The General Steam Navigation Company c.1850-1913: A business history

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ABSTRACT

This thesis concerns the history of the General Steam Navigation Company from 1850 to 1913, immediately prior to the First World War. Established as a joint-stock company in 1824, this London-based shipowner operated a range of steamship liner services on coastal and near-Continent routes and, from the 1880s, to the Mediterranean.

The focus of the study, essentially a business history, is on the management by the directors of the Company's considerable financial, shipping and property assets and their ability to meet commitments to shareholders in terms of dividends and share values. Measures of financial governance, Profit and Loss Accounts and Balance Sheets are detailed throughout. These, together with information on trades and cargoes, including live animal imports, in an increasingly competitive environment, are recorded in a series of chapters each covering a period of the Company's development.

The operation of the fleet of usually around fifty vessels of from 500 to 2,500 tons is considered against the background of constantly changing ship design and technology: the paddle wheel was replaced by screw propulsion, ever more efficient engines were introduced and cargo capacities greatly increased. In order to retain its prime position the Company was obliged to be to the forefront of these developments.

The uncertain economic climate of the period of the study greatly affected British industry, particularly the years from 1873 to 1896, usually referred to as the 'great depression'. The cycles of expansion and recession in that time posed problems for all ship owners and for General Steam in particular. The effects of these and of other trade influences are explored.

Particular emphasis is placed on the roles of two key Board chairmen, J. Herbert Tritton, appointed in 1874, and Richard White, 1902, in influencing the Company's fortunes. It is argued that, whereas the Company was well managed and profitable up to 1870 under a Board which still included connections with the original directors, over-investment following substantial capital increases in 1874 and 1877 presented problems in the more challenging business environment of the late nineteenth century, leading to shareholder unrest and the near collapse of the Company.

Financial restructuring in 1902/3, disadvantageous to shareholders, and a revision of the Company's operating policy under Chairman White led to a slow recovery prior to the First World War, in still difficult trading conditions.

Appendices include the first full list of the many vessels owned by General Steam, with, in most cases, details of entry and exit from the Company's service, Balance Sheets and information on capital structure.

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INTRODUCTION

> *"The benefits arising from the power of steam are so universally acknowledged that it appears unnecessary to dwell upon its many advantages. Ships are enabled to enter or quit harbour regardless of winds or tides, and it affords the most flattering prospects of connecting the remotest parts of the world by a safe and rapid communication*". September 1824 [1]

The immediate historiographical context for this study of The General Steam Navigation Company is the great body of work produced by historians and other writers on the early days of steam shipping, which was largely, if not exclusively, a British phenomenon. The greater part, has, however, concentrated on the development of oceanic shipping lines, such as P & O, and The Royal Mail Steam Packet Company, from the 1835/50 period.[2] In many of these cases entrepreneurs and other interested parties, some with experience of coastal shipping, greatly extended the range and activities of the steamship with very considerable financial support from Government in the shape of mail subsidies.

Yet British coastal and short-sea steam shipping pre-dated the era of such deep-sea traffic and has a strong claim for a measure of attention by scholars, though it has received little. Largely overlooked is the fact that much of the experimentation with steamships took place in the waters around the British coast. Coastal steamship owners, by investing in the innovations of shipbuilders and engineers, participated in the development of the new hull forms and improved methods of propulsion which so benefited their oceanic counterparts.

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[1] Prospectus of The General Steam Navigation Company, dated September 1824, see L. Cope Cornford, *A Century of Sea Trading 1824 – 1924.The General Steam Navigation Company,* (London, 1924)

[2] Edwin Green and Michael Moss, *A Business of National Importance: The Royal Mail Shipping Group, 1902-1937,* (London, 1982): T.A. Bushell, *Royal Mail. A Centenary History of the Royal Mail Line 1839-1939*, (London, 1939): Stephanie Jones, *Two Centuries of Change in International Trading. The Origins and Growth of the Inchcape Group*, (London, 1986): Boyd Cable, *A Hundred Year History of the P. & O.* (London, 1937): Peter N. Davies, *The Trade Makers: Elder Dempster in West Africa 1852-1972 1973-1989, Second Edition*, (St John's, 2000): Sheila Marriner and Francis E. Hyde, *The Senior, John Samuel Swire*, (Liverpool, 1967): Francis E. Hyde, with the assistance of J.R. Harris, *Blue Funnel. A History of Alfred Holt and Company of Liverpool from 1865 to 1914*, (Liverpool, 1957): Freda Harcourt, *Flags of Imperialism. The P & O Company and the Politics of Empire from its Origins to 1867,* (Manchester, 2006).

General Steam is important: its development covers the period of radical technical change, from its purchase in 1836 of one of the first iron-vessels to the building of a sophisticated triple-screw turbine steamer of 1906.[3] The history of General Steam is, in many respects, the history of British coastal and short-sea shipping.

Only Sarah Palmer to date, amongst academics, has given attention to the Company with her 1982 paper, 'The most indefatigable activity. The General Steam Navigation Company, 1824-50'. There are three non-academic publications concerning General Steam: the authors of two, L. Cope Cornford and H.E. Hancock, clearly published with the co-operation of the Company so that they are selective and unanalytic, though helpful.[4]

Other articles have explored coastal shipping companies but only over a limited time span: these include Freda Harcourt's study of Charles Wye Williams and Irish steam shipping in the period 1820-50'and Clive H. Lee's review of The Aberdeen Steam Navigation Company, 1835-80.[5] The limited period of the Harcourt study is due to the fact that the subject was Wye Williams' impressive career as a shipping entrepreneur rather than a history of the company.

John Armstrong, commenting on the paucity of written material, refers, in *Coastal and Short Sea Shipping*, to coastal shipping as 'The Cinderella of the transport world'. Nevertheless, a number of authors have written widely on aspects of coastal shipping including, in addition to Armstrong and Palmer, Derek H. Aldcroft, Jack Simmons and R.M. Robbins, and P.L. Cottrell.[6] It would, however, be fair to say that none of these

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[3] The triple-screw turbine steamer *Kingfisher,* built for the Company by William Denny in Dumbarton, was introduced on Thames services. She was not a success and was sold in 1912.

[4] Sarah Palmer, 'The most indefatigable activity. The General Steam Navigation Company 1824-50'. *Journal of Transport History, 3rd series, vol.III, no.2,* pps. 1-22: Cope Cornford, *A Century of Sea Trading:* H.E. Hancock, *Semper Fidelis. The Saga of the 'Navvies'*, (London, 1949). The third author referred-to is Norman L. Middlemiss, *'The Navvies'. History of the General Steam Navigation Company,* (Gateshead, 1999).

[5] Freda Harcourt, 'Charles Wye Williams and Irish steam shipping, 1820-1850, *Journal of Transport History, 3rd series, vol. XIII, no. 2(1992),* pps.141-162: Clive H. Lee, 'Some aspects of the coastal shipping trade: the Aberdeen Steam Navigation Company,1835-80, *Journal of Transport History, 2nd series, vol. III, no. 2(1975)* pp. 94-107.

[6] John Armstrong, 'Introduction: the Cinderella of the transport world: the historiography of the British coastal trade' in (ed.) John Armstrong, *Coastal and Short Sea Shipping,* (Aldershot, 1996) and 'Coastal Shipping: the Neglected Sector of Nineteenth-Century British Transport History', *International Journal of Maritime History, vol. VI, no.1 (1994),* pp. 182-185: Derek H. Aldcroft, 'The eclipse of British coastal shipping, 1913-21', in (eds.) Jack Simmons and R.M. Robbins, *Journal of Transport History, 1st series, vol. VI. No.1, 1963,* pp. 24-38.:P.L. Cottrell, 'The steamship on the Mersey, 1815-80, investment and

studies is a full-scale business history, comparable in scope or focus to the substantial works on oceanic steamship companies already mentioned, such as Davies on Elder Dempster or Hyde's work on Blue Funnel.

Most coastal and short-sea companies in the mid-19th century were modestly capitalised and operated only a few ships, some of them steam ships, over a limited route network. Perhaps as a result the archive material available to the researcher is limited. This does not explain the relative absence of interest in General Steam, a significant company from its earliest days, with, in due course, routes to France, Portugal and the Mediterranean in addition to its Continental services and with an appreciable archive ready to hand.

This thesis seeks to fill the gap with an exhaustive inquiry into the motivations and activities of the management of General Steam, in so far as the archive material permits, and a detailed analysis of performance, financial and operational, within a changing political, legal and, importantly, economic framework. It follows the fortunes of the Company, a major business, through two contrasting sequential periods in Victorian economic history. The first has been dubbed by some historians 'The Great Victorian Boom' when Britain experienced a period of prosperity from 1850, of economic growth, business expansion and improved living standards. The second, lasting from 1873-1896 was known as 'The Great Depression', a time of entirely unpredictable cycles of expansion followed by recession, when the rate of industrial and manufacturing output, along with profits, was reduced. Whatever successes the nineteenth century shipowner may have enjoyed in terms of updating his fleet and creating new trading opportunities the prevailing business climate, national and international, conditioned whether or not profits accrued.

Competition, from other shipping companies and from the rapidly expanding railway system, is explored in some detail. Two books by Simmons, one of them co-edited with Biddle, were invaluable in forming an appreciation of the Company's concerns about the

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ownership', (eds.) P.L. Cottrell and D.H. Aldcroft, *Shipping, Trade and Commerce: Essays in Memory of Ralph Davis,* (Leicester, 1981), pp. 137-161.

increasingly aggressive intentions of the railway companies and the interactions between the two forms of transport.[7]

From its earliest days the Company carried mainly passengers with limited amounts of cargo. Live cattle were brought in from the Continent to London and by the 1850s this trade had assumed a critical importance. Vital to an understanding of that trade and its subsequent decline was Perren's research covering the period from 1840.[8] Perren is, however, as his book's title suggests, concerned with the cattle trade. Transportation is only mentioned in passing and the one company referred to is, oddly, not General Steam which must have been the major carrier into London. This study explores Company's involvement in the trade and gives a fresh insight into the impact of its growth and termination.

The literature covering the broader historical background is profuse and conclusions are diverse. Church, reviewing the work of a number of historians and economists on the mid-Victorian economy acknowledges the expansion of the economy from 1850 to 1873 but offers serious qualifications on the grounds that, amongst other considerations, growth from 1850 was erratic, as were the prices of raw materials and manufactured goods.[9]

S.B Saul dubbed the 'Great Depression', 1873 to 1896, a 'myth'. Having conducted an exhaustive review of possible explanations including price fluctuations, increased competition, reduced transport costs and profits and the allocations of capital, whether to other forms of investment or to new technology, he concludes firmly that there was no single cause and that, 'the sooner the 'Great Depression' is banished from the literature, the better'.[10] He shows graphically British wholesale prices from 1815 to 1910, a fair measure of the state of the economy: prices were fairly steady from 1855, jumped in the short boom of 1872/3 and then until 1895, with a small upswing in 1889/91, fell steadily

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[7] J. Simmons, *The Railway in Town and Country 1830 – 1914*, (Newton Abbot, 1986) and J. Simmons and G. Biddle, (eds.) *The Oxford Companion to British Railway History*, (Oxford, 1997).

[8] Richard Perren, *The Meat Trade in Britain 1840 – 1914*, (London, 1978). This publication was concerned with the meat trade and with its problems.

[9] R.A. Church, *The Great Victorian Boom 1850 – 1873*, (London, 1975), pp.76, 14.

[10] S.B. Saul, *The Myth of the Great Depression, 1873 – 1896*, (London, 1969), p.55. Government was sufficiently concerned at the time to establish a Royal Commission 'to inquire into the Depression of Trade and Industry' in 1886.

across a wide range of products, from coal to animal products and foodstuffs.[11] He does not dispute that the period was difficult for industry but he sees that as part of a longer-term cycle stretching from before 1870 through to the early 1900s so that the years 1873 to 1896 were not especially significant.

A more recent discussion by Gary Magee emphasises the relative nature of Britain's decline. He notes that, having been the world's largest manufacturer through the nineteenth century, British output, as a percentage of the whole, began to ease after 1870. In 1880 the country produced 22.9 per cent of world manufacturing output, reduced to 18.5 per cent by 1900. Over the same period the American share of output increased from 14.7 to 23.6 per cent and rising rapidly. Germany made an equally impressive advance in production.[12] As a consequence their demands for imported goods were reduced: indeed, they began to export into Britain.

Research into the history of General Steam throws some light on these issues. How far was there a contrast between its fortunes in the 1850s/1860s and in the last quarter of the century? What is the evidence that it perceived its prospects optimistically in the first period? If prospects for the wider economy were more mixed from the 1870s, as Church has suggested, how did this altered situation affect General Steam and how far did the experience of these years colour its decisions subsequently? As a company providing transport links with Northern Europe, did it actually benefit from the circumstances which produced decline for certain home-based industries? Centrally, does its history confirm the older view of two distinct economic periods or the more mixed picture suggested by the revisionists, Church and Saul?

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[11] Saul, *The Myth*, diagram p.12, Wholesale Prices in Britain, 1815-1913, and Table p.14, Board of Trade Wholesale Price Indices, 1871-1895.

[12] Gary B. Magee, 'Manufacturing and technological change' in (eds.) Roderick Floud and Paul Johnson, *The Cambridge Economic History of Modern Britain Volume II: Economic Maturity, 1860-1939*, (Cambridge, 2004), Table 4.5, National shares of world manufacturing output, 1860-1928, Source: Bairoch 1982, p. 81.

D.H. Aldcroft, Introduction to *The Development of British Industry and Foreign Competition, 1875-1914*, (London, 1968), p.14. The writer cites Coppock's argument that a decline in the demand for British exports led to a reduction in the rate of production, a fall in the rate of investment and a decline in the rate of growth.

The experience of General Steam is also relevant to another area of historical debate, that concerning factors which influenced economic performance, one of them the quality of entrepreneurship. The very term is variously defined but, in essence, it refers to the creative force of the individual (or group) and his/its ability to successfully manage and develop a product or service to profit. Pollard comments that there is a substantial literature which argues that failure to innovate, complacency and inefficiency by British businessmen were central factors in the relative decline of the British economy in the latter part of the nineteenth century.

Against this, he notes that there were in many areas of business considerable numbers of vigorous, innovative and pioneering businessmen and suggests that a too-broad criticism of the performance of business in the latter part of the 19th century is inappropriate. There were, he says, some failures though they were not characteristic of the period. Those who succeeded, in services and consumer goods for example, 'could hold their own with the very best abroad'.[13] In a more recent treatment, Nicholas seeks to identify which aspects of the decline were to be expected in the changing circumstances of world trade and which attributable to the entrepreneur and produces evidence from a wide range of sources.[14] He cites instances of failure in traditional industries, from coal, steel and textiles, though he concedes there is evidence to support the counter case.

Where do General Steam's managers fit within this debate? Were they examples of entrepreneurial dynamism and success, or did they fail in their duties to maintain the profitable business passed to them in 1850? How did they respond to the challenges they faced? Overall, liner shipping is generally seen as a successful sector in this period. The transport sector, railways and shipping, was developing rapidly in 1850 driven by men who identified opportunities for profit and prestige through dramatic extensions of services. By 1870 British liner companies were pre-eminent on the trade routes of the world, albeit with substantial assistance from Government in the shape of mail subsidies. Aldcroft notes that, 'Whatever criticisms might be levelled against British industry in

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[13] Sidney Pollard, 'Entrepreneurship, 1870-1914', in (eds.) Roderick Floud and Donald McCloskey, *The Economic History of Britain since 1700, Second Edition, Volume 2, 1860-1939*, pp. 62-63, 88-89.

general in the latter half of the nineteenth century, few if any apply to the shipping industry'. He adds that the industry's rapid adoption of new building and propulsion techniques ensured its predominance into the twentieth century.[15] In the years ahead the companies would make a substantial contribution to the reduction of transport costs through the extension of services, beneficial to commerce in general and to the population at large. Whether or not the years from 1870 were significant in the broader economic context and why, the cycles of recession and recovery through to the 1890s impinged greatly on the activities of companies engaged in businesses other than manufacturing.

Shipping was capital intensive, as were its associated industries, including shipbuilding, and companies relied on the availability of funds and steady profit to maintain and update their fleets. The larger liner companies, including General Steam, in need of considerable financial resources opted for joint-stock status in order to be able to draw finance from the general public rather than from bank loans.[16] Many of the smaller companies, liners and tramps, remained under family control over many years. This was a new business demanding foresight and initiative. Not all were successful: where some failed, others succeeded, contributing to a merchant fleet totalling 19.1mn. tons in 1914 which carried a considerable proportion of total world trade.[17]

Those who have studied the business organisation of the oceanic shipping lines have, however, noted that although many were joint-stock in fact these public companies shared characteristics with family firms in that a small group of men, indeed sometimes one man dominated decision-making. Shareholders generally had little influence. As with

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[14] Tom Nicholas, 'Enterprise and Management', in (eds.) Roderick Floud and Paul Johnson, *The Cambridge Economic History of Modern Britain Volume II: Economic Maturity, 1860-1939*, (Cambridge, 2004), pp. 228-235.

[15] D.H. Aldcroft, 'The Mercantile Marine', p.326, in (ed.) D.H. Aldcroft, *The Development of British Industry*, p.326.

[16] P.L. Cottrell, 'Domestic Finance, 1860 – 1914' in (eds.) Floud and Johnson, *Cambridge History*, pp. 261- 262 and Ronald Hope, *A New History of British Shipping,* (London, 1990), p. 303. An assist in the raising of funds was the advent of limited liability through Acts passed between 1855 and 1862. These limited the liability of shareholders to the nominal value of shares held and were helpful in raising capital for joint-stock companies.

[17] Ronald Hope, *A New History,* p.331-332. British ships, in 1914, carried 92 per cent of the British Empire's trade, 63 per cent of that between the Empire and foreign countries and 30 per cent of the trade

family companies, these tended to be men closely involved with the company from its earliest days or with essential knowledge and skills, men such as James MacQueen of The Royal Mail Steam Packet Company. In the late 1840s/50s Wilcox and Anderson, the autocratic managing directors of P & O, exercised almost total control over the company, including their fellow directors. How far this applied to General Steam, and for what reason, is another aspect explored within this thesis, as is the issue of the nature of the expertise and background of the decision-makers.

A related issue within the business history literature is the importance of influence and contacts, not least access to financial expertise. Boyce has specifically focussed on their significance for shipping in *Information, Mediation and Institutional Development,* noting the requirements for ship building, purchasing and management skills as well as intelligence networks in home ports and in destinations ensuring freight opportunities sufficient to maintain a regular service.[18] Equally important was continuous assessment of route profitability and prospects. The men who established General Steam in 1824 were only too well aware of these essentials: they were men of influence and affluence and the speed with which they built the fleet and commenced operations attests to their access to capital, their management skills and important business and trade contacts in London and on the Continent.[19] This study will explore changes to this highly successful model in the period from 1850.

General Steam's considerable capital resources were expended largely on ship building and repair work and the Company relied on its builders for competitive pricing and the continuous application of new technology. The relationships with the several builders is explored in so far as the limitations of the archive material permit. Similarly the Company's involvement with its financial intermediaries – bankers, insurers and accountants/auditors - is of concern since the role of such groups has attracted the attention of historians of the late nineteenth century. The Company had high level associations with its banks over many years - from 1824 Messrs. Spooner, Attwood & Co. filled the role with Mathias Attwood and his son on the Board – and Chairman

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between countries outside the Empire. Hope's book is one of the few publications to attempt a general history of British shipping.

[18] Gordon H. Boyce, *Information, mediation and institutional development. The rise of large-scale enterprise in British shipping, 1870-1919,* (Manchester, 1995), pp.5-8.

Tritton, from 1874, was a director of the then Company bank. However, it is impossible to define the bank's role from the material available. As a public company General Steam had access to shareholder funds and debenture loans and, so far as can be ascertained, the bank made only occasional, small, short-term loans.

In the nature of a business history General Steam's changing accountancy practices are recorded in some detail in light of the developing research on this aspect of business, including John Edwards' *A History of Financial Accounting*.[20] The material available in General Steam's archive makes it impossible to define management's financial and accounting policies even over a short period: certainly the company took full advantage of the fact that accountancy procedures were unregulated through the nineteenth century, adjusting the presentation of accounts on a number of occasions from the 1880s so that no consistently defined profit figure is available over the term of this study. Calculation of a return on capital was, therefore, of no value in the context of this study though it would not have been greatly of interest to shareholders who were more concerned with dividends and share values. Also seemingly uncertain was the interpretation of Depreciation, as noted in the text, and it is highly likely that undisclosed funds were held in some years, a common procedure of the time.[21]

The Company's attitude to insurance was inconsistent: there was no clear policy. A decision to insure the fleet, or part of it, was followed within months by a reversion to self-insurance, with no indication of the factors taken into account. An exception: vessels were always insured when on charter, perhaps a requirement of the charterer. The appreciable accident rate of Company vessels over many years must have, or should have been, a consideration for the directors yet they persisted in their ambivalence.

