistics for the Court District. Analysis of these figures underlines the difficulty of placing an interpretation upon the level of bankruptcies. Graphs 6.1-6.7 illustrate the number of bankruptcies for selected trades.⁷⁵ The relationship, if any, between the bankruptcy rates in different trades is not clear. Groups experienced between five and eight trade cycles in the years between 1888-1913, the internal cycles within each appearing to have little relationship with each other. In the construction industry the upsurge in bankruptcies in 1900 would appear to reflect the preceding six year period in which time the number of house building applications in the city has risen from 786 in 1894 to peak at 2,404 in 1898, the

⁷⁴ L.R.O., 'Periodicals File', L.T.P.S. Monthly Circulars, 1885.

⁷⁵ In order to produce some chronological comparison, data from the 1901-13 period was included.

fall out in the building trades following two years later when the Court recorded 34 bankruptcies and other arrangements. Even the relatively inelastic demands under which the grocery trade operated appear to have produced strong variations in the level of insolvency registrations, oscillating continuously throughout the period. In the footwear and leather industry, the trend in bankruptcy shows some coincidence with the restructuring of the industry with a rise in the level of bankruptcy in the decade which followed the concerted move towards mechanisation and an expansion in the size of firms after 1895.⁷⁶

The average levels of liabilities within this industry, which rose from £92 in the mid-1890s to £250+ on the eve of the Great War, would appear to have reflected this structural change (Table 6.7.) Yet the increasing complexity of the trade also provided the stimulus for other structural changes in the form of business organisation, most notably the rise of the limited liability company. If a limited liability company failed or was pursued by creditors, company winding-up procedures came into operation. As a result, whilst the management of the insolvent company was carried out under the auspices of the official receiver, those individuals who had formerly controlled the business effectively escaped the personal attentions of the bankruptcy law.⁷⁷

What do the discontinuities and fluctuations in the number of insolvencies and varying scale of liabilities reveal? In short they suggest that the figures on their own need to be treated with caution. The differing fluctuations illustrate how the timing and scale of the economic cycle varied within different trades and also hints that different trades may have sought to use insolvency laws in different ways at different times. The building trade and the footwear industries provide a good example. The conditions of the local economy (especially urban expansion and pressure to rationalise the organisation of the footwear trade, brought about by an increase in imported shoes) created unique

⁷⁶ A. Fox, *A history of the National Union of Boot and Shoe Operatives, 1874-1957*, (London, 1958), 262; P. Head, 'Boots and shoes' in D. H. Aldcroft (ed.), *The development of British industry and foreign competition, 1875-1914*, (London, 1968), 158-9; P. R. Mountfield, 'Leather footwear' in J. Langton and R. J. Morris, *An atlas of industrialising Britain, 1780-1914*, (London, 1986), 124-6.

⁷⁷ The unprecedented acceleration of limited liability registrations was apparent in Leicester where of the 183 firms between 1869 and 1900 who sought to register as joint stock companies 80 or 44 per cent did so in the final five years of the century. On Joint stock registrations in Leicester, see also Chapters 5 and 7. Company winding up is discussed in V. Markham-Lester, *Victorian insolvency*, 222-39.

conditions within different trades. Such differentials are also apparent within other sectors such as grocery and drapery, with differing timing of cycles within each trade. Undoubtedly another explanation for these differentials lies in the strategic use of the law. If individuals and small firms were aware of how the County Court system could be used as business tool, larger debtors pursued through the bankruptcy laws would have also been aware of how the insolvency law could be adjusted to their advantage. For example, insolvency did not necessarily mean business collapse. Some firms used compositions and liquidations as a means of addressing short-term business problems. In January 1891, Hartshorn and Jesson Shoe Manufacturers of Acorn Street, entered into a composition with their creditors of 12s. in the £. These creditors were appeased and the firm continued to trade so that by 1895 it was successfully operating on a turnover of £6,000 pa.⁷⁸

Table 6.7

Five year moving average liability (£) per insolvency in selected trades, Leicester 1888-1814

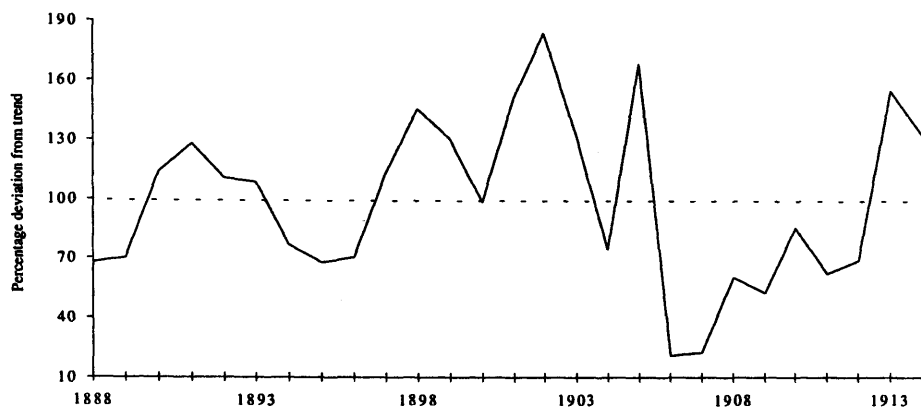
Date	Footwear	Grocer	Draper	Building
1888-92	123	48	104	150
1889-93	95	46	87	157
1890-94	90	42	86	166
1891-95	95	45	106	89
1892-96	94	41	109	86
1893-97	80	42	103	86
1894-98	82	42	114	86
1895-99	92	39	128	79
1896-00	90	38	113	68
1897-01	101	33	112	64
1898-02	99	34	127	62
1899-03	114	32	97	72
1900-04	107	41	66	79
1901-05	128	41	60	87
1902-06	115	45	65	93
1903-07	124	49	82	146
1904-08	133	53	99	143
1905-09	144	45	121	139
1906-10	161	47	149	152
1907-11	189	48	163	151
1908-12	272	48	151	91
1909-13	321	46	170	96
1910-14	364	56	172	108

Source: *Annual Summary of Bankruptcy Statistics*; L.R.O., DE 3848/6-8, L.T.P.S. Minute Books, 1884-1914.

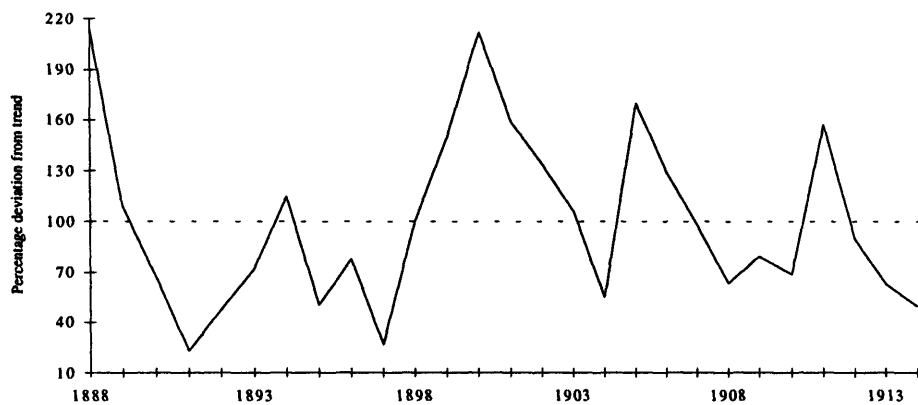
⁷⁸ By 1895 the firm felt sufficiently secure to approach the Leicestershire Banking Company for an occasional £200 overdraft based on a turnover of £6,000 and a debt level of £1,300 or just over one fifth of turn-over. Midland Bank Archive, Leicestershire Banking Company, Directors Minute Books 31 July 1895.

Bankruptcies: percentage deviation from the trend in selected trades, Leicester 1888-1914
(source see Table 6.7)

