## THE HOUSE OF OVEREND, GUR-NEY, AND COMPANY:

## its Pounders and its Fall.

The Gerneys hold a place almost unique in commercial biography. Nearly all the great merchants of the world baye been men who have risen from the crowd by their own enter-prise, and, beginning in small ways, have made for themselves names and reputations as success-ind traders and men of wealth and inducates and their sous or grandsons have generally abandoned the commerce that has helped them to distinction, eager to mix with those of rank and title older than their own, and willing, i they can, to torget by what means they have been enabled to enter the circle of aristocracy. A goodly number of the titled families of Eng-land owe their origin to old merchants and shop keepers; but their modern representatives have nothing to do with trade, and look upon it as a thing altogether baneath them. In the Gur-neys, on the other hand, we see the almost solitary instance of an ancient family that, in later times, has not been ashamed to engage in commerce, and has drawn from it a dignity as great as any that could come from lengthy pedigrees and the traditions of bygone ages.

They are descended from a Hugh de Gournay, Lord of Gournay and the adjacent Barony of Le Brai, who in 1054 commanded at the battle of Mortimer, and in 1066 accompanied William the Conqueror to England. To him and his succes sors were made large grants in Norfolz, Suffolk, and elsewhere: and the Gournays were men of mark during the ensuing centuries. One of his descendants was Edmund Gournay, Recorder of Norwich, in the relation of Edward III; and from that time to this Norwich has always been the residence of some members of the family. The most notable of his successors, as far as are concerned, was a Francis Gournay, or Gur-nay, who was born about the year 1560. He seems to have been a native of Norwich, and he matried the daughter of a Norwich merchant; but the greater part of his life was spent in London. In 1006 he was made a member of the Gnild of Merchant Tailors, and for some he lived in Broad street ward, in the Parish o Eaint Mary Benetinck, working as a merchant.

There was another merchant of his name, and a much more tamoas man, living in London at the same time, though apparently not of the same family, Sir Richard Gurney was born at Croydon in 1577. He was apprenticed to Mr. Richard Coleby, a silkman in Cheapside, who so liked him that, at his death, he bequeated to hem his shop and a sum of £6009. Part of that money he spent in travelling through France and Italy, "where," says his old biographer, "he improved himself, and, by observing the trade of the respective marts as he passed, laid the foundation of his future traffic " Soon after his return, it is added, being himself of no great family, he discreetly married "into a family at that time commanding most of the money, and, by that, most of the nobility. genury, and great tradesmen of England. Thereby he became a great merchant and a very wealthy man. He was Sheriff of London in 1634, and Lord Mayor in 1641. He was a great benefactor to the Clothworker's Company, of which he was a member and warden, and he gave freely to all sorts of city charities. He also, being a sturdy Royalist lent or gave immense sums of money to King Charles I; at one time, on his Majesty's return from Scotland, spending £4000 in entertaining hum. He was one of the great champions of Charles' cause in the city, during the commence ment of the Commonwealth struggle. In 1640 when he was sixty-three years old, it is recorded "One night, with thirty or forty lights and s few attendants, he rushed suddenly out of the thousands, with the city sword house on drawn, who immediately retired to their own houses and gave over their designs," This even of loyalty, however, caused his ruin. In 1642 he was ejected from his Mayoralty and lodged in the Tower. There, for refusing to pay the tine of £5000 appointed by Parliament. he was kept a prisoner for seven years, and there he died in 1649.

His contemporary, Frauels Gournay, had his share of trouble. On the 17th of June, 1622, the corporation of Lynn lent to him and two pact-ners of his a sum of £200, for 'setting the poor to work within the town." According to the terms of the agreement between them, the money was to be repaid in three years' time, and in the meanwhile Gournay was "to freely provide, find, and deliver sufficient wool and

very profitable connections to me sons. John and Joseph. These sons were partners in both the man facturing and mercantile concerns, proceeding both with considerable success. John Garney the younger, who was born on the lota of July, 1088, and died on the 23d of January, 1740, was a famous man in his day. He was an intimate iriend of both the Walpoles, and by them urged to enter Parliament; but he preferred to devote himself to his business, and take all his reinxa-tion at home. In 1720 he was examined before the House of Lorda concerning the intended probibilion of Indian calicoes, which had lately come to be freety imported into England. He drew a dismal picture of the evils consu-quent to the woollen trade from this in-novation. Worcester and Gloucester, Bris-tol and York, ne said, were being ruined through the preference that was being shown to cotton over woollen clothing. In York, "the poverty of the manufacturers wa so great that they were obliged to eat unwhole some diet, which had occasioned a distenser among them." In Norwich, he represented, there was the greatest distress of all. Thousands of work, people were thrown out of em-ployment; and the paupers were so numerous, that on many of the houses twenty-four shill lings were assessed for every pound of rent for poor-rates. These arguments, and the argu ments of other monopolists, prevailed. A law was made in 1721 'to preserve and encourage the woollen and silk manufactures," whereby all cotton clothing was torbidden, with a fine of £5 for each offense upon the wearer, and £20 or the seller; and John Gurney was henceforth known as "the famous advocate of the weavers. Joseph Gurney, four years younge than his brother, survived him by ten years, inheriting the entire manufacturing business, and leaving most of the mercantile work to be conducted by his nephews. In 1747 he was rich enough to puy the OLD Hall at Keswick, which, with subsequent add tions and improvements, was made a splendie possession for his descendants. His two elder sons, John and Samuel, succeeded him as manu facturers. They introduced into Norwich the Irish olan of making homespun yarns, bealdes employing great numbers of native Irish, and were in their time accounted great benefactor, both to the eastern counties of England and to the northern districts of England. Samuel Gurney lett only a daughter, and Richard's three sons soon retired from the manufacturing business; Richard and Joseph to settle down as country gentlemen: John, after some prosperor work as a woolstapler and spuner of worsted yarn, to become a partner with his cousin, Bartlett Gurney, in the management of the Norwich Bank. This bank had been founded by John and Henry Gurney, sons of the John Gurney who had defended the woollen mono-nate before the House of Lowed in 1720.