The General Steam Navigation Company does not fit neatly into any of the usual categories of the shipping trade. It was essentially a Thames river and coastal shipping company that, from its early days, operated on routes on the British east coast and to ports on the near-Continent, within what are termed the Home Trades, ports between

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[19] Cope Cornford, *A Century of Sea Trading*, pp. 2 and 26-27.
[20] John Richard Edwards, *A History of Financial Accounting,* (London, 1989).

Ushant to the west and the Elbe river to the east. It is those trades which are the focus of this study for the first thirty to forty years.

The Company was originated in 1820 by Thomas Brockelbank and others who owned steamers trading between London and Hull and on the Thames. In 1824 they were joined by an enlarged group of entrepreneurs, prominent men of business, described by Cornford as a 'shrewd, solid and resolute set of men', at which time The General Steam Navigation Company was established as a joint-stock company with authorised capital of £2mn.[22] William J. Hall and Brockelbank, two of four shipowners involved, appear to have been the driving force: they identified a unique opportunity to develop steam shipping services beyond Britain's coastline and readily raised sufficient capital to float the venture, much of it from their own resources and those of influential contacts though there was no certainty of profit.[23] Some of the directors lent managerial experience to the Company so that ownership and management were not divorced. The first prospectus spoke of 'national benefits' and the 'combined powers of capital and steam'. The Company operated under a Deed of Settlement dated 1825.

These pioneers needed more than enthusiasm and capital. Influential business and financial contacts in London were essential at the outset, as was experience of building and efficiently managing steamships. Equally important were the assessments of profit potentials on routes new to them: these demanded reliable agent contacts and intelligence on trading prospects and conditions in the ports to which services were planned and the establishment of agency services.

Two ships were immediately purchased and three more ordered. At the end of the first half-year a dividend of 16 per cent was declared and within a year 22 ships were owned and services had been inaugurated from London to Dunkirk, Hamburg, Ostend and

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[21] Edwards, *Financial Accounting*, p.138 and 140. The author states that secret reserves remained widespread up to 1920 and even into the 1930s, the 1931 prosecution of the chairman of The Royal Mail Steam Packet Company leading to a voluntary improvement in standards.
[22] Cornford, *A Century of Sea Trading*, pp. 1-4.
[23] The intent was to issue 20,000 shares of £100. GSN 43/9 confirms that the initial payment was £2.10s with further instalments of £2.10s. It is uncertain whether or not shares were offered to the public in the first instance and how many shares were issued. Boyce, *Information, mediation*, p.67, notes that of P&O's 1840 initial authorised capital of 20,000 ordinary shares of £50 for total £1mn.only 6,092, valued at £304,600, were issued, all to proprietors, so that it was not strictly a public company.

Calais.[24] The Company quickly became a force in short-sea liner shipping, offering regular services between designated ports as well as seasonal Thames river excursions.[25] It was some years before its vessels ventured further afield.

In 1831, by Act of Parliament, the Company was granted limited liability and the authorised share capital was reduced to a more realistic £300,000, 20,000 shares of £15, with additional £30,000 as required. The Act superseded the 1825 Deed of Settlement. It detailed matters concerning the governance of the Company, proprietors' voting rights, the number of directors, the frequency of meetings and, importantly and reassuringly, restricted the liability of shareholders in the event of business failure to the nominal value of the shares they held. [26] The Company was incorporated by a further Act in 1834 which did not alter the capital structure but permitted borrowing not exceeding £75,000.[27]

By 1850 General Steam was already a well established company serving four British east coast ports and seven on the near-Continent as well as being strongly placed in the

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[24] GSN 43/9. A range of routes was considered, including some from south coast ports other than London. The Company's original, in 1824, intent was to operate oceanic steamships but that prospect was put aside at the time. The matter was reconsidered in 1839 when it was noted that companies were actively considering the commencement of 'Steam Communication with America'. (GSN 7/2, 28th Report, 26 February 1839) but that General Steam considered that there was not a sufficient certainty of profit against the very considerable financial outlay required. However, the directors had no doubt as to the practicality of long distance sea routes. In 1837 they had made proposals to carry troops to Canada, but whether or not these proposals were advanced to Government is uncertain.

[25] Cope Cornford, *A Century of Sea Trading,* pp. 8 and 9. There were additional services from Brighton to Havre and Dieppe and from Portsmouth to Havre.
Coastal shipping is generally discussed in terms of trades around the immediate coasts of Britain. A broader definition, as used in this study, includes General Steam's much greater involvement with routes to the near-Continent, referred to, along with the coastal routes, as Home Trades. These were also referred to as 'short-sea' routes. General Steam's ships were moved from one route to another as trade demands required, from Edinburgh to Hamburg, for instance. The services opened in later years by the Company to the Biscay ports and then to the Mediterranean were, of course, outside the Home Trades.

[26] *Year I and II William IV King, 1831, Cap.LIII. An Act for granting certain Powers to a Company called "The General Steam Navigation Company.* (23d August 1831.)
The terminology used in the Act was: "That the Capital or Joint Stock of the said Company.....shall be considered as consisting of the Sum of Three hundred thousand Pounds, and divided into Twenty thousand Shares of Fifteen Pounds each, upon each of which Shares the Sum of Thirteen Pounds, Part thereof has already been paid". Further £1 was called-in in 1838. (GSN 7/2, 27th Report, 28 August 1838). Limited Liability which could only be granted by Act of Parliament at that time limited the liability of shareholders to the value of their shareholdings and was, therefore, attractive to investors.

[27] *Year IV and V William IV King, 1834, Cap LXXXII. An Act to amend and enlarge the Powers of an Act passed in the Second Year of the Reign of His present Majesty, intituled An Act for granting certain Powers to a Company, called "The General Steam Navigation Company".* (25 July 1834). In GSN 7/2, 19th Report, 14 August 1834, the directors indicated that they wished the 1831 Act to permit incorporation, but that objections, unstated, had been raised. They re-applied in the belief that the further Act would be successful.

Thames trades to Margate and Ramsgate. In what was still very much the age of sail, its fleet of 44 steamships, a significant proportion of the total of 320 in operation in the Home Trades, carried passengers, mails, goods and cattle between ports more quickly and reliably, unaffected by weather and tide, than competing sailing ship services and in an already competitive situation.[28]

In 1850 just 3 per cent of Britain's merchant fleet consisted of steam tonnage.[29] Palmer, in making this point, notes that the advent of steam on the coastal and near-Continent routes not only did not oust sailings ships but that on some routes steam could not be competitive. In order to be profitable steam required regular return passenger numbers and cargo volumes for its more frequent services.

The shallow-draft wood-built paddle steamers were expensive to build and operate when compared with a sailing ship of equivalent size. The engines were inefficient and unreliable, though the short distances to the Company's several destinations were well suited to their operation in the period with a safe haven never too distant. The coal bunker capacity of the ships was sufficient to cover the maximum two-day voyage, given fair weather, to Hamburg and Edinburgh, a major problem still to be overcome by larger oceanic vessels.

Important cost disadvantages were that the steamship required regular maintenance and more crew, engineers to control the engines and firemen to feed coal to the boilers. There was a need for shore-side facilities for passengers and for cargo loading and unloading. Dockside storage space was also required. These were essential in order to maintain scheduled services.

Whilst General Steam was never reliant on Government mail subsidies, unlike oceanic companies of the period, nevertheless an important income source was the carriage of

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[28] John Glover, 'On the Statistics of Tonnage during the First Decade under the Navigation Law of 1849', in *Journal of the Statistical Society, Vol. XXVI, March 1863*, in *Sail, Steam and Politics*, Table VII. There were 320 steamships in the Home Trades in 1850 and 8,830 sailing ships. In the Foreign Trades there were 86 steamships and 7,149 sailing ships.

[29] Glover, 'On the Statistics', Table XII. The percentage increased to 5 per cent in 1860 and 11 per cent in 1870, with total of 2,006 steam ships in the merchant fleet. In 1880 the percentage, steam vs. sail, was 24 per cent as the Foreign-going sailing fleet began to decline.

Parliamentary Papers (PP): *(387) XLIX.81, March 1852. Account of Number of Vessels Employed in Coasting Trade of U.K.* In 1851 more than 20,000 coasting trade entries were made into London by sailing ships as compared with 964 by steam vessels.

mails by contract to the Post Office. The contract for twice-weekly services to Hamburg and Rotterdam was acquired in 1834, with annual subvention of £17,000. Apart from the welcome financial injection at a time when revenues from the carriage of cargo were limited, an additional benefit was the implied confidence of Government in the Company's services. The contract ended in 1850 when the Post Office indicated a preference to switch the service to the shorter sea route from Harwich. The company which was then awarded the Harwich contract was not able to commence the service so that the London contract was renegotiated with General Steam and extended for a time. It was finally terminated in 1853 when the Post Office, clearly determined to revert to Harwich, declined the Company's demand for £100 per voyage to extend the contract for further three months.[30]

In 1850 there was already an extensive network of steam coastal and short-sea liner shipping connecting the ports of Britain and reaching out to Ireland, the Continent and to Scandinavia.[31] London was connected to most ports and, of course, all the main ports were connected to London, even if not directly. There was competition for passengers and cargo which affected the fares and freight rates that could be charged.

General Steam always vigorously defended its route structure and was invariably successful. If it withdrew from a service it was usually because it considered the commercial prospects were limited. On occasion it would deal with strong and established competition by collaborating with it. There is evidence of an agreement prior to 1839 between General Steam and other east coast companies regarding fares.[32] John Armstrong, in asserting that conferences (which sought to reduce excessive competition) operated in British coastal shipping in the 19th century, states that a formal agreement was

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[30] GSN 7/2, 48th Report, 27 February 1849. The Company was notified of the intended contract termination and, though the Harwich Railway was still not completed, a matter of concern, they made an offer for the new five-year contract, aware that an alternative lower offer had been made. The directors correctly anticipated that the lower offer would be accepted. Post Office Archives, POST 34/81, item 244 and GSN 7/3, 58th Report, 28 February 1854. The Company's brief comment in the Annual Report, 'The mail service is now terminated by the Admiralty', suggests that the inevitability of the loss and its very useful income was accepted, however reluctantly. (It is worth noting that oceanic mail carriers of the period, such as P&O and Royal Mail, *depended* on mail subsidies in order to return a profit.)

[31] Alan Pearsall, 'Steam enters the North Sea' in *The North Sea*, (eds) A. Bang-Anderson, B. Greenhill and E.H. Grude (Stavanger, 1985), pp.195-216.

made between four of the east coast companies as early as1839 concerning passenger fares and freight rates. A further advantage was that where two companies operated from the same port, as in Edinburgh, sailing days were arranged to avoid two ships sailing on the same day.[33] These agreements were subject to infringement, as most agreements were. In 1843, for example, when the Dundee Steam Navigation Company lowered its passenger fares the Company was obliged to send Secretary John Wilson to Scotland to sort the matter out.[34]

Regarding Continental opposition, Alan Pearsall has written that General Steam, 'through agreements with companies in ports such as Antwerp, Rotterdam (the Netherlands Steamship Company, known as the Batavier Line) and Hamburg, held a monopoly of London traffic to most North European ports between Hamburg and Le Havre'.[35]

In the 1840s a new threat to the Company's activities emerged. In the early days of railway operation companies were not permitted by law to use their capital to establish shipping services, the Government's view being that such activity placed existing services at a disadvantage. The railway companies argued that shipping services were a logical extension of their activities.

Which point, predictably, was strongly contested by the existing ship-owners and by interests in those ports not already involved with the railways. But, from the mid-1840s the railways were permitted to revert to Parliament for permission to establish services, provided the route was specified. Some, of course, side-stepped the law and formed disguised subsidiaries.[36] The determination of the railway companies to move into shipping was beyond doubt.

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[32] GSN 7/2, 29th Report, 27 August 1839 refers to proprietors of east coast shipping generally resolving to raise the rate of fares charged to passengers.
[33] John Armstrong, 'Conferences in British Nineteenth Century Coastal Shipping', *The Mariner's Mirror, vol. 77, No.1 Feb. 1991, p.59.* The companies were, in addition to General Steam, the Aberdeen and Dundee companies already mentioned and the London, Leith, Edinburgh & Glasgow Shipping Co.
[34] GSN 7/3, 39th Report, 27 August 1844. The Secretary spoke with all interested '...in keeping the Fares and Freights to at least a remunerating amount'. The Dundee company was persuaded of its 'imprudence' and returned to the established fares.
[35] Alan Pearsall, 'The North Sea, Resource and Sea Way', proceedings of the *North Sea History Conference*, Aberdeen 1993, published Aberdeen, 1996, p.121.
[36] Simmons and Biddle (eds), *The Oxford Companion,* p.441.

When a new shipping company began trading in that period there was always the suspicion in the minds of the existing companies that it was funded by railway money. They feared that the railway companies would severely cut passenger fares and freight rates, operating without profit or even at a loss, in order to force them out of business.

Of particular concern to General Steam was the activity of the London, Brighton & South Coast Railway which in 1847 set up the Brighton & Continental Steam Packet Co. Two years later, following legal action by opposing factions, the shipping company was forced to close down when it emerged that it was a wholly-owned subsidiary.[37] General Steam was not averse to itself taking vigorous action in these matters: in 1848 it actively opposed in Parliament an extension of railway shipping activity.[38] The Company would continue to be involved over many years in protecting its commercial interests, usually through organisations of ship-owners.

General Steam viewed seriously the intrusions into its east coast trades, both cargo and passenger, likely to be posed by the railway companies' mainland services. In 1850 it was already much quicker to travel by train between London and Edinburgh as a passenger than it was to make the journey by sea. The railway companies viewed equally seriously the competition from coastal shipping, with its ability to move large quantities of goods over long distances more cheaply.[39]

But rail cargo transit, especially of bulk cargoes, was still slow, with much marshalling and shunting and priority given to passenger trains. As the long distance lines developed and amalgamated and their cost structures were rationalised the railways would become a matter of still greater concern to the Company.

The great expansion in the railways' excursion services from about 1840 posed a threat to General Steam's Thames river sailings. Perhaps stimulated by the new mode of transport the market for travel and holidays increased dramatically, with railways running services

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[37] Simmons & Biddle, *The Oxford Companion*, p.441.
[38] GSN 7/3, 48th Report, 27 February 1849. 'The Directors have as a consequence caused a Petition to be presented against the Bill...happy if it is as successful as their opposition last year to the Brighton Railway Bill.....put an end to a Steam Boat Company that had been established by shareholders of that Railway'.
[39] Simmons and Biddle, *The Oxford Companion*, p. 440. 'The seriousness with which the railways viewed coastal competition is demonstrated by the collaboration which took place between them. On a number of long-distance routes, particularly from London to Scotland, the railway companies consulted the coastal shipping firms, agreed prices and timetables, and in some cases had joint-purse agreements'.

to exhibitions and race meetings.[40] Rail excursions ran from London to the Kent and Essex resorts but the general increase in travel and of leisure activities ensured that the Company's river services continued to be popular.

General Steam's behaviour in matters of railway competition was usually mildly hysterical, the directors expressing themselves angrily in the bi-annual Reports, but always entirely pragmatic. Fume they might, but a revenue opportunity was not to be refused. It 1849, for example, it placed *Magician*, an iron paddle steamer of 175 tons, on a three times per week service between Newhaven and Dieppe by arrangement with the Brighton Railway Company.[41]

By 1850 the railway map of Britain was transformed with more than 6,000 miles of railway in existence and Britain could be said to possess a mature system with few cities and towns of any importance unable to boast a service. Inland transport was revolutionised. Coach services on roads rapidly disappeared: they were infinitely slower and more expensive that railways. Many canal companies, vital links between industrial centres, their barges carrying mainly bulk cargoes, were bought out in the railway expansion of the late 1840s or leased themselves to railway companies.[42] Many continued in business, but the railways would be powerful opposition.

The mileage of open lines increased by 50 per cent over the next ten years. More than 200 companies were involved, competition was fierce and huge amounts of capital were invested in the system. The age of the railway was a reality and it would be an uncomfortable experience for many transport businesses, though a huge convenience to the general public, bringing fast and cheap transportation.

The railway companies developed vigorously, expanding and consolidating their services and carrying ever greater numbers of passengers and goods around the country and into London and other major cities and ports. They were ambitious to extend their

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[40] Douglas A. Reid, 'The 'iron roads' and 'the happiness of the working classes'. The early development and the social significance of the railway excursion', in *The Journal of Transport History, Third Series, vol. 17, no. 1*, March 1996. 'Commentators on the Great Exhibition pointed out (that) the thousands who poured into London on 'enormous excursion trains' seemed reconciled to and even beguiled by the industrial civilisation they saw represented in the Crystal Palace', p. 57.

[41] GSN 7/3, 49th Report, 28 August 1849.

[42] Simmons and Biddle, *The Oxford Companion*, p. 68. The editors further state: 'Usually railways' motives were simultaneously to overcome opposition, and control or destroy competition'.

activities with shipping services on short sea routes. The first of the cross-channel services began operation in 1853 on the Folkestone to Boulogne route, directly competing with General Steam's London-Boulogne service.[43] The competition would remain but mutually beneficial arrangements became commonplace, with boat-train connections, freight rate agreements and service partnerships.

This thesis seeks to view and comment on events and management performance from 1850, recognising the difficulty of making such an assessment in the absence of much of the essential financial detail. The great bulk of the information on which the study is based derives from shareholder reports, Board minutes and some limited correspondence, all management sourced, and only infrequently is an alternative perspective available. Hindsight of events which occurred more than a century ago can be deceptive, and it is important to bear well in mind that the manner of operation of a business was vastly different then. Little of a personal or professional nature is known of the directors and the archive material, not surprisingly, sheds no light on relationships within the Board.

General Steam experienced the industrial and commercial peaks and troughs to be expected over a span of excess of sixty years, particularly in the depression years from the early 1870s. Its profitability in a fiercely competitive market and its changing capital structures are scrutinised, as are its ship operations.

Following financial re-organisations in the mid-1870s and some profitable years, serious difficulties arose, and by the late 1880s profits plunged and dissatisfied shareholders made very clear that they considered management had failed in its duties. There was further re-organisation in 1902/3 and a period of recovery in the still difficult conditions in the run-up to the outbreak of the First World War in 1914.

The main source used was the archive of the Company held at the Caird Library of the National Maritime Museum in Greenwich.[44] The archive is large but the contents are selective and limited in their usefulness. The hand-written bi-annual Reports to

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[43] Simmons and Biddle, *The Oxford Companion*, p.442.

[44] All of the General Steam references used are from that source. All such material is prefixed GSN. As an example, Minutes of the Board for the period 1905-1908 are GSN 1/40. Reports to shareholders are GSN 7/1-7. The catalogue extends to GSN44/.

shareholders are helpful in terms of information on developments, the general trade situation, new ships, serious casualties, etc., though from the 1890s, they occupied only a half page of the by-then printed four-page Report and recorded little more than ships acquired and lost in accidents. There are name-only references to the directors, nothing on their business backgrounds, and the committees on which they served but there are no minutes of meetings and no indication whatsoever of the means of implementation of decisions or of the management structure below board level.

The financial information given is limited to basic Costs and Receipts and Balance Sheets but that is sufficient to permit of the construction of useful tables throughout the study. Receipts from sources other than freight profits are not identified: from 1903 the Company developed its own freight and passenger agencies in key cities and ports but nowhere is there an indication of the profitability, or otherwise, of these. There is little or no information on reserves, ship building costs or, prior to 1876, a list of ships owned.

Only infrequently is information given on ships scrapped or sold, making production of a detailed and reliable fleet list difficult. Board minutes are concise, but they are a useful supplementary source and there are other items within the archive which are of use. It is not too surprising that much documentation is missing after a hundred and more years bearing in mind that in 1920 General Steam became a subsidiary of a much larger company.

The half-yearly management Reports were, of course, reports to shareholders *prior* to the meetings. No minutes of those meetings survive so that there is no record of shareholders' views and reactions. Certain it is that reports on the meetings were written and, to the historian, they are especially important from the 1880s period when shareholders' became increasingly critical of management. Fortunately, from about 1880 newspaper reports of business affairs became more widespread and they are the source of much comment, frequently adverse, on the Company's affairs.

