

## '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.<sup>1</sup>

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.

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



Warnickshire





No. 4. 36 THE BANKRUPTCY ACT, 1883. En the County Court of Warmerekshirz holden at lo arcacek. \_ 30 of 188 7 Minnor an anut that los helynge franway frorge Cathle france any Thomas france and same Clark Smith BC MENDERS Plat + the above named Debtors being sworn and examined, upon wy oath say, that the Bra public examination, marked and Buappended hereto, were read over to wand are correct. And Further say, that at the time of this my examination, Lhave delivered up to 34 the Official Receiver all property, estate and effects, and all books, papers, and writings And Whurther say, that (14th have not removed, concealed, embezzled, or destroyed BL any part of the estate, real or personal, nor any books of accounts, papers or writings relating thereto, with an intent to defraud the Creditors. [Here insert any special matter.] The Public Examination hearing taken place upwards of six weeks ago we are mable to state whether or no the transcript of the short hands writers notes we quite correct as there would appear to be cartain annoscous it is impossible now to supply Hyperferme hillant

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.

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The Bankruptcy Act 1883. In the tourn by tourst of warwickshire holden at warwick. In Bankrupley no. 30 of 1887. Re Kelynge Greenway George ballel Freenway Thomas Greenway and Samuel Blover, Smith Mading as Freenway Smith and freenways Bankers of Warwick, and Learnington. In obedience to the order of His Thonous the Judge in the above mother made at the bourd held on Wednesday the 18th Danuary 1888 directing that the memorandume signed by the Bankruph at the fool of this Public Examinations be amended by a reference to those parts of the Examinations and to the particular pages on which the omissions in such memorandum referred to were said to occur to occur I the undersigned Kellynge freenwary hereby refet more particularly to the omissions and alterations in the transcript of the Thorthand writers reles of the Public Escamination of me the undersigned Kellynge freenwary which have been initialled by the Registran of this Nonourable bourt and are confirmed in the following pages of the Fransoript vizi:-Allerations on pages 4, 6, 42, 54, 55, 58, 66, 71, 77 84, 86, 112, 113, 138, 150, 153, 209, 222 and 231 Omiopiono on pages 19, 23, 83 and 103. Baled this 7" day of February 1888. Helynge Guenory

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

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The bank was founded in 1791 and Kelynge Greenway joined the mangement 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  $\pounds 7.^2$  Smith, although experienced, was a junior partner and not allowed to take part in policy decision-making.



<sup>&</sup>lt;sup>2</sup> Evans, J Lloyd, 'The History of A Bank Smash', Warwick, 1888, p.9.





4 These are the notes of the public Examinations referred to a of patter Examinations of helpings from any flore Caller from 5 th and Summed Clark Smith latin the 29 2 30 Mer. 1587 Stablegon The County Court of Maunickshure, Holden at Manwick In Bankruptcy nº Before His Honor Sir Ruchard Haungton Bast Julige. Juesday November 29. 1887. Examination of Kelynge Cheenway. The Official Receiver, M. J. & Person, of Coventry, appeared personally. M. N. Northan, Medland Ciccuit, represented the Trustee . M. alfred Young, Oscford Circuit, appeared for M. Kelyinge Greenway. M. Hugo Young, Midland Circuit, represented M' George Cattell Greenway & Col: Thomas Greenway, M" Edward Wright represented M' Jamuel C. Smith M" Stublins, Midland "invitionted appeared for W"John Reddle and offer creditors. M. The. Wright represented M. I. W. Cooke and everal other Creditors. Thelynge Greenway swan by M' Smith the High Bailiff, (examined by the Official Receiver) 2 Your name is Kelynge Greenway is it not? Have you until Sept" last been vesiding at Halloughton Hall near Burningham? yes. 2 You carried on a Farmy there I believe " Yes. A And a milk busnep? At Birmingham and at Breerly Hel? yes bl

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

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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.





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