Gurney died, in 1721, he left a goodly fortune

poly before the House of Lords in 1720. Succeeding their father as merchants, the followed the example of many other wealth traders, and added an irregular banking busi ness to their ordinary trade. Finding this great source of further wealth, they at last de ofed themselves exclusively to banking, and to that end converted the old houss in Saint Au-gustine's parish into the original Norwich Bank. From them the business descended in in 1770. 1779, to Bartlett Gurney, Henry Gurney's son, and by him it was transferred to its present quarters, and enlarged by the admission of other partners, the principal being the younger John Gurney already named, and he, after Bartlett Surney's death, in 1803, was its chief proprietor and manager. Himself a good and useful man, he was the

father of a famous iamity. One of his daughters was Elizabeth Fry, another married Sir Thomas Fowelt Buxton, and a third was Priseilla Gur-His two most notable sons were Joseph John Gurney, the phisanthropist, and Samuel Gurney, the millionaire. Samuel, the one whose history most concerns

is, was born at Norwich on the 18th of Octo-1786.

was John Gurney's second son and ninth E child. At the age of seven ne was put to school with the celebrated Doctor Parr, and at fourteen he was apprenticed to the Clothworkers' Company in London, and placed in the counting house, in Saint Mildred's court, Poultry, in which his brother-in-law, Joseph Fry, as part-ner in the firm of Frys & Chapman, carried on an extensive trade as a tea merchant, with some irregular employment as a banker. "He took to business and liked it," according to the report of the niece, whose first remembrances of him were as an innate in the Saint Mildred's Court household. "In the counting-house, as well as in domestic life, he was extremely amiable and cheerful, and was beloved by the whole establishment. Although not brought up in conformity to the costume or speech of the Society of Friends, he showed no propensity to tollow fashions or gayety of appearance beyond a suitable neatness of attire," From From the very first, indeed, he seems to have been so thoroughly a man, or rather a boy, of business, is to have cared for no lighter occupations. In 1507, when his sister Hannah married Thomas Fowell Buxton, he went down to the wedding, out, it is recorded, tired of the festivities long before they were over, and was glad to get back to his book-keeping and money-changing. In the following year, however, Samuel Gurney was married himselt, his wite being Elizabeth, the daughter of James Sheppard, of Ham House, in Essex, a handsome residence that soon descended to the young couple, and was their place of abode during nearly the whole of their married life. The wealth that came to Samuel Gurney from his father-in-law, as well as that bequeathed to him by his tather, who died in 1809, helped him to made rapid progress in the new business in which he had embarked a little while before, on his reaching the age of twenty-The business had begun a few years earlier than that, growing out of a yet earlier connec-tion between Joseph Smith, a wool factor in London, and the Norwich Bank. Joseph Smith had found the advantage of applying part of his savings as a merchant to the then very slightly leveloped trade of bill-discounting, and John Gutney, of Norwich, with whom he had been acquanted long before, when both were simply lealers in raw wool and manufactured cioths, also found the advantage of sending up to him some of the surplus money of the Norwich Bank, for investment in the same way, paying to Smith a quarter per cent, on the money laid out in each transaction as his commis-sion. This arrangement having continued for some time, it occurred to Smith's confidential lerk, John Overend, by whom most of the bill business had been done, that there was room in London for a separate establishment devoted to trade in bills. He asked his master to open an establishment of that sort, taking him as man-aging partner therein. This Joseph Smith re-fused to do, and Overend resigned his cierkship in consequence. He found the Norwich Gurneys, however, more invorable to his project, and about the year 1800 the house of Richardson, Overend & Company was founded, the chief management being in his hands, and for a new years in those of Thomas Richardson, for-merly chief clerk in the bank of Smith, Wright & Gray, afterwards Esdalle & Co. Simon Martin, an old clerk, and afterwards a partner in the Norwich Bank, went up to London to help build up the business and to watch its move-ments on behalt of the Bank, whence most of the money was obtained for investment. The enterprise throve wonderfully from the first one great source of its popularity being the changes introduced by the new firm, which charged the quarter per cent, commission against the borrowers of the money. instead of the lenders, as heretofors; and in 1807 John Gurney added vastly to its strength by introducing his son Samuel as a partner. About that time Thomas Richardson retired from the siness, and it was carried on under the name of Overend & Company, even after John Overend's death, until the secret of its connection with the Norwich house could no longer be kept, and it assumed its world-famous title of Overend, Gurney & Company. Its prosperity was in some measure the cause, but in much greater measure the cousequence, of the new views on banking and trade in money that came into force in the early part of the nineteenth century. Banking, which had existed in some other countries for a long time before, came into fashion in England about the middle of the seventcenth century, soon to lead to the foundation of the Bank of England,