The archive hints at a measure of defensiveness and, perhaps, excessive discretion in a number of areas, though this was not unusual in the period. Missing, perhaps deliberately, are the invariably brief Board minutes for the period July 1893 to March 1896, a time of crisis for General Steam. Uncommented upon, apart from an expression of 'regret', in

either Board minutes or Bi-annual Reports of 1892/3 is the resignation of Chairman J.H. Tritton after nearly twenty-five years as a director, a matter sufficiently important for a full page to be devoted to it by a newspaper. On another occasion the press was excluded from a meeting.

In the middle of the 19th century, a Profit and Loss Account was generally considered to be no more than 'desirable'.[45] Information made available to shareholders, and to competitors, was at the discretion of the Board. Accounts were 'adjusted' on occasion to reduce shareholders' anticipation of dividends. The style of the presentation of General Steam's accounts was rather more disciplined, so far as can be established, though it varied over the years. In 1850 a basic Profit and Loss Account and Balance Sheet were produced. They contained only limited information: apart from detail of investments recorded in the Board minutes in the early years, no indication of funds held or asset values (ships and premises) was forthcoming until the 1890s. From the mid-1860s sums, for repair work to wharves, for example, began to appear in the Profit and Loss Account. The transfer of these costs inevitably affected the Balance Sheet.

There were different views in a range of businesses about the application of Depreciation in the mid to late 19th century, and some, if not most, seem to have been at variance with the understanding of the term in the 20th century. Its purpose was to spread the cost of fixed assets over their useful lives. The usual lifespan of a ship was considered to be twenty years.[46]

It seems quite clear that the directors of General Steam regarded Depreciation as a charge against profit for Repairs and Replacement. The 1850 Report was unequivocal, referring to the sum of £40,000 set aside for Deteriorations, as it was then called, as, 'a provision against deterioration and losses of ships by sea and accidents and for the building and purchase of other ships…' Only one other similar statement, in 1876, has been noted on the subject and it was couched in like terms, though the latter stated that

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[45] Edgar Jones, *Accountancy in the British Economy 1840-1980* (London, 1981), p. 52.
[46] Edwards, *A History of Financial Accounting*, pp. 114-116.

the sum, £25,710, was based on a 5 per cent assessment of the written-down value of the fleet.[47] The 5 per cent figure was used by other shipping companies.[48]

At some stage, probably in the 1890s, with new directors on the Board, General Steam applied Deteriorations/Depreciation charges as a notional reduction in the value of their assets, ships and property in order not to overstate the asset in the Balance Sheet, as became the practice in the 20th century.

It is likely that those originally involved in the establishment of the Company and their families held substantial shareholdings well into the 19th century, though no confirmation of this survives. If so, they effectively controlled the Company. Many shares were held in small numbers and not more than a few dozen shareholders attended the bi-annual general meetings, as noted in the Reports.[49] Things changed in the latter part of the century as the business climate became more difficult. Shareholders became less compliant and more vocal, demanding change in order to protect their investments. They applied pressure that the directors could not ignore.

Newspapers and other publications were an essential source. Due to the limitations of the archive much information has, of necessity, been derived from them, though reports of Company meetings were brief and uncritical prior to the 1880s. Subsequently, as the number of shipping publications increased, Company meeting reports became more informative, with useful editorial comment, sometimes critical.[50] Not surprisingly, almost all of the detail of the General Steam's serious financial crisis in the late 1880s/early 1890s was derived from that source.

Throughout, for purposes of clear identification, Capitals have been used in the text for all references to the Company, the semi-annual Reports and to the Profit and Loss

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[47] GSN 7/3, 50th Report, 26 February 1850 and 102nd Report, 29 February 1876.

[48] C.J.Napier, 'Fixed asset accounting in the shipping industry: P&O 1840-1914', *Accounting, Business & Financial History, Volume I, No. 1, October 1990.* This information was included in the P&O accounts from the 1850s.

[49] Board minutes, various. Share transfers were recorded in the hand-written minutes.

[50] Typical was *The Shipping World* of October 1886, p. 162, which commented: "....the shareholders had plenty of 'sincere regrets', but not quite so much dividend". Very infrequently the press was banned from meetings in the 1890s, which information was found only in the newspaper columns. The knowledge of the exclusion of the press from shareholder meetings was important in that it indicated a defensive frame of mind within the management team.

Accounts and Balance Sheets. Profit and Loss Tables are included in the appropriate chapters for ease of reference. The Balance Sheets are in Appendix Two.

The Company's history is viewed chronologically: Chapter One reviews the situation in 1850, covering in detail the Company's routes, ships and management structure. Chapters Two and Three explore the years 1850 to 1860 and 1860 to 1870 respectively, years of comparative economic stability.

The period from 1870 to 1890 is reviewed in Chapters Four and Five. In 1874 and again in 1877 there were major changes in the capital structure of the Company and the directors embarked on an ambitious program to modernise the fleet. These were difficult years for General Steam, in common with other shipping companies and with industry in general.

The near-collapse of the Company in 1892/3, the management changes that followed and the slow recovery through to 1902 are covered in Chapter Six. The restructure of the Company's financial base in 1902/3 under a new chairman and the successful revival of its fortunes up to the outbreak of the First World War in 1914 are detailed in Chapter Seven.

CHAPTER ONE.

General Steam at mid-century.

The Management Structure.

The Court of Directors, the Company's senior management body, consisted in early 1850 of ten directors.[51] The nominal chairman was Mathias Wolverley Attwood, with John Wilkin, one of the original directors, as deputy. M.W. Attwood had been a director since 1832, having succeeded his father, one of the Company's founders.[52] He attended no meetings during the 1850s and it must be speculated that he was in poor health and the appointment was purely honorary.[53]

George Brockelbank was another direct connection with the Company's founders, being the son of Thomas Brockelbank, a driving force in the establishment of the Company and a director from the outset.[54] On his death the elder Brockelbank was acknowledged to have contributed considerably to the success of the Company.[55] The chairman apart, there is no clear indication within the Company archive of seniority or specific responsibilities at that time, though Brockelbank is recorded as having been involved with the purchase of land at Deptford.

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[51] GSN 7/3, 50th Report, 26 February 1850. So far as can be established, the chairman was appointed for one year. At that time the directors, ten in number, as required by the 1831 Act, were M.W. Attwood* in the chair, J. Wilkin*, Deputy Chairman, B. Attwood*, Captain J.R. Carnac R.N., J.L. Jones, G. Brockelbank*, Captain John Lawrence, W.H. Pepys, J.A. Bolger and E. Stewart. (J.L. Jones was a director of the London & Edinburgh Company taken over by General Steam in 1836.) Messrs. Spooner, Attwood & Co. were the bankers, as they had been since the establishment of the Company in 1824, the two Attwood directors cementing that long-term relationship and the Company Secretary was Martin Pratt. John Wilkin was a director from 1824, the other three asterisked (*) were related to original Board members. The most senior staff member was Chief Engineer/Superintendent Joseph Beardmore who was also with the Company from 1824. Much of the credit for the technical development of the fleet rests with him.

[52] GSN 1/12, Board minutes, 10 January 1850. Cope Cornford, who wrote the Company's centenary history, states that John Wilkin was chair from 1845 to 1873. This is not clear from the archive. Benjamin Attwood was chairman 1873-4.

[53] M.W. Attwood was credited by his colleagues with having, in 1836, induced the Board to invest in larger vessels to carry cargo as well as passengers, thereby establishing the foundation of the prosperity of the Company. GSN 7/4, 82nd Report, 27 February 1866.

[54] Frank Burtt, *Steamers of the Thames and Medway*, (London, 1949), pp.82/83.Thomas Brockelbank was a wealthy Greenwich timber merchant who built the wooden paddle steamer *Eagle*, 170 tons, in his yard at Deptford in 1820, as well as four further vessels in 1821-1824, and whose company was reformed in 1824 to become General Steam.

[55] GSN 7/3, 37th Report, 29 August 1843.

Three directors retired by rotation each year and were, invariably, re-elected at the shareholders' meetings. New directors were appointed only on the retirement or death of an incumbent. The archive gives no detail of the skills and experience brought by individual directors to the Company, with the exception of the Attwoods, and it seems likely that the son of the father or the friend of a friend was nominated to fill any vacancy.

The main criterion was probably that the nominee was a businessman, preferably affluent and influential, who held twenty shares and who would bring prestige to the Board and to the Company. However, the position was, it seems, more than simply a sinecure. Most directors attended the twice-yearly shareholder meetings as well as the occasional special meetings and were involved in weekly management committee meetings. They were, in effect, active managers of the Company, at least on a part-time basis.

Auditors were not required to be qualified and, again, an associate of a Board member appears to have performed the function: in 1850 George Wilkin, perhaps brother to the deputy-chairman, was an auditor. Auditors, who were, in theory, appointed by the shareholders, were required to hold at least twenty shares. Directors appear, in the main, to have been elderly, as there are reports of several dying in office and others were appointed to the Board on retirement.

The Company's head office at 71 Lombard Street in the City of London was leased, as were offices at 37 Regent Circus and 35 Leadenhall Street, their purpose being, presumably, to engage passengers and cargo. The directors met each week at Lombard Street to review the general financial situation and receive the regular reports from a number of committees. Typically, six or seven of the ten directors attended these meetings.

The Company's financial year was the calendar year and shareholder meetings were held every six months, in February and August, the directors agreeing the detail to be communicated to shareholders at a prior meeting.[56] The Board minutes recorded the

[56] In 1850 the Reports to the shareholder meetings, usually attended by twenty to thirty shareholders, were recorded by hand in a series of ledgers now retained in the archive. No printed material available.

updated financial situation of the Company, with statements of investments held, cash at bank, monies owed, etc. and also the transfers of shares in the Company. Share transfers recorded were of small numbers.[57]

Read to the weekly Board meeting for approval were the Coal Stock account which detailed stocks ordered, delivered and in hand at the various Stations, and the reports of the committees for Stores and for Accounts. Also the Management Committee reported, as did the Wharf Committee, whose remit covered control of the accounts for the Edinburgh/Leith wharves and for the St Katharine's and Poplar wharf facilities. Two directors sat on each of these committees (the number would change over the years) and only very occasionally is reference made to the next level of management, those directly responsible to the Board and charged with implementing committee decisions.

There appears to have been a surfeit of bureaucracy, but senior management was certainly well informed. The Deptford Works committee included the superintendent of that operation who appears to have been the senior manager below the directors, combining, as he did the role of marine superintendent.[58] No record remains of the minutes of the several committees nor, in the main, of the deliberations and action taken by the Board. The Board minutes invariably note merely that the reports were 'approved'.

An essential function of the Board was decision-making in the areas vital to the operation of a successful shipping company, contracting for and ordering the building of new vessels and the repair and maintenance of existing ones. These were critical decisions, involving substantial financial outlay and dependent on the availability of cash resources, which, in the main derived from annual set-asides from profit and loans and calls on shareholders. Other potentially expensive considerations for the directors were insurance for ships and buildings, the former a matter concerning which they would vacillate for many years, and leases and purchases of land, buildings and wharf facilities.[59]

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[57] GSN 1/12, Board minutes, 10 January 1850. Share transfers on that date numbered 61: Frances Smith Spinster to Stephen West 10; Augustus Tilden to Edward Hawkes 11; Isaac Welch to Mr Chas. Chapman 4; Sons of J. Wilson to J.A. Bolger, a director, 36.

[58] On only two or three occasions over the seventy year span of the research is reference made to a manager (as opposed to a director, the secretary and the general manager) and then his function is not stated.

[59] In 1850 and for some time afterwards the directors favoured self-insurance, cash being allocated to a fund to cover ship damage and losses. This implied judgement of risk and confidence in the safe management of the fleet, a confidence not always justified. The directors never seemed to be entirely happy

Equally important was the maintenance of existing trades and the research of new business opportunities. The efficient and effective representation of the Company by agents in the various terminal ports, or Stations as they were termed, was vital. The agencies ensured that all necessary arrangements for a vessel's arrival and departure were made, that coal, when necessary, and other stores required were readily available. They also were involved in seeking out and securing potential cargo shipments, by contract where possible, and passengers for transmission to and from London and they were useful sources of local knowledge of the competition.

In addition to the Station agencies, freight agents were established in strategic areas, central Scotland, for instance, and the cotton goods producing districts of Yorkshire and Lancashire. So far as can be ascertained, through to the end of the 19th century the agents were self-employed, commission-earning and maintained their own premises.

Little detail is available regarding the agencies. A document in the archive with a General Steam letter-heading refers to General Steam's manager in Edinburgh being instrumental in promoting the building of the Victoria Jetty at Granton where the Company's ships berthed and which was in use from around 1840. Prior to that passengers were landed and boarded by boat. The Jetty continued in use until 1914 when Company vessels moved to a berth in Leith Docks.

The same document refers to the fact that in 1842 the Company decided to provide space for cargo on its vessels, to which 'strong objection was raised by the public, it being considered unwise that such fine ships should be so used'. It is a reminder of the limitations of land-based transport of the period and the resourcefulness of the Edinburgh office that the early cargoes of pig iron, paraffin oil, muslins and drapery for export were shipped across Scotland, from Glasgow and Ayrshire, by cart to Granton, 'the horses being regularly changed at Airdrie'.[60] Another busy and very important Station was

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with this arrangement and over the years they would purchase full or partial insurance before reverting to self-insurance. Self-insurance was not uncommon in the period.

[60] GSN 43/9, History of the General Steam Navigation Company in Scotland. The nature of the cargo referred to, particularly the pig iron, seems rather at odds with the general view of historians that only low volume, high value cargo was carried in the small paddle steamers of the period. The shipment of cargo from the west of Scotland to London via Edinburgh offered real competition to the Clyde-based companies because of the shorter sea journey with time savings, though, no doubt, there were inducements within the freight rates.

Hamburg. Here we know that the Company employed agents, only two of them over a period of 89 years, until 1913, when it established its own office in the city.[61]

Certain personnel functions were handled by the directors, notably the appointments of masters to vessels. In August of 1850 William Cooper Paine, 1st mate of the *John Bull*, presented his certificate of competence to the Board, was interviewed and appointed acting captain at the 'usual' salary of £140 per year, the appointment to be made permanent after one year of approved service.[62] The Board also dealt with disciplinary matters concerning masters and chief mates and, after a short hearing, would dispense admonitions and, on occasions when the offence was considered appropriate, dismissals. No record remains in the period of the wage scales of seafaring officers and crew, nor of employees in head office and at the Deptford Factory, the Company's ship repair facility.

It is not clear from the records who, in 1850, was directly responsible for the management and cost control of the ships and crews but it is likely that these functions were dealt with by senior staff responsible to the management committee, perhaps with input from the chief superintendent engineer.[63] It would be another twenty years before a marine superintendent was appointed. No detail exists of the specific functions of the Company Secretary, Martin Pratt. Operating in behalf of the chairman and the Board in a variety of important ways his functions were probably those of a general manager.

The Board minutes refer to reports from the Deptford yard situated some miles down-river on the south bank of the Thames, near Greenwich. The yard was usually referred to as The Factory in reports. In charge of the Factory was the marine superintendent. More accurately, he was the Chief Superintendent Engineer, a Mr Beardmore, who was probably the only person in the Company with the ability to handle the constantly changing ship and engine design and technology, so that his function was vitally important. The range of work carried out in the yard, which had its own foundry, was remarkable: apart from the routine ship repairs and refurbishments the Factory built

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[61] GSN 43/11, *Journal of the British Board of Commerce in Hamburg*, 1929.
[62] GSN 1/12, Board minutes, 15 August 1850.

engines which were installed in ships built in nearby Thames yards, a highly skilled operation.

The Factory was sited partially on land previously occupied by the East India Company and close by Thomas Brockelbank's original shipbuilding yard on Deptford Creek. Already extensive, additional land was frequently purchased. In 1850, for instance, the directors bought a further small freehold property and leased the 'Merchant Dock' at Deptford Green.[64] Company vessels were able to lay for repair on the banks of the Creek. The Company's ownership of its own building and repair facility close by its centre of operations was unusual. The advantages were considerable, management being thereby enabled to control the quality of work and, perhaps more importantly, the costs involved in maintaining its most important asset.[65]

The wharf facilities further up river, in central London, such as St Katharine's and London Bridge Wharves were generally leased: the Company obtained a 21-year lease on St Katharine's Wharf, close by The Tower of London, in 1849, a large portion of its business having already transferred to it.[66] The Edinburgh services were moved there from Brown's Wharf in Poplar, leaving that wharf for the landing of live cattle.

Accounting Methods.

The method of bookkeeping was fairly basic. In the 1850s sums allocated to Reserve each year were invested in a variety of bonds and short term loans, rather than being placed in specific funds. The Board minutes, which, at that time, recorded almost exclusively financial matters, give some detail of these investments. In 1850 the total exceeded £100,000, with additional cash in the bank, usually not more than £15,000 to

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[63] The Company's first Marine Superintendent, Captain Ellis, responsible for ship and crew management was appointed in 1875, at which time records refer to the existence of a Deptford Works Committee, consisting two captains, one of them the marine superintendent, and two others.
[64] GSN 7/3, 51st Report, 27 August 1850.
[65] GSN 7/2, 26th Report, 28 February 1838. The Report included the following: 'The extension of the works at the Factory at Deptford is now nearly brought to a close and this establishment may be regarded as one of the most complete in the Kingdom, both as regards the extent of work which it has the means of performing and the convenience and efficiency of the arrangements. There is sufficient space for two Steam Ships to lay alongside of the Wharf, and the erection of the large crane capable of raising a weight of 60 tons, the most powerful, with one exception, which has been constructed, has been completed'.
[66] GSN 7/3, 49th Report, 28 August 1849.

Table One. Profit and Loss Account, 1850.

Ship costs, crew wages, pilotage, light dues, etc	£106,532
Coal	44,115
Expenses of Stations	6,477
Agency/lighterage/wharfage	2,372
London office costs	10,088
Law expenses	1,000
Repairs/improvements vessels, buildings	31,896
TOTAL COSTS	202,480
TOTAL RECEIPTS	269,860
OPERATING PROFIT	67,380 (as % of Receipts, 25%)

Source: GSN 7/3, 52nd Bi-annual Report to shareholders, 25 February 1851.

£20,000.[67] This information ceased to be available from the 1870s, the Company's financial situation becoming decidedly less transparent.

1850 was regarded by the directors as a 'satisfactory' year – they were inclined to brevity in the hand-written bi-Annual Reports, whether reflecting on the year past or anticipating the future. Profit was £67,380, which compared favourably with the figures for the prior five years, though 1849 had been exceptional with profit of £75,916. The 'customary' year-end dividend of 14s, for total in the year of 28s, plus bonus of 2s 6d was paid to shareholders. Table One illustrates the method of arriving at the operating profit figure for 1850.[68]

In the Reports two of the costs were subject to appreciable variation. The Ship Costs, which covered crew wages and all of the operational charges of the fleet, accounted for nearly 53 per cent of the total, by far the greatest proportion. This was not greatly surprising when the main function of the company was the operation of more than 40 vessels. Coal, which accounted for 22 per cent of total Costs, was an expensive product, subject to market variation, but both Ship and Coal Costs varied according to the number

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[67] GSN 1/13, Board minutes, 27 February 1851: Assets included £25,000 in Exchequer Bills, £20,000 in East India Bonds and total of £60,000 in loans, usually at 4–5 per cent interest, to four companies including The Imperial Continental Gas Company. Other minutes indicate that it was not uncommon to make loans to private individuals.

[68] GSN 7/3, 52nd Report, 25 February 1851.

of voyages made. When trade was buoyant and particularly when the weather was fine, ships might well make extra voyages, increasing costs all around and, in theory, also increasing revenues from passenger and cargo freights.

As the number of vessels operated increased so both of these costs increased as a percentage of the total. In the period between 1850 and 1859, the company acquired some 20 ships (others, of course, were sold or scrapped, usually the latter), so that Ship Costs and Coal would be expected to increase accordingly. They did: in 1859, Ship Costs increased from £106,532 (in 1850) to £153,279, an increase to 58 per cent of the total, while spending on coal rose by nearly 25 per cent to £55,006, though still only 21 per cent of the total £262,779 total costs in that year.

The other major cost was Ship Repairs, £31,896 in 1850.[69] General Steam prided itself in maintaining its ships in good condition, as was invariably stated in the directors' Reports. However, repair costs followed no discernable pattern in the decade ahead and they were not necessarily related to the number of ships owned. Costs nearly doubled, to £57,771 in 1855, before falling back to £41,693 by 1860. The fleet was updated with new vessels, some of which, those purchased as opposed to built, were referred directly to Deptford for refitting. Others were re-engined or re-boilered.[70] Twenty ships were bought in the decade and nearly that number were disposed of, so that in some years the number of ships owned well exceeded the 44 in operation in 1850.

