

## The Alexander Family's Discount Company

**T**HIS year Alexanders Discount Co. Ltd. celebrates its 150th birthday. This Bank at the sign of the Golden Artichoke in Lombard Street has grown from small beginnings in 1810 to its present substantial state. Throughout its history it has contributed to the rise of the London Discount Market and indeed to general economic progress. The family of Alexander has left its mark on the City of London.

The founder of the firm was William Alexander (1769-1819). He was the son of William Alexander (1733-1785) who lived at Strood, Kent, and who married Elizabeth Day in 1759. He was a convinced Quaker and the Canterbury Monthly Meeting minute books show him attending Monthly Meeting in 1760. It is believed that he was a man of unusual force of character<sup>1</sup> who gave up his post in the naval dockyard at Chatham because he was convinced of the unlawfulness of participation in war. He, therefore, started a private school at Boley Hill in Rochester (which flourished until 1820). He had six children by Elizabeth Day and the youngest was William whose birth note was received by the Canterbury Monthly Meeting in 1769.

The father died in 1785 and from that year certificates of removal were given to his children for meetings elsewhere. Edward Alexander left for Gloucester. In 1786 Ann Alexander left for Leighton Buzzard and Sarah for Worcester.

In 1787 William Alexander, the youngest son, left for Reading on the 17th of 6th Mo. By 1789, however, as the Huntingdon Monthly Meeting minute books show, a certificate was received from Reading on the 3rd of 2nd Mo. (when it was given Benjamin Evans to file and John King was paid 0.0.7 for postage of the same). But on the 8th of 3rd Mo. 1790, the Canterbury Monthly Meeting books record a certificate received from the Monthly Meeting of Ives in Huntingdonshire (dated 2nd of 2nd Mo.) for William Alexander "lately received within the compass of this meeting." In 1792 on the 4th of 12th Mo. a certificate was noted, given for William Alexander "removed within the Compass of Grace Church St. Monthly Meeting."

<sup>1</sup> See Horace G. Alexander, *Joseph Gundry Alexander*, 1920, p. 20.

Then began the London career of William Alexander. In 1801 he married Ann Barber of Eckington. For some years they lived in Bunhill Row and later in 2 Kennington Terrace. Their first son, George William, was born in 1802.

William Alexander's first post was that of a clerk in the banking house of Smith, Wright and Gay. He later joined the firm of Robarts and Curtis and stayed with them for some years, eventually becoming head clerk. He was offered a limited interest in that concern at £1,500 a year for seven years, but it is said that he declined it because he would thereby have had an interest in loans made by the bank to the Government at the time of the Napoleonic Wars.<sup>1</sup> He had, however, begun banking on his own, borrowing from friends and fellow clerks and lending money on note of hand at legal interest. He had also acquired shares in two ships, the *Levant* and the *Duke of Kent*, as well as in a consignment of watches to New York, though he lost money on these ventures.

In 1806 William Alexander became a partner in the firm of John Rickman and Co., a firm of bill brokers which was doing business at 11 Change Alley (and in 1808 at 14 Birchin Lane). But his name did not appear as such since he was still working for Robarts and Co. He did, however, put in £700 capital and in the first year he obtained £135 4s. 7d. profits and his profits continued to increase until he retired from that firm in 1810.

Thus by 1810, Alexander had actually been doing business as a bill broker for some years. But in that year he set up business for himself at 33 Lombard Street as Alexander and Co. He paid a premium of £250 for the premises which were owned by the Merchant Taylors Company, and at first he also paid a rent of £37 18s. which was increased to £83 9s. in 1813 and to £108 2s. in 1814. It is believed that he took £5,470 into the business with him. William Alexander became therefore a bill broker on his own account. An early balance sheet (1811) of Alexander and Co. shows a capital of £5,013 8s. 6d., liability on deposits of £21,117 0s. 2d. and a profit of £1,072 18s. 4d.

The end of the year balance in 1811 shows a capital of £4,937 7s. 5d., liability on deposits of £2,732 18s. 5d., and a profit of £927 19s. 8d.