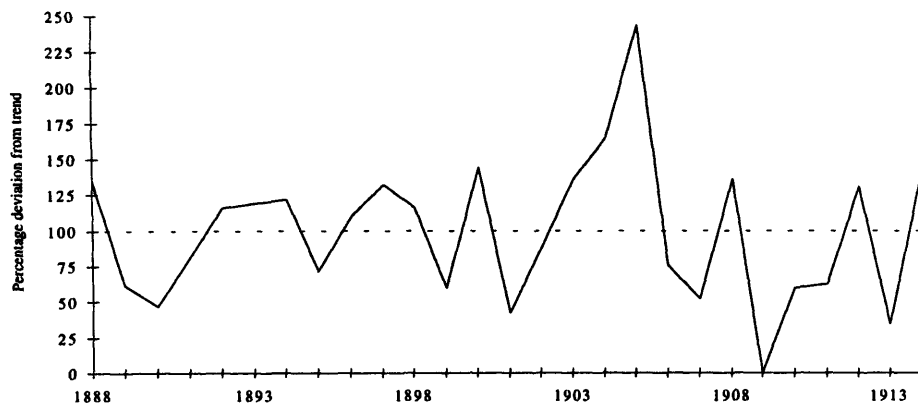
Graph 6.1
Boot and Shoe trades



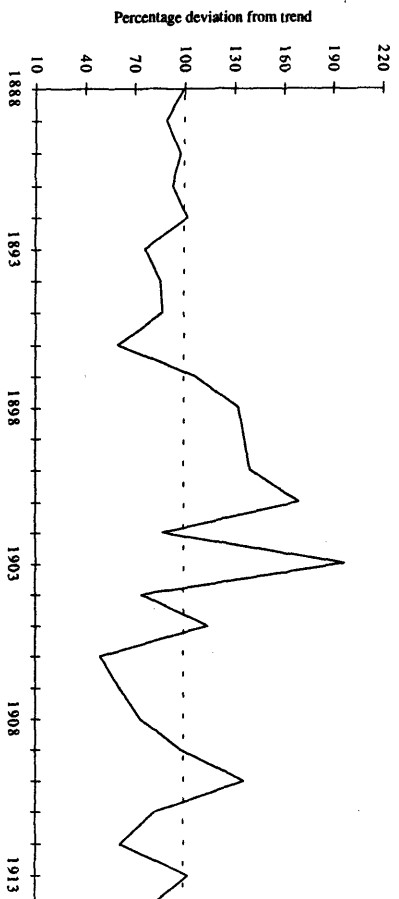
Graph 6.2
Building trades



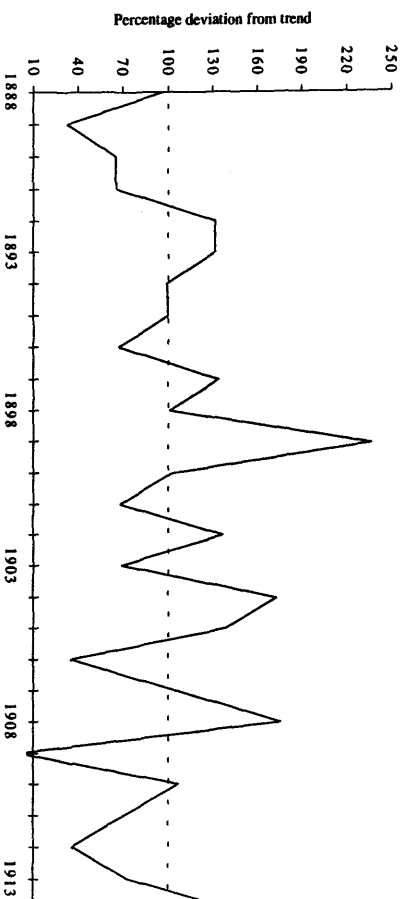
Graph 6.3
Drapers



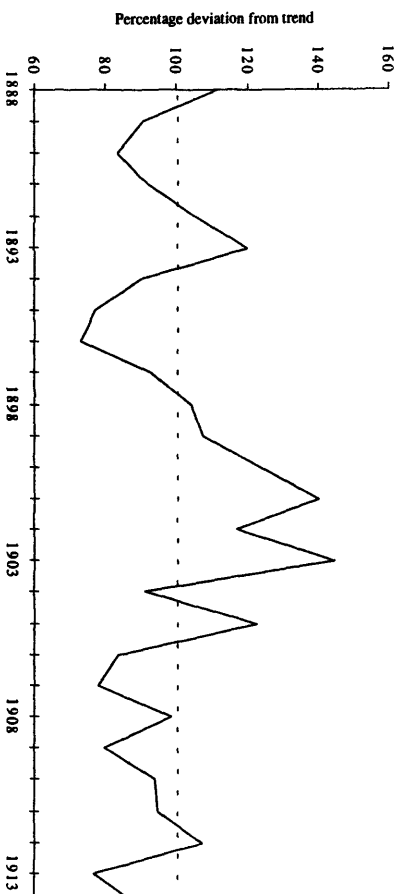
Graph 6.4
Grocers



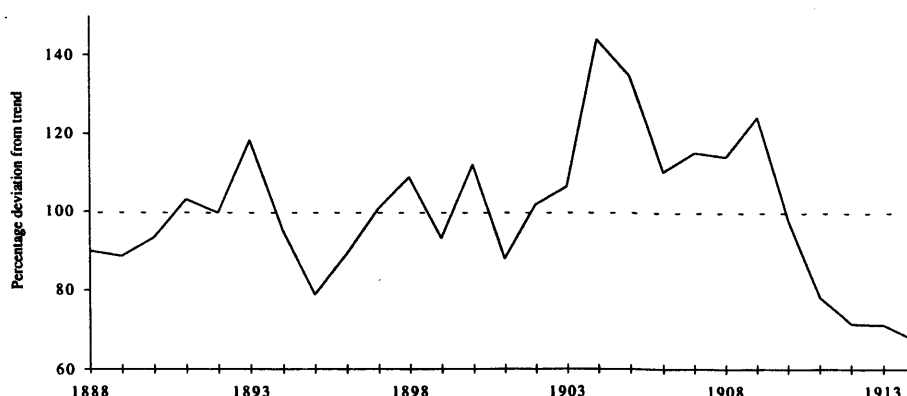
Graph 6.5
Ironmongers



Graph 6.6
All Bankruptcies



Graph 6.7
All Deeds of Arrangement



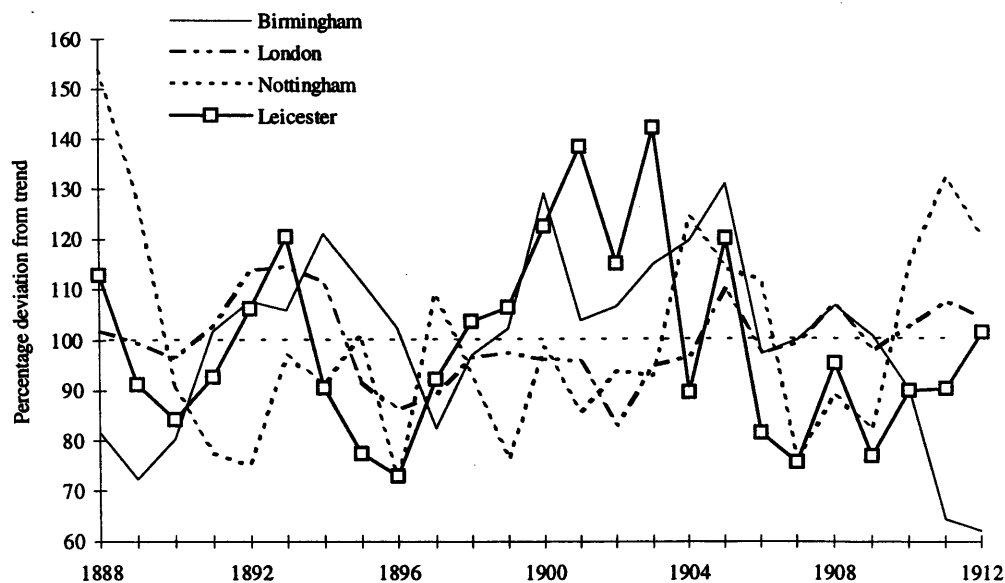
The strong differential scale and timing of company insolvencies were an underlying indication both of the degree of complexity and uncertainty which firms faced within the market-place. Differing scales of operation and timings of peaks and troughs in local trade sectors all compounded the uncertainty faced by the market in general. The broader projection of these local uncertainties can be seen in a comparison of bankruptcy levels in other Midland centres (Graph 6.8).

Comparison of the deviations in bankruptcy levels between differing Midland towns reveals a similar picture to those found within occupational groups. Thus, whilst broad cycles appear to have been reflected within differing towns, the timing of peaks and troughs differed from town to town.⁷⁹

⁷⁹ For instance in the early 1890s, Leicester, Birmingham and London all experienced peaks in their relative cycle, yet none experienced a peak in the same year and Nottingham experienced only marginal change in relation to bankruptcies until 1895. Markham-Lester comments that the bankruptcy report of 1904 noted insolvency figures as the largest they had been for ten years. Incidence in these regional centres further illustrates how local variation can be concealed within aggregated statistics. All the cities showed a peak in insolvency around this time but only Nottingham actually peaked in 1904; London and Birmingham peaked in 1905 and Leicester experienced a considerably higher deviation from the trend in 1901 and 1903. V. Markham-Lester, *Victorian insolvency*, 278-9.

Graph 6.8

Number of insolvencies: percentage deviation from trend in selected cities, 1888-1912



Source: see Table 6.7.

These inter-regional and intra-trade variations only confirm the difficulty of using insolvency statistics as an indicator of local economic performance. Markham-Lester and others have attributed these large fluctuations between towns and trades to the different timing of the local economic cycle and 'random factors affecting the economic health of a firm.' These included the ill-health of the proprietor of the firm, personal inadequacy, such as drinking or gambling, and other misfortunes such as fire. These comments fail to acknowledge any strategic awareness of the law by the firms concerned. If, as the L.T.P.S. statistics maintain, 50 per cent of insolvency cases in the period between 1880 and 1887 were not registered in the courts, why should it be presumed that after this date firms singularly failed to use the law to stall, delay, confuse or pacify their own creditors? The implications of this strategy were magnified if it is realised that registration of a deed of arrangement, especially a composition, did not necessarily mean that an individual ceased to trade.

It was these problems of strategy and tactic, which the L.T.P.S. felt compelled to attempt to monitor and explain why, even after the reforms of 1887, the Society continued to maintain an active interest in private and public insolvency, and in debt relationships of the trading community in and around the town. These attentions were

probably justified. In 1889 the Board of Trade asserted that the amended laws permitted, for the first time, estimates of the total number of private insolvencies. On behalf of the accountancy profession, the editor of the *Accountant* disagreed. He stated that, 'our experience ... leads to quite a different conclusion ... lawyers have long ago learnt to evade the Act to find a private arrangement effectively carried out without any document whatsoever.'⁸⁰

Further evidence of an awareness of how the law of debt and insolvency could be manipulated to address the interests of individual firms can be seen in the use and abuse of Administration orders. Administration orders were formally introduced in 1883 as part of the overhaul of the bankruptcy law. They were intended to be a simple system which permitted the creditors of those debtors who owed less than £50 to receive a *pro rata* repayment administered by the County Court.⁸¹ In 1909, the secretary of the L.T.P.S. claimed the circuit judge of Leicester, Francis Barrow, was responsible for the introduction of the system and clearly explained its intentions.

'He was in the habit of seeing that a particular debtor was being proceeded against, say, by three or four creditors at the same time, and as the law then stood, he had either to give preference to one particular creditor and enforce his debt first, or to attempt some method of his own for putting the debts together and allow the debtor to pay a composition towards them all. That method he suggested afterwards, and it was actually done under the form of administration orders.'⁸²

In theory this system appeased both sides. It provided a means whereby the debtor could avert the dilemmas and resultant problems of prioritising their debts and also removed the first come first served basis of the ordinary small debt system which often created an undue sense of urgency amongst some creditors who hurried to press a summons in order to gain priority judgement over the defendant.

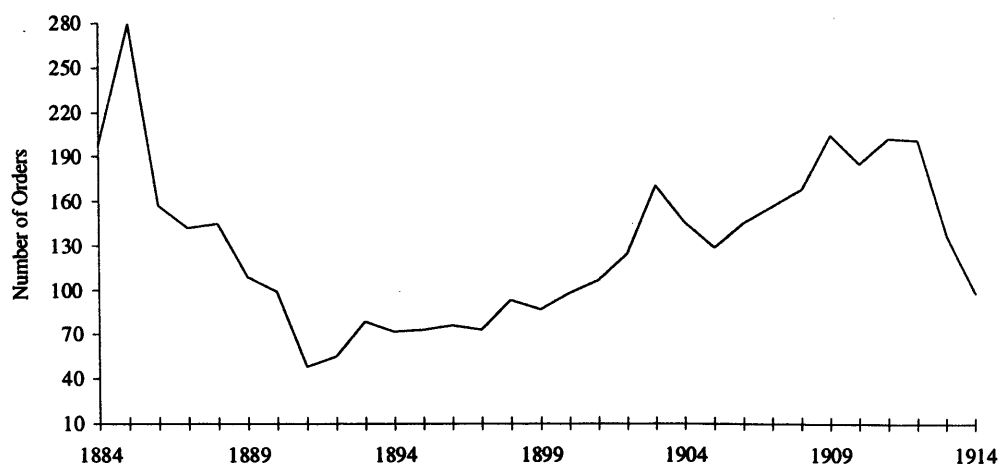
⁸⁰ Quoted from *The Times*, 26 September 1889 in V. Markham-Lester, *Victorian insolvency*, 219.

⁸¹ G. R. Rubin 'Law, poverty and imprisonment for debt, 1869-1914', in G. R. Rubin and D. Sugarman, *Law, economy and society*, (Newton Abbot, 1984), 276.

⁸² *Select Committee on Imprisonment for Debt*, P. P., 1909, VII.281, Q. 3342.

Graph 6.9

Administration orders, Leicester County Court, 1884-1914



Source: *Annual Summary of Bankruptcy Statistics*; L.R.O., DE 3848/6-8, L.T.P.S. Minute Books, 1884-1914.

Within a short period after the formal introduction of these orders it became apparent to the L.T.P.S. that those small firms and individuals who had taken up the opportunity of seeking composition through Administration orders were often using the system as a means of delaying or completely avoiding the attentions of creditors. In the same way that private arrangements and preferential settlements with creditors under the Bankruptcy Acts of 1869 and 1883 had permitted preferential treatment or abuse of the system through manipulation, so the administration order failed to make provision for adjustment and inspectorship. Once settled, an administration order apportioned repayments to the named creditors, and prevented the debtor from any further County Court judgements. This meant that any new claims for debt recovery were deferred and had to wait until the first administration order had been repaid before any new plaint could be served. The difficulty with this provision was the length of time taken to settle the order. On average, conditions protected the defendant from further suits for just over 6 years. However, in a few extreme cases the order offered protection for some 25-40 years.⁸³

⁸³ Of the 222 cases recorded in the surviving L.T.P.S. circulars of 1885, each debtor named an average of 10.24 creditors. The compositions ordered as settlement terms accounted for 57 per cent of the original liability. Time taken to repay by terms of composition, mean 6.18 years, (median 5 years). L.R.O., 'Periodicals File', L.T.P.S. Monthly Circulars, 1885.