The Balance Sheet was a very limited document recording the cash held and the allocations made, the Carry Forward at year's end becoming the 'Unappropriated' sum for the following year. There was no indication of the total value of the assets of the Company, its ships, plant and premises and there was no indication of the value of reserve funds, no doubt a deliberate policy.[71]

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[69] Nowhere in the archive is the Ship Repair cost defined. However, it seems clear throughout that it refers to Deptford Factory costs which covered much more that repair and maintenance of ships. Very importantly in this period the Factory built engines and boilers and dismantled ships before they were sold for scrap.

[70] GSN 7/3, 52nd Report, 25 February 1851. *Monarch* and *Neptune* were repurchased in 1850, both were previously sold by the Company in 1846, on 'reasonable terms' and referred to Deptford where, "....with a moderate expense of refit they will be rendered efficient for employment...."

[71] Jones, *Accountancy in the British Economy,* p. 53. The writer, commenting that directors were often at pains to keep their shareholders in the dark, adds that directors of the period at best regarded shareholders

In the 1840s General Steam regularly earned operating profit of an average 23 per cent of Receipts, enabling it to pay a consistent dividend of 10 per cent. Dividend distributed on the 20,000 shares in issue in 1850 amounted to £30,497. This payment apart, sums were allocated annually for Deteriorations, a set-aside from Profit for the building or purchase of new tonnage. In 1850 this figure was £40,000, an amount separate and different from recorded spending of £31,896 on Repairs and Improvements.[72] No indication is given of the value of this fund.

Of particular concern is the absence of confirmation that an Insurance Fund was maintained to cover partial or total loss of a vessel. Certainly there is no allocation for this purpose in the 1850 Balance Sheet, details of which are illustrated in Table Two. This is surprising bearing in mind that the Company's inclination at the time was to self-insure, rather than underwriting the risk elsewhere. Quite why management was disinclined to give shareholders detail of the value of funds is uncertain, though it was by no means uncommon in the period: equally uncertain is why shareholders failed to require that the information be made available.[73] It was 1895 before new management introduced a Balance Sheet giving some, but not all, of this information.

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as a nuisance and a hindrance to their freedom of action. The Balance Sheet does not refer to the assets/investments of £100,000 plus referred-to in the Board minutes.

[72] In time the term Deteriorations was altered to the more commonly used Depreciation within the Reports and this change will be noted in the text. There are specific references in 1854, 58th Report, 28 February 1854, and 1855, 60th Report, 27 February 1855, to Deteriorations as sums set aside to, 'deterioration/building fund'. The intent of the allocations seems quite clear and, since no indication is given in later Reports of a change in the usage of the terms Deterioration/Depreciation, cash allocated under those headings is deemed throughout to be a reserve for tonnage replacement. It is recognised that by the 20th century the meaning of the term 'depreciation' was altered.

Napier, 'Fixed asset accounting, P&O, 1840-1914', p.43: Depreciation was, from P&O's viewpoint, seen almost entirely as a matter of providing resources for *asset replacement*. There were some early comments relating to the role of depreciation as a measure of the cost of the wearing out of assets, but the ambivalence regarding the function of depreciation – was it a charge against profits for the cost of wearing out or an appropriation of profits to provide resources for replacement?

[73] These omissions were not necessarily the practice of the period. Napier, pp. 32/3, states that P&O's 1848 Annual Report explained at length the existence and size of Repairing, Insurance and Depreciation Funds. The directors assured shareholders: "Without making such provision previously to the division of any profits, no steamship navigation enterprise can be said to be placed in a sound financial position..."

Table Two. Balance Sheet for 1850.

Unappropriated balance from 1849	£75,269	Appropriations in 1850	
Earnings balance 1850	67,380	Buy £3,000 Exch.Bills/Reserve	£ 3,126
	142,649	Deteriorations	40,000
Interest on Exchequor Bills	442	Dividends plus bonus	30,497
	143,091	Income Tax	1,021
Less	77,416	Interest on Debentures	2,772
Balance unappropriated for 1850	£65,675	Total Appropriations	£77,416

The steady accumulation of Operating Profits over a period of years and the regular dividend payments to shareholders from those profits suggest that General Steam was responsibly managed and taking prudent account of future needs. It does seem that sufficient funds were held through the 1850s for Deterioration, Insurance and Reserve purposes and to meet the needs and the cost of the ongoing ship replacement programme.[74]

The Route Network.

In 1850 The General Steam Navigation Company was a thriving and profitable limited company operating 44 vessels of 19,125 gross tons.[75] The ships, of from 200 to 900 tons,

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[74] Practically no information regarding the costs of new tonnage is given in either the Reports or the Board minutes of the period, but it is assessed that in 1850 a new vessel of 1,000 tons may have cost in the region of £18,000, prices varying according to market conditions. Much later, in 1872, *Iris*, 1,033 tons, was contracted at £27,300.(96th Report, 25 February, 1873). Importantly, General Steam shrewdly bought second-hand tonnage. In 1852 six vessels totalling 3,500 tons were bought from the German Confederation for £35,700. (56th Report, 22 February 1853) Then, in 1859, four four-year-old screw steamers were bought from the Harburg English Steam Navigation Co. at terms 'advantageous'.

[75] The figure quoted, 44, is derived mainly from Parliamentary Papers cross-checked with other sources and is considered to be, broadly, reliable. (See the preface to the Ship List in Appendix One for further comment.) General Steam was, at the time, the largest shipowner in Britain, in numerical terms. Others disagree: Freda Harcourt, 'Charles Wye Williams', p.37, avers that Williams' company and its subsidiary owned 32 vessels of 14,037 tons in 1850. She compared this with General Steam's 31 vessels of 9,676 tons, as detailed in S. Palmer, 'The most indefatigable activity', pp.4-6.

Determining the number of vessels operated in 1850 or at any other time in the period is difficult and the few lists available differ. One reason for this is that though the dates for ships entering service prior to 1850, and for some years thereafter, are usually referred to in Reports, out-of service dates are far from reliable, or non-existent: until, that is, 1876, for which year a Company ship list has survived in a timetable. Prior to that date vessels were laid-up, hulked or scrapped without comment in the Reports. Due to the lack of precise information in the period 1850 to 1876, many of the 1850 vessels are, of necessity, recorded in the Ship List as 'out of service by 1860', or, 1870.

Table Three. Route Network, 1850.

Destination:	St Katharine's Wharf	Hore's Steam Wharf	London Bridge Wharf
Hamburg	Tuesday/Friday		
Rotterdam	Wednesday/Saturday*		
Ostend	Wednesday/Saturday		
Antwerp	Every Thursday		
Havre	Thursday/Sunday		
Edinburgh	Saturday/Wednesday		
Newcastle		Wednesday/Saturday	
Boulogne			Wednesday/Sunday
Calais			Thursday/Sunday
Hull			Tuesday/Friday
Yarmouth			Wednesday/Saturday

- With mails. Source: *Shipping and Mercantile Gazette*, June 1850.

operated from leased berth facilities on the upper Thames, though, later, the Company would purchase its own wharves and greatly improve passenger facilities and the cargo-working equipment and storage spaces. Ten twice-weekly and one weekly service were advertised in June of 1850 (Table Three) operating from the Company's three terminals, with a named vessel identified in most cases.[76] All services were direct, outward and homeward.

The Chief Cabin to Hamburg was £3, to Rotterdam £2 and £1 to Newcastle. There is little information about the numbers of passengers carried in each ship but a number of references indicate that some vessels carried one hundred to two hundred passengers, though cabin accommodation was very limited and basic. Not all Company services were advertised in the press: in 1850 there were seasonal, irregular, sailings to Tonningen in Denmark to load cargoes of live cattle and sheep for the London market. This trade would progressively develop and become vitally important to the Company.

The tonnages of many vessels altered during service, some vessels being re-measured following re-engining or re-boilering. Some were lengthened. The original tonnage is used in all instances.

[76] *The Shipping and Mercantile Gazette*, June 1850, advertisement. The use of the terminals was not necessarily exclusive to General Steam, with the exception of St Katharine's Wharf.

At that time passenger fares were a vital income source, with cargo freights becoming increasingly important, as below-decks space increased.[77] However, it was not Company practice, then or later, to provide revenue-source breakdowns to shareholders though the information must have been available to management. Nor was individual route profitability published.[78]

General Steam's services were always subject to the cycles of trade and the changing commercial and political circumstances within Britain and on the Continent, as well as to competition. Weather, too, was a factor; in particular, the sometimes prolonged winter season in northern Europe. Ports on the Continent and the river access to them, usually shallow and, as yet, un-dredged, were sometimes closed for a prolonged period by ice.[79] These circumstances had a direct effect on Costs and Receipts and on Profit.

The directors took pride in the fact that General Steam's profit level was greater than that of any other steamship company.[80] At shareholders' meetings they reported, briefly, on matters that had influenced receipts in the six months prior. No record is available of the verbal exchanges at the meetings: at a much later stage some further information would usually be available through press reports. It was unusual for the Reports to anticipate or forecast future commercial prospects for benefit of shareholders and, no doubt, prudent, so that, in the main, what may have been challenges and opportunities were reported after the event.

If anything, the inclination was to be somewhat gloomy with business forecasts, or to describe a profitable trading period as merely 'satisfactory', which seems to imply no better than short-term thinking, or an unwillingness to commit for the benefit of the

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[77] It is difficult to assess the volume/tonnage of cargo carried in the 1850s. The shallow-drafted paddle steamers were not designed to carry a great deal of cargo, usually referred to vaguely as 'low volume, high freight'. Yet the demand for cargo space constantly increased. Before 1850, the directors frequently commented on the increasing amounts of cargo offered and, in 1839, *Ocean,* 276 reg. tons, built only in 1836 for the Rotterdam trade, was 'enlarged', presumably lengthened, '....and adapted for carrying *considerable* cargo'.

[78] The reluctance of management to make public such sensitive information which may have been of interest to competitors is understandable. Shareholders, who were entitled to more detailed information than was made available, appear not to have been concerned.

[79] GSN 7/4, 73rd Report, 27 August 1861. The directors noted that: 'Severe frost stopped trade to northern Continental ports for the whole of January. Then further unfavourable weather in the Spring adversely affected passenger traffic'. Two years later, on 29 August 1865 (GSN 7/4) they reported that, "Frost closed northern ports for most of January and February". These circumstances were not at all uncommon.

[80] GSN 7/3, 42nd Report, 26 February 1846. 'The rate of Profit provided by this Company has been larger than any other Steam Company has ever succeeded in obtaining; and the first point to be borne in

shareholders and, perhaps, competitors. Nevertheless, there can be no doubt that overall at mid-century the directors continued to pursue a successful and profitable policy in terms of revenue earning.

The Company continued to be active in the seasonal Thames river excursion services. Some vessels suited only to river service were laid-up in winter, some were switched to more distant routes. The steamers operated from London-bridge Wharf to Herne Bay, Ramsgate and Margate, calling at Blackwall and Tilbury, in a very competitive environment with a number of other companies similarly active.

The passengers were clearly less sensitive to the 'airs' of the river than Queen Victoria and her Consort, who, in 1858, abandoned a short pleasure cruise because of the smell of untreated sewage.[81] They anticipated the fresh breezes of the lower Thames and its resorts, though there continued to be concern over the health risks of river transport.

The services usually began in June and extended to late August or early September, very much depending on the weather conditions. There were three weekly sailings to Ramsgate and Margate. Passenger fares were prominently promoted.[82]

The Fleet.

At least half of the Company ships were more than twenty years old and there was a need constantly to build new tonnage, more economical to run, to take advantage of improvements in engine and hull design. In 1849 the directors, indicated the intent to defer building more ships, stating that they 'would wait and see what effects and on which Stations the railway companies' activities will have'.[83] Perhaps reflecting

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mind is the security of that profit'.

[81] A.N. Wilson, *The Victorians*, (London, 2003), p.155. "The stench of London and its waters was remarked by all writers of the period. When the Queen and Prince Albert attempted a short pleasure cruise on the Thames in 1858 they were forced to turn back to land after a few minutes, the odours were so terrible".

[82] GSN 7/4, 53rd Report, 26 August 1851. There is a reference to consideration being given to restoring the Newhaven to Dieppe service, though recent results were poor. No further comment was made so that it is presumed that it did not resume; this is reinforced by a note that a through-booking arrangement had been made with the North of France Railway for the Calais and Boulogne routes.

[83] GSN 7/3, 48th Report, February 1849. At the time the preoccupation of the directors was entirely with the railways' ambitions to develop competing steamship services. Comment within the Reports invariably focused on that. Two years earlier they said, in the context of their attempts, and those of other shipping companies, to block the efforts of the railway companies: 'It is the determined attempts which Railway

uncertainty and indecision, within months two new vessels were ordered from the Thames yard of C.J. Mare & Co. for 1850 delivery, the engines being built at Deptford. A further two vessels were purchased from another company.[84]

Trident, of 971 gross tons, was the largest vessel in the fleet and the oldest were *Tourist* of 1821 and *Soho* of 1823. Many ships of the period gave good service for thirty to forty years and GSN's fleet was constantly maintained and updated with new engines and boilers. Some vessels were lengthened in the course of major refits to extend their cargo and passenger capacities.

A steady stream of new-builds and vessel purchases followed in the years immediately ahead. At the time trade was buoyant and 1850 was described by the directors as 'satisfying' and 'exceptional', with continuing good profits, so that, putting aside their concerns with railway competition, a programme of vessel replacement was necessary.[85]

A new iron paddle-steamer of more than 500 tons, *Concordia*, was ordered from the highly reputed Robert Napier's yard on the Clyde in 1850 to be built, according to the Annual Report, 'under special supervision of Lloyds Surveyors and according to a specification settled and approved by them'.[86]

This was the beginning of a building and buying frenzy, a measure of returning confidence in the Company's prospects, as also, no doubt, of the realisation that its fleet was ageing. All of the vessels were paddle steamers. *Tiger*, of 600 tons with 300 horse power engines, was purchased 'on good terms'. Two vessels, *Monarch* and *Neptune*, which were sold in 1846, were repurchased, again on good terms, and a further steamer of 520 tons was ordered from the Thames yard of C.J.Mare & Co..

In the years immediately prior the Thames was an important centre for steam shipbuilding and most, but not all, ships built at this time for General Steam came from

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Companies having termini at different ports upon the sea coast have recently made to become steamboat proprietors'. General Steam's concern was that the railway companies would operate their steamship services at or near a loss in order to establish themselves. This, they felt, was 'unfair competition'. The archive material of the period reflects no concern regarding the effects of the railways' increasing share of land-based traffic within the UK.

[84] GSN 7/3, 49th Report, 28 August 1849.

[85] GSN 7/3, 52nd Report, 25 February 1851.

[86] GSN 7/3, 51st Report, 27 August 1850.

Mare's Blackwall yard with engines supplied by the Factory.[87] The arrangement was a considerable convenience to the Company in terms of overseeing the hull construction and containing engine-building costs. By the mid-1860s orders were being placed around the country, in Bristol, Dundee and on the Tyne, reflecting the decline of the Thames yards.

There is no indication within the Reports at this time of dissatisfaction with any of the newly-built vessels. General Steam sought speed and passenger comfort in all of its vessels, as did their competitors. Where other shipowners sacrificed safety in pursuit of these goals the Company was not inclined to do so. It also recognised the essential nature of regular hull and engine maintenance, a particular need at a time of continuing experimentation with engines and boilers, and a considerable cost. The fact that some of General Steam's early directors themselves had shipbuilding and shipowning experience was a factor in its early adoption of such sound practices.[88]

Competition

The Company was always alert to new commercial opportunities and ready to test the viability of a route and withdraw if profit potential was not identified. The four-year-old London to Sunderland service was abandoned in 1844 because insufficient cargo was offered to make the route viable.[89] For other owners the intent to compete with General Steam was one not taken lightly. The Company would invariably take steps to counter the threat, by reducing freight rates and passenger fares, until the intruder withdrew. In 1850, when competition was threatened on the Tonningen to London route the Company took even more positive and vigorous action. A Company ship, *Trident*, was despatched to

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[87] A.J. Arnold, *Iron Shipbuilding on the Thames, 1832 – 1915,* (Aldershot, 2000), p. 36. Arnold states that of the 31 vessels owned by General Steam in 1850 27 were built on the Thames, many of them by C.J. Mare, most of them of wood. (NB. As earlier noted the writer does not agree the figure given of the number of ships owned in 1850.)

[88] See S. Palmer, 'Experience, Experiment and Economics: Factors in the Construction of Early Merchant Steamships', in K. Mathews and G. Panting (eds.) *Proceedings of the Conference of the Atlantic Canada Shipping Project, 1977*, for a detailed consideration of building practices of the period.

[89] S. Palmer, 'Sail and Steam in 19th-Century Britain – Some Problems and Perspectives', *The Baltic as a Trade Route*, VII Baltic Seminar, Kotka, 10-12 August 1989., p.125.

St Petersburg, an important route of the offending competitor. The competitor withdrew; *Trident's* voyage yielded a small profit.[90]

Other companies experienced similar difficulties. In the context of the operation of another long-established company, The City of Dublin Company, which traded mainly between Liverpool and Dublin the following: 'Competition was the scourge of steam shipping and one of the greatest risks for owners'. The writer added that the well-founded company with a large capital and several vessels was better able to withstand competition than the small company that was obliged to overwork its vessels.[91]

In time, General Steam was hard-pressed by competitors large and small. We shall look in detail at the operation of the several Stations (as the various terminus ports of the Company were termed) as we progress and review the effectiveness of the Company's strategy for dealing with competition and with the changing commercial environment.

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[90] GSN 7/3, 51st Report, 27 August 1850. The name of the competitor was not noted in the Report and it has proved impossible to identify. Tonningen, later referred to as Tonning, lay some thirty miles north of the entrance to the Elbe River in what was then Schleswig..

[91] F. Harcourt, 'Charles Wye Williams', p.150.

CHAPTER TWO

A Mid-Victorian Heyday, 1850-1860

General Steam began the decade of the 1850s with a very positive attitude, the Profit of £67,380, 25 per cent of Receipts, being described by the directors as 'satisfying'. The mood of the country was buoyant: continued industrialisation produced increased imports and exports which were generally reflected in good freights for shipping companies.[92] Many thousands of visitors were expected to attend the Great Exhibition in London in 1851 and General Steam anticipated a passenger trade increase for the year.

London was the foremost port in the country, the centre of the nation's trade. The North European countries were expanding their export trades, including dairy products and cattle, with benefit of the regular and faster steamboat services and the demand for shipping burgeoned. They also imported very substantial quantities of British manufactured goods, the value nearly doubling between 1851 and 1860, from £14mn.to £26mn.[93]

In 1851 General Steam dominated trade into London, making 67 per cent of the sailings by British vessels from France, 48 per cent from Holland and 95 per cent from Belgium. Of the 41 ships listed as 'Entering the Port', 21 were Company owned. [94] The network of coastal routes between British ports continued to develop and many ports, Hull, Newcastle, Edinburgh and Liverpool amongst them, all with access to industrial areas, operated services to London, as well to Continental ports. Continental countries began competing services to British ports, a matter of concern to General Steam's

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[92] H.L. Beales, 'The Great Depression in Trade and Industry', p.411, in (ed.) E.M. Carus-Wilson, *Essays in Economic History, Vol. 1,* (London, 1954). Exports rose from £97mn. in 1854 to £256mn. in 1872; imports from £152mn. to £355mn. Figures are from tables in *British and Foreign Trade and Industry, CD 4954* (1909).

[93] Jean Cheetham, *Changes in the Pattern of the British Export Trade (with special reference to the Continent) between 1851 and 1873,* M.A. dissertation, (Manchester, 1955), p. 238. The figures quoted are specific to the near-European countries. In 1851 the proportion of British exports shipped to France, Germany, Holland and Belgium was 19 per cent of the total export trade.

[94] PP: *1852 XLIX.31 mf 56.387. A Return of the Number and Tonnage of British Steam Vessels which entered the Ports of the United Kingdom from France, Holland and Belgium in the year 1851.* p. 31. See Appendix Three.

directors.[95] By the end of the decade, the Company had sufficient confidence to announce a new service to Charente on the French Biscay coast and sailings commenced in December 1859. This was described as, 'a favourable opportunity to open a new service'.[96]

Imports of livestock to supply the British market increased considerably when the free trade budgets of Sir Robert Peel largely released the trade from restrictions in July 1842. There remained import duties, from 20s for an oxen to 5s on swine, but in the same month the first imports appeared in the London market at Smithfield. The duties were finally removed in 1846.[97] It is uncertain when General Steam first allocated tonnage for this trade, which was seasonal, but they were certainly involved in the 1840s. By the 1850s the trade was an important revenue earner.