<sup>1</sup> H. G. Alexander, *op. cit.*

According to a later member of the firm (William Cleverly Alexander) expenses and profits from 1810 to 1812 were as follows:

16th July, 1810 to July, 1811. Expenses £1,193 10s. 11d.  
Profits £738 19s. 1d.

July, 1811 to July, 1812. Expenses £1,082 15s. 0d.  
Profits £961 4s. 4d.

Expenses appear to have averaged £800 a year for some time after this and profits in the early years ranged about £900 per annum. Commenting on this figure, King, in his *History of the London Discount Market*, 1936 (footnote to p. 118), says that it is "no mean return on the resources employed for a firm in its first year, even allowing for the experience of the bill market and the connection which William Alexander must have built up in his few years with Rickman and Co." But the risks run were heavy and the failure of a single firm was capable of placing the early broker in much difficulty. Alexander and Co. suffered when the firm of Stein, Smith and Co. failed in 1812, and in 1818 a heavy loss was incurred through J. Osborne and Co., a firm in the cheese trade.

It is of interest to note that in years when losses were heavy, employees of Alexander and Co. had to share them. Thus, John Allcard, who had been sole clerk at a salary of £400 a year, found his salary reduced to £300 in 1814, and later when a further reduction was made, he left and became a clerk in Overend's firm and his place was taken by Thomas Atkinson.

In 1819, William Alexander, founder, died after an illness of ten weeks caused by a fall from a coach. He had tried a change to his native air at Rochester but this failed him. He was buried in Bunhill Fields burial ground. His widow, Ann Alexander, now gave her name to the firm which was styled A. M. Alexander. The wife was principal but she was assisted by Richard Payne (who had been a fellow clerk of William Alexander in Robart's broking firm) until his death in 1826.

At the time of his death, William Alexander possessed £1,000 only, but his life was insured for £2,000 and the executors allowed the money to stay in the business. When

George William Alexander<sup>1</sup> came of age he joined his mother in partnership, and the firm was styled A. and G. W. Alexander from 1824.

George William, who had been sent to school at Rochester, actually entered the family business when he was nearly 14 years of age, working half a day until he was 14½ years of age when he became a regular clerk. His duties then included taking down the shutters and sweeping out the offices. He was 17 years old when his father died, and until he was nearly of age he worked without a day's holiday, with the result that he had a bad breakdown for a time. But by the time he entered into partnership, the firm's capital had once again reached £5,000.

From 1823 to 1828, Ann Alexander took two-thirds of the profits and her son one-third. For the next three years the two principals took half each. But the business was still precarious and 1825, a year of panic generally, saw Alexanders embarrassed by a heavy debt on account of Eveleigh and Co. of London.

In 1825 an important step was taken. According to the firm's ledger dated 1810, the agency business was forsaken and bill broking proper began. In the early days, a bill broker was an agent who, for a commission, secured for country bankers the discounting of their bills, but about 1825 bill brokers began to buy bills on their own account at a discount, to borrow money on their own account upon their own security at interest and to make their profit out of the margin between discount and interest. So Alexanders began to develop their bill business and the firm assumed increasing importance in the bill market thereafter, "for many years ranking in size and influence only after Gurney's."<sup>2</sup>

<sup>1</sup> George William Alexander (1802-1890), like so many philanthropists of his day, took a very active interest in the controversies over the slave trade. His *Letters on the Slave-Trade, Slavery and Emancipation*, were published in 1842 and were addressed to Friends on the Continent of Europe during a visit to Spain and Portugal and were in part a reply to objections made to the liberation of slaves in the Spanish colonies. A list of books given for the eight letters shows that he read very widely on the subject. An unpublished diary exists written by Catherine Alexander, second wife of George William Alexander, describing their journey with John and Maria Candler to the West Indies in 1849, and this contains some penetrating comments on the slave trade.