By June 1885, the collective attitudes of the L.T.P.S. were brought to bear upon the issue and the Society sent a deputation to the circuit judge to plead for a more careful application of the law. The memorial claimed that the system provided 'little or no service to creditors' and that the law had created a system which led to the 'wholesale whitewashing of small debtors and of serious results to the retail shopkeepers.'⁸⁴ The issue was also raised at the annual meeting of the A.T.P.S. and after consultation with societies in 'Leeds, Hull, Nottingham, Derby and others' a petition, orchestrated by the Association, was sent to the Board of Trade which called for a threshold 3-4 years on the repayment schedules of administration orders. Although these chronological abuses were restricted in 1891, it was clear that Administration orders still offered a simple means for a multiple debtor to avoid the attention of creditors. By 1908 the L.T.P.S. claimed that defendants were so abusing the system that of the 700 or so administration orders issued in the preceding six years only one per cent had been settled at first stage of the County Court process the remainder having to be pursued through to second stage and 29 individuals eventually serving a prison sentence as contumacious debtors.⁸⁵

No further evidence exists for the problematic abuse of administration orders. However the consultation and collaborative actions shown between the L.T.P.S. and the circuit judge and with other societies throughout the country suggest that, after 1883, administration orders were perceived as a potential impediment to the orderly operation of the debt and credit market.

Conclusion

These images add further depth of understanding to the relationships between the civil law and society. The formal systems and structures of the law did provide a means whereby the externalities of legal cost and enforcement were borne by the State. However, the manner in which the law was implemented and could be readjusted to evade, hinder or delay often served to protect individuals, not always to the benefit of the market. The events and attitudes surrounding the development of the bankruptcy laws and administration orders provide more evidence of the extent to which a

⁸⁴ Report of memorial to James Hooper L.R.O., DE 3848/6, L.T.P.S. Minute Book, January 1886.

⁸⁵ *S. C on Imprisonment for Debt, P. P.*, 1909, Appendix 11, 364.

consciousness of the legal system permeated all levels of commercial society. The attitudes and responses of the L.T.P.S. and the National Association illustrate how these problems came to be collectively acknowledged and addressed through collaborative action on the ground and by seeking to re-align political responses at the national level.

This collaborative approach makes the contrast between the attitude of the L.T.P.S. and other trade organisations such as the Chamber of Commerce all the more intriguing. Despite the fact that after 1860 there appears to have been some element of cross-over of ordinary and committee members, both institutions remained resolutely separate from each other.⁸⁶ In fact it took until 1992, or over 140 years of independent operation, before the organisations merged and the Chamber of Commerce moved into the Society's New Street offices.

The reasons for this distinction can be clearly detected in the immediate years after the Society's formation. The objective of the Society (to reduce commercial uncertainty) was dependent upon positioning itself as a market intermediary. This meant appealing to all commercial sectors, manufacturers, retailers, domestic grocers or workshop producers. Consequently the Society had to maintain a discrete distance between itself and overt sectional interests. In 1849 this meant resisting admission (to the committee) of hosiery manufacturers and refusing collaboration with the self-interested group who made up the first Chamber of Commerce. This distance between the L.T.P.S. and other groups was maintained in other ways, notably the manner in which the Society concentrated its collaborative attention upon 'whole market' issues such as the reform of the bankruptcy law and costs of the County Court system. The result was to direct the collaborative intervention of the Society upwards, beyond the specific concerns of interest groups, towards collaboration and petitioning at the structural level of the market. These actions were further empowered by mutual co-operation with other Trade Protection societies under the umbrella of the A.T.P.S. Even when the L.T.P.S. appeared to become directly embroiled in adjusting local market conditions, such as the heated intervention after the onset of municipal trading in 1880, the importance of the

⁸⁶ By 1903 C. E. Whitmore, wholesale grocers and treasurer of the L.T.P.S. was elected president of the Chamber of Commerce.

structural position or integrity of the market can be seen behind actions. This is not to say that the collective actions and positions of the Society were normally inert, but that in order to preserve its market integrity the Society had to appear to be focusing upon a different plane. This was apparent in the Society's relationship with the Leicester Footwear Manufacturers' Association and the Arbitration Board for the shoe trade. In an industry characterised by fragmented small scale manufacture, with many firms made up of men who had once been employees in the trade, the L.T.P.S. was strongly positioned as market intermediary to provide the premises and professional administration required to bring the manufacturers together. Yet it managed to retain sufficient integrity to be able to facilitate negotiation and arbitration between these manufacturers and the representatives of the labour movement. As the footwear trade began to restructure in the 1890s so the role of the L.T.P.S. became more peripheral, with many negotiations conducted through respective national associations and trade unions. This continued until 1896 when the introduction of state sponsored arbitration finally detached the L.T.P.S. from involvement in the process.

The Society managed to steer a course which avoided alienating smaller commercial interests by focusing attention upon the discipline of the market rather than manipulating the immediate externalities of each trade. Trade associations were formed for butchers, bakers, grocers and drapers to address their specific market conditions, such as hours of work, market halls and wholesale prices etc.⁸⁷ This left individuals free to join the L.T.P.S. and so able to plug into the wider network of market information and services which assisted every-day decision making and business strategy.

This was market management on the quiet, less overt than formal intervention, but manipulation nonetheless. Any weaknesses in the rules of the market were addressed through the collaborative actions of the Society. This was most apparent in the way collective influence was used to press for change at the parliamentary level. However as the influence of pressure groups began to wane at Westminster, so the L.T.P.S. used

⁸⁷ The Leicester Butchers' Association was formed in 1866 with the sole purpose of opposing Corporation's decision to move the cattle market from its central position to a new location south of the town. The involvement of trade associations as ciphers for the protest of various interest groups is partially discussed in Leicester by C. P. Hosgood, 'Shopkeepers and society: domestic and principal shopkeepers in Leicester, 1860-1914', Unpublished PhD. thesis, *University of Manitoba*, 1987, 365-73.

collaboration in order to intervene physically in the bankruptcy process, sending representatives and appointing trustees as a means of overcoming the short-term deficiencies of the 1869-83 bankruptcy law. In exchange for bearing the short-term costs of intervention and readjustment, the Society maintained the integrity of the market and the over-arching codes of strategy and behaviour which governed it. Although individuals and firms of all shapes and sizes, sought to stretch these market rules, using intricacies of the insolvency law and the small debt court to confuse or delay the attentions of their creditor the fact that they sought to use the law at all, implicitly acknowledged its market and social control.

Appendix 6.1

L.R.O., CM 18/1, Gas Committee Minute Book.

L.T.P.S. petition and debate on the issue of municipal gas appliances, 1880

8th June 1880: A deputation of Ironmongers and Gas fitters consisting of Mr Bellaers, Mr Bramley, Mr Pochin, Mr Coleman and Mr Porter and accompanied by their solicitor Mr Owston and Mr Harris as representing the Trade Protection Society, attend and urge upon the committee to reconsider their determination to let on hire gas stoves for cooking purposes, as such letting is coming into direct and serious collision with their interests as a body of traders who are large ratepayers...the several gentlemen expressed their views on the subject.....Resolved theconsider their representations at a special meeting convened Monday next.

10th August 1880: Memorial received by Town Council from L.T.P.S. petitioners.

To the Town Council of the Borough of Leicester. We the undersigned Ironmongers, Gasfitters &c of this town request the Council to take into consideration the action of the Gas Committee in letting out Gas and Cooking stoves on hire, which injuriously affects us as a large body of ratepayers. At the extremely low rates charged for the use of the stoves, it is impossible for us to compete with them, and we think that a representative body elected by the Ratepayers to protect their interests, it is establishing a precedent of a very dangerous character and one which few of the ratepayers if it were fairly placed before them would support. Having been induced under a false impression to purchase large stocks we were disposed to do all we could to further the avowed interest of the committee viz. the increased consumption of gas when the circular of the corporation was issued extinguishing our trade in that direction.

We feel that the council has never discussed the question or they would not have consented to a course so utterly opposed to commercial usages.

A deputation waited upon the Gas Committee to urge them to withdraw this scheme but was met with a distinct refusal. We therefore ask your honourable council to consider this question and to restrain the committee from any further steps in the matter.

Signed:

Cort & Paul	Ironmonger /silversmith	John S Dixon	Gas fitter/tinplate worker
Vipan & Headley	Ironmongers	Briggs Bros	Glass/lead merchnt/plumber
Robert Pochin & Son	Ironmongers	William Kilbey	gas fitter/ironmonger
G.T. Coleman	Ironmonger	A J Odell	Ironmonger
Frank H Porter	Ironmonger/gas fitter	J W Mudford	Brazier/tinner
Richard Osmond	Ironmonger/cutler	G Newby & Co	Gasfitter/general smiths
Parsons & Brown	Ironmonger	William H Dixon	Bellhanger/gasfitter/tinner
Warner & Widdowson	Ironmonger	William Arnold	Bellhanger/gasfitter
John Cooper	Locksmith/gasfitter	William Sharp	Ironmonger/cutler
James Bellaers	Ironmonger/gas stove manufr	George Wisdish	Gasfitter/bellhanger
Charles Knowles	Ironmonger	John Oliver Coleman	Plumber/gasfitter
John Adams	Ironmonger/gasfitter	Edward Miller	Tinner & C
Frederick Webb	Brazier/gasfitter	Joseph Mawby	Gasfitter/tinner
Alfred James Garner	Haberdasher/toy dealer	WalterManship	Plumber
Lewis & Co	Locksmith/whitesmith	John Tebb	Gasfitter/tinner
John Pearce	Brazier/tinner	John Scott	Bellhanger/whitesmith
G A Fearn	Plumber/gasfitter		

Appendix 6.2

L.R.O.,CM 1 /17; Leicester Corporation, General Minute Book, 31 August 1880.

Council response to L.T.P.S. petition about unfair municipal trading, 1880

The Gas committee have to report that they have carefully considered the memorial from Gas Fitters and Ironmongers,- which was presented to the council at the last meeting and referred to your committee for their report thereon.

The substance of the complaint of the memorialists is as follows.

- 1st- That they are injuriously affected by the action of the Gas Committee
- 2nd- that the rate charged for hire is so low as to prevent competition.
- 3rd- That they were induced under a false impression to purchase large stocks.
- 4th- That their trade in stoves was extinguished by the circular of 22nd may last.

Before dealing with the complaints of the memorialists your committee think it desirable that they should refer to the circumstances which led to the decision by them to let cooking stoves on hire.

It is necessary that the producing power of the gas works and the capacity of the mains should be equal to the greatest demand in the winter, but during the summer months only a small proportion of the manufacturing plant is used and in the day time that mains are comparatively idle. Now as more than half the cost of gas consists of fixed charges and of interest upon capital it follows as will be obvious to the council that there must be a very large profit upon any addition to the day consumption.

It appeared to your committee that the day consumption might be materially increased if the prejudice of the public could be removed and cooking by gas became more general practice but as the sale of gas cooking stoves had been in the hands of the memorialists ever since the introduction of gas into Leicester and the limited number in use showing either how little they had pushed the trade or how largely they had failed in their efforts your committee decided to imitate the example set by the corporation of Birmingham which had been followed by other corporations and companies with very good success.

As very little was known in Leicester about cooking by gas and as there was a great deal of prejudice against it, your committee thought it expedient before commencing to let on hire to hold an exhibition of various kinds of stoves in order that consumers might have their prejudices removed and see the advantages of using gas in preference to coal.

