

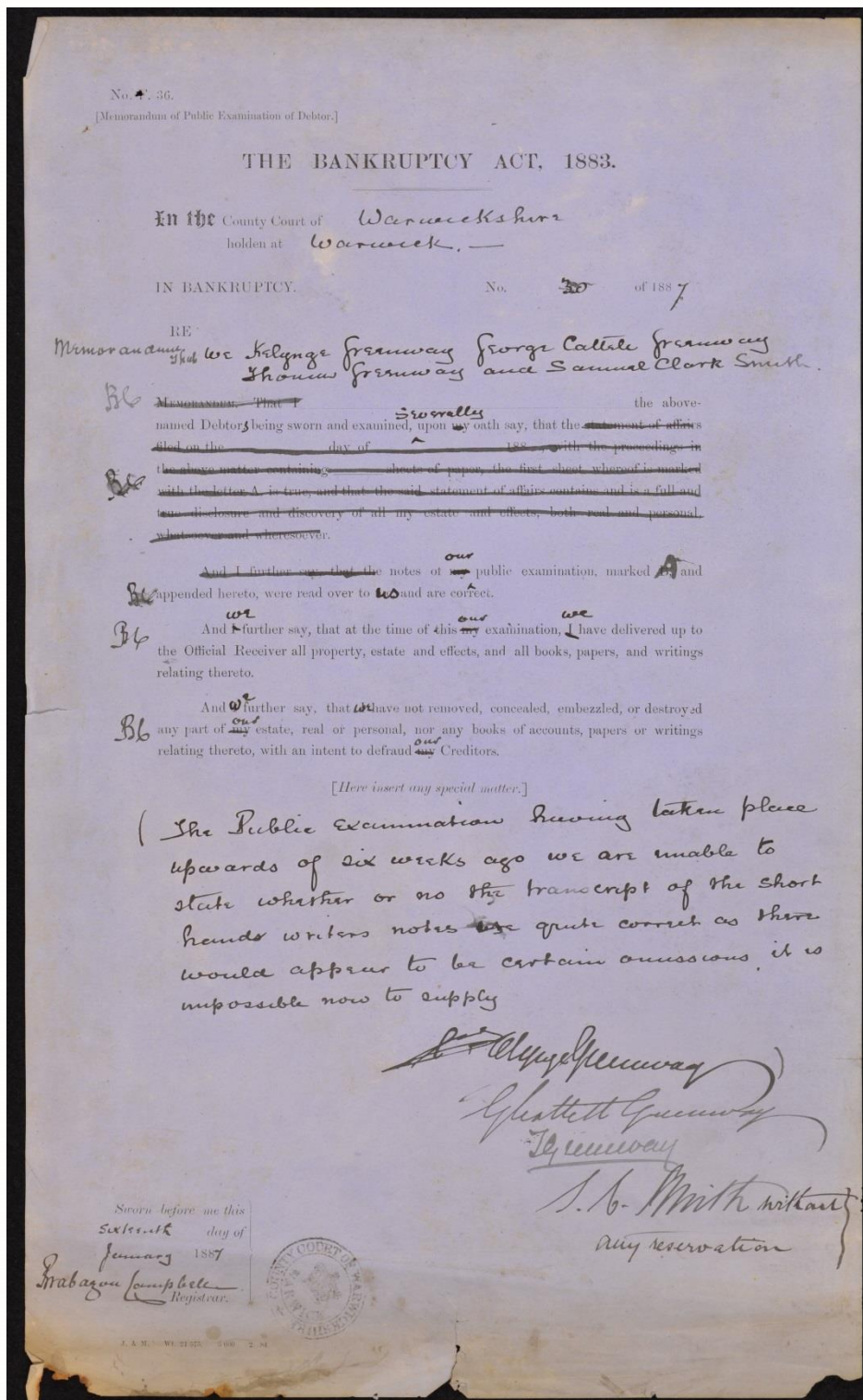
**‘Even more disastrous than the great fire’ –
the Warwickshire Bank Crash of 1887
(CR556/1)**

There are many black days in British economic history, but before Black Wednesday and Black Monday there was Black Tuesday, 6 September 1887, when the Bank of Greenway, Smith and Greenways was forced to close its doors owing £275,000 to creditors, the equivalent of £22 million today.¹