immediately proved very heipful to British commerce in lowering the rate of in creat for bortowed money, strengthening all sorts of financial operations, and in other ways giving encouragement to all the branches of trase and industry. The Bank of England, however, was from the first, and is to this day, only a private bank on a large scale, endowed with special privileges on account of its loans to the Goverament, amounting, at its foundation, to \$1,260,000, and now to newards of £11,003,000. Its first charter offered no obstacle to the esta-blehment of other like insutations, and no law could ever be passed preventing private indi-viduals from following the banker's trade; but in 1709 the Governors of the Bank obtained an act forbidding the formation of any banks of issue under more than six proprietors, and so secured for themselves a practical monopoly in joint-stock banking. Their company was allowed to issue paper money to the extent of its loans to the State, but no payer money not covered by Government securities was allowed, and the quantity issued could not be forced on people against their will. During the eighteenth centory agreat number of other banks were formed, both in London and in the country. In 1750, there were in England hardly a dozen tankers out of London; in 1795 there were more than four hundred. Scotland also, untonched by the law in favor of the Bank of England, had three joint-stock banks, with branches in various parts, besides a great number of private esta-blishments. These banks, growing out of the commercial prosperity of the country, helped the tide of speculation which, if it might have been fortunate in times of peace, led to terrible tail-ures on the revival of a European war, and the disaster consequent thereupon. In 1784 there were in circulation six millions of bank notes, that is, of the paper vouchers given by banwers for the money deposited with them, which in those days took the place for ordinary trading purposes of the modern cheques. In 1792 the number had risen to nearly eleven millions and a balf. Nest year war was deciared between England and France, and in the panic that ensued at least one-fourth of the English country banks stopped payment, most of the others being grievously shaken. The London banks also suffered considerably, the suffering being everywhere attributed in great measure to the restrictive policy of the directors of the Bank of England, who, in spite of the advice of the Government and the prayers of thousand of merchants and manufacturers, sought to strengthen their own position by issuing as little money as they possibly could for the assistance of their neighbors. For this their best excuse was in the fact that their resources had men, and continued to be yet more and more. materially crippled by the innernet drains trace upon them by Government on account of the expenses of its continental wars. In October, 1795, the directors, brought amount to bankruptey, informed Pitt that they could not hold out much longer. Other mes sages followed, and at last, in February, 1717, the bank was authorized by the Privy Council to refused cash payment for it- notes, or the issue of any coin in sums larger than twenty shillings. In the following May an act was passed enforcing that resolution, and sanctioning an almost unlimited issue of notes. Sheridan declared it "a farce to call that a bank whose promise to pay on demand was paid by another comise to pay at some undefined period," and Sir William Pultency introduced a blit "for the erection of a new bank in case the Bank of England aid not pay in specie on or before the 24m of June, 1798." But this opposition was in effectual, and the Bank Restriction act remained in force for two-and-twenty years, without any serious attempt at overturning the monopoly of the Bank of England.