The exhibition was not taken up heartily by local fitters and ironmongers as was done at Nottingham and other towns, in fact only one of the memorialists applied for space and very few indeed took any part in it whatever- nevertheless it was a great success a large number of stoves were sold to the public by the exhibitors and 320 have since been let on hire by your committee.

About a month before the exhibition, circulars were sent to those likely to exhibit informing them that after the exhibition was over cooking stoves would be let on hire by the gas committee.

During the exhibition the matter was generally discussed and there can be no doubt that the intention of the committee was well known in fact the chairman of your committee in some remarks made by him at the opening of the exhibition made special reference to the letting of stoves and it was so reported in the local newspapers. It is also a fact that Mr Dennis Paul, Mr Coleman and Mr Porter (the Hon. Sec to the memorialists) were personally told of the intention of the committee.

Your committee think that the above statement renders unnecessary any further reference to the third complaint- " That the memorialists were induced under a false impression to purchase large socks" and as to their complaints (first), " that they have been injuriously affected by the actions of the committee" and (fourth) "That their trade in stoves had been extinguished" It has been shown that very few stoves had been sold or were in use previous to the exhibition and that there was in fact hardly any trade to extinguish- But your Committee feel sure that many of those that now hire stoves will prefer to purchase when they have had an opportunity of satisfying themselves as to which stove will suit them best and as the committee have decided not to sell stoves and considering that only three kinds are let on hire and that and that only a little under 300 have been sent out amongst 30,000 householders there will be room for traders to do a much larger business than they have ever done before- and even if they do not, your committee cannot think that the council or even the memorialists on reflection would desire that a plan

should be abandoned which will prove not only a great comfort and saving to the consumer but an unquestionable benefit to the ratepayer by increasing the profit of the gas undertaking.

As to the lawns of rents charged the sole object of the committee being to increase the consumption of gas in the day-time, they were of course anxious to make the use of the stoves as popular as possible and therefore kept the rents as low as was consistent with the cost- your committee are fully satisfied that that the income from rents will cover interest and depreciation indeed offers have already been received from the makers of two the stoves to reinstate them at the end at seven years at a price, which added to interest will be more than covered by rents and although the price which the makers of the other stove propose to charge for repairs is somewhat higher in proportion there are so few of them in use as not materially to affect the question and a disposition has also been shown in this case to accept the terms proposed by the committee.

The number of stoves in use is now 320 and the cost with interest and maintenance for seven years if the committee accept the offers made by the makers will be as follows:

169 cost 18s/4d each			
7 yrs rent at 2s./Month	<u>14s.</u>		
7 yrs interest at 4%		5s. 1/2d	
Renewal at end of 7yrs		<u>7s.6d</u>	
		<u>12s.71/2d.</u>	
Profit per stove		14s-12s.71/2d.	<u>£1.4s.1/2d.</u>
Profit at end of 7yrs		£1.4s.1/2d.*16	<u>£11.12s.4.</u>
		9	<u>1/2d</u>
124 cost £ 3.8.3 each			
7 yrs rent at 6s./Month	<u>£2.2s.</u>		
7 yrs interest at 4%		19s.11/4d.	
Renewal at end of 7yrs		<u>£1.2s.6d.</u>	
		<u>£2.1s.71/4d.</u>	
Profit per stove		£2.2s.-	41/4d
		<u>£2.1s.71/4d.</u>	
Profit at end of 7yrs		41/4d*124	<u>£2.3s.11d.</u>
27 cost £4.17.6 each			
7 yrs rent at 10s./Mon	<u>£3.10s.</u>		
7 yrs interest at 4%		£1.7s.3d.	
Renewal at end of 7yrs		<u>£2.10s.</u>	
		<u>£3.17s.3d.</u>	
Loss per stove		£3.10s.- £3.17s.3d.	<u>7s.3d.</u>
Loss at end of 7yrs		7s.3d.*27	<u>£9.16.101/2d.</u>
Estd gain at end of 7yrs on 320 stoves (which at that time will be 'good as new),			<u>£ 4.4.7</u>

But if the makers of the 27 stoves reduce their price for renewing as it is expected they will. This gain will be considerably increased and if they do not the committee may probably adopt some other stove in its shed.

It may probably be argued by the memorialists that hirers will not keep them the year through and that the calculation of the committee will therefore be upset but it should be understood that it is not the intention of your committee to allow the stoves to be hired for the portion of a year only. No intimation of this sort has yet been made to applicants but if any stoves are ordered to be removed (say during the winter months) the committee propose not to allow them to be refitted except on a yearly rental so that the estimated income will be secured. In any case the profit on gas consumed will be so considerable that if no rent whatever were charged the committee are sanguine that benefit would result to the department as an illustration the consumption is given upon an average of 40 days of the 58 consumers who first had stoves on hire.

Consumption of 58 Consumers with stoves fixed upon an average of 40 days:	181,000	feet
Consumption of the same 58 consumers for the corresponding period of last year:	83,800	feet
Increase by 58 stoves for 40 days:	97,400	feet
<u>Which is equal to a profit of about £350 a year upon the 320 stoves already in use</u>		

Only 58 consumers can as yet be taken as an illustration because only that number have had stoves in use for the whole period between the two last inspections of meters.

Your committee may mention that they received a deputation from the memorialists introduced and supported by their solicitor Mr Owston and that their representations were fully considered by your committee at a special meeting held for the purpose- It will be obvious to the council that under the whole circumstances of the case, the primary object of the committee being to secure the consumption of gas- it would have been inexpedient to fix the stove rents equal to what would recommend it as a separate business lucrative in itself- Your committee are however satisfied that if they succeed in popularising the use of gas for cooking purposes that the memorialists will ultimately be substantially benefited in their business by this new enterprise.

If the council should after this explanation of our opinion that the rents of the stoves ought to be increased a course not recommended, your committee trust they will not require that the advance should be more than 5 % i.e. 15 % on the outlay.

Your committee are not unmindful of the responsibility conferred upon them by the council by the management of a concern, the cost of which was nearly half a million in money- The result of their experience as far as at present reported has they venture to think been satisfactory to the council and the town and the earnest desire of your committee is that the confidence and the success of the past may be fully maintained.

There is an important fact which must not be lost sight of viz.; that since the acquisition of the undertaking by the corporation, new capital to the extent of £104,000 has been expended and this is necessitated for the present and no doubt for some years to come to meet the requirements of a few weeks in the middle of the winter only. Your committee feel that if the satisfactory results of the past are to be maintained that there must be no lack of energetic and vigilant management- The course pursued by your committee is one which they venture to think would not be omitted in private business enterprise- it is pursued by other corporations owning gas works and the opinion of your committee has been and is that this large undertaking should be managed on behalf of the general ratepayer on purely business principles'

Moved and approved.

Appendix 6.3

Gas Stoves let out for hire by Leicester Corporation, 1880-85

Year	Total	At	At	At
		6d./month	1s6d./month	2s6d./month
1880	1,586	845	662	140
1881	2,468	-	-	-
1882	4,816	-	-	-
1885	21,080	-	-	-

Source: L.R.O., CM 18/1; Leicester Corporation Gas Committee Minute Book, 1880-85.

Appendix 6.4

Bankruptcy and receiving orders registered in selected trades, Leicester County Court, 1888-1914

Date	Building		B&S		Drapery		Grocery		Ironmongers		Coal Merch		Hosiery		All Bank	All DoA
	B	DoA	B	DoA	B	DoA	B	DoA	B	DoA	B	DoA	B	DoA		
1888	30	7	14	16	9	9	16	19	3	1	5	1	2	1	129	79
1889	15	6	14	25	4	11	14	10	1	3	2	2	4	0	102	77
1890	9	6	22	26	3	7	15	13	2	1	1	1	1	4	92	80
1891	3	5	24	34	5	13	14	7	2	1	0	0	1	2	99	87
1892	6	1	20	23	7	8	15	16	4	1	4	0	0	1	111	83
1893	9	13	19	27	7	5	11	12	4	4	5	1	4	4	123	97
1894	14	7	13	10	7	11	12	7	3	0	3	0	2	2	90	77
1895	6	4	11	17	4	7	12	8	3	1	2	0	1	6	75	63
1896	9	2	11	20	6	12	8	6	2	2	0	0	2	3	69	70
1897	3	5	17	21	7	13	14	10	4	4	3	2	3	6	85	78
1898	11	6	21	23	6	12	17	10	3	7	2	1	0	7	93	83
1899	16	7	18	15	3	7	17	15	7	5	1	2	2	1	93	70
1900	22	12	13	13	7	7	17	9	3	2	3	1	0	4	104	83
1901	16	11	19	14	2	8	20	6	2	1	2	0	3	4	114	64
1902	13	10	22	19	4	7	10	9	4	3	2	1	2	2	92	73
1903	10	8	15	13	6	11	22	11	2	0	1	1	2	2	110	75
1904	5	12	8	11	7	15	8	14	5	3	2	1	1	2	67	100
1905	15	7	17	15	10	20	12	13	4	6	1	0	2	3	87	92
1906	11	12	2	11	3	11	5	11	1	5	1	0	1	1	57	74
1907	8	11	2	12	2	7	6	14	3	4	1	0	1	1	51	76
1908	5	8	5	7	5	11	7	18	5	1	2	0	1	6	62	74
1909	6	11	4	11	0	9	9	18	0	4	2	1	1	3	48	79
1910	5	4	6	13	2	5	12	15	3	1	0	1	2	2	54	61
1911	11	12	4	13	2	2	7	9	2	2	4	0	1	1	52	48
1912	6	2	4	8	4	8	5	10	1	1	0	1	0	1	56	43
1913	4	3	8	8	1	5	8	8	2	1	1	0	0	0	38	42
1914	3	6	6	10	4	4	6	5	4	3	0	0	2	1	42	39
Total	271	198	339	435	127	245	319	303	79	67	50	17	41	70	2,195	1,967

B = Bankruptcies; DoA = Deeds of Arrangement.

Source: *Annual Bankruptcy Report P. P.*, 1888, XCI.1; 1889, LXX.1; 1890, LXVII.11; 1890-1891, LXXXVII.1; 1892, LXXII.1; 1893-94, LXXXI.1; 1894, LXXVII.1; 1895, LXXXVIII.1; 1896, LXXVI.1; 1897, LXXIX.87; 1898, LXXXIV.1; 1899, LXXXVIII.105; 1900, LXXVIII.97; Annual summary of bankruptcy statistics in; L.R.O., DE 3848/7-8, L.T.P.S. Minute Books, 1901-14.

Appendix 6.5

Administration orders, Leicester County Court, 1884-1914

Date	Administration orders	Liabilities £	Mean liabilities £
1884	198	5,700	28.8
1885	279	7,302	26.2
1886	157	4,237	27.0
1887	142	-	-
1888	145	3,769	25.4
1889	109	3,121	28.6
1890	99	2,854	28.8
1891	48	1,339	27.9
1892	55	1,446	26.3
1893	79	2,207	25.7
1894	72	1,995	27.7
1895	73	2,242	30.7
1896	76	2,080	24.4
1897	73	2,193	30.0
1898	93	2,750	29.6
1899	87	2,668	30.7
1900	98	2,993	30.5
1901	107	3,260	30.5
1902	125	3,736	29.9
1903	171	5,092	29.8
1904	146	4,339	29.7
1905	129	3,643	28.2
1906	146	3,891	26.7
1907	157	4,670	29.7
1908	169	4,481	26.5
1909	205	5,633	27.6
1910	186	4,839	26.0
1911	203	5,357	26.4
1912	202	5,280	26.1
1913	138	3,695	26.8
1914	98	2,498	25.5

Source: *Annual Summary of Bankruptcy Statistics, P. P.*; L.R.O., DE 3848/6-8, L.T.P.S. Minute Book, 1884-1914.