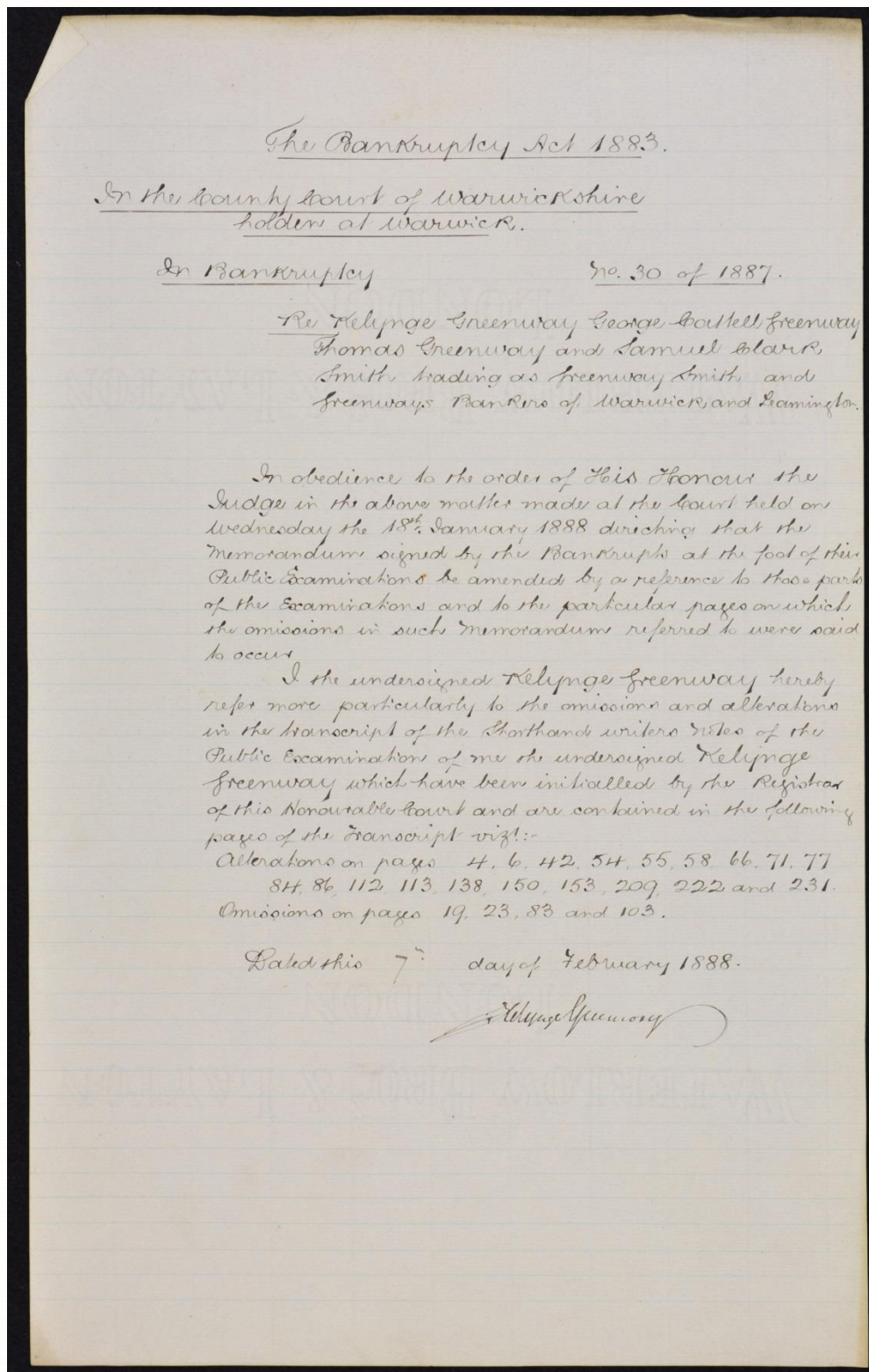
Everyone from the Lord Lieutenant and the Warwick Corporation to widows with a small annuity had invested in the bank, an institution run by well-known and respected members of the community and operating for almost 100 years. It had become a vital part of the county economy.

August’s Document of the Month features some of the 428 pages of testimony given by the bank’s owners, Kelynge, George (Warwick’s Town Clerk) and Thomas Greenway and Samuel Smith (the County Treasurer) a few weeks after the crash.

¹ National Archives Currency Converter, <http://www.nationalarchives.gov.uk/currency-converter/#currency-result>, accessed 20 July, 2018.