and William Paterson's suggestion, in 1694. It

Great advantage sprang from this Restriction act tarough its encouragement of sound and en-lightened views as to the value of paper mon-y and the nature of credit; but, while it insted, i also brought serious mischief by its deprec: tion of the bank note in value, to the extent, at one time, of from twenty-five to thirty per cent. Almost the greatest of the many great beneats conterred on commerce by Sir Robert Peel was his act of 1819, abolishing the restrictions on gold and silver currency and the forced issue of paper money. The directors of the Bank of England were still allowed to issue as many notes as they chose, but they were compelled to exchange them for gold on demand, and thus were virtually prohibited from giving out more than the public feit it sate to take at the full price of their equivalent in bullion. This was a national avowal of the principle that money, that is, the circulating medium, is not gold and silver alone, but cold, silver, paper, and any thing else which can be regarded as a trustworthy agent in the interchange of commodities and the bartering of capital, labor, and the like This was the principle which gave vitality to such concerns as the one of which Samuel Gur ney was for a long time the head, and which not a rittle through his help, has been a great source of extension to modern commerce "Credit," said Daniel Webster, "has done more i thousand times to enrich mations than all the mines of all the world." Were we forced now to carry on all our commercial dealings by means of gold and silver, it would only be possi ble, in spite of the increase of our stores o these metals, to continue a very small portion of our present trade. This, however, no one attempts to do. The legal currency, whether gold, silver, or bank notes, is only a sor of pocket money in comparison with the real currency of trade. It serves for the smaller sort of retail purchases, for across the counter and payments like; but the great merchant has not in his possession all through his lifetime actual money equal in amount to the paper equivalent of money that passes through his hands every day of the week. All his important busines is carried on exclusively by means of bills, bonds, cheques, and the other materials included in the terms "commercial debt" and "credit." His ready money is lodged with a banker, as has been the practice since the beginning of the eighteenth century, except that now he draws cheques for so much as he needs for use from time to time, instead of receiving from his banker a number of promissory notes, to be passed to and iro, while the actual deposit was in the banker's hands, to be used in whatever sale and profitable way he chose. Now, however, the cheques are in comparatively few cases exchanged for real money, they being pited up by the bankers into whose hands they come, and paired off, one with another, or in heaps together, while the deposits that they represent are left untouched. In this way the money does double work, being itself available for use by the banker or his agents, while the equivalent checks are quite as serviceable for all the purposes of trade. And this is only the simplest instance of the modern principle of credit. In all sorts of ways, every bit of mone and everything else that can be taken as a repre sentative of wealth, whether actual or pros pective, is turned over and over, each turning being a creation, to all intents and purposes, o so much tresh money. A werchant, for example buys a thousand pounds' worth of goods for export, say to India. China, or Australia. He pays for the same by means of a bill of exchange, accepted as soon as possible, but not payable till two or three months after date. The manu-facturer or agent of whom he buys the goods, however, does not wait all that time for his money. In all probability be immediated nowever, does not wait all that time for his money. In all probability he immediately gets the bill discounted, thereby losing some £15 or £20, but having the sum of £980 or £985 available for appropriation in other ways, and thus for the acquisition of fresh profits. Before the original bill fails due he has built methans twenty fresh transitioned fresh profits. Before the original only firth this due he has built perhaps twenty fresh transactions on the basis of the first one, and so, in effect, has turned his  $\pounds 1000$  into  $\pounds 20,000$ , less the  $\pounds 300$ or  $\pounds 400$  that have been deducted by the billbroker as discount. And the same original transaction has been made the groundwork of a transaction has been made the groundwork of a number of other transactions on the part of the merchant who bought the goods. He bought them for £1000, to sell again for, say £1200, part of the difference being his profit, part 6eing absorbed in freight, insurance, and so forth. He is not likely to be paid for the goods in less them to prove the time and he has to pay for than six months' time, and he has to pay for them in two or three months. But long either of those terms expires he has raised part of the money on the security of his bill o lading, and so is enabled to enter on other

partner, saent, or deputy in the district to which the geods are consigned, and that, being ac-cepted, is available for the payment of dotat alrendy contracted in that part or for immediate transmission nome, or to some third place, for nee in any way that is found desirable. In such ways as these-and they are numberiess-a ver small amount of actual money goes to the 0 mid ing up, on the one side, of a vast structure of redit, and, on the other, of a vast structure of ommerce.

There was a hazy comprehension of this system long centuries ago. "It you were innoran-of this, that credit is the greatest capital or al towards the acquisition of wealth," said Demos 'henes, "you would be utterly ignorant," Bu the modern theory of credit is very modern indeed, having almost its dist exemplification, on a large scale, in the establishment of Overend, Guiney, & Company. This house, as we saw, was established to make a business of bill-discounting, much more complete and extensive han the chance trade in bills that had formerly een, and that continued to be, carried on by bankers, merchants, and all sorts of irrecular money-lenders. Very soon after the time of Samuel Gurney's supremacy in it, it began to esume gigantic proportions, and it was, for some thirty or forty years, the greatest discount-ing house in the world, the parent of all the later and rival establishments that have started up in London and elsewhere. At first only discount ng tills, its lounders soon saw the advantage of nding money on all sorts of other securities, and their cellars came to be loaded with a constantly varying heap of docs-warrants, bills of lading, shares in railways and public com-panies, and the like. To do this, of course vast lunds were necessary, very much in excess of the immense wealth accumulated by the Gurneys in Norwich and elsewhere. Therefore, having proved the value and stability of his business, Samuel Gurney easily persuaded those who had money to invest to place it in his hands, they receiving for the same a fixed and fair return of interest, and he obtaining with it as much extra profit as the fluctuations of the money market and the increasing needs of trade made possible. He became, in fact, a new sort of merchant, buying credu-that is, borrowing money-on the one hand, and selling credit-that is, lending money on the other, and deriving from the trade his ult share of pronts.

Great help came to his money-making and to commercial influence from the panic of That panic arose partly from the finan-1825. dal disorganization consequent on the enforce nent of Sir Robert Peel's act of 1819, very good n itself, but promotive of much trouble until it and brought matters into a healthy condition hs more immediate cause, however, was the excessive speculation in joint stock companie At home as well as in continental mines American cotron, and other branches of foreign commerce. Several London banks failed, and at least cighty country banks fell to the ground, the Bank of England uself being only saved by the accidental finding of two nil-lion one-pound notes that had been packed away and lost sight of some time before. Joseph John Gurney, much more of a philan-thropist than a banker, suffered from the pressure. "Business has been productive of trial to me," he wrote in characteristic way in his jour "and has led me to reflect on the equity of God, who measures out His salutary chastise ment, even in this world, to the rich as well as the poor. I can certainly testify, that some of the greatest pains and most burdensome care which I have had to endure have arisen out o being what is usually called a 'moneyd man.'