CONCLUSION:
THE URBAN ECONOMY AND THE SMALL FIRM

At one level, the objective of this thesis was to examine the nature of small firm relationships in Leicester during the second half of the nineteenth century. More importantly this focus upon the local provided a means of examining broader issues, in particular how complex commercial relationships were developed and mediated in response to the unprecedented growth, dynamism and hence flux faced by the market economy. Towns were the focus for these changes and Leicester's experience was typical of many. In-migration and unprecedented economic growth saw the population mushroom from 48,000 in 1841 to over 211,000 by 1901, propelling it from seventeenth to thirteenth in the urban hierarchy of Britain. These were changes experienced by many towns, the difference being largely in terms of scale and timing. Each new migrant, new street and new business wove another strand of complexity and choice into the network of the urban economy - understood principally as the economic relationships between producers and consumers both commercial and domestic, at the level of the town and its immediate hinterland. By assessing how the commercial community of Leicester negotiated these shifting sands, one can establish a clearer understanding of the functioning of firms and the wider urban economy - a task largely neglected by both business and urban historians.¹

The key to unlocking the problems of commercial relationships was moulded from the concept of information flow or asymmetry. In essence this can be defined as the unequal or partial availability of information to two or more parties - usually in the case of economic relationships between the producer and consumer, but also applicable to social and cultural relations.² At the heart of this thesis lies an understanding of how the flow of information, knowledge or 'social capital', influenced the operation of business

¹ M. J. Daunton, 'Industry in London: revisions and reflections', *London Journal*, 21, 1996, 3; D. Reeder and R. Rodger, 'Industrialisation and the city economy', in M. J. Daunton, (ed.), *The Cambridge urban history of Great Britain*, Vol 3, (Cambridge, forthcoming).

²T. Eggertsson, *Economic behaviour and institutions: Cambridge surveys of economic literature*, (Cambridge, 1990).

relations.³ This was particularly important for small firms where investment in family networks, kinship links and personal affinity often brought access to the knowledge required to effectively operate a business. This applied to both the small sums of capital frequently required to kick-start a firm into life, such as happened with the rapid expansion of the footwear trade in the town, or the network of neighbourhood knowledge in which trust and reputation provided sufficient information to take business decisions, most notably the extension of credit. In a brave new world in which business newcomers accompanied the rapid physical growth of the city, credit was essential to cement urban economic relationships together. Networks of trust and reputation built upon neighbourhood and kinship ties were insufficient to deal with the new uncertainties.

Increased uncertainty reflected increased choice. Business networks grew and became more complicated as new firms interacted within them, however crucial to the survival of the individual firm were the strategies employed to overcome the downside of choice, in particular the uncertainty of business transactions. Firms of all sizes were dependent upon extending credit to their customers and receiving credit from their suppliers in order to trade successfully. Yet failure to repay credit debts, or recover credit owed from customers could threaten the cash-flow and hence liquidity of a business. Private networks were often insufficient to provide new capital for a business or to provide bridging loans or cover during times of hardship. Consequently firms placed great emphasis upon the circulation of capital; to improve turnover was to improve profits and to lock up scarce capital reserves in the form of extended credit was to compromise turnover, profits and ultimately the very existence of the firm. For small firms it could take only one or two bad debts for a business to go under.⁴

Crucial to the survival of the individual firm were the strategies employed to overcome the anxiety of credit transactions. Private networks of information and trust were

³ R. J. Morris, 'Civil society and the nature of urbanism: Britain, 1750-1850', *Urban History*, 25, 1998, 291-303; J. Hall, (ed.) *Civil society: theory, history, comparison*, (Cambridge, 1995).

⁴ D. A. Kent, 'Small businessmen and their credit transactions in early nineteenth century Britain', *Business History*, 36, 1994, 47-64; C. Young, 'The economic characteristics of small craft businesses in rural lowland Perthshire, 1830-1900', *Business History*, 36, 1994, 33-52; J. Hoppitt, 'The use and abuse of credit in eighteenth century England', in N. McKendrick and R. B. Outhwaite (eds.), *Business life and public policy: essays in honour of D. C. Coleman*, (Cambridge, 1986).

insufficient to counter the immediate pressures of debt default or to pursue the recalcitrant debtor. As a result, informal links were complemented by the development of formal institutional systems intended to provide further stability to the expanding economy. As the town was the centre for information flows, so it was also the focus for the rule of law. The anxieties of debt and credit relations were intended to be addressed through the agencies of the County Court.

The County Court system was introduced in 1847 to act as an interface between the rule of law and the urban economy. Its particular focus was upon the operation of the market; to ensure that the plethora of 'choices' made available by the expansion of the urban were restricted to those socially and economically acceptable. In short this meant the enforcement and recovery of small debts through the operation of the Court. The County Court was established as a direct response to the ineffectiveness of the preceding Courts of Conscience and Request. The new system was intended to be homogeneous, a unified structure for the administration of civil justice throughout England and Wales. Its purpose was simple: to amend the behaviour of the firm (and individuals) by exposure to the efficient application of the law. As a means to this end, the role of the Court was formalised; lay justices were replaced by a professional elite and legal procedures clearly established. The small debt process was intended to provide an effective means for creditors to reduce the transaction costs of enforcing contracts, that is by cutting the costs and delays of the law and forcing debtors to repay. It also was supposed to open up the law to plurality. Regular hearings in a network of Court buildings were intended to make the law accessible to all; suitors could represent themselves, hearsay evidence was accepted and the judgements of the court intended to introduce equity into proceedings. For instance, for those too poor to repay a debt in full, deferred instalments permitted extension, whilst those who were thought to deliberately oppose the rule of law could face the ultimate sanction of imprisonment for debt.⁵

⁵ G. R. Rubin and D. Sugarman (eds.), *Law, economy and society: essays in the history of English law*, (Abingdon, 1984); H. W. Arthurs, *Without the law: administrative justice and legal pluralism in nineteenth century England*, (Toronto, 1985); P. Johnson, 'Small debts and economic distress in England and Wales 1857-1913', *Economic History Review*, 46, 1993, 65-87.

If the town was the location for the agencies of the law, the court provided a forum where the conduct of both plaintiff and defendant could be inspected. Yet, the prescriptive influence of the early system floundered upon a number of practical flaws. Most important were the hidden costs faced by the plaintiff. Predominantly composed of those small and medium sized firms eager to recover credit debt, they were faced with a considerable surcharge in terms of both time and Court fees. The onus was placed upon those who were owed the debt to prove it. This meant that evidence had to be assembled and, if necessary, witnesses made available for cross examination by the court officials. Other direct costs were imposed by the early fee structure imposed by the court, where plaintiffs could face a surcharge of between 5-25 per cent on the original value of the debt. Although ultimately the debtor was expected to repay the debt and legal costs the system was further compromised by the time taken to recover many of these small sums. Unserved summonses, the whim of the court or an order to repay by instalment often meant that the time taken to recover a debt could extend to a six month period, and in extreme cases last 2-3 years.

The original purposes of the court were clearly intended to address the information problems faced by the market. A lack of information about others, especially their credit worthiness, reputation, or integrity made firms vulnerable to moral hazards. Credit agreements could be reneged upon, debtors could flee or the fraudulent deliberately exploit the information imbalances within the market. These were anxieties often exacerbated by high-profile cases of fraudulent behaviour. Newspapers were ever vigilant, warning townspeople of criminal gangs of fraudsters rumoured to be within, or about to descend upon, the area. These elements of commercial anxiety were heightened in towns such as Leicester where much of the new industrial wealth was generated by new industries, such as the footwear trade. Many of these firms were both small and very new; they lacked the experience, knowledge and information needed to make efficient judgements. Consequently economic activity threatened to become characterised by an increase in the level of commercial anxiety, if not actual risk, which could quickly topple on from one firm to the next. These anxieties could be ameliorated through the rigour of the County Court, whose position as the commercial arbiter of the state was intended to influence the choices made by firms and impose discipline upon the market.

In practical terms, when faced with the likelihood of a cash-flow crisis brought about by bad debt or an ill-informed business decision, firms often had little reserve capital to call upon. Extended networks of kinship and support may have helped, but these were often only available at business start-up and were not a reliable or on-going form of commercial strategy. Similarly, access to capital by issuing shares was an option practised only by the largest of firms. Instead, small firms had to rely upon their ingenuity to survive, no more so than in the way businesses, many of them one man firms, used the County Court system for their own strategic advantage.

Analysis of the number and exposure of small firms to the County Court system illustrates how the intricacies of the legal process could be used by firms as part of a range of strategies intended to deal with the everyday anxieties of staying afloat. Although the Court was intended to speed the recovery of debts, many firms were also drawn into using the law in order to delay, forestall or avoid the attentions of creditors. Each year, as either plaintiff or defendant, 10 per cent per cent of the population of the region came into contact with the County Court. By tracing the histories of a number of cases throughout the year, it is apparent that the law offered more than a means of recovering a debt.

The strongest indications of a tactical use of the law were the clear hierarchies of credit and debt. These levels of priority emerge when case histories across the differing stages of the court process were re-constructed. Many trade debts, arranged between manufacturers were 'taken to the wire' by debtors, payment being refused or withheld until the creditor registered a summons with the court officials. Thereafter debts were settled and business practice continued. However at the secondary level of hearing and judgement inside the court, a more conscious level of debt default existed amongst many of the defendants. At this second stage, the evidence suggests that many debtors, when faced with the option of repaying debt from differing creditors, made specific choices and prioritised their repayment. Those creditors who fell to the bottom of priorities included the doctors, travelling drapers and many of the larger coal merchants of the town. It would be easy to presume that their involvement at hearings in the court was a reflection of their own rapacious attitude towards debt. However investigation of the

repayment priorities of defendants suggests that debtors took advantage of the information shortages facing the creditor. The nature of much of the business of these firms involved dealing with a large number of customers over an extended area. They were disconnected from the local networks of the areas where the business penetrated. This made it difficult to screen credit advances which in turn made them vulnerable to the hazard of debt default. Such problems were compounded by strong competition within these sectors where, in order to trade, it became necessary to extend unsecured or inadequately screened credit. The result was that debtors held the advantage. They were aware of how far they could stretch the law and the assistance of repayment schedules to meet their own cash-flow crises or personal priorities, rather than those of the creditor. The medical profession appear to have suffered disproportionately. Doctors were impaled upon their Hippocratic oath and patients presented a moral hazard which could not be avoided. The doctor was obliged to extend credit for treatment in all circumstances, which meant that defendants could use the full process of the law to delay the repayment of these debts with little fear of retaliation through non-treatment or moral opprobrium, either from the court, other businesses, or the local neighbourhood.⁶

Other evidence of a tactical awareness of how the law could be deployed to advantage, can be found within further aspects of county court activity. It was particularly evident amongst those exposed and willing to exploit the civil law surrounding personal and commercial insolvency. Many of those firms brought before the County Court for the recovery of small debts (under £50), were repeat offenders, repaying a debt to one creditor before appearing a few months later to settle instalment terms with another creditor. Significantly, it is clear that often these firms were also found amongst the names of plaintiffs. Suits and counter-suits show how intimately the networks of credit were inter-woven between many small firms. The cash-flow of many such businesses was continually balanced on an edge; where debts were not recovered creditors could not be paid in full. If these daily anxieties turned into reality, there was the possibility of a downward spiral of confidence with failure transmitted to other firms caught in the network of credit inter-dependency. These outbreaks of small-scale crises can be detected amongst the networks of loans and debts which pivoted around the role of the

⁶ A. Digby, *Making a medical living: doctors and patients in the English market for medicine, 1720-1911*, (Cambridge, 1994).

money-lender. Hitherto considered as the rapacious bogey-man of the domestic and trading community, evidence of the role of money-lenders in the County Court suggests a different picture. They exploited their opportunities but also acted as a shock-absorber for the small business community. Unlike fraternal associations and kinship-networks, money-lenders were willing to lend short-term cash loans, with little security or investigation of reputation. Consequently, both those isolated by conventional networks of support or those unwilling to exploit fraternal goodwill unduly could seek help from the money-lender. They were self-styled loan agents who could be approached again and again. Loans were often small amounts of between £1-£25 extended over a short period and provided lubrication during times of illiquidity. Money-lenders were intimately acquainted with the intricacies of the civil law; their procedural knowledge gave them an advantage which could be exploited by firms in difficulty. The money-lender drew little moral judgement. By using mechanisms such as the bill of sale the money-lender, in collusion with the debtor could shelter their assets from the attentions of creditors with more legitimate, but disabling claims.