The Ships.

General Steam acquired 27 ships in the period 1851 to 1859, a huge financial outlay, though the amount expended is not stated.[98] Never a year passed without the Company being active in the shipping market, either as builders or purchasers of second-hand vessels. The majority, 19, of the new ships were paddle steamers, a mix of wood and iron construction, but eight were of iron and screw-propelled. In 1851/2 C.J. Mare built three new vessels, *Panther, Ravensbourne and Moselle,* all iron paddle steamers of around 500 tons.[99] *Monarch* and *Neptune* were repurchased.[100] Appendix Two (The Balance Sheet) gives detailed information on the Board's annual allocations of the money available to build and buy new ships. As already mentioned, this was under the heading of Deteriorations.

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[95] Pearsall, 'Steam enters the North Sea', discusses the growth of the trades. He quotes imports from Germany and Holland in 1860-64 valued at £24mn., exports of British produced goods exported to these countries valued at £19mn., not including re-exports which could amount to additional 50 per cent.

[96] GSN 7/4, 68th Report, 22 February 1859. The Reports and Account were recorded by hand in large ledgers.

[97] Richard Perren, *The Meat Trade in Britain 1840 – 1914*, (London, 1978), p.74. In 1845 imports were less than 17,000 oxen and 16,000 sheep. Growth was unsteady, the figures for 1850 were 66,400 and 143,500, respectively.

[98] Chapters are titled as a rule by the decade, 1850-1860 in this instance. However, information on ships built cannot follow that pattern without causing confusion. The number of ships and the relevant period are always clearly stated, eg, in this chapter, 27 ships acquired in the period 1851 to 1859.

[99] GSN 7/4, 64th Report, 24 February 1857. *Ravensbourne* struck a pier at flushing, en route Antwerp to London. She was eventually abandoned.

Company practice of the period was for Thames-built vessels to be fitted with engines and boilers built at the Factory, so that it was something of a departure for the hull and engines of *Concordia,* 476 tons, 1851, to be built at Napier's yard in Glasgow under the supervision of Lloyd's surveyors. Whether the initiative to embrace Lloyd's specification was the Company's or Napier's usual practice is not clear. The experiences of building in Scotland were, no doubt, well applied to future ship orders.

This was not the first occasion on which General Steam's directors built elsewhere than on the Thames. They were alert to changes in shipbuilding techniques and some years previously, in 1837, they reached agreement with John Laird of Birkenhead to build what was, for both parties, an experimental iron paddle steamer.[101] *Rainbow*, of 407 gross tons, was claimed to be the first iron sea-going vessel and the fastest ship of her time, achieving 13 knots on trials.

The gradual change to iron for shipbuilding also saw the introduction of watertight bulkheads, of which *Rainbow* had five, an important safety development in terms of strengthening the hull and also of, in theory, containing flooding.[102] Her steeple engine, built by G. Forrester & Co. of Liverpool, the first to be installed in a steamer, was more compact and it was an attempt to improve on the more commonly used side lever engine. Performance was regarded as satisfactory and *Rainbow* remained in service until 1870.

A further iron paddle steamer was built in 1843, *Magician*, of 175 tons. These two gave the Factory some useful experience in dealing with and maintaining iron structures. Thereafter, prior to 1850, the majority of new-builds were of wood. However, as we shall see, this was not the only occasion when General Steam was to the forefront in engine and hull construction.[103]

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[100] For a full list of vessels acquired in 1850-60 see Appendix 1.

[101] Harcourt, 'Charles Wye Williams'. Laird's yard in Birkenhead, which was the first shipyard to build sea-going iron ships, built two iron steamers for Charles Wye Williams in 1833/4, *Lady Lansdowne* and *Garryowen*, the latter also being claimed as the 'first regular sea-going iron steamer'. Williams is credited with promoting the use of iron bulkheads in an attempt to contain hull damage.

[102] J. Graeme Bruce, 'Developments in Marine Practice', p. 59, in (ed.) J. Armstrong, *Coastal and Short Sea Shipping*, (Aldershot, 1996).

[103] GSN 7/2 26th and 27th Reports, 28 February 1838 and 28 August 1838. It is likely that the directors' purchase of *Rainbow* was by way of an offer that could not be refused rather than a desire to be at the forefront of new technology. She cost £13,000. By contrast, *Britannia*, a smaller wooden paddle-steamer cost £17,000 in 1835. *Rainbow* was purchased for river Thames use and, following trials, 'was found to exceed in speed the most rapid Boats on the River'. However, the competition, unspecified, on the River

Further ten wooden ships were bought in the period 1853/4, including six of the fleet of the German Confederation, complete with guns and stores. All were British-built and relatively new, *Belgium* of 457 tons having been built in Bristol in 1850. The price was £35,700, a bargain at an average price of £6,000. Following renaming and alteration at Deptford they entered service on various routes. Four smaller vessels were purchased for service on the Kent Station.[104]

At the Annual General Meeting in February 1854 the directors, noting an increase in goods traffic, commented that there was a need for screw steamers, 'these being better adapted to carry large quantities of goods at low rates as they have less consumption of coal'.[105] The advantage of screw propulsion, the obvious removal of the large engine fittings and ponderous paddle boxes apart, was that the smaller and increasingly efficient engines were sited lower in the hull, permitting the freed space to be used for cargo. The creation of the larger hold spaces signalled the beginning of the carriage of bulk cargoes in steamships. Within the year the Company acquired three.

Messrs. Palmer Bros. & Co. of Newcastle offered for purchase in 1854 an iron screw steamer then building. She was *Pioneer*, 413 tons, and she entered service that same year, on the Hamburg Station. The second vessel, *Dragon*, 475 tons gross, was described in the

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ceased and it was decided, '....she will probably be employed in a Trade offering more profitable prospects in which her peculiar characteristics will be especially available'. Prior to entering service *Rainbow* was docked at Deptford while difficulties with the compasses, which were affected by the metal hull, were sorted out, the expense of the, '...necessary experiment (having) been borne by the Government'.
See also Basil Greenhill, 'Steam Before the Screw', p.24, in *The Advent of Steam*, (ed. Robert Gardiner) (London, 1993). The experiments were carried out by Professor George Airy, the Astronomer Royal. The writer states that *Rainbow* was important in the history of iron ships. In 1838 the managing director of the Great Western Steamship Co. made a trip in *Rainbow* and, satisfied that oceanic iron vessels fitted with compass correctors were both possible and desirable, proceeded with the building of the iron *Great Britain,* widely recognised as the technological forerunner of most modern shipping. Built by Brunel, she made her maiden voyage in 1845.

[104] GSN 7/3, 58th Report, 28 February 1854. The four, *Diamond, Sapphire, Topaz* and *Ruby*, all of between 150 and 200 tons, were purchased from the Gravesend and Milton Steam Packet Co. on 'advantageous terms'.

[105] The directors' statement is confused. The space available to cargo was certainly increased by the reduced need for coal bunker space but it was the radically different design of the screw-propelled vessel, with the smaller engine positioned lower in the hull, that facilitated increased cargo capacity. Maintaining operational efficiency of the paddle wheels limited the draft of the vessel and the cargo capacity. The development in the 1830s of iron bulkheads dividing the cargo spaces was followed in the 1850s by the construction of double-bottom tanks which further strengthened the vessel and were used to carry water ballast. This was essential when the vessel was carrying no cargo (light ship), as were colliers on the return

directors' Report as having, 'great capacity at very fair speed'. Coal freights were good at the time and *Dragon* loaded coal in the Tyne for London when she left the builder's yard though she was moved to other trades in due course.[106]

The third of the new screw steamers, also a collier, was built by Mare at Blackwall. She was *Pilot*, of 449 tons and was contracted at £14,120, an indication of the cost of new tonnage at that time and confirmation of the need to set aside considerable sums to meet building costs. Unusually Mare's delivery was delayed and caused the Company 'serious inconvenience'. General Steam was unforgiving and withheld part of the final payment.[107]

Nine more ships were acquired through the end of the decade, all of iron, five of them screw steamers. The rush to build and buy when trade was good would be echoed through the shipping industry to the end of the century. The resultant, when business turned down, and these fluctuations were commonplace in the period, was that some smaller owners were forced to lay up or sell tonnage and, on occasion, to wind up their businesses. *Wansbeck*, 597 tons, an iron screw vessel was purchased in 1858 for half of her cost, having made only one voyage for her owner.[108]

The management had clearly identified the benefits of screw propulsion but the majority of vessels in service were paddle steamers. They may not have been as economic to operate but they were already well written down in value and were not readily discarded. Vessels built in the 1820s were still in service. Access to some destinations was limited by depth of water so that the paddlers, with their shallower draft and greater manoeuvrability, still had an essential role to play.[109]

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leg from, say, London to the Tyne and other coal ports in the North East, as the propeller would otherwise have been well out of the water, drastically reducing its efficiency.

[106] GSN 7/3, 58th Report, 28 February 1854 and 59th Report, 29 August 1854. The owners of the Palmer Bros. shipyard were coal producers in the North-East of England. From the early 1850s they built colliers to meet the commitments of their coal trade with London. The third screw steamer bought in 1854, the Mare built *Pilot* had, unusually, engines by Rennie & Co.

[107] *Mitchell's Maritime Register*, 7 November 1857 and GSN 7/3, 59th Report, 29 August 1854. A resultant of the delay was that penalty payments due to the Company were withheld and they sought compensation in Court. See also A.J. Arnold, *Iron Shipbuilding in the Thames,* who states that from 1855 Mare's company was being run by the Official Assignee, Mare having been declared bankrupt that year. Amongst Mare's assets were shares in General Steam. The Court found against General Steam. Predictably, Mare built no more ships for the Company.

[108] GSN, 7/4, 67th Report, 31 August 1858.

[109] The Elbe, with access to Hamburg, was one such. The shallow water posed the additional problem in severe winters of icing which sometimes interfered with traffic.

The Thames river services were operated exclusively by paddle-steamers and they would be for years to come. *Eagle*, an iron steamer of 325 tons purchased in 1856, was typical of these. She was a handsome vessel with a draft of only seven feet, capable of 14 knots and licensed to carry 466 passengers to Dover. She remained in service for thirty years.[110] The river licenses permitted a craft to carry a certain number of passengers to a specific port, so that *Eagle's* license would have allowed greater numbers to the nearer, upriver, Thanet ports.

Of the steamers operated by General Steam in 1850 37 were of wood build and seven of iron, four of them entering service in 1848-50. Despite its early involvement with iron construction, *Rainbow* of 1837, and the Company's apparent satisfaction with her performance, there was no rush to embrace the iron hull with its greater strength and safety. Neither the Board minutes nor the Annual Reports gives a hint of the reason for this, though price may have been a factor, since there appears to be no good reason why iron ships were not suited to the trades.

But the trend was very definitely to iron: the Company built only one wooden ship in the period 1851 to 1859, inclusive, the remaining 10 being bought second-hand. Sixteen of the new ships were of iron: eight were paddle steamers and eight were screw-propelled, a ready endorsement of iron construction and the new form of propulsion. Table Four, below, gives details. The average vessel size remained at around 500 tons. From now on most ships built or bought were of iron, or, from the 1880s of steel.

Table Four. Ships Acquired, 1851–1859.

	Wooden paddle.	Iron paddle	Iron screw	Total
Built	1	7	4	12
Bought	10	1	4	15
Total	11	8	8	27

* Appendix One, The Ship List: There are anomalies. The first 44 ships in the List are those identified in PPs at the end of 1850. Company records differ, as they indicate that two of those listed, *Monarch* and *Neptune*, entered service in 1851. Further PPs used are for the years 1860 and 1870 so that, again, small differences will be noted. Source: GSN 7/3. Bi-annual Reports to shareholders, 1850 -1859.

[110] Burtt, *Steamers of the Thames and Medway*, pp.86/7.

Commented on earlier was the Company's apparent ability to purchase on good terms in the second-hand market. The Table shows that of the 27 vessels acquired in the 1850s, 15 were bought second-hand. The attrition rate amongst these was exceptional: five vessels were out-of-service by 1860 and further four were lost in collisions or other circumstances, which questions the wisdom of the purchases and the sea-worthiness of at least some of them.[111]

The Trades.

General Steam continued to operate most of its services from St Katharine's Wharf, on the north bank of the Thames, immediately downstream from the Tower of London, though other nearby facilities were used for specific services. St Katharine's, in conjunction with the adjacent Irongate Wharf, acquired later, was the Company's main terminus for many years.

The P&O company's leases on Brown's and Stewart's Wharves in Poplar, on the north bank of the Thames, were acquired in 1842 when seeking an alternative base for its non-passenger trade with Edinburgh. The whole site become known as Brown's Wharf and after the lease expired in 1852 the Company rented directly from the East and West India Dock Company. Permission was obtained from the Commissioners of Customs for Brown's Wharf to be used for the importation of live cattle and sheep. *The Survey of London* states that GSN 'pioneered the trade in imported livestock. It proved highly lucrative and contributed significantly to the Company's 19th century prosperity'.[112] In due course special tonnage was built for it.

The Company's regular services were promoted in the press, sailing dates and times being advertised for benefit of both passengers and cargo shippers. There were advantages in conducting business in this fashion. Agents, those employed to engage passengers and cargo shipments, especially the latter, in Britain and on the Continent,

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[111] The Ship List, Appendix One, reveals that two of the four ships purchased from the Gravesend and Milton Steam Packet Company in 1853 were out of service by 1860 and two of the six ships bought from the German Confederation in 1853 were also out of service by 1860. The German vessels were relatively new when bought, probably built in 1849/50 (full information is not available) No information is available on the ages of the Milton ships.

were able to offer shippers a speedy and near-guaranteed date of delivery. The latter was especially important as imports of dairy products increased: incoming cargo was readily moved from the upriver berths to the central London markets.

This was a major advantage over the unpredictability of sailing vessels and it contributed to the successful development of the steam trades. The fast passages to Britain from the near-Continental ports were a vital factor in the increase of perishable goods and live cattle shipments, for which premium rates were charged. In the 1840s and 50s there were substantial reductions in the duties charged on dairy products, salt meats and on live cattle and sheep, with resultant dramatic increases in imports, a great incentive to the already well-established General Steam and to would-be competitors.[113]

Though the shallow-draft paddle steamers of the time carried a relatively small cargo, perhaps one hundred tons in the smaller craft, as compared with the greater capacity of the later screw steamers, the frequency of the channel crossings meant that they were well capable of moving substantial quantities of cargo. *Giraffe*, 410 tons gross, made no fewer than 50 crossings to Holland in the year 1851.[114]

Income from passenger fares continued to be an important revenue source for the Company, as it would for many years, though, later, some cargo-only vessels would be in service. The ships were small, yet remarkable numbers were accommodated in somewhat basic accommodations.

There were disadvantages, and they were all cost factors. Prompt sailing times meant that freight and passengers were sometimes left on the quayside, though this was offset in some measure by the Company's twice-weekly sailings on most routes. By the 1850s, engines and boilers were becoming more reliable but breakdowns still did occur. These required 'stand-by' tonnage, so that in the event of the scheduled vessel being unable to take the sailing, an alternative was readily to hand.

In 1850 the Company's eleven twice-weekly coastal services (except Antwerp) conservatively demanded 28 to 30 ships, fully crewed, fuelled and in a good state of

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[112] *Survey of London, Volume XLIV, Poplar, Blackwall and the Isle of Dogs,* (London, 1994), pp.618/9, and Introductory Notes to GSN Collection.
[113] Werner Schlote, *British Overseas Trade from 1700 to the 1930s*, (Oxford, 1952), pp. 62/3. In the four/five years to 1850 the numbers of live cattle and sheep doubled, though they were still relatively small. Imports of butter, cheese and eggs also doubled between 1853 and 1865.
[114] PP, *1852, XLIX.31 mf 56.387*. See Appendix 3.

repair.[115] Additionally, perhaps two vessels were required for the Thames services and at least one further vessel was on service in season carrying cattle. A new service, to Charente on the French Biscay coast, was begun in early 1859. The demands on management to maintain all services and to ensure that the ships were kept to a high standard were very considerable. In this matter, the Company's Factory at Deptford was a great benefit, situated only a few miles downstream from the main riverside terminals. Perhaps, even more important were the cost controls available to management with its own repair facility. The decision to develop the Factory facilities was, without doubt, a prudent action by the early directors.

The volume of traffic on the short-sea routes increased throughout the period of the 1850-60s and sailing vessels gave stout opposition to steam. They enjoyed a major advantage in that their building and operating costs were appreciably lower, their crews smaller. A complex network of small sailing vessels connected most communities, operating as distribution and feeder services for the larger companies. These activities offered no direct competition to General Steam though they did hinder the services of some other companies based in the larger ports.[116]

The building and the running and manning costs of a steamship were high. Coal was expensive and, due to the frequency of port calls, higher port, Customs and light dues. were incurred.[117] An ongoing problem for the steamship company, and General Steam was no exception, was ensuring that the increasingly important cargo volumes were maximised. A return run to, say, Hamburg with poor cargoes could result in only a marginal profit, or none at all, even with passenger fare income.

A considerable benefit to steam shipping lay in the increasing vessel size, which usually produced economies of scale, and the speed of the ships, even if, in the 1850s, the reliability of the machinery still left something to be desired. In one particular trade

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[115] See Appendix Three for a measure of the Company's dominance in 1850/51. Fifteen to twenty crew members was average on a vessel of the period.

[116] Clive H. Lee, 'Some aspects of the coastal shipping trade: the Aberdeen Steam Navigation Company, 1835-80', p. 91. The annual meeting of the Aberdeen Steam Navigation Company was told in 1881, after forty years of steamship and sailing ship ownership: '..we have run off almost entirely everything in the shape of sailing vessels between the Moray Firth.....and London'.

[117] Palmer, 'The most indefatigable activity'. Steam shipping of the period is described as, '...a much more marginal venture in economic terms than its supremacy over sail in terms of speed would suggest, and the mortality of steamship enterprise proved in consequence to be high'.

sailing ships made an average of eight voyages in a year, whereas steamers were able to make one a week.[118]

The early screw-propelled steamships specialised in the carriage of bulk cargoes, trades previously dominated by sailing ships. The demands by the Thames-side gas producers for regular and reliable shipments of coal from the North-East of England stimulated the building of screw-propelled colliers, usually in the tonnage range of 400 to 600 tons.[119]

Table Five illustrates the development of the Home Trade fleets in the period. These were certainly not the last days of sail: the sailing fleet increased by roughly 23 per cent in the ten years to 1860, with average of 75 tons. The number of steam vessels increased by 25 per cent, with average size of 230 tons.[120]

Table Five. Steam and Sailing Vessels in the Home Trades, 1850-1860.

	Steam vessels	Tonnage	**Sailing Vessels**	Tonnage
1850	320	54,196	8,830	666,957
1860	402	92,254	10,848	821,079

Source: Glover, 'On the Statistics of Tonnage during the First Decade under the Navigation Law of 1849', Table VII.

Competition.

The directors' stated very clearly, if a trifle self-righteously, at a shareholders' meeting in 1851 their view of those who sought to trespass in their territory:

> It has never been the practice, nor the wish of the Directors of the Company, to embark on unnecessary oppositions, but on the contrary they have on many occasions made large sacrifices for the purposes of maintaining peace; yet it must always be borne in mind that this

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[118] Harcourt, 'Charles Wye Williams', p.42.

[119] The Company's first three bulk cargo ships, built as colliers in 1854, were of about 450 gross tons.

[120] Glover, 'On the Statistics of Tonnage", p.8.

Alternative figures are obtained from PP *1861 (549) LVIII.23 67.461., Return of Number and Tonnage British registered vessels employed solely as Home Trade Ships in years 1855-1859.* This source identifies only 257 steam-vessels of 57,415 tons in 1855 and 374 of 90,867 in 1859. The discrepancies are not great but they do suggest a somewhat slower development of steam shipping in the Home Trades than credited by Glover.

> Company has succeeded in establishing a profitable trade upon many Stations after severe trials, and the Directors can never consent to see that trade interfered with and taken away from the Company by Strangers and interlopers but will be ever ready to resist such attempts by all legitimate means.[121]

A threat to General Steam and to other coastal and short-sea shipowners was that from foreign competition. The Navigation Laws were repealed in 1849 and in 1854 and The Coasting Trade Bill completed the process by allowing foreign vessels to compete in the coastal trades. The shipping interests vigorously opposed the move and predicted dire consequences. A share of the British coastal trades did fall to foreign shipping but this was largely offset by the progressive increase in the total volume of cargo carried.