brother, however, was much mixed up the turnoit. "Knowing intimately as he did the sufferings which awarted those who could no longer command credit or obtain supplies from other quarters," said one of Samuel Gurney's old triends, "his anxiety was felt more on others" account then on his own,"—the fact being that his own financial dealings were so sound that he had no fear of himself, and only had to settle how to make most money with most secondary advantages to those he dealt with. "His desire, it is addee, "was to act murly and justly with his fellow-creatures, as well as to himself; and thus did he move onwards cautiously. ane by step, through those troublous lest he should lead any into step times. error by his judgment. It was a remarkable sight to witness him plunge day by day into the vortex of City business, and return thence to his own domestic hearth without any trace of a manimen-loving spirit." We can well believe that the honest Quaker was reasonably free from the "manimon-loving spirit," but he knew well how to seek and secure his own advancethis he did very notal to many houses money enough to enable them to ride through their difficulties, and so bringing to himself much fresh favor and much new cu tom during the following years. From this time forth he came to be known as a banker's banker, taking the place, for many, of the Bank of England. Hundreds of private banks tell into the way of sending him, from time to time, their surplus cash, finding that they were as sure of getting it back whenever they wanted it, as if they had lodged it in the Bank of England, and that in the meanwhile they were getting higher interest for it than the Eank would have granted, "We do not feel the slightest dependence upon the Bank England," said one of the number, Mr. Robert Carr Glyn, before the Bank Charter Com-mittee in 1832, "nor do we feel the slightest obligation to it in any way." Samuel Gurney was thus the cause of an njury to the Bank of England for which he was not easily forgiven. And in other ways the old Bank privileges were being assauled during these years. In 1826 an act was passed sanctioning the establishment of joint-stock banks throughout the country, except in London, and within a distance of sixty-five miles thereof. "The present system of law as to banks," said Lord Liverpool, in supporting the measure, "must now be altered in one way or another. It is the most abourd, the most inefficient legislation; it as not one recommendation to stand upon. The present system is one of the fullest liberty as to what is rotten and bad, but of the most complete restriction as to all that is good. By it a cobbler, or a cheesemonger, may issue his notes, without any proof of his ability to meet them, and unrestricted by any check whatever; while, on the other hand, more than six persons, however respectable, are not permitted to become partners in a bank with whose notes the whole business of the country might be transacted. Altogether the whole system is so absurd, both in theory and practice, that it would not appear to deserve the slightest support if it was "attentively con-sidered, even for a single moment." It would certainly have been altered long before, but for the influence of the Bank of England directors, eager to have as much of a monopoly as possibl in their own hands. This bill, permitting jointstock banks at a distance, however, was passed in 1826, and a lew years later the wonderful dis-covery was made that joint-slock banks were gal even in London, and had been so from the beginning. James William Gibart, having begun life as a banker's clerk in 1813, and after twelve years so spent, having gained fresh experience and influence in Ireland, pointed out that the act of 1709, while forbidding jointstock banks of issue, offered no obstacle to joint-stock banks of deposit. The consequence was the immediate formation of the London and Westminster Bank in 1833, before that bank was tairly established, however, Parliament had complied with the demands of the free traders in money, and passed a bill intended to give legal countenance to the institutions against which it was found that there was no legal prohibition. Therein it was "declared and enacted that any body politic or corporate, or society, or partnership, although consisting of more than six persons, might carry on the trade or business of banking in London or within sixty-five miles thereof." That was a full concession of the grand point at issue. Other matters of dispute and for the first four years of its history arose, the London and Westminster Bank was constant altercation and litigation, B But at last common sense prevailed, and the London and Westminster Bank not only entered itself upon a career of wonderful pros-perity, but also became the parent of a number of other joint-stock banks, destined in due time, we may fairly believe, altogether to supersede the older private banks. transactions, just as the manufacturer had done. Or he sends out his bill to some friggement of the Bank's monopoly, thoug

out bothly, according to the Chart dire, and the possible Bustantions in the Currency, of the occasioned bazard to the Bank and embiernes occasioned hazard to the Bank and emblurgas-ment to the country," that the Bank Charter Act of 1844 was passed. Sir Robert Peel entered heartily into the work, thinking that thus be would complete the Gnancial reform berat by his act of 1819, and in some of the wealthlest bank directors he had very elequent and per-suance guides. Part of the new charter was un-questionably beneficial. By it the Bank was separated into two distinct establishments, one would that has not not be source to the source to solicly for issuing bank notes, the other (o) transacting ordinary business. The banking department is only a huge joint-stock bank, and deals with the public just in the same way as do the London and Westminster, or Coults' or Child's banks. The issue department, sub-idized by Government, receives all the ballion intended to be held in reserve, and promutgates an exact equivalent for it in bank notes, issuing also pacer money, for which there is no correspond-ing bullion, to the extent of ±14,650,000 on the security of Government debts and other se ties produced by Government. Whether the Bank Charter has on the whole been helpful to the progress of commerce need not here be dis-cussed. It has been, beyond all question, very helpful to the Bank and to the many weathy men whose wealth has brought them into con nection with it. Among these, though as wealthy as any