The further exploitation of the law could offer other breathing spaces. The variety, complexity and repeated amendments to the laws of insolvency and bankruptcy created havens where the weary firm could shelter from the waves of indebtedness which periodically swept over them. Administration orders provide a case in point where a shrewd creditor could seek preferential treatment at the expense of others. Changes to the laws of bankruptcy were also exploited by small firms.⁷ This was exemplified by the upsurge in bankruptcy registrations during the period of so called 'unofficialism' between 1869 and 1883. This date marked the period where the principles of laissez faire, collided with the realities of the market. The removal of the state in the form of the County Court from its intermediary role, administering the operation of the bankruptcy law, was welcomed by many business interests. However the reality of the change in the law soon became apparent. Classical models of perfect information and rational choice did not exist. Firms behaved to serve their own interests and when faced by an insolvent debtor were often prepared to rush to the law to declare an insolvency

⁷ W. R. Cornish and G. de. N. Clark, *Law and society in England 1750-1950*, (London, 1989); V. M. Lester, *Victorian insolvency: bankruptcy, imprisonment for debt and company winding up in nineteenth century England*, (Oxford, 1995).

and settlement with little regard for those creditors ill informed or unacquainted with the situation. It took some fourteen years before this asymmetry was adjusted by re-introducing the state in the form of the official receiver to lubricate this point of market friction.

The problems of partial and unequal information between debtors and creditors was, for some years at least, exacerbated by the County Court system. To address this information vacuum other non-state institutions were created, including the Leicestershire Trade Protection Society (L.T.P.S.) In an economy dominated by small firms with low capitalisation and limited liquidity, as was found amongst most of the traders and manufacturers of Leicester, reputation counted for a lot. By positioning itself at the centre of the information nexus, the Society became an arbiter of reputation - sharp practice could be discouraged and the values of the market shaped.

Formed with the intention of promoting 'goodwill and common understanding' amongst firms, much of the Society's role inter-locked with the operation of the County Court. Yet where the law fell short, the Society sought to intercede and operate alongside. This was the case with the Society's ex-ante debt recovery service. Because of the costs and delays often associated with early County Court system the Society introduced a cheaper and preliminary service. This service worked in conjunction with the court. An analysis of the cost structures of its debt recovery service shows how a sliding scale of charges and even free debt recovery were used to encourage a plural participation, drawing in differing sectors of the business community into the organisation. The labour costs of the court process were also reduced by the Society, with a solicitor retained, clerks appointed and a debt department established solely to press members' cases inside and outside the courts. Such was the utility of these services that the private ex-ante system often processed more debts than the County Court itself.⁸ Of all those cases which advanced to the Leicester County Court, some 40-50 per cent each year were presented on behalf of plaintiffs by the Society.

⁸ For instance in 1888 the L.T.P.S. registered 17,386 debts, compared with only 11,474 registered in the County Court. See Chapter 3, Table 3.3.

These actions were intended to position the L.T.P.S. at the heart of commercial activity. Its role was to overcome or at least reduce the information imbalances of the urban economy. By providing invaluable services the L.T.P.S. established itself as a commercial agent sensitive to the pulse of the local economy. The Society's actions positioned it between the role of the state and the individual firms which comprised the market. For instance, when the strictures of the civil law were abandoned in favour of creditor controlled bankruptcy proceedings, the Society used its position to try to amend or supplement the weaknesses of the law by attending all known creditors' meetings, publicising decisions and imploring all additional information to be passed into its offices. Others were more directly related to the flow of information. Through the collation and screening of valuable commercial information the strategies and decisions of businesses, especially those of the Society's members were enhanced. This included the processing of written and verbal queries about the 'status' of potential customers, indexing and printing County Court judgements and insolvencies, the publication of trade directories and the distribution of a members' monthly circular. By plugging into a network of regional, national and international agents, the 'status enquiry' service attracted some 60 written enquiries per day. The pin-point information on the probity, sobriety and thrift of firms and individuals was drawn from an information network of similar Societies and corresponding agents both within Leicestershire and throughout the country, which was broader than any forms of kinship or fraternal link could ever hope to be.

A further purpose of this connectivity with neighbourhood and national networks was to ensure that the values favoured by the Society became the common currency of information and practice within the market. By placing itself as an information intermediary and trading in 'knowledge based capital,' the Society could define business morals, standards of commercial probity and shape the form of the market. These actions were intended to produce the conditions for firms and individuals to make self-directed choices. The Society was there to show what market advantages firms and individuals could gain from participation in a system according to the Society's rules. Furthermore, the reduction of the immediate transaction costs of small debt and insolvency procedures also drew participants into the system. The strategies of tactic and delay so evident in the use of the Court process were not to be eliminated, but to be used as an incentive to draw the civil law and the merits of prudent management and

behaviour into the strategic consciousness of all individuals and firms. These were influences which in time, were intended shape the boundaries of the market itself.

Together the L.T.P.S. and the County Court pioneered a new commercial agenda. The hierarchies of the law and organisation of the Society were there to exemplify the advantages of upright personal conduct and efficient business organisation. Just as the Society's model offices marked its physical presence in the town, so its professional management structure was intended to be both efficient and to project the values of a business culture which all firms, and especially its members, were intended to emulate. These plural values were also applied at the institutional level where, unlike other organisations such as the Chamber of Commerce, the Society's focus was upon the equitable operation of the market. Collective action to intervene in local and national politics was intended to focus upon those issues of information asymmetry, such as the inadequacies of the law or the ineffectual functioning of economic infrastructure, rather than the sectional interests of the largest manufacturers and employers. Tactical approaches changed as the political, social and economic environment of the locale evolved, yet the Society's aim remained the establishment of trust and stability within the market. The Society's agenda was commercial and so its membership was open to all. Small, medium and large firms were all members, males and females could join. Only money-lenders were excluded, the remainder of the commercial community screened only on the basis of their ability to afford the annual subscription fee of one guinea.

How does the sum of these parts relate to the whole? In essence all these dilemmas addressed by the actions of the L.T.P.S. and the County Court system relate to the nature of civil society. Morris defines civil society as lying between the 'prescription imposed by the state and the prescription imposed by the ritual and custom of tightly organised kin or quasi-kin networks.'⁹ Located between these positions the L.T.P.S. functioned within the urban economy of Leicester. One on side stood the conventional networks of family and fraternal support which had previously underpinned much of the urban economy. At the other extreme stood the rule of law, the courts and local government. Between them both lay the ground occupied by civil society, or in this case

⁹ R. J. Morris, 'Civil society', 292; J. Hall, (ed.) *Civil society*, 1-5.

the associational activities of the L.T.P.S. Like other layers of a developing civil society the role of the L.T.P.S. was to organise action, to empower individuals and to enable organisations including firms to make their own choices. However within the context of the urban economy, these choices were to be directed so that they would not act adversely upon other firms. The opportunities to do so increased significantly as the boundaries of the urban economy expanded, and were epitomised by the anxieties about debt default and fraudulent behaviour. Where the rules of the law fell short, the L.T.P.S. stepped in and helped firms make the appropriate self-directed 'choice.' Both firms and individual consumers were encouraged to participate in a legal system which, if used shrewdly, could offer something for all. This plurality was facilitated further by the Society's subsidy of the early costs of the law. By mediating relationships between consumers and producers alike, the L.T.P.S. provided an effective means of reinforcing the centrality of credit and circulatory capital within the urban economy. This role parallels other institutional relationships such as those of trade unions, the co-operative movement or employers' associations, where the mutuality of relationships between members, and opposing forces was the driving force for negotiation. By shifting the emphasis away from models of class/capital confrontation and 'rational' choice this analysis of institutional participation reinforces the importance of mediation within and between all levels of Victorian Society.¹⁰

In practice this negotiation meant that codes of behaviour and action were filtered, screened and adjusted through membership of the institution. This membership was in part attracted by the offer of access to the information systems of the Society. However, attracting and retaining members was dependent upon the effectiveness of the organisation, including the establishment of trust. This the Society achieved by making its affairs as transparent as possible. This visibility stretched from the airy spaces of the Society's offices, where debtors and creditors could both witness the bureaucratic functioning of the Society, to the management structure of the organisation, where functions were clearly demarcated to specific departments and the incessant flow and

¹⁰ R. J. Morris, 'Externalities, the market, power structure and the urban agenda', *Urban History Yearbook*, 17, 1990, 99-109; R. Rodger, 'Managing the market - regulating the city: urban control in the nineteenth century United Kingdom', in H. Diederiks, P. Hohenberg, and M. Wagenaar, (eds.), *Economic policy in Europe since the late Middle Ages: the visible hand and the fortune of cities*, (Leicester, 1992), 200-19.

structured format of the Society's publications. Following the early exposure of internal embezzlement, transparency of accounting procedures was one lesson the L.T.P.S. learned early, although these measures were carefully tempered so as not to compromise the Society's own control of information and its own reputation. Thus for broader consumption, the L.T.P.S. made the market networks more 'transparent' by compiling and printing a comprehensive trade directory of all firms and institutions active within the urban economy. It also legitimised itself within the town by holding its open meetings in the premises of the town council and the pragmatic award of honorary membership to both the civic elite, such as the mayor and local M.P.s, and also the those arbiters of business communication, the goods manager of the railway and postmaster of the town.

Studying activity at the micro-level stretches our understanding of nineteenth century business. Emphasis is redirected away from the exceptional activities of the business entrepreneur and joint stock company towards the small fry and the imitators. In Leicester, as elsewhere, the stability and security offered by joint stock registration and limited liability status was not an option open to most businesses. Small firms which made up the bulk of commercial activity actually wished to limit the uncertainty they faced in business life. At their heart many of the conflicts of commercial relations could be traced back to the uncertainties brought about by the spatial and economic expansion of towns.¹¹ The sense of uncertainty experienced by many firms rendered it necessary for institutions to try to lubricate these frictions within the market. Attempts to remedy the problems of an economy in flux encouraged the emergence of an executive role for the state in the form of the County Court. Furthermore, when the institution proved inadequate, or was not responsive enough to address business worries, then the trading community took affairs into their own hands. Through the actions of organisations such as the L.T.P.S., firms were given a pro-active role in determining their own destiny,

¹¹ Between 1870-1900 184 firms gave an address in Leicester as the place of their joint stock formation. Only 105 of these appear to have had any connection with the town itself, some even claiming linkage with overseas investments such as the 'Gold Fields Water Supply and Exploitation Syndicate' or the rather bereft, 'St Ives (Hunts gas Co. Ltd.)'. By 1900 55 of these firms, including both regional banks had been or were members of the L.T.P.S. suggesting that the information networks of even these regional banks was insufficient to effectively screen potential customers on their own. See Appendix 7.1 for a full list of those firms registered. On the role of Leicester banks see also Chapter 4 and J. Wale, 'What help have the banks given British industry? Some evidence on bank lending in the Midlands in the late nineteenth century', *Accounting, Business and Financial History*, 4, 1994, 321-42.

manipulating the law and synthesising information to suit their own commercial requirements. Further work should be carried out to explore these relationships. In a direct manner, more research is required to explore how Societies and organisations reacted not only internally and with the legislature, but also with each other. To this end questions should be directed towards the role of the Association of Trade Protection Societies, both as an umbrella organisation and in its relations with other institutional organisations, such as the Chambers of Commerce movement. Only then will it be possible to discover how influential local societies were in contesting the national economic agenda.