A persistent complaint was the dues still imposed by some Continental countries. Britain had removed all such barriers so that they were particularly irksome, giving, as they did, a positive advantage to Continental vessels. The directors referred regularly to this unfair competition. A particular concern was the Hamburg trade, one of the Company's most important.

Most of General Steam's competitors owned two, three, no more than half a dozen ships. They, too, would very much have liked to operate regular services on routes they identified, rightly or wrongly, as having the potential to support an additional vessel. Such was the strength of the Company that the likelihood of it being forced out of business on any of its routes was negligible. The directors not only rejected the notion of a competitor successfully challenging them but they were vigorously opposed to just about any legislation likely to affect their interests. Any such Government action would generally be categorised as interference or unfair and vigorously opposed.

Other companies attempted on occasion to take a share of General Steam's business. It took a considerable amount of nerve and determination to sustain such a challenge. A few years earlier, when General Steam considered entering the Dundee to London trade, the local company, the Dundee, Perth & London Shipping Company, panicked. The directors

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[121] GSN 7/3, 53rd Report, 26 August 1851.

commented that this was both 'positive and frightening: ...General Steam is a huge company, with £2 million capital'. Negotiations took place and, in the event, General Steam did not proceed, likely due to their view that the opportunity was limited.[122]

When General Steam considered that a business no longer justified their further involvement they withdrew. In 1850 they were of the view that all of their routes offered sound profit potential and they reacted swiftly when threatened. An intruder, and there were plenty of them, was faced by a range of tactics: fares and freights were reduced and, on occasion, an additional vessel was placed on the route to exert further pressure. No doubt the Company's freight and passenger agents were alert to the danger and increased their activity in order to freeze out the opposition.

Whilst these aggressive tactics adversely affected the Company's receipts they might well be ruinous to a less well financed opponent. In some circumstances an accommodation was reached with the opposition whereby the trade was split, with agreed, non-duplicated sailings, though this was often only a temporary solution.

During 1851 competitive problems arose on two important fronts, the London to Edinburgh route, the so-called Edinburgh Station, and the cattle traffic from Tonning, near Hamburg, to London and these were representative of the continuing need for General Steam to constantly defend its position. As it did in a number of other situations, the Company shared amicably for many years the Edinburgh route with a local company, the London, Leith and Edinburgh Company (LLEC). However, in 1851 General Steam determined, for reasons unclear, that LLEC had not been operating in good faith and was in breach of the trading agreement and it advised the Edinburgh company that it was terminating the agreement.

LLEC reacted with 'violent opposition', according to the half-year Report, by lowering its rates for passengers and goods and displaying intent to take over the entire trade.[123] General Steam followed suit by reducing its rates. This was unlikely to have been the only action taken by the two parties and one can only speculate on the pressures and

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[122] Gordon Jackson, 'Operational Problems of the Transfer to Steam: Dundee, Perth and London Shipping Company, 1820-1845', in *Scotland and the Sea*, (ed) T.M. Smout, (Edinburgh, 1992), p.169.
[123] GSN 7/3, 53rd Report, 26 August 1851.

inducements applied to regular shippers and passengers. The Company insisted it was still able to make a profit on the Station.

A year later the directors were able to report that the Edinburgh company had sold one of its three ships and that its wharf and its other two ships were up for sale.[124] By 1855 the opposition company had ceased trading, having disposed of its remaining two vessels. The trade, for the time being, was entirely in the hands of General Steam and the addition of new tonnage to the route was contemplated.[125] This was entirely typical of the Company's reaction to competition. However, the directors' satisfaction was short-lived. Within a year another company had commenced a service out of nearby Grangemouth. The comment in the Report was: 'The Directors will adopt such measures as may be necessary'.[126]

The livestock trade from the Continent became increasingly important in the 1850s. The Company had been involved in the trade for some time with limited numbers of animals carried in the regular vessels on the routes from Germany and Holland, Hamburg and Rotterdam being the main rail termini for shipments brought in from a wide area. Additional cargoes were received from Tonning, to the north of Hamburg, which shipped cattle from Schleswig Holstein. By the 1850s full shipments were being received at the Company's leased Brown's Wharf which was set aside for the trade, the Edinburgh service having been moved to St Katharine's Wharf.[127]

A press report dated January 1851 records that *Giraffe,* 410 tons built in 1836, arrived there from Rotterdam carrying '279 head of oxen and cows, 67 calves and 500 sheep, the produce of Holland'. It added that the extraordinarily large importation was, possibly, the largest of its kind from that country.[128]

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[124] GSN 7/3, 55th Report, 31 August 1852.
[125] GSN 7/3, 60th Report, 27 February 1855.
[126] GSN 7/3, 63rd Report, 26 August 1856. Mentioned is the fact that the competition had affected the Glasgow traffic formerly carried by the Company.
[127] GSN 7/3, 50th Report, 26 February 1850.
[128] *The Times*, 11 January 1851. Perren, *The Meat Trade. Giraffe's* recorded cargo gives an opportunity to assess what weight may have been carried in an 1836-built paddle steamer of 410 tons. An estimate is that the animals weighed in the region of 120 tons. The figure is based loosely on Perren's quoted average weight of imported beasts, 584 lbs, in 1859 and allows average weight of 200 lbs. for the calves and sheep. It is recognised that animals were carried on deck as well as below deck. Perren notes, pp. 69-73, that the need for imported meat arose largely because the UK-reared supply rose only slowly, 3 per cent in the 1850s and 60s, failing to meet demand. So-called 'dead' meat, other than bacon and hams, was also

In 1851, The Northern Steam Packet Company (NSPC), a subsidiary of the Lowestoft Harbour and Railway Company, commenced a cut-rate service from Tonning to Lowestoft using two ships carrying cattle for the London market, with onward transfer by rail to London. The advantage of the route was that the combination of the shorter sea journey and quick rail transit meant that the animals reached market in better condition, thereby fetching a better price. Shipments were also landed at Harwich.

General Steam was especially sensitive to the involvement of the railways in shipping cattle and other cargo to London and responded by lowering its freight rates, expressing the view that shippers were happy with its service and that without the support of the railway the rival concern must quickly fail.[129] Indeed, the shippers may well have been happy with General Steam's service, but few men of business will resist the offer of reduced freight rates.

The NSPC was not readily subdued. A year later the Report to shareholders stated that it, NSPC, was receiving railway support to establish a joint-stock company. By then General Steam was able to increase its freight rates and regarded the situation as improved.[130] In succeeding years the interloper, by now renamed North of Europe Steam Packet Co.(NESP), was in opposition on the Hamburg Station, began a service from Tonning to London, a very direct threat to General Steam, and attempted to establish a Harwich to Antwerp service.[131]

Thereafter, North of Europe Steam Packet Co. was not, it seems, a matter of too great import to the directors, for it occupied little space in the Reports. The reality was that the company continued to be an appreciable thorn in the side of General Steam. *The Times* reported in late summer of 1857 that NESP had put two more steamers, for total of four, on to the routes to Lowestoft from Tonning, Frederickstadt and Husum with plans to extend the service by arrangement with suppliers in Denmark. It further commented that

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imported in considerable quantity. No reference has been found to this trade in the archive, though it is highly likely that the Company was involved.

[129] GSN 7/3, 53rd Report, 26 August 1851. The NSPC received unauthorised support from the Great Eastern Railway which benefited from the ongoing transit of cargo to London.

[130] GSN 7/3, 55th Report, 31 August 1852.

[131] GSN 7/4, 61st Report, 28 August 1855.

the sea journey was now reduced to an average 36 hours and the rail journey from Lowestoft to London to ten hours.[132]

In September a further report stated that in a two day period three NESP ships arrived in Lowestoft with 1024 lambs and 1298 oxen, all of which were transported to London in five special trains, 'consigned as usual to London firms'. The report added that business would continue for another six weeks before closing down for the winter, as appears to have been the rule, due to weather conditions and, in particular, icing of the harbours.[133]

By 1857 NESP was in financial difficulties. A half-year loss of £38,529 was declared along with the intent to sell as many ships as necessary in order to raise the sum of £50,000.[134] Alan Pearsall comments, based on *Times* reports of company meetings, that the most notable company collapse of 1858 was that of the North of Europe Company, formerly Northern Steam. He adds that the company certainly suffered from bad management, it relied solely on paddle steamers, it probably took on too much in the way of new routes, and found itself serving equally divergent interests of different ports and railways.[135] Not that this development was of any comfort to General Steam's directors: another company purchased North of Europe's ships and attempted to continue the competition out of Tonning, whilst, at the same time, offering the vessels for sale. General Steam considered the price to be 'too high'.[136]

The threat of competition from railway operated steamers was not the only aspect of railway development that concerned the established coastal shipping companies. Freight rates and passenger fares were inevitably affected as the railway network was extended within Britain and on the Continent, though not everyone agrees this point.[137] The matter was never raised within General Steam's Reports at this time, though it must have exercised the minds of the directors.

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[132] *The Times*, 26 August 1857.
[133] *The Times*, 14 September 1857.
[134] *Mitchell's Maritime Register*, 19 September 1857, p.1187.
[135] Pearsall, 'Steam Enters the North Sea', pp. 195-216. General Steam found paddle-steamers best suited to the trade, outfitting several specifically to serve it.
[136] GSN 7/4, 68th Report, 22 February 1859.
[137] Lee, 'Some aspects', p.97. The writer argues, '.... that the view that the railway brought down freight prices via competition as a major secular trend must be regarded as most doubtful'. It is likely that the effect of this competition varied in different situations around the country.

Referred to earlier was the fact of shipping companies colluding in arrangements covering freight and passenger rates and sailing days. Probably the first of these conferences, as they became known, was between parties in Glasgow and Liverpool as early as 1832. In 1839 a formal agreement was reached between liner shipping firms in Aberdeen, Dundee, Edinburgh and General Steam whereby a uniform rate of fare between London and these several stations was established.[138]

Similarly, it was not uncommon for shipping companies to agree with a railway company or companies on a ratio of freights to be carried by each, though there is no hint in General Steam's archive to this effect. The Company, despite its often stated objection to railway activity, was not above attempting to reach a commercial arrangement with a railway company. In 1851 the Brighton Railway Company refused to cooperate and arranged for another company to operate shipping services offering a very low 'through' rate from London to Paris.[139] However, in 1857 General Steam reached agreement with 'British and French railways' for through traffic of passengers from London to Paris.[140]

There was certainly competition between railway and the steamship companies, and this would continue for many years, particularly when the railway companies made moves to establish their own steamship operations. But it was not uncommon for mutually beneficial arrangements to be reached between two parties. The Aberdeen Steam Navigation Company, acknowledged in 1846 that the railway link from London to Newcastle, still far from its own doorstep, interfered 'with the trade of this company to a considerable extent'. Nevertheless, in 1856 the company reached agreement with the Scottish North East Railway Company on freight ratios and rates and, in 1858, a split of through costs from Inverness to London was agreed and the steamers were taken off the Aberdeen to Inverness route, no doubt to the benefit of the railway.[141]

The railway companies were also in a fiercely competitive situation with each other. In 1844-5 many of the numerous railway proposals were wholly or partly in opposition. In the early 1850s there were competing services from London to Birmingham,

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[138] Armstrong, 'Conferences', pp.56-59.
[139] GSN 7/3, 53rd Report, 26 August 1851.
[140] GSN 7/3, 66th Report, 23 February 1858.
[141] Lee, 'Some aspects', pp. 94 and 96.

Nottingham, Leeds and Edinburgh and on many other routes.[142] As an example, the Eastern Counties Railway, which became in 1862, by amalgamations, the Great Eastern Railway, controlled both routes between London and Norwich through leasing and working arrangements. In the years ahead the Great Eastern would become only too familiar to General Steam, as competitor and, later, as business partner.

The continuing development of the railway network was a competitive factor for shipping generally, and steam shipping in particular, to contend with. The number of route miles opened by 1850 was 6,084, the figure increasing to 9,069 by 1860 and 13,562 by 1870, though the latter figure referred to miles constructed, rather than operational. The advantage for shipping was that capital and fixed costs were relatively low compared to the huge outlay by railway companies on land, tracks, stations and machinery and staff.

John Armstrong, whilst contending that railway and coastal shipping were complementary to each other, has identified distinct trade segments in which coastal shipping was able to compete with railway opposition by offering unique services. He describes the coaster as a crucial component of British internal transport until at least the First World War.[143] Liners offered regular and speedy services between the larger ports for non-bulk cargoes and passengers. Coastal tramps specialised in bulk cargoes such as coal and ores and benefited through time from increased vessel size and economy with the help of improved loading and unloading facilities. Most cargoes carried by the tramps were shipped over a much longer distance than those of the railways.

The development of the coal trade from the North Eastern ports of England to London is an example. In the 1850s the railways carried vast quantities of the coal but even into the 1870s the average train load was only about 57 tons in wagons of no more than ten tons capacity.[144] The introduction of screw-propelled colliers, from the 1850s, ensured that an increasingly large proportion of the shipments were by sea.

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[142] Lee, 'Some aspects' p.101.
[143] Armstrong, 'Coastal Shipping: The Neglected Sector', p. 177.

Finances.

Authorised capital in 1850 was £330,000, of which £300,000 was issued, comprising 20,000 shares of £15 and the Company was permitted to borrow the sum of £75,000, per the Parliamentary Acts of 1831 and 1834 respectively. The capital was not fully paid-up.[145] Dividends were paid free of tax at the half-year, in February and August, and routinely amounted to 10 per cent on the £15 ordinary shares, a very satisfactory figure at a time when 4 per cent was a quite usual interest rate.[146]

When shares changed hands the transactions were recorded by the company secretary in the Board minute book. All of the exchanges noted appear to have been between private individuals and the numbers recorded were commonly in the region of five to twenty shares. No record of individual shareholdings exists for the years prior to 1903 but it is highly likely that some of the directors, and the families of others no longer involved, held substantial numbers.

Accounting procedures in 1850 were largely free of regulation with no required form of presentation so that management was permitted a certain latitude in preparing accounts. One source suggests that, on occasion, profit was overstated in order to attract capital and in some cases understated, to contain dividends.[147] In the case of General Steam, a well-regarded company, the objective was, almost certainly, to reassure shareholders and creditors, by delivering regular and acceptable dividends. In this period of relatively stable economic and trading conditions the Company succeeded in this objective.

Accounts were produced each half-year, being presented to the shareholder meetings approximately two months after the end of each period. Most years there was a clear distinction between the earnings in each half year. The figures for the half year to the end of June were invariably less than those for the second half, sometimes by as much as 40 per cent. This was roughly matched by Coal and Ship Costs. The explanation is that winter weather frequently reduced the number of voyages made. No doubt also there was

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[144] Simmons and Biddle, *The Oxford Companion*, p. 440.
[145] GSN 5/5. The 1874 Act states that the shares were fully paid-up at that date. In fact, it was only in 1873 that the directors proposed that the final £1 per share be called-in.
[146] GSN 1/13, Board minutes for February 1851 record that short-term loans were made from Company assets at rate of 4 per cent and the debenture interest charge, at 4 per cent, confirms this as a usual figure.
[147] J.R Edwards, *A History of Financial Accounting*, pp.109/110.

an element of tidying up the figures for the year end, with some carryover from the first half.

Receipts

In the ten year period 1850 to 1859 Receipts increased from £269,860 to £324,692, peaking at £349,692 in 1855. The increase was of just over 20 per cent, a commendable outcome. No breakdown is available of the split between passenger and freight income and it certainly is not possible to guess at the figures. These were the only significant income sources, and they varied according to the number of voyages made and the number of vessels in service.

In 1858, during which adverse trade conditions existed, the press reported a commercial panic which severely affected banks in America and Britain, many of which failed, and four or five well-known houses in the Hamburg trade.[148] This, plus an increase in interest rates, from 9 to 10 per cent, and war on the Continent, affected trade for some months. The fall in income to only £289,844 in the year was alarming, though recovery followed.[149]

On occasion a ship was stripped of all fittings and sold but the hull value was negligible. An exception to this was in 1855 when the sum of £5,000 from ship sales was included in the £20,000 applied to the Deterioration/Building Fund.[150] The comments of the directors in the half-yearly Reports were terse and much inclined to be cautious if not entirely gloomy. 1850 was reported as a 'satisfying year', though the comment is difficult to justify, as Receipts were down from £283,262 in 1849.

The use of the word 'depression' in the Reports was commonplace. Quite why the directors were inclined to be so cautious is difficult to comprehend, as they would invariably announce at some stage that the dividend was maintained at the usual 14 shillings per half-year plus bonus.

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[148] *Mitchell's Maritime Register*, 7 and 14 November 1857.

[149] GSN 7/4, 66th Report, 23 February 1858. The directors, in reporting that 'Receipts were slightly up on last year' (£326,275, 1856, to £326, 989 in 1857) commented: 'Notwithstanding the great depression in the shipping interest during the period caused by the recent panic and consequent stagnation in the trade of the country.'

[150] GSN 7/4, 62nd Report, 26 February 1856. The £5,000 was the profit on the sale to a French buyer of *Danube*, being built by Samuda, for the Company. The vessel never entered Company service. An order for a replacement was immediately placed.

1851 was described as highly satisfactory with 'the anticipated passenger increase (for the Great Exhibition in London) realised to a some extent....though railway fares were so reduced that the Company was obliged to do likewise'.[151] 1852 was described in similar terms, despite the fact that earnings in both years fell below the 1849 figure, with 1852 the lowest figure recorded in the decade. There was rather more cheer in 1853/4 with improved earnings recorded and improved freight traffic.

An exceptional income source from November 1854 was the charter of *Edinburgh*, 741 tons, the largest of the six ships purchased from the German Confederation in 1852, to the French Government for six to twelve months, for service in the Crimea. She was sunk in fog in the Black Sea, likely in collision, during 1855. Though the Company did not, as a rule, insure its ships when in service they were insured when on charter.

Charter rates, especially in a wartime period, were highly profitable, but we have no way of knowing quite what contribution *Edinburgh* made to the 1855 revenues, which were marginally up, though it may have been in the region £500-600 per week.[152] The charter income apart, there was a mini-boom following the Crimean War, 1854 to 1856, when demand for tonnage was strong and ships were built apace. This was followed by a slump, laying-up of tonnage and a severe cut back on new buildings, the all-to-common cycle.

Costs

Running costs were equally as uncertain as income. Ship Costs and Coal related directly to ship operations, though coal prices rose in 1853 to 20s 1d per ton from 15s 05d the year before, an increase of nearly one-third. Coal increased from £44,115 in 1850 to £68,992 in 1855, above 56 per cent. After 1855 the price began to ease.[153]

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[151] Simmons and Biddle, *The Oxford Companion*, p.150. By 1851 rail excursions were already well established. Thomas Cook claimed to have arranged for 165,000 to travel to London, though the figure is questioned. Nevertheless, the railways were credited with turning the Exhibition into 'a huge popular festival'.

[152] Lee, 'Some aspects', p. 99. The writer refers to the Aberdeen Steam Navigation Company's *City of London* being chartered to the British Government for Crimea service at £600 per week, of which the company estimated that from £350-£400 would be clear profit. There is evidence in the archive that General Steam periodically chartered out tonnage, though this is seldom directly referred to. It is likely that the only reason that the *Edinburgh* charter was made known was because she became a casualty.

[153] PP *1820-1885 1886 (126) LX.201 92.466. Return of Average Price (Ann.) of Best Coal at ship's side in Port of London*. The prices quoted are not necessarily those paid by the Company, which was frequently able to benefit from contract prices, but they do indicate a trend.

Table Six. Profit and Loss Account, 1850-1860.

	Coal £	Ship Costs £	Ship Repairs £	H/Offc Costs £	Stations £	TOTAL Costs £	TOTAL Rec'pts £	PROFIT £	Profit as % of Re'cpts
1850	44115	106532	31896	11088	8849	202480	269860	**67380**	25%
1851	44725	110832	29394	9534	10077	204562	271436	**66874**	25%
1852	45572	110771	29308	9598	9029	204278	258519	**54241**	21%
1853	60829	142348	35222	12904*	7535	258838	319284	**60446**	19%
1854	71791	145957	39871	12458	7803	277880	339300	**61420**	18%
1855	68992	156238	57771	10321	7749	301071	349692	**48621**	14%
1856	68130	157751	40440	10360	7683	284364	326275	**41911**	13%
1857	62681	153556	33808	10433	8095	278573	326989	**48416**	15%
1858	54332	143766	35532	10194	7747	251571	289844	**38273**	13%
1859	55006	153279	35474	11072	7948	262779	324692	**61913**	19%
1860	61243	153919	41693	10521	7040	274416	341549	**67133**	20%

Source: Bi-annual Reports to shareholders, various.