Samuel Gurney was not reckoned. His house was too much in rivalry with one branch of Bauk of England's business for him to have more connection with it than way neces-sary. He took no prominent part, therefore, either in favor or in disapproval of the recon-struction of the Bank Churter in 1844. But he was as zealous as any of the men in office in Threndneedle street in his opposition to the movement in favor of joint-stock undertakings. It may be that in this he was somewhat in-fluenced by his anticipations of the rivalry that would come through them to the vast busines that he had formed. The only rivals that ap-peared during his lifetime, however, were private speculators. Of these, the first was Richard Sanderson, originally a cierk of his own. After tearning the mystery of successful money lending in the house of Overend, Gurney & Company, Sanderson started in business for himself. He married a daughter of Lord Canterbury's and became a member of Parliament, thus advancing his social position, but perhaps damaging his commercial prospects. He failed in 1847; soon, review the business in partnership with a Mr. (5) (1) and therein prospered for a lew years, (1) (1) (again in 1857. More uni-formly successful was another and younger billbroker, a Mr. Alexander, who had for some time been a clerk in the banking house of Robarts. urtis & Company. In 1856, the year of Samuel Gurney's death, it was estimated that Overend, Gurney & Company held deposits amounting to £8,000,000, while Alexander & Company were in possession of documents valued at £4,600,000, and Sanderson & Sandeman of £3,500,000 worth or paper; the wealth of the three houses together being no less than £15,500,000.

During many years before that, Samuel Gur-ney had had very little to do with the business, its chief management being then in the business, its chief management being then in the hands of Mr. David Earclay Chapman. While he was young and vigorous, formey made money-get-ting his one grand business. It is said of him that when once an elder friend warned him against too close attention to the things of this world, he replied that he could not help himself; he could not live without his business During the last ien or twelve years of his life, however, he leit nearly all the management in the hands of others, and found his occupation in enjoyment of his princely fortune and appli cation to various charitable and philanthropic undertakings. Charitable he had been all through his luce. "Many are the solid remembrances of the more prominent features of Mr Gurney's charities," says his friendly blographer but desides those deeds more generally known to the public, there were many lesser streams of silent benevolence still flowing from the fountain of love to God and man, which spread refreshment around. We have already alluded to his knolly aid to many members of his large family connection, but it might be said that not only there, but elsewhere, he was wondertully mited, not only with the will, but with the power to help. Besides his efficiency in faction, his very presence seemed to impart strength, courage, and calm in any emergency, whilst his practical wisdom, his clear and decisive mmd and noble spirit of charity, led many to bring cases of difficulty before him, knowing It may be truly said of Samuel Gurney that he loved to do good service, whether by advice or money-by his sound judgment or well-appornoned aid. He really took trouble to serve his fellow-creatures, and a narration of his mere alms-giving, extensive as it was, would give a very limited idea of the good he effected during the journey of life." During many years of his life he is reported to have spent £10,000 a year & charities, and in one year it is said the amount ST CHATTER \* ±16,060.

Mean to anything that could distress "his rood friend Gurnes." Gurney was not a bigot. Some one having written to him in 1850, complaining of the way in which Fox and Penn and been spoken of by Lord Macaulay, in his "fitstory of England," he answered thus:-"it is a little mortilying that Macaulay should so have beid up our honorable predecessors; not that they were perfect, or were ever held up as such, as far as I know: but they were extraor/inary men, wonderfully elucidating and maintaining the truth. I am not prepared, however, to say that truth. I am not prepared, nowever, to say that Fox was clear of ccentricities, and that at the es he was not, to a certain extent, under such influence on his conduct; but, taking him for all in all, he was wondertuin gifted and enlightened. It will probably be con-eldered by Friends whether there should be an answer somewhat official to these attacks on our two worthies. I rather lean to it althous it sould be impossible to rather attacks on our two worthles. I rather lean to it, although it would be impossible to reach wherever Macaulay's book may go; yet, if well done, it much have a beneficial effect upon the public mind, and upon our young people. There is, however, one consolution:—"The truth, as it is in Jesus,"—the truth as maintained by Friends is unchangeable, and remains the same, however feeble, or even faulty, its supporters may have been and are." That letter was writ-ten from Nice, whither Samuel Gurney had gone very soon after the death of his wite, hoping to improve the health that had been greatly shat-tered by his loss and the anxiety that preceded it. But in that he was mistaken, Growfig it. But in that he was mistaken. Growing worse in the spring of 1856, he hurried homewards, hoping to end his days in his own coun-try, and among his kindred. He reached Paris, but could go no further. There he died, on the

5th of June, 1856, seventy years of age, and one of the richest and most envied men in Europe. of the richest and most envied men in Europe. We need not trace the history of his family any further; but the history of the house which became famous all the world over, chieffy through his enterprise and ability, may be fol-lowed right to the end. Samuel Gurney had not much to do with the business of Overend, Gurney & Co. for some time previous to his death. On his withdrawal from if, the chieff management was during many yang with Mr management was during tanny years with Mr. David Barclay Chapman, who retired, in his turn, at the end of 1857, having first led the establishment safely through the panic of that year. Then the business fell into less skillal hands, and the disastrous failure of last May was the consequence.