<sup>2</sup> See W. T. C. King, *History of the London Discount Market*, 1936, p. 119. King gives substantial reasons (pages 64-9) for the belief that no bill dealing in the technical sense was possible before about 1825. See also Paul Emden, *Quakers in Commerce*, 1939.

In 1831, John Brown, who had been in the business from the start and had helped to run it when George William Alexander was ill, became a partner. The firm was now styled A. and G. W. Alexander and Co. Ann Alexander now took three-eighths of the profits and later one-third until 1838 when she received a fixed income to the time of her death in 1861 (£1,000 per annum paid to her at the rate of 4 per cent.). In 1837, William Dolland Alexander, younger son of Ann Alexander, became a partner. In 1850, the firm moved to 40 Lombard Street. John Brown retired in 1855 (and died in 1856) and his place was taken by William Fowler.

By this time the business of bill broking was considerable. In the middle forties, as King shows in his *History*, a total of £11 millions was deposited with the firms of Overend, Gurney, Alexanders, Sandersons and Bruce, of which Alexanders was credited with £2 millions. By 1856 about £15½ millions was deposited with them, of which the total for Alexanders was £4 millions.

In 1864 John and Roger Cunliffe joined the Alexanders and the firm moved to 24 Lombard Street and in 1866 to No. 30. The firm was now styled Alexanders, Cunliffe and Co. From 1877, however, the firm became Alexanders and Co. On 16th February, 1877, George William Alexander and his sons Robert Henry Alexander and William Cleverly Alexander<sup>1</sup> made a statement from 30 Lombard Street in which they informed their friends "that the firm of Alexanders, Cunliffe and Co. will be dissolved at the end of March next. On and after the 29th of that month they will carry on business as Bill Discounters and Money Dealers under the firm of Alexanders and Co." They now moved to 9 Birchin Lane, Lombard Street, and in 1880 they moved back to 24 Lombard Street which became their permanent address. In 1881, H. D. Anderson joined the firm, and the following year James Bruce became a partner.

In 1891, Alexanders turned itself into a private limited company as Alexanders and Co. Ltd. George William Alexander had died in 1890. The first chairman of the new company was Robert Henry Alexander. There were now four Alexanders on the board—Robert Henry, William

<sup>1</sup> Robert Henry Alexander (1838-1901), eldest son of George William, had been a partner from 1858, as had William Cleverly Alexander, the second son (1840-1916).

Cleverly, Robert Ernest (eldest son of Robert Henry), William Geoffrey (elder son of William Cleverly); and George Cleverly (younger son of the same) joined them in 1906, and the only outside member was H. D. Anderson.

The capital in 1891 amounted to £1 million divided into 10,000 Preference shares of £10 each and 90,000 ordinary shares of £10 each. £500,000 was paid up. In that year, Alexanders was one of the three major companies which dominated the bill market—the other two were the National Discount Co. Ltd., and the Union Discount Co. of London Ltd. Between them, they mustered the grand total of £23½ millions deposits and Alexanders accounted for over £7 millions of that total.<sup>1</sup>

In 1910 an offer of shares was made to the public of 66,667 £5 shares at £8 10s. a share, but this was withdrawn because the public did not apply. In 1911, Alexanders became a public limited company with Frank Newcomb, who had joined the firm in 1909, as the first manager. Four Alexanders remained in the firm—William Cleverly, Robert Ernest, George Cleverly and Philip Pembroke (youngest son of Robert Henry). In 1918 the firm's title was changed to Alexanders Discount Co. Ltd.

Although Alexanders remained on the Board of Directors until after 1950, the firm ceased to be a family firm in effect when it became a public company in 1911. Thus, its record as a family concern must be judged for the hundred years from 1810 to 1911 and clearly the rise and persistence of the business is remarkable. Its capital at its origin was just under £5,000 and the volume of business about £27,000. By 1891 when it became a private limited company, its capital totalled £500,000 and the level of loans and deposits amounted to £7.3 millions. By 1910, the volume of loans and deposits was £8.5 millions. We have noted the difficulties which the company faced in its early years and later the firm managed to survive the panic of the Gurney crisis in 1866 not only through its inherent strength, but from the confidence shown in it by others<sup>2</sup> (a certificate and letter of 1866 still possessed by the firm notes that £100,000 Consols were offered at that

<sup>1</sup> See King, *op. cit.*, pp. 262-3, and Appendix No. IV, pp. 330-1.