*Includes £4000 'Law Expenses', also in subsequent years a substantial sum.

Uncertainty concerning the number of ships in service at any one time makes any analysis of operational costs of limited value. Ship Costs included crew wages, stores, and a variety of dues, for customs, lights, etc. Between 1851 and 1860, inclusive, 32 ships were acquired and 33 retired or lost to casualty, so that the fleet numbered 43 ships in 1860.[154] However, upwards of 50 ships may have been in service at times, which would account for the steep increase in expenditure from 1853. Table Six records the effects on Profit of the increased Costs.

In the very little detail available, the level of law expenses is of interest. At £4,000 in 1853 they constitute 30 per cent of the total Head Office cost, an exceptionally high figure. But it is noticeable that throughout this period the Company's legal activity was considerable. Insurance was not mandatory and it was expensive, so, as already noted, the Company chose not to, except when vessels were on charter, insure against ship loss or

[154] Most ships retired from service were dismantled and broken up at the Factory. The scrap value was usually no more than a few hundred pounds, though the figure was seldom specified in the records.

damage. The strategy was risky and it implied a measure of confidence in the ships' masters. The legal costs may well have been justified as an alternative to insurance, though additional funds were set aside in what was termed at that time the Reserve Fund to meet loss.[155] In the 1870s, this fund was more specifically titled the Reserve/Insurance Fund.

General Steam was regularly involved with court action, the Admiralty Court and others, because of frequent accidents to vessels, some serious, with occasional total losses. These involved legal action of some nature to arrange settlement either in or out of court. The Company's solicitor was not always successful, so that payments made to plaintiffs were an additional cost.

The Company owned a large fleet of ships so that accidents were inevitable. More so, as the ships were sailing in coastal and estuarine waters with even greater risks of collision than in open sea. In the latter part of the 19th century traffic control of vessels in close waters was still fairly primitive and the Thames was amongst the busiest of waterways. Even where rules were established, they tended to be ignored or misunderstood, a situation which changed little over the succeeding century.

Two cases illustrate the impact of accidents on the Company. The fairly new *Panther* was involved in a collision in 1852/3 and the claim for damages was taken to the Courts.[156] The case was settled out of Court in 1853, though at less than claimed. The 1857 sinking of the 1852-built, uninsured, *Ravensbourne* in a collision in 1857 was a total financial loss.

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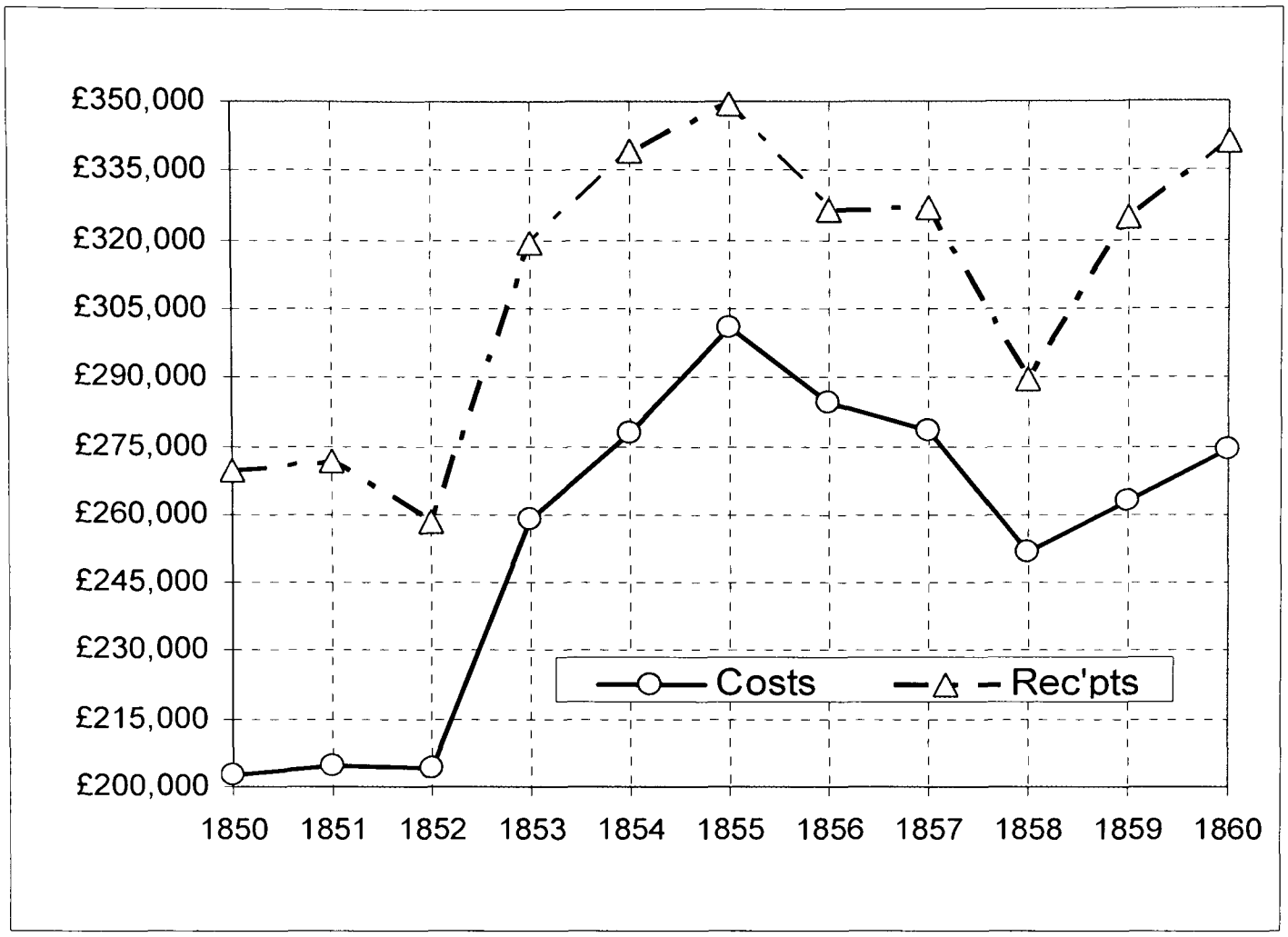
[155] John Armstrong and Philip S. Bagwell, 'Coastal Shipping', p.168, in (eds.) Derek A. Aldcroft and Michael J. Freeman, *Transport in the Industrial Revolution.* The Company was not alone in opting not to insure. Armstrong and Bagwell record that as far back as 1826 the City of Dublin Steam Packet Company switched from insuring its vessels for £10,000 to placing a half-yearly premium in a 'reserve insurance fund' saving shareholders £6,000 a year.

Concordia, built on Clydeside in 1850, was insured by London Assurance for the delivery coastal voyage from Glasgow to London, very likely part of the contract with the builder. Subsequently, she was not insured.

[156] GSN 7/3, 58th Report, 28 February 1854. The Report added that two other decisions by the Admiralty Court were being appealed.

Figure One. Receipts and Costs, 1850 – 1860.



Repairs, including those arising from accidents and collisions, were always a substantial proportion of costs, usually about 15 per cent. These were the costs of materials and labour in the Factory. They could be anticipated, in some measure, as major repairs to hulls, as also to engines and boilers, including up-dating and replacement, could be planned for. Repair costs were in the mid-1850s due to the number of ships in service. Some of these were old and they needed regular updating and maintenance. An additional expense in this period was lengthening of some of the older vessels, difficult and expensive work, to increase their carrying capacity.

Figure One very clearly illustrates the surge in Costs in the mid-1850s and the reduction towards the end of the decade, though the figure remained up by 35 per cent over the ten-year period. Receipts broadly followed the same pattern, up by 26 per cent by 1860. Profits recovered by 1860, though that figure was a reduced percentage of Receipts when compared with the early years of the decade..

Profit/Balance Sheet

The profit for the year 1850, £67,380, when added to a carry-forward of (from 1849) £75,269 and a small amount of interest, left a total available in the Balance Sheet of £143,091. £40,000 was allocated to Deteriorations, £30,497 to dividend payments and other small set-asides for tax, interest and reserve, leaving a substantial carry forward to 1851 of £65,675.[157] The Carry Forward, taken together with the trading balance, Profit, for the following year, amounted to well in excess of £100,000 in the period to 1855.

The decline in the profit figure was due, in part, to more difficult trading circumstances. By the end of the decade it had recovered to close to the 1850 figure, at £67,133. A 'Mid-Victorian Heyday' is a term that has been used to describe the period from 1851 to 1868 and so it may have been for many in business in Britain but the figures in Table Six make clear that General Steam had a struggle on its hands through most of the 1850s. The increases in income were invariably matched by costs.

At some stage prior to 1850 Debentures, loans to the Company, in the amount of £75,000 were issued at 4 per cent interest, slightly less than that amount remaining still outstanding in 1850, judging by the debenture interest payment in 1850 of £2,772, marginally less than the £3,000 payable on the full issue. Details of the various issues in the period from 1850 are scarce: only occasionally is there a reference to recoveries and further issues so that the information in the Balance Sheet is used as guidance. In the following five years the amount of interest paid averaged £1,550, indicating that roughly half of the Debentures was recovered early in 1851 and none issued, though neither the Reports nor the Board minutes comments.

In 1855 mention was made in the Report that repayment was due on some of the bonds and that new bonds would be issued at the same rate, though no indication was given of the total in issue.[158] In the event the issue was made at 5 per cent, perhaps a reflection of the Company's poor profits at the time. From 1857 to 1860 the interest paid annually on the Debentures was approximately £2,600, indicative of an issue of about £45,000.

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[157] GSN 7/3, 52nd Report, 25 February 1851.
[158] GSN 7/4, 61st and 62nd Reports, 28 August and 26 February 1856.

Conclusion

The 1850s were not a period of adventure for General Steam. The route network remained largely unchanged, though the Charente route would prove to be a significant development. A positive move was the tonnage building programme at a rate much greater than in previous decades. The ships built were replacements for ageing vessels - *Tourist,* of only 257 tons, was built in 1821 - and they were essential in order to keep pace with the changing technology of shipping. At least in that respect the directors indicated they were alert to developments taking place around them.

However, they remained conservative in matters financial: as mentioned earlier, the Balance Sheet was an unhelpful document due to the absence of detail of funds held. Board minutes in 1851 recorded cash and investments of £141,609. In mid-1859 the total was approximately £87,000.[159] Quite where these 'investments' fitted into the overall financial situation is uncertain. Reserves funds did exist, as is clear from the Balance Sheet allocations and from comments in the Reports, though whether the investments and the Reserve fund were one and the same is uncertain.

Expenditure during the period 1851 to 1860 on 32 ship purchases is estimated at, very approximately, £300,000. Investments plus Deterioration set-asides in the decade of £241,000 may well have covered this expenditure though it barely allowed for the costs of ship damage and losses through accident.[160] An aid to cash flow was that payment for new tonnage was usually staged, the first payment on contract agreement, the final, usually the fourth, on successful completion of trials.

Through the decade average £35,000 per year was allocated to Deteriorations, probably adequate, though that judgement must be based on a presumed fleet value of about £650,000. The figure dropped sharply from 1856 to 1859, only £5,000 in the latter, yet payments to shareholders were maintained: the prudent set-asides against costs

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[159] GSN 1/13, Board minutes, 23 January 1851 and GSN 1/16, Board minutes, 30 June 1859. The 1859 figure comprised £69,242 in investments, which were detailed, and £18,031 in cash at the bank.

[160] These figures are, of necessity, very approximate. The building costs are based on known costs of two vessels in the following decade, no such detail being available for the 1850s. The Board minutes of 18 October 1866 record that *Florence*, an iron paddle-steamer, 600 tons, built 1864, cost £7,600 and the iron screw steamer *Benbow*, 739 tons, built 1865, cost £11,250. The prices of these two ships, large by comparison with most of those built in the prior decade, suggest that an estimated per ship cost in the 1850s of £9,000 is reasonable.

certain to be incurred were sacrificed in the interests of dividends, an unsound policy that very likely presumed an improvement in trade. Fortune was with them.

CHAPTER THREE

The Good Years, 1860-1870.

The composition of the Board was somewhat altered by 1860, usually due to death, the number of directors remaining at ten. John Wilkin shared the duties of chairman with M.W. Attwood, whose son, Benjamin, was also a director.[161] These were men who had been instrumental in shaping and developing the Company, but they were now elderly. There is no record of the business experience of new directors, except Philip Twells and J.H. Tritton, who joined the Board in 1869; they were partners in the Company's bank.[162]

The Ships.

The Company fleet in 1860 consisted of 43 vessels, with, still, a mix of wooden paddlers, iron paddlers and iron screw ships. A further 31 were built or bought in the period 1860-1869, most of them of iron with screw propulsion. Large numbers of the aging fleet were taken out of service and/or scrapped and several were lost in accidents, producing a total by 1870 of approximately 50 vessels.

Only a few of the old wooden paddle-steamers remained in service, the 1836-built *Caledonia* being the oldest. Aging tonnage was expensive tonnage, with, inevitably, higher running and repair and maintenance costs, making it less profitable to operate. General Steam continued to require paddle-steamers on certain routes, due to limited depth of water in some ports. They would continue in service on the Thames for many years.

The Company's constant pursuit of new tonnage with increased cargo capacity is reflected in the Reports and Accounts for the period. In 1861 the directors commented that some of its recently acquired screw vessels were well suited to carrying large cargoes

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[161] So far as can be firmly established, the Board comprised Messrs. M.W. and B. Attwood, John Wilkin, G. Brockelbank, Admiral J.R. Carnac, W. Richardson, Roots, H. Wilkin, P.Twells, H. Wood, I. Wilkin.
[162] GSN 7/4, 77th Report, 25 August 1863. In 1863 the principle partners of Spooner, Attwood & Co. retired and Messrs Barclay , Beron, Tritton, Twells & Co. were appointed. Twells was a partner of both. Bankers of the period were frequently Quakers and related. Barclay was married into the Bevan and Tritton families.

of grain, though no indication was ever given of the weight of the cargoes.[163] Such a very considerable expenditure on new tonnage appears to have been justified in this period by the trading opportunities that arose and, importantly, were seized and developed by the company. This suggests that the company continued to be soundly managed, alert to new opportunities and prepared to expose itself financially to further its business interests.

The first purchase, in 1860, was of four screw steamers, built in 1856 and bought 'on advantageous terms' from the Harburg English Steam Navigation Company.[164] This was an example of General Steam buying out the opposition on seemingly friendly terms. Two of the vessels remained on the Harburg to London service.

Between then and 1865 16 further steamers were purchased, 11 of them bought second-hand, nine of them iron, screw-propelled and one, *Perth*, a wooden paddle steamer. The second-hand vessels averaged six to seven years old, *Earl of Aberdeen*, built in 1847 being the oldest. Not surprisingly, she required substantial machinery alterations. *Chevy Chase*, an iron paddle steamer of 810 tons gross, was bought from its builder, Robert Napier & Sons. All of the Company's ships of the period carried a full set of sails which might be used in favourable wind conditions, or as required in emergency situations.[165]

The little information available confirms that General Steam was well aware of owners with surplus tonnage, generally due to operational or financial problems, and would drive a hard bargain. *Alford*, 771 tons gross, built in 1863, was purchased in 1865 on terms described as 'advantageous'.[166] *Florence,* an iron paddle steamer of 660 tons was purchased for £7,600 and the one-year-old iron screw vessel, *Benbow*, 1865, 894 tons, cost £11,250 when purchased in 1866.[167] This willingness to purchase second-hand

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[163] GSN 7/4, 73rd Report, 27 August 1861. The semi-annual Reports hardly ever commented on these bulk cargoes, grain, coal, etc. It made good business sense for the Company to, whenever possible, arrange a return cargo of, say, grain to the U.K. and the archive infrequently records coal cargoes being carried outwards to French Biscay ports, with return from Bordeaux with homeward cargo. It is a reasonable presumption that, for instance, the 1860-built, 630 gross tons, iron screw steamer *Heron* was capable of carrying 900 to 1,000 tons of cargo.

[164] Harburg was on the Elbe River, close to Hamburg.

[165] The rigging of steam vessels with sails for emergency or other use was usual even in ocean-going vessels into the 1870/80s.

[166] GSN 7/4, 81st Report, 30 August, 1865.

[167] GSN 1/20, Board minutes, 11 October 1866.

tonnage at bargain prices was an important factor in the financial well-being of the Company in this period.

In 1863 the directors told shareholders that they were seeking further tonnage to meet trade demands and that they might have to build larger ships. *Stork*, an iron screw vessel of 843 tons, built by Gourlay Bros. of Dundee, entered service in 1864, beginning a lengthy relationship with the yard.[168] The iron paddle steamer *Eider* followed in 1866: she carried first and second class passengers as well as cattle, an uncomfortable combination.[169]

The Company's first vessel of over 1,000 tons, *Granton*, 1,162 tons, built in 1867, a cargo/passenger vessel, was also from the Dundee yard.[170] Between 1865 and 1869 the Company added to its fleet six newly-built iron steamers, three of which were screw-propelled and it also acquired five second-hand vessels, the oldest seven years old.

General Steam's many vessels continued to be involved in incidents and serious accidents with, on occasion, loss of the vessel, its cargo and of life.[171] These circumstances were usually, particularly when loss of life was involved, recorded in the Reports and Accounts, but only in the briefest fashion. A perpetual hazard on the Continental routes was adverse weather, especially in winter. The Baltic was always subject to ice, as were still the Elbe and Maas rivers leading to Hamburg and Rotterdam.

The 1860-built *Chevy Chase* was struck by ice in the Elbe and run ashore in February 1864. Attempts were made to salvage her over a period of years, stimulated by an action by the government of Holstein for compensation for damage to the shore.[172] In early 1866 the engineer in charge of the operation remained confident about his prospects of success but as no subsequent reference is made to the vessel it must be presumed she was eventually broken up *in situ*.[173]

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[168] The nature of the financial relationship with a favoured yard is nowhere specified, though there is evidence of payments made as work progressed, probably not at all unusual. It can be reasonably presumed that mutually beneficial financial terms, delivery dates and quality of work were agreed.
[169] 'Shipbuilders of Other Days' in *Shipbuilding and Shipping Record*, 27 January 1949, p. 113.
[170] GSN 7/4, 84th Report, 26 February 1867.
[171] Collisions in the Thames with barges and sailing craft were commonplace and, perhaps, inevitable in the busy and cluttered river.
[172] GSN 7/4, 79th Report, 30 August 1864
[173] GSN 7/4, 82nd Report, 27 February 1866.

Small vessels were particularly susceptible to weather conditions at a time when engines remained inefficient and unreliable. *Harburg*, purchased in 1860 and built in England four years earlier, was wrecked in a severe storm off Texel Island, Holland, within a few months, having suffered a machinery breakdown weeks prior. She was en route from Hamburg for London carrying what was described as a very large cargo of cattle and sheep. No loss of life was recorded though fatalities were highly likely in the circumstances.[174]

The results of inquiries into the conduct of ship's officers were not uncommonly reported in the Board minutes. At sea, errors, carelessness and incompetence in ship handling very often had serious consequences, resulting in substantial costs to the Company and, on occasion, loss of life. The usual outcome of the Board inquiries was demotion of the master, on occasion dismissal. Some accidents resulted in Board of Trade inquiries and/or Court action.

Typical was the 1864 case of *Caledonia*, 423 tons, en route from London to Edinburgh. A wooden paddle steamer built on the Thames in 1836, she was laden with a general cargo and carried nine passengers and a crew of twenty-nine. Navigating in fog she struck rocks off Flamborough Head, was stranded and quickly broke up, all cargo being, presumably, lost. The passengers and crew took to the boats and landed safely ashore with no loss of life.[175]

At the subsequent Board of Trade inquiry at Greenwich the master, Captain Haste, was found to have been, '.....guilty of a default in running his vessel at such a speed in thick weather, and omitting to take soundings, which would at once have shown him his position'. Bearing in mind the master's previous good character, the Court's sentence was that his certificate should be suspended for nine months.[176] This is one of the few records we have of a Company vessel using her sails, and a particularly unfortunate one.