The circumstances of that failure are well worth careful noting, helping us, as they do, to an understanding of the entire series of man-cial troubles to which it led the way or served as a stepping-stone. The difficulties began last year, or even sooner, convincing proof — to those who cared to be convinced — of the weak condition of the business being in its exchange from private haads into the form of a builted hability company. Those difficulties had, in part, resulted from the great error, per-istently avoided by old Samuel Gurney, of combining commercial speculation with legitimate mancial operations A man who simply lends money of his own can never tail, so long as he makes profits enough to pay his working expenses. If he borrows money to lend scain at a profit, the principal part of all bankers' business now-a-days, he is still quite sate, provided he takes care to deal only with ustomers who can be relied upon, and who are ledged to return the funds lent to them within reasonable time. But if he borrows money on the prefense of lending it for short terms and to trusty borrowers, and then locks it up in mining undertakings, rallway companies, or other commercial speculations, whence it annot possibly be drawn out at a short notice if necessary, he has only himself to thank when he gets into trouble. This seems to have been the grievous fault of Overend. lurney & Co., before it was reorganized, under the Limited Liability act, in August, 1865. It was continued after that change: and the great inscounting house found itself worse off than ever in the spring.

Its embarrassments were shared by other banking establishments; the high rates of in-terest offered by the trading or mining compa-nics for all money lent to them being tempta-tions too great for resistance. Nearly all the banks that failed during the summer of 1866 owed their failure, in part, to this source of weakness. The Eirmingham and the Preston Banks, last in the order of failure, had been crippled for years through their having made arge advances to speculators in the iron and cotton trades. The Agra and Masterman's Bank with a much larger field of operations, had erred in the same way, risking its safety through conection with the great cotton ho ses of Bombaw and other parts of India, The house of Overer Gurney & Co., as we saw, was chiefly involved with railway and iron contractors. This seems to have been an immediate cause of the disasters. On the 9th of May, three suits brought against the Mid-Wales Railway Company by Overend, Guiney & Company and two other discounting houses were decided in the Court of Common Piens. The suits were for bills of exchange amounting to £60,000, drawn by the three houses named and accepted by the Railway Company, but dishonored by it on their talling due. The Court decided that the Railway Company had no power to accept such oills, and that they, and all others like them, were and that they, and all others fike them, were mere waste paper. By these transactions them-selves Overend, Gurney & Company did not lose much; but they were known to hold immense quantities of the same sort of paper; and, if all this was good for nothing, the establishment was in a very dangerous position. That, at any rate, was the general opinion among city men on the morning of the 10th of May. The result was a rush on the Lombard street house, which ended in the closing of its doors before the day was out, and next morning all England was startled by the news that it had tailed, with liabilities exceeding £10,000,000, That news led immediately to the breaking of the Bank of London for about £4,000,000, the Consolidated Bank for nearly as much, and several other establishments for lesser sums; the crowning though not the final event of the panic being the failure of the Agra and Masterman's Bank for upwards of £15,000,000. To say that the total losses occasioned by the panic amounted to £60,000,000 would be certainly within the mark. But they were not all losses; and the financial blunders to which we have referred were not the only causes of the catastrophe. Two very different sorts of people have made profit out of the troubles of their neighbors. Of the one sort are the great capitalists who have had money to lend at the exorbitant rate of ten per cent., or at a higher interest still; the body of rich men whose most suc-cessful possession is the Bank of England, endowed with very considerable privileges and opportunities of money-making in return for its services to the Slate. The other and much less respectable class continues a body of men known vaguely as stock-jobhers, whose wits are their principal capital, and who have lately jound congenial employment for those wits in what are called "bearing operations," In Stock Exchange jargon, "bulls" are the job-bers who speculate for a rise in the price of shares, that is, who buy when shares are low, with the intention of selling them again when they have risen in price; "bears" are those who make their profits out of a fall in the value of shares. The inferior and less honest stock-Jobbers were "bulls" last year and ever since the mania for limited liability companies that began in 1858, making it their business to bolster up the companies whose shares they really or nominally held, till they could be disposed of at a satisfactory profit—during the last eight or ten months they have been "bears," setting themselves to bear down or depreciate all sorts of establishments, in order that they may make money out of the fall, This they do by straining to the utmost the Stock Exchange fule which provides that stocks and shares, though they may be bough: or sold any day, shall only be delivered or transferred at stated periods—generally once a fortnight for ordinary commercial shares, and once a month for Consols and the like. "To the uninitiated," as the author of a clever little book on "The Profits of Panics" has said, "it may be unnecesary to explain that this selline of shares on the stock Exchange does not require that the seller should have in his possession what he sells. The sale is always made for delivery at a future day, and even at that time it is very rare for the shares themselves to be delivered, but merely

other material to all those poor people dwelling within the borough who shall come to be set or set on work in spinning of worsted yarn." He was also to instruct all the poor children who were sent to him in the spinning of wool; in fact, he was to do all he could to establish in the town a branch of the woollen manufacture that for some time past had formed the chief business of Norwich and its neighborhood. Therein, however, he failed, Good churchmen attributed the failure to the circum Good stance that his factory was a desecrated church. A century before, it seems, the corporation o Lynn had received certain monasteries and eccle stastical foundations during the spoliation under Henry VIII. One of these, the church of Saint James, in Lynn, according to Sir Henry Spelman, was "perverted to be a town house for t manufacture of stuffs, laces, and tradesmen' commodities, whereby they thought greatly to enrich their corporation and themselves. Great projects and good stocks, with a contribution from some country gentlemen, were raised for this purpose-two several times, to my knowledge. But the success was that it came to nought, and all the money employed about new building and transforming the church hath only increased desolation; for so it hath stood during the whole time almost of my memory, till they lately attempted, by the under-taking of Mr. Francis Gournay and some artisans from London, to revive the enterprise of their predecessors; but, speeding no better than they did, have now again, with loss of their money and expectation, left it to future Tuin.