<sup>2</sup> Readers of *Vanity Fair* will recall that Joseph Sedley declared that Alexanders would cash his bill down on the counter, which illustrates the popularity of the firm.

time on deposit<sup>1</sup>) and there were the other periods of stress when it is clear that the reputation of the company was duly appreciated. Credit must be paid to the early Alexanders who struggled to keep the firm going and the London Discount Market owes much to William and Ann Alexander and their eldest son, George William. The firm not only contributed directly to the growth of the bill market but also rendered service indirectly to economic progress, receiving money on safe deposit from country banks and taking shares in the early railways, for instance, the London and Brighton, London and Croydon, the East Lancashire Railway Co., the Birmingham and Gloucester, the Midland Railway, and the Great Western Railway. Frank Newcomb writing in 1947 commented that Alexanders were known as the most conservative house in the City and clearly the firm survived through a combination of prudent purchasing and cautious lending.

#### RIDER

It may be of interest to add that William Cleverly Alexander was an influential and discerning patron of the arts. Roger Fry said of him: "His taste seemed to be a special and peculiar gift like that of second sight." He was one of the first in England to appreciate Whistler and he intended to have all his daughters painted by him. In fact, however, only one was finished. This portrait of Cicely Alexander (afterwards Mrs. Bernard Spring Rice) was formerly in the Tate Gallery but is now in the National Gallery. A forthcoming article in the *Quarterly Review* by Reginald Colby on Whistler will describe, *inter alia*, how the picture was painted. It was to have been shown at the Whistler Exhibition in New York this autumn, but the Trustees of the National Gallery have now decided that they cannot lend it. The Misses Alexander are lending *Nocturne Blue and Green—the Thames at Chelsea* which W. C. Alexander bought from Whistler in 1873 (at about the same time that the portrait of Cicely Alexander was painted).

After the death of their father in 1916, his daughters presented much of his varied collection of Japanese and Chinese art to the Victoria and Albert Museum. But Aubrey House, the home of the Alexanders since 1873, still contains

<sup>1</sup> See Note I at close of the article.

interesting china and furniture and also pictures by other famous artists including Franz Hals, Tiepolo and Hogarth.

It is of interest to note that Jean Ingelow was a family friend and one of the daughters was her godchild and named after her.

It is not known precisely when the long connection with the Society of Friends was broken, but some time after his marriage, W. C. Alexander and his wife joined the Church of England.

MURIEL F. LLOYD PRICHARD

*Note I*

The offer of £100,000 Consols was made in 1866 by Lewis Loyd who says in his letter that he was pleased to show his entire confidence in the firm of Alexanders and also his sense of the very friendly and valuable assistance which Alexanders had rendered to him and his partners on a recent occasion. He added: "That you should not have had occasion to make use of the stock does not surprise me, but I hope that tho' not required for active use, the possession of it may have added in some slight degree to the feeling of security in a time of danger which your own prudent management had enabled you to feel and justified you in entertaining."

Loyd's comments on the Gurney business are in stern contrast. "I can scarcely bring myself to believe in the truth of the statement of O.G. and Co. It is a melancholy spectacle of the consequences of greediness of gain and exhibits an extent of mismanagement which reflects disgrace in some degree over London as a commercial community. The 'consolidated' affair is only intelligible on the supposition that all parties concerned were affected with sudden madness."

*Note II*

I am indebted for information on the Alexander family to Miss Rachel F. Alexander, Aubrey House, Campden Hill, W.8, and to the Directors and Managers of Alexanders Discount Company Ltd., for allowing me to see their early records; to the Library Staff of Friends House Library for use of their minute books, etc.