Appendix 7.1

Firms registered in Leicester as Joint Stock Companies, 1869-1900

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
1	St Ives (Hunts Gas Co. Ltd.)	42 Belvoir Street	Gas Supply	29/08/69	10,000	60
2	Stamford Club Co. Ltd.	43 Humberstone Gate	Club proprietor	09/06/69	409	50
3	Countesthorpe Brick & Tile Co. Ltd.	- Bowling Green Street	Brick Manuf	03/09/69	20,000	12
4	Belgrave Road Cricket & Bicycle Ground Co. Ltd.	1 Church Gate	Recreational Ground	11/12/69	10,000	58
5	Wells Wire & Shoe Tip Co. Ltd.	5 Oxenden Street	B & S Manufr	03/08/70	120,000	-
6	Leicester Turkish Bath Co. Ltd.	26 Cank Street	Turkish Bath	14/03/72	5,000	53
7	Belgrave Laundry & Washing Co. Ltd.	2 Millstone Lane	Laundries	19/04/72	4,000	-
8	English Cable Screw Wire Co. Ltd.	5 Oxendon Street	B & S Manufr	29/08/72	30,000	16
9	Leicester Real Property Co. Ltd.	27 Belvoir Street	Land	16/09/72	50,000	27
10	Midland Brick & Terracotta Co. Ltd.	36 PocklingtonsWalk	Brick Manufr	06/02/73	30,000	7
11	Photo-Mechanical, Engraving, Lithographic & Printing Co. Ltd.	36 Pocklingtons Walk	Printing	07/02/73	50,000	-
12	Leicester Patent Brick & Tile Co. Ltd.	10a Horsefair Street	Brick Manufr	08/04/73	2,000	13
13	Leicester Secular Hall Co. Ltd.	77 Humberstone Gate	Hall	02/05/73	5,500	35
14	Leicester Coal Consumers Co. Ltd.	12 Horsefair Street	Coal Mining	04/06/73	20,000	165
15	Leicestershire Club Co.	22 Friar Lane	Club Proprietors	19/06/73	10,000	132
16	Leicestershire & North of England Fire Insurance Co. Ltd.	6-8 BankChambers	Fire Insurance	21/10/73	100,000	-
17	Thurmaston Terra-Metallic Brick & Tile Co. Ltd.	9 Halford Street	Brick Manufs	29/12/73	15,000	-
18	Oakham Gas Co. Ltd.	42 Belvoir Street	Gas Supply	06/07/74	7,500	67
19	Wheatley Turner & Co. Ltd.	- Blake Street Mills	Elastic Web Manufs	30/07/74	2,000	-
20	Leicestershire Conservative Newspaper & Printing Co. Ltd.	54 Colston Street	Publishing	06/08/75	5,000	162
21	National Cooperative Boot & Shoe Manufacturing Co. Ltd.	35 Crafton Street	B & S Manufr	08/01/76	5,000	-
22	Freeman, Hardy, Willis Ltd.	39 Portland Street	B & S Manufr	20/12/76	20,000	-
23	Leicestershire Cricket Ground Co. Ltd.	- Berridge Street	Cricket Club	15/05/77	20,000	-
24	Evington Coal Boring Co. Ltd.	27 Belvoir Street	Mining	26/10/77	7,000	9
25	J W Rowles & Co. Ltd.	- Highcross Street	Leather Merchants	29/01/81	10,000	8
26	Midland Counties Real Estates Purchase & Advance Co. Ltd.	42 Belvoir Street	Estate Agents	29/01/81	30,000	11
27	Leicester Newspaper Co. Ltd.	30 Humberstone Gate	Publishers	04/03/81	1,000	37
28	Leicester Banking Co. Ltd.	- Leicester	Banking	05/06/80	1000000	132
29	Pares Leicestershire Banking Co. Ltd.	- Leicester	Banking	12/10/80	1000000	586
30	Patent Protector Toe Cap Co. Ltd.	- Grey Friars	Leather Merchants	19/10/81	10,000	14

Appendix 7.1 continued.

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
31	Northgate Boot & Shoe Manuf Co. Ltd.	99 Highcross Street	Leather Merchants	19/12/81	10,000	10
32	London & Midland Counties Carrying Co. Ltd.	- Belgrave Gate	Carriers	04/04/82	10,000	9
33	Leicester Temperance Publication Co. Ltd.	40 Upper Charles Street	Temperance	30/06/82	500	41
34	Manuf United B & S Agency Ltd.	- Welford Road	B & S Manufr	11/09/82	30,000	12
35	Leicester Liberal Club Co. Ltd.	- Gallowtree Gate	Club Proprietors	14/02/83	15,000	8
36	Neurogene Co. Ltd.	- Syston	Manufr	21/02/83	6,000	17
37	Wigstone Junction Brick & Tile Co. Ltd.	42 Belvoir Street	Brick Manufr	01/03/83	10,000	7
38	Northampton & Leicester B & S Machinery Co. Ltd.	28 Friar Lane	B & S Manufs	28/06/83	100,000	8
39	New Leicester Club & County Racecourse Co. Ltd.	- Grand Street and Oadby	Racecourse	14/10/84	20,000	20
40	P. J. Harrison & Co. Ltd.	- Watling Street	Manufr	04/02/85	20,000	27
41	Ensilage Press Co. Ltd.	10 New Street	Engineers	14/04/85	10,000	19
42	Lincoln & County Merchants and Traders Association Ltd.	3 Grey Friars	Protection Society	16/06/85	2,000	7
43	Mapperley Colliery Co. Ltd.	- Mapperley	Coal Mining	05/10/85	20,000	13
44	National Merchants & Traders Association & Chamber of Commerce.	3 Grey Friars	Protection Society	23/02/86	-	-
45	Leicestershire Dairy and Farm Produce & General Supply Co. Ltd.	13 Market Place	Dairyman	24/04/86	10,000	26
46	Wm. Dunmore & Co. Ltd.	- Vulcan Street	Food Manufr	22/10/86	10,000	7
47	Manilla Shoe Co. Ltd.	- Queen Street	B & S Manufr	25/10/86	2,000	9
48	Union Boot & Shoe Machine Co. Ltd.	51 King Street	B & S Engineers	15/01/87	50,000	83
49	General Household Store Ltd.	8 Cheapside	General Dealers	01/02/87	10,000	7
50	Quorn Ranch Co. Ltd.	8 Friar Lane	Ranching	04/05/87	70,000	7
51	Midland Counties Advertising Co. Ltd.	4 Pocklingtons Walk	Advertising	28/07/87	-	-
52	Leicester Land Co. Ltd.	7 Welford Road	Land Agents	15/10/87	60,000	15
53	Knighton Junction Brick Co. Ltd.	3 Grey Friars	Brick Manufr	04/11/87	30,000	33
54	Midland Rattan Co. Ltd.	- Syston	Furniture Manufr	05/12/87	10,000	-
55	Leicester Bill Posting & Advertising Co. Ltd.	64 Upper Charles Street	Advertising	18/08/88	5,000	8
56	British Progress Bunching Machine Co. Ltd.	22 Friar Lane	Engineers	25/03/89	25,000	27
57	Lousiana & Southern States Real Estate & Mortgage Co. Ltd.	1 East Street	Land Agents	30/04/89	50,000	9
58	Leicester Electric Light & Power Co. Ltd.	20 Friar Lane	Electricity	29/06/89	1,000	7
59	Stead & Simpson Ltd.	12 Belgrave Gate	Leather Merchants	31/07/89	200,000	119
60	Brighton & Shoreham Tramways Co. Ltd.	27 Belvoir Street	Tramways	30/10/89	10,000	14

Appendix 7.1 continued

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
61	Muggleton & Co. Ltd.	4 Pocklington's Walk	Advertising	15/02/90	1,000	-
62	Indestructible Butt Leather B & S Co. Ltd.	28 Crafton Street	B & S Manufr	19/02/90	15,000	63
63	Raithby, Lawerance & Co. Ltd.	- Queen Street	Printers	01/03/90	8,000	26
64	Leicester & County Conservative Club House Co. Ltd.	26 Market Place	Club Proprietors	26/03/90	12,000	32
65	Roberts & Roberts Ltd.	19 Market Place	General Dealers	14/06/90	75,000	123
66	Ellis & Everard Ltd.	1 East Street	Coal Merchants	20/06/90	100,000	16
67	London & Leicester Hosiery Co. Ltd.	- Nicholas Street	Hosiery Manufrs	23/06/90	120,000	-
68	Leicester & General Investment Co. Ltd.	27 Belvoir Street	Share Dealers	02/07/90	25,000	7
69	Pearson & Bennion Ltd.	16 BlueBoar Lane	B & S Engineers	09/10/90	20,000	11
70	Leicester Butchers Refuse Co. Ltd.	7 Dorset Street	Waste Products	30/10/90	600	78
71	Leicester & Midland Counties Plate Glass Insurance Co. Ltd.	28 Nicholas Street	Insurance	20/12/90	1,000	7
72	Leicester Leather Board Co. Ltd.	- Birstall	Manufr	27/02/91	5,500	7
73	Hannett & Co. Ltd.	- Wellington Street	Furniture	04/03/91	7,000	7
74	Red Bank Brick Co. Ltd.	- Grey Frairs	Brick Manufrs	16/05/91	10,000	8
75	Joseph Bream & Co. Ltd.	- High Street	Mine Exploration	04/06/91	5,000	11
76	Excelsior Stencil, Engraving & Stamping Co. Ltd.	52 Belvoir Street	Engraving	05/08/91	5,000	-
77	John Richardson & Co. Ltd.	10 Friar Lane	Chemists	29/12/91	100,000	7
78	Dawson's Cycle Tyre Co. Ltd.	1 Church Gate	Tyre Manufr	28/01/92	3,000	-
79	A. C. M. E. Rink Co. Ltd.	4 Grey Friars	Skating Rink Propr	04/04/92	3,000	7
80	Saturday Herald Newspaper Co. Ltd.	- Rutland Street	Publishers	15/05/92	4,000	-
81	Knighton Public Hall Committee Ltd.	8 Town Hall Square	Public Hall Propr	26/08/92	3,000	97
82	Rawdon Foundry Co. Ltd.	- Moira	Engineers	06/12/92	2,000	-
83	T. R. Harrison & Co. Ltd.	- Belgrave Gate	Bone & Glue	12/12/92	4,400	-
84	Mills and Co. Ltd.	22 Cank Street	Food Manufr	21/12/92	2,500	23
85	Enderby Liberal Club Ltd.	4 Bishop Street	Club Proprietors	14/02/93	500	52
86	Premier Restaurant Co. Ltd.	47 Gallowtree Gate	Confectioners	15/03/93	3,000	7
87	Wells & Co. Ltd.	5 Yeoman Street	Leather Merchants	17/07/93	25,000	9
88	Farmers' Milk Supply & General Produce Co. Ltd.	6-8 Curzon Street	Dairymen	31/07/93	2,000	28
89	Peoples' Boot & Clothing Manuf Co. Ltd.	11a Millstone Lane	B & S Manufr	03/08/93	13,000	11
90	K. Pattison & Co. Ltd.	40 St Peters Lane	Engineers	12/08/93	7,500	7