Whotever was the cause of it, Francis Gourmay's experiment failed. He was not able to pay back the money he had borrowed from the corporation, and he seems to have been in trouble, by reason of it, to the end of his life His son, Francis, born in 1628, was a merchant or shopkeeper at Maldon, in Essex, and appar ently a man of not much substance. But the fortunes of the house were revived by old Francis Gournay's grandson, John Gourney, or Gurney, of Norwich. He was born at Malton on the 7th of October, 1655, and, as soon as he was old enough, was apprenticed to Daniel Gilman, a cordwainer of Norwich. For a time his business energies were restrained by the bigotry of his fellow-townsmen. Some five-and-twenty years after George Fox's public preaching of the doctrines of the fociety of Friends, before 1678, at any rate, John Gurney became a convert to those doctrines. He was one of the fourteen hundred and sixty Quakers imprisoned on account of their religious opinions, and for three years he lay in Norwich Jail. After that he was released ut still considerable difficulty arose through his refusal to take the freeman's oath required before he could be allowed to practise as a merchant within the city walls. At last, however, an exception was made in his favor, and for some thirty years or more he was a famous and very thriving merchant at Norwich, living at a house in Saint Augustine's parish. He was chiefly engaged in trade with the silk and wool dealers of France and the Continent. He had connections in Holland, among others with the Hopes of Amsterdam, just then entering on their wonderful career of commercial pros-perity. Like them, he added a sort of banking business to his occupation as a merchant. He was also a manufacturer. A brother the Sir Thomas Lombe who established the celebrated silk-mill at Derby was a Quaker, and, for a time, a fellow-prisoner of Gurney's Garney afterwards bought of Sir Thomas som property that he possessed in Norwich, and placed thereon a silk-mill, imitated from that set up at Derby. In these ways he soon grew rich, eing much aided in his business by his wife Elizabeth, a daughter of Sir Richard Swanton. It was said, indeed, that Elizabeth Gurney had the greater business abilities of the two, and that she was the real founder of the commercial greatness of the Norwich Gurneys. Be that as it may, the business prospered mightily, and when John

it is the records of his kindly disposition, atternoon," says one of his clerks, hu sai m

"i ... atternoon," says one of his clerks, 'as M" Gurney was leaving Lombard street, I saw him taking up a large hamper of game to carry to his carriage. I imme-diately came forward and took it from him-He looked pleased, and in his powerful and heavie write available." y voice exclaimed, 'Dost thou know -'s in Leadenhall Market?' I replied in earty  $H_{-}$ he affirmative. 'Then go there and order thyself a right down good turkey, and put it down to my account.'

A more important instance of his generosity s in the circumstance that when, on one occa sion, a torgery had been committed to the injury or his Lombard street house, and the culprit lay in prison with clear proof of guilt, Guracy refused to prosecute him and so obtained his release. At another time, we are told, "one of the birst silversmiths in the city, and a man of high esteem for his uprightness, was accused of torgery. The excitement as to the probable forgery. result of this inquiry was intense, and the opinions of men differed widely. On the morning of the decisive day," says the merchant who tells the story, "I chanced to hear that my friend Gurney was prepared to stand by the prisoner in the dock. tmm duately proceeded to Lombard street, where found him occupied with the vast interests of his business, and asked him hastily whether common report were true. Upon which he said After a most anxious investigation of the matter, 1 am firmly convinced of that man's inno cence. I deem it my duty to express this conviction publicly, and will join him in the felon's nock.' And most assuredly he went; nor could any one easily forget the intense sensation produced in the crowd of speciators when, on the prisoner being conducted to his place, the stately igure of Samuel Gurney presented itself to the public enze by the side of the innocent silversmith

In mitigation of the laws regarding forgery. in company with his prother-in-law, Thoma-Fowell Buxton, Samuel Gutney first showed himself to the world as a pullanthropist. He also took a hvely interest in all plans for im-proving and increasing refuges and reformato-Wm. Allen, Treasurer to the British and Foreign School Society, and to other like institutions he was always a good friend. Visiting Ireland in 1849, he astonished the inhabitants by the lube rality with which he drained his purse to relieve them, when he could, amid their suderings from them, when he could, and their suberings from the potato famine. At falinia he found the town so full of paupers that there were none able to pay the poor rates, and the workhouse was consequently bankrupt. "I found an exe-cution put into it," he said in one of his letters, "and all the stock furniture is to be sold off this week, when the poor people will have to lie on straw, and the guardians must feed them as woll as they can." He bought up the whole of the furniture for £200, in order that, being his property, it might be saved from the creditors. In 1848 Gurney gave £1000 to the Government

of Liberna, and he always took great interest in the prosperity of the little colony of freed slaves. Nor was he, like some anti-slavery worthies, careful only for the freedom of the blacks. In 185% he sent a petition to the King of Prussia, on behalf of his dissenting subjects, praying that full religious liberty might be accorded The King answered that he did not them,