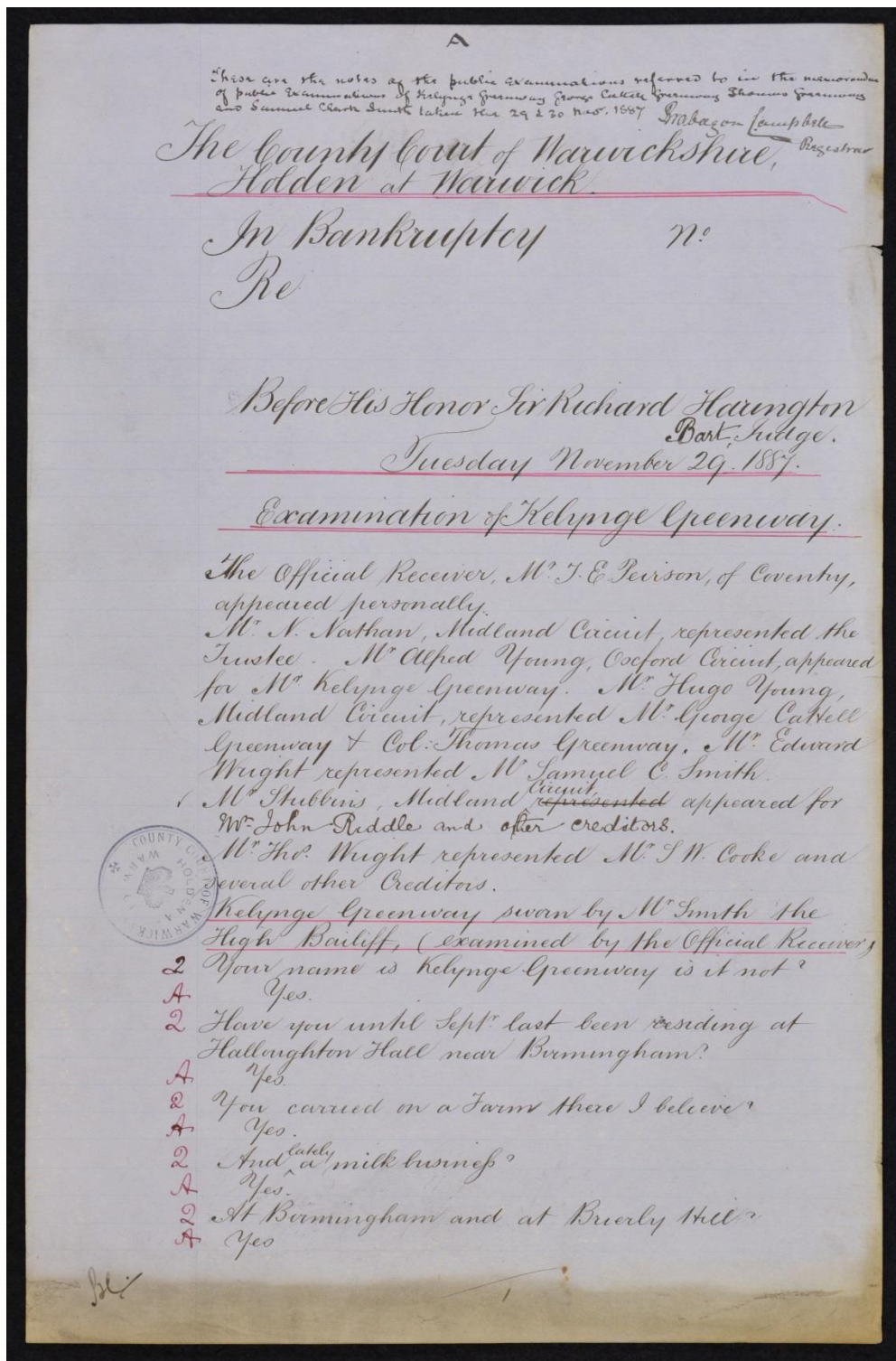
The judge thought that the bankrupts questioned the accuracy of the shorthand transcripts in order to avoid future prosecution for perjury, so he ordered them to specify the omissions before closing the hearing. Warwickshire County Record Office CR556/1.



Senior partner, Kelynge Greenway dutifully outlines the omissions according the the judge's order. Warwickshire County Record Office CR556/1

The bank was founded in 1791 and Kelynge Greenway joined the management team in 1855 when he was left an interest in the firm by his uncle. Although they had no financial or banking experience, Kelynge brought his brothers on board and by 1862 the operating capital of the bank stood at only £7.² Smith, although experienced, was a junior partner and not allowed to take part in policy decision-making.

² Evans, J Lloyd, 'The History of A Bank Smash', Warwick, 1888, p.9.



The bankrupts faced a torrid time in court facing not only the Official Receiver, but also representatives of many of the creditors who wanted answers. Warwickshire County Record Office, CR556/1

The Greenways' testimony suggests they not only used their investor's capital to finance the banking business, but also took vast sums from the bank themselves, often far in excess of any profits made. When Greenway, Smith and Greenways was forced to close angry investors marched in protest before the bankruptcy hearing, burning the Greenways in effigy and carrying banners showing the amounts they were owed.