Appendix 7.1 continued

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
91	Quorn Confectionary Co. Ltd.	103 Belgrave Gate	Provision Merchants	21/09/93	1,000	-
92	Metal Rivetted Box Co. Ltd.	8 Bakehouse Lane	Packaging	12/10/93	10,000	7
93	Patent Interchangable Advertising Table Co. Ltd.	31 Waterloo Street	Advertising	13/12/93	1,500	-
94	Joseph Ellis & Sons Ltd.	1 East Street	Coal Merchants	21/12/93	50,000	8
95	Jabez Jackson & Co. Ltd.	2 Parliament Street	Chemists	22/12/93	1,000	9
96	John Ellis & Sons Ltd.	2 Market Street	Cement Works	07/05/94	70,000	78
97	Bacillite Sewage Purification Syndicate Ltd.	- Halford Street	Contractors	09/06/94	30,000	327
98	Ewing Asbestos Co. Ltd.	11 Bowling Green Street	Manufr	07/11/94	10,000	-
99	Coventry King's Head Hotel Co. Ltd.	4 Welford Place	Hotel	22/05/95	10,000	7
100	Butlins Ltd.	- Biddulph Street	B & S Manufr	02/10/95	2,000	8
101	Art Needlework & Church Supply Association Ltd.	36 Princess Street	Needlework	10/10/95	2,000	9
102	Tivoli, Leicester.	- Belgrave Gate	Music Hall Propr	25/10/95	30,000	158
103	Leicester Permanent Library Ltd.	19 Gallowtree Gate	Library	07/11/95	1,000	-
104	Jessop & Appleby Bros (Leicester & London) Ltd.	- Grafton Place	Engineers	21/02/96	35,000	-
105	Leicester Hand & Land Co. Ltd.	4 Market Street	Estate Agent	28/03/96	10,000	8
106	John Turner & Sons Ltd.	98 Havelock Street	B & S Manufr	13/05/96	25,000	7
107	Roberts & Roberts Ltd.	19 Market Place	Provision Merchants	03/06/96	25,000	187
108	Leicester Temperence Hall Co. Ltd.	63 Granby Street	Hall Propriators	22/07/96	8,507	64
109	All Saints Brewery Co. Ltd.	21 Silver Street	Brewers	24/08/96	5,000	-
110	Gimson & Co. (Leicester) Ltd.	- Vulcan Street	Engineers	04/09/96	70,000	8
111	Flight Cycle Co. Ltd.	4 Chatham Street	Cycle Manuf	12/09/96	2,000	13
112	Walker, Kempson & Stevens Ltd.	- Rutland Street	Leather Merchants	07/11/96	80,000	15
113	Lennards Ltd.	8 Bishop Street	Leather Merchants	21/11/96	50,000	13
114	Sporting Goods Review Newspaper Co. Ltd.	35 West Street	Publishers	23/11/96	2,000	8
115	Clyde Cycle & Motor Car Co. Ltd.	- London Road	Cycle & Motor Car	02/02/97	25,000	85
116	Hart & Levy Ltd.	- Southampton Street	Cloth Manuf	03/02/97	35,000	354
117	Gold Fields Water Supply & Exploitation Syndicate Ltd.	14 New Street	Water Supply	13/02/97	15,000	-
118	George Wilson & Co. Ltd.	- Bruin Street	B & S Manufr	17/02/97	120,000	95
119	Narborough & Enderby Quarrying Co. Ltd.	16 Friar Lane	Quarry	02/03/97	15,000	16
120	Peoples Benefit Boot Stores Ltd.	- Welford Road	B & S Manufr	07/03/97	10,000	9

Appendix 7.1 continued

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
121	Archibald Turner & Co. Ltd.	- Bow Bridge Works	Elastic Web Manuf	26/04/97	70,000	11
122	Peregrine Cycle Co. Ltd.	- Friday Street	Cycle Manuf	29/05/97	65,000	7
123	E. Edwards & Co. Ltd.	- Welford Road	Confectioners	02/06/97	100,000	201
124	Warner, Sheppard & Wade Ltd.	- Belgrave Gate	Horse Repository	09/07/97	63,000	27
125	Midland Inventions Co. Ltd.	4 Friar Lane	Manufrs	20/10/97	900	8
126	J. Parr & Co. Ltd.	65 Friar Lane	Cycle Manufr	27/10/97	30,000	7
127	Ashwell & Nesbit Ltd.	- Sycamore Lane	Builders & Engineers	29/10/97	40,000	17
128	Leicester General News Room Co. Ltd.	- Millstone Lane	Newsroom	11/12/97	10,000	-
129	Joshua Perkins & Sons Ltd.	- Lubbenham	Carriage Manufr	03/01/98	75,000	13
130	Weeks Brothers Ltd.	12 Friar Lane	Tailors	16/02/98	15,000	9
131	J. W. Pendleton Ltd.	- Humberstone Road	B & S Manufr	15/03/98	60,000	-
132	R. C. Allen Ltd.	16 Oxford Street	Bottlers	26/03/98	12,000	160
133	Joseph Johnson & Co. Ltd.	28 Market Street	Drapers	28/03/98	60,000	194
134	Flude Ltd.	32 Belvoir Street	Umbrella Manuf	31/03/98	10,000	8
135	Gailford & Co.	12 Connaught Street	Dairymen	07/04/98	25,000	-
136	Wyvern Sanitary Laundry.	- Barkby Road	Proprietors	16/05/98	3,000	7
137	American Buildings (Leicester Ltd.)	- Millstone Lane	YMCA	17/05/98	20,000	153
138	Leicester Building Trades & General Assurance Co. Ltd.	13 New Street	Insurance	27/05/98	10,000	86
139	T. Inglesant & Sons Ltd.	- Horsefair Street	Horse Furnishers	23/06/98	60,000	112
140	J. Tylor & Co. Ltd.	- Charles Street	Merchants	29/06/98	100,000	52
141	J. W. Haylock Ltd.	28 Marble Street	B & S Manufr	04/07/98	50,000	8
142	Model Shirt & Collar Dressing & Leicester Town Laundry Co. Ltd.	4a Silver Street	Laundry	18/07/98	3,000	21
143	Cashel Industrial Development Co. Ltd.	10 East Street	Land Agents	25/08/98	1,000	11
144	Leicestershire Press Co. Ltd.	1 Berridge Street	Nespapers	20/09/98	10,000	8
145	C. H. Parfrotis & Co. Ltd.	- Sarah Street	Soap Manufr	08/10/98	10,500	7
146	Incorporated Federation of Associated B & S Manufrs of GB & Ireland	41 Friar Lane	Promotion	01/12/98	-	-
147	Watson's Boot Co. Ltd.	45 Chatham Street	Leather Merchants	04/01/99	18,000	7
148	British Steam Specialities Ltd.	- Fleet Street	Builders & Engineers	07/03/99	5,000	13
149	Gee, Nephew & Co. Ltd.	53 Market Place	Drapers	10/03/99	30,000	99
150	Union B & S Machine Co. Ltd.	18 Northampton Square	B & S Engineers	11/04/99	10,000	82

Appendix 7.1 continued

No	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
151	Midland Brick & Terracotta Co. Ltd.	19 Yeoman Street	Brick Manufr	13/04/99	5,000	7
152	Bagworth Brick Co. Ltd.	- Halford Street	Brick Manufr	19/03/99	10,000	7
153	Leicester Motor Car Co. Ltd.	31 Rutland Street	Motor cars	29/04/99	5,000	11
154	Adderly & Co. Ltd.	59 Market Place	Drapers	07/05/99	60,000	206
155	Irthlingborough Iron Ore Co. Ltd.	13 Bowling Green Street	Ironfounder	13/05/99	5,000	7
156	Leicester Mineral Water Co. Ltd.	- St Martin's	Mineral Water	17/06/99	3,0000	63
157	W. T. Ellmore & Son Ltd.	17 Bowling Green Street	Willow Growers	22/06/99	60,000	158
158	Melton Mowbray Sauce, Drug & Drysaltery Co. Ltd.	43 Gipsy Road	Food	23/06/99	5,000	10
159	Leicester Licenced Victuallers & Mineral Water Manufr Co. Ltd.	4 St Peter's Lane	Mineral Water	23/06/99	2,500	72
160	Joyce & Co. Ltd.	13 Union Street	Grocer	05/09/99	2,000	7
161	Segrott & Co. Ltd.	99 Highcross Street	B & S Manufr	15/09/99	5,000	9
162	Leicester Motor Car Co. Ltd.	13 New Street	Motor Cars	27/09/99	30,000	25
163	B. U. S. M. Co. Ltd.	- Belgrave Road	B & S Manufr	03/10/99	300,000	39
164	Glover Perfect Travelling Trunk Co. Ltd.	36 Friar Lane	Patent Agent	23/10/99	2,500	7
165	Crowe & Co. Leicester Ltd.	- East Gate	Draper	16/11/99	20,000	8
166	G. Taylor & Co. Ltd.	34 Friar Lane	Manufr	19/02/00	500	-
167	L. Simpson & Co. Ltd.	14 Brougham Street	B & S Manufr	28/02/00	10,000	22
168	Lennard Bros Ltd.	85 Asylum Street	B & S Manufr	23/03/00	60,000	66
169	Cooper's Alderney Dairy Ltd.	- Aylestone	Dairymen	17/04/00	5,000	9
170	Josiah Taylor Ltd.	- Albion Street	Draper	15/05/00	60,000	53
171	New Fabric Co. Ltd.	7 Pocklingtons Walk	Tyre Manufr	19/05/00	3,000	10
172	Friars Bread Co. Ltd.	11 Frog Island	Confectioners	29/05/00	60,000	7
173	W. Raven & Co. Ltd.	6 Wheat Street	Hosiery Manuf	22/06/00	100,000	7
174	Baines & Whitmore.	6 Halford Street	Wholesale Grocers	06/07/00	50,000	69
175	Mott & Co. Ltd.	18 Gallowtree Gate	Wine & Spirit	11/09/00	10,000	9
176	Mills & Co. Ltd.	18 Wellington Street	Animal Foods	30/10/00	20,000	14
177	Leicester Wrought Fabric Co. Ltd.	19a Grape Street	Tyre Manufr	03/12/00	1,310	9
178	Pen-Carbon Co. Ltd.	100 London Road	Merchants	05/12/00	2,000	19
179	Westcotes Estate Ltd.	- Gallowtree Gate	Land Agents	08/12/00	60,000	7
180	J. Hollingworth & Co. Ltd.	10 Millstone Lane	Wine & Spirit	10/12/00	30,000	8

Appendix 7.1 continued

o	Name	Address	Objects	Date	Nominal Capital £	No. Shareholders
181	Joseph Leeson & Sons Ltd.	- Evington Street	B & S Manufr	11/12/00	25,000	10
182	Union Blacking & Stain Co. Ltd.(Changed to Boston Blacking Co. Ltd.)	- Northampton Square	Dye Manufr	17/12/00	55,000	10
183	Premier Automatic Feeder Co. Ltd.	- Market Place	Engineers	21/12/00	10,000	7
184	Murray's Ltd.	23 Loseby Lane	Publisher	31/12/00	1,500	8

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