On 14 January, 1866, *Arno*, an iron screw steamer built in 1861, destined from Edinburgh to London with passengers and cargo, collided with a brig off Whitby. The brig sank, *Arno* remained afloat for nine hours after the collision and an unsuccessful attempt was made to tow her to port. The Company report makes no reference to loss of

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[174] GSN 7/4, 71st Report, 28 August 1860.
[175] GSN 7/4, 79th Report, 30 August 1864.

life.[177] *Mitchell's Maritime Register* records briefly that *Arno*'s boats rescued the remainder of the crew of the brig, the *Medina*, five or six having been lost, and these along with her own crew and passengers were picked up by a passing vessel and landed safely at Shields.[178]

More controversially, *Bruiser*, 506 tons, purchased in 1857, en route from London to Hull in August 1866 with ninety passengers and a crew of twenty-seven, sank in ten minutes after being in collision off the coast of Suffolk. In this instance twelve or thirteen passengers and three crew members were lost. In the directors' Report of 28 August, it was argued that the other vessel, *Haswell,* was responsible as she was not showing proper lights.[179]

Many months later the directors' Report merely commented that legal liability for the losses of *Arno* and *Bruiser* had fallen on General Steam, limited by Merchant Shipping Acts to £8 per gross registered ton, amounting to £5,034 in respect of *Arno* and £4,096 for *Bruiser*.[180] An unspecified sum was also paid out for loss of life. The directors withdrew the sum of about £9,000 from the Reserve Fund to meet these contingencies. The extraordinary costs detailed took no account of the values of the two ships, neither more than ten years old, which were appreciable. No record has been traced of the actions taken by the company to deal with the officers found to be at fault, nor of any general attempt to improve on-board discipline.

The Trades.

In 1860 the Company continued to schedule, though with greater frequency than a decade earlier, what it advertised as 'splendid and powerful first-class steamers' to its established destinations on the Continent, with railway links exploited by through fares to Paris, Cologne and Brussels. Its 'Magnificent Steam Ships' served Hull, Newcastle and, after

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[176] *Mitchell's Maritime Register*, 2 April 1864, p.434.
[177] GSN 7/4, 82nd Report, 27 February 1866.
[178] *Mitchell's Maritime Register*, 22 January 1866, Casualties. The same newspaper's issue of 14 April 1866, pp. 463/4, reported that the owners of *Medina*'s grain cargo sued and won on the grounds that, contrary to Admiralty Regulations, *Arno* failed to take the necessary avoiding action.
[179] GSN 7/4, 83rd Report, 28 August 1866. The directors' Reports and the Board minutes indicate that almost unfailingly the directors challenged in every situation, whatever the dispute, from ship operations to pending Government Regulation. They were not always successful.
[180] GSN 7/4, 84th Report, 26 February 1867.

1867, Yarmouth. Passengers embarking at St Katharine's Wharf, still the principal London base, now had the benefit of a waiting room. London Bridge Wharf was used for some services.[181] The seasonal Tonning cattle service continued and was in process of expanding. The newest venture, the Charente service, soon extended to Bordeaux, was served by four vessels. The services of a broker were available at both these ports, a measure of some confidence in the prospects for the trades.

Further evidence that the Company was keen to expand its cargo carrying interests is provided by an attempt to enter the Baltic grain trade with a service commenced in 1861. As already noted, it had purchased four screw vessels suited to carrying large cargoes, though whether this was the prior intention to use them in this trade is uncertain.[182]

Early in 1862 it was announced that a vessel was loading in London for Stettin and that it would sail as soon as the Baltic ice cleared. Voyages to the Baltic, the statement said, were satisfactory, with corn highly priced in France and Belgium and profitable freight rates.[183] By late 1864, following a Danish blockade of German Baltic ports which prevented vessels from making the passage to Stettin, grain freights were depressed so there was no inducement to send vessels there. No further reference was made to shareholders regarding this trade and the name of the broker for Stettin and Copenhagen was deleted from Company advertisements, though, some years later, the prospect of a service would again arise.

Meanwhile, the live animal import trade from Europe and from Scotland was developing rapidly, as did the importation of foodstuffs generally: the numbers of cattle and sheep nearly doubled in the decade as did the volumes of other dairy food products. Though

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[181] *Shipping and Mercantile Gazette*, 23 April 1860, advertisement. In 1850 a service to Yarmouth was advertised but this was terminated at some stage and resumed in 1867.

National Maritime Museum, Crew Agreements. The Newcastle service was well served in 1861 and 1862 by the 1854-built *Pioneer*, the Company's first iron screw ship, which made forty-five voyages on the route in 1861 and forty-seven in 1862.

The daily seasonal summer excursion services, beginning in late April, to Margate, Ramsgate and Herne Bay continued. By now the vessels used were exclusive to the Thames, being laid-up through the winter, usually at Deptford, and refurbished in the Spring, an appreciable cost.

[182] GSN 7/4, 73rd Report, 27 August 1861.

[183] GSN 7/4, 74th Report, 25 February 1862. The Stettin trade does not appear to have been more than an irregular and seasonal service, reliant on homeward bulk cargoes. This was something of a departure from the Company's usual strategy of establishing a liner service with the prospect of regular freights outward and homeward.

imports made only a small, but important, contribution to the quantities of meat required for domestic consumption, for General Steam this was an important business. The organisation of the European livestock trade was largely in British hands and the majority of ships involved were British.[184]

The Company built ships especially to carry livestock. In 1864 *Maas* was launched by C.J. Mare on the Thames and engined by the Factory and two further vessels were built in 1866, *Eider,* 725 tons, and *Taurus*, 838 tons. All three were iron paddle-steamers. *Taurus* had capacity for 650 head of cattle and about 500 sheep and she remained on the Tonning/Hamburg/Geestemunde/Antwerp services until 1882, under the command of Captain Timothy Wells.

The cattle trade was not, however, without its problems. Disease was a major challenge, causing much anxiety to General Steam. The first cattle plague, identified as rinderpest, in Britain occurred in 1865.[185] Throughout 1867 there was disease in Holland, and exports via Rotterdam were prohibited for a time. To circumvent the Rotterdam problem, General Steam increased shipments of cattle from Germany and Hungary, via Hamburg and Geestemunde, and ships made a number of voyages to the latter port during 1867.[186]

The Rotterdam prohibition was removed at the end of 1867, but the trade continued to be affected at very great cost to farmers and others involved.[187] Shipments, meanwhile, were reduced and the Company's cattle steamers were less actively employed. Many thousands of animals died on the Continent and the government, alerted to the danger of the spread of contagious disease to home-bred stocks, was moved to action. Regulations were introduced for the sea carriage of animals and their disposal on arrival in the United

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[184] On the development of the meat trade in this period see Perren, *The Meat Trade in Britain* and J.R. Fisher, 'The Economic Effects of Cattle Disease in Britain and its Containment, 1850-1900', in *Agricultural History, VII. 54*, 1980, pp. 278-293. Animals imported from the Continent were generally in poor condition and lighter than cattle reared in Britain, which increased susceptibility to disease. Often they had been driven for many miles before reaching a port of embarkation. When sold in the London, and other, markets they tended to fetch a lower price than home-reared cattle.

[185] Perren, *The Meat Trade in Britain*, p.108. The diseased cattle were introduced per s.s. *Tonning* from the Baltic port of Revel into Hull. British cattle had long suffered from other forms of disease.

[186] GSN 7/4, 85th Report, 27 August 1867.

[187] Erickson, Arvel B., 'The Cattle Plague in England, 1865-1867', *The Journal of the Royal Agricultural Society of England, Vol. XIII, Second Series*, (London, 1887), p.102. It was estimated that 5 per cent of the entire cattle population had perished by death or slaughter by December 1866, at cost of £3.5mn.

Kingdom. Complete prohibitions of imports of livestock from particular parts of Europe were imposed for limited periods.

In 1867 the government determined that cattle must be transported from the landing place to the slaughterhouse by rail, and no longer driven through the streets. In General Steam's case this meant, from Blackwall to the Metropolitan Cattle Market at Islington. The Company was deeply concerned, predictably calling the requirement a 'restrictive measure' and claiming that its Brown's Wharf facility was rendered useless. It tried to find an alternative landing place but was not able to reach agreement with the proprietors of the railway connection, the Great Eastern Railway.

By the following year, an arrangement was made with the North London Railway Company to transport cattle to Islington. Adjacent land was purchased so that the cattle could be held in quarantine for twelve hours before being examined by government inspectors.[188]

In the period 1865-1870, trade picked up, though there were further outbreaks of disease. The first was in 1869 when The Contagious Diseases (Animals) Act was passed which gave the government greater control over the importation of livestock including the power to ban the entry of cattle from 'scheduled' countries. This led to the establishment of the Deptford Cattle Market on Thames-side by the Corporation of London in 1871 for the reception, sale and slaughter of animals.[189]

General Steam's Continental business benefited in the 1860s from two general influences: trade liberalisation and a downwards trend in commodity prices. Pressure on the government by shipping interests for reductions in the taxes and dues charged by some Continental countries was effective. The Stade dues which affected non-German vessels trading to Elbe ports were removed in 1861, reducing costs and opening up the prospect of an increased share in the trade.

France agreed the 1860 Cobden-Chevalier Treaty which required import duties on British coal, iron, textiles and other goods to be reduced over five years by 25 per cent with French goods entering Britain at greatly reduced rates. Other countries followed suit

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[188] GSN 7/4, 87th and 88th Reports, 25 August 1868 and 23 February 1869.
[189] Perren, *The Meat Trade in Britain,* p.100.

with reciprocal trade agreements within the next few years, Belgium in 1861, the German states in 1862 and the Netherlands in 1865.[190] The Company benefited particularly from the boost to British exports to France and Germany which nearly doubled in the 1860s. Hamburg received a greater proportion of national exports than any other Continental port, with cotton, tapes, woollens, carpets, silk and beer among the goods carried to this port in the Company's vessels.[191]

From the 1860s there was also a broad reduction in commodity prices in Europe, as the costs of shipments by rail and sea fell with the greatly increased and competitive services available. The resultant general easing of freight rates impacted beneficially on General Steam. As populations rose, in Britain and on the Continent, demand for foodstuffs increased as did the volume of imports.[192]

Typical imports in Company ships in the period were, from Antwerp in *Orion*, glass, sugar, butter and live pigs, sheep and rabbits. From Rotterdam, in addition to the usual live cattle, sheep and pigs, *Florence* brought in cheese, hops, cigars, yeast, and fish. There was also an important trade in so-called 'dead' meat, salted beef and pork, as well as hams, bacon, butter, cheese, eggs and potatoes.[193]

Competition.

Competition increased as more steamships entered service. In the 1860s there was opposition on most of the Company's established routes but the main preoccupation was with the extension of the activities of railway companies and, in particular, the development of their shipping interests. The railways sought powers to operate passenger

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[190] Murphy/Morris/Staton/Waller, *Europe 1760 – 1871*, (London, 2000), p.350.

[191] Cheetham, 'Changes in the Pattern of the British Export Trade', pp. 241, 250 and 265. Exports to France increased from £5.25mn. to £11.7mn between 1860 and 1870 and to Germany from £13.36mn to £20.4mn. Exports to Holland and Belgium also increased substantially.

[192] Knick Harley, 'Foreign Trade: comparative advantages and performance', in (eds.) R. Floud and D. McCloskey, *The Economic History of Britain since 1700,Volume.1, 1700-1860,* (Cambridge, 1994), p.324.

[193] University of Reading, Museum of English Rural Life, 'Agricultural returns of Great Britain'. *Population of the United Kingdom and Value of Imports of Live Stock, Corn and Grain, and various Kinds of DEAD MEAT and Provisions in each of the Years 1863 to 1882, and Proportion per Head of Population, Table No. 19*, p.92. (Agricultural Department, 1883). Imports of these items to Britain in 1863 were valued at £10.8mn, increasing to £14.8mn. in 1870.

The term 'dead' meat was used commonly in the late nineteenth century and the meaning appears to have altered progressively. It seems likely that the term was used in respect of cattle and sheep carcases as well as cured meats in the 1860s., though no specific reference has been found to carcases being imported

steamers on specific routes and they tended to opt for the shortest possible sea crossing, in direct opposition on many Company routes.[194]

Of particular concern to General Steam were the objectives of the Great Eastern Railway Company. It planned to operate from Harwich to Holland and Germany, with rail connections to and from London thereby appreciably reducing the sea transit time from, for instance, Rotterdam.

As earlier in the century the Company, with other interested parties and shipowners' associations, lobbied Parliament where there was some sympathy for the existing steamship enterprises, that they should not be placed at a disadvantage. The owners argued that permitting the rail companies to own and operate ships was an unwarrantable extension of their powers, beyond their proper business of working railways.[195] Further, they alleged that the sole object was to increase rail traffic and to do so the railways were prepared to carry on the trade of shipowners at a very serious loss. General Steam described the situation as potentially ruinous.[196]

The fuss was to no avail. The Great Eastern obtained powers to operate the route from Harwich to Rotterdam, inaugurating it in 1863 using chartered steamers, and carrying mainly cattle.[197] The following year it began a service to Antwerp. General Steam kept a close eye on the activities of its adversary. In 1865 it noted that the railway company was suffering serious losses, despite the fact that freight rates were up 50 per cent, and that demand was sufficient for more Company vessels to be needed on the Rotterdam route.

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from the Continent in the period. By the 1880s chilled and frozen meat, mainly from America, was still referred-to as dead meat, though 'carcases' came into more general usage.

[194] GSN 7/4, 74th Report, 25 February 1862. Included in the Report the following: '...directors will oppose all attempts by Railways'...to establish trade as shipowners. The 77th Report, 28 August 1863, indicates that Bills in Parliament introduced by the Great Eastern Railway Company and the North British Railway Company were opposed in a Committee of the House of Lords by Counsel acting for the Company and other principal shipowners without success. Opposition was confidently renewed in the Commons, General Steam assuming that the Bills would not succeed. They did: the fight continued until it was recommended that a Select Committee be set up to look into the matter of steam vessel ownership by railway companies as well as docks, harbours, etc. The directors noted that the Board of Trade supported the Bills.

[195] Simmons and Biddle, *The Oxford Companion*, p. 365.

[196] GSN 7/4, 74th Report, 25 February 1862.

[197] GSN 7/4, 78th Report, 23 February 1864.The directors noted this incursion into the cattle trade but determined that no action was called for at the time. The situation would be kept under review.

The following year the directors judged, with some satisfaction, that, with three of the five Great Eastern ships laid up in Harwich, their opponent would suffer great losses.[198]

Through the remainder of the decade Great Eastern made successful applications for more steamer routes, but was never able to make a financial success of them. It was much pre-occupied in sorting out its railway businesses, having amalgamated with four other companies in 1862. In 1866 it went briefly into receivership, but it slowly recovered and Simmons and Biddle note that the shipping services from Harwich were 'unskillfully developed at first but growing successful from 1883 onwards'.[199]

The other rail service to cause General Steam anxiety was also operated by the Great Eastern. In 1863 the railway advertised services from London to King's Lynn and then by steamer to Hull. This intervention was described by the Company as reckless and illegal.[200] These were still the early days of the combat with Great Eastern, but if there was any justification for the time-consuming and, no doubt, costly struggle over the Rotterdam route there can have been none in this matter.

Of a different nature was the challenge from other ship operators on nearly all of the Company's routes. The numbers of sailing ships employed in the Home Trades continued to increase during the 1860s.and the number of steam vessels increased from 402 in 1860 to 1,017 of 170,746 tons in 1870.[201] In the coastal and short-sea sector as a whole competition was intense, with new steamship companies endeavouring to obtain a share of trade in face of stern competition from both steam and sailing ship operators.

The east coast routes, General Steam's main coastal interest, as opposed to its near-Continent services, were well served by steamship companies sailing out of Aberdeen, Dundee, Edinburgh, Tyne/Tees and Hull and many smaller ports. None was as well capitalised as General Steam and some were forced out of business or were pressured into switching to other routes.

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[198] GSN 7/4, 82nd and 83rd Reports, 27 February 1866 and 28 August 1866. The 1866 Report included an assessment that Great Eastern had expended more than £0.5mn. on ships, docks and buildings.
[199] Simmons and Biddle, *The Oxford Companion*, p. 190.
[200] GSN 7/4, 76th Report, 24 February 1863.
[201] Glover, 'On the Statistics of Tonnage', Table XII, p.228. Home Trade sailing ships increased from 10,848 in 1860 to 11,598 of 766,742 tons in 1870.

The history of coastal shipping is littered with examples of one, two and three ship companies which over-reached themselves financially and in terms of properly managing their services and their ships. In periods of depression, with cargoes hard to come by and freight rates low, they were obliged to lay-up their vessels or to sell them and the success of General Steam over the years in purchasing three to five-year-old steamers at knock-down prices is testimony to this.[202]

The developing and potentially profitable services to Charente and Bordeaux on the French Biscay coast were the most severely affected at this time. Competition was almost continuous through the decade, from one source or another. In early 1860 the directors were able to report that traffic on the new service was considerably increased and that they were hopeful that brandy and wine imports would increase. Two years later a Liverpool firm operating to Charente switched two new steamers to the London route. The directors reacted in their usual positive fashion, reducing freight rates, and, within a few months, obliged the intruder to withdraw.[203]

Dealing with opposition of this type, and it arose in most Stations through the decade, was, for General Steam, relatively straightforward, though not always immediately successful. Their financial strength, their commercial experience and their available surplus vessels were quickly applied to the situation. The Reports typically noted that the directors, '....would take such action as appeared appropriate'.

Though the directors spoke from strength there was a note of arrogance in their attitude. In all of the Stations the Company employed agents, the prime contacts with cargo shippers. Slashing freight rates in order to exclude a competitor and then restoring them at will hardly endeared General Steam to the shippers. Like it or not, they were obliged to deal with the monopoly situation.

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[202] Noted earlier were the Company's purchases of the one-year-old *Benbow* for £11,250 in 1866 and three-year-old *Florence* for £7,600 in 1867..

[203] F.E. Hyde, *Shipping Enterprise and Management 1830-1939*, (Liverpool, 1967), pp.11-14. The firm was T. and J. Harrison. They were well established in the trade, frequently carrying coal and iron products outwards. Apart from reducing freight rates, their usual tactic, the Company placed a ship on the opposition route to Liverpool. Despite Harrison's representations the main shippers, Martell and Hennessey, preferred to stay with General Steam for the London service.

GSN 7/4, 75th and 76th Reports, 26 August 1862 and 24 February 1863.

An example of shipper's displeasure occurred in Edinburgh in 1860 when General Steam, having agreed an arrangement with the London, Leith & Edinburgh Shipping Co., increased fares and freight rates. Two distilleries threatened to give all of their business to a local shipbuilder if he would put a ship on the route to London. The shipping companies rebuffed this attempted blackmail, as they saw it, and quite soon freight rates were agreed.[204]

Infrastructure.

Meanwhile the Company confronted a challenge rather nearer to home. It routinely invested in the Deptford Factory and in its leased cattle landing berth at Brown's Wharf in Poplar, purchasing land and buildings as the opportunity arose. In the late 1860s it was faced with major infrastructural expenditure. It was discovered in early 1867 that St Katharine's Wharf, which was retained in 1849 on a 21 year lease due to expire in 1870, was no longer safe, the river-front foundations having given way, and that very substantial repair work was required.[205] The directors reacted swiftly, determining that it was vital to retain the facility and also conscious that as lessees they were responsible for repair and maintenance.

An offer of £50,000 was made to the London and St Katherine's Dock Company to purchase the wharf. The offer was rejected, the owners asking for £60,000. Though the Company had, it seems, no significant reserves in hand, in April it counter-offered £155,000 for St Katharine's, the adjacent Irongate Wharf, the Marquis of Granby public house and the old harbour master's house. The offer was accepted and was funded mainly by a loan of £120,000 from a director, Benjamin Attwood.

Reserves (£35,000), a bank loan (£10,000) and a £20,000 issue of Debentures, for total of £65,000, covered the remaining requirement, which included the costs of the repair work.[206] The Company was indeed fortunate to have on the Board a benefactor

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[204] GSN 7/4, 70th and 71st Reports, 28 February 1860 and 28 August 1860.
[205] GSN 7/4, 84th Report, 26 February 1867.
[206] GSN 7/4, 85th Report, 27 August 1867 and GSN 1/20, Board minute, 23 May 1867. The nature of this hasty fund raising exercise is of interest. The 1834 Act permitted the Company to, '...borrow and raise, at any lawful Rate of Interest whatsoever, any Sum or Sums of Money whatsoever, not exceeding in the whole the Sum of Seventy-five thousand Pounds'. This was still the situation that applied in 1867. The Debenture issue of £20,000 brought the 'borrowing' figure to the total of £75,000. The Attwood advance

able to readily make available such a large sum of cash, so that the period between the first offer to the vendor and the sealing of the agreement was no more than four months.

General Steam was in a sound financial situation and may well have raised the cash elsewhere, but time was of the essence. Irongate Wharf was, at the time, rented to the rival London & Edinburgh Shipping Co. for £4,000 per annum, the lease expiring in 1870, at which time it would revert to General Steam.

The repair work on St Katharine's Wharf, which involved the building of a cofferdam in front of the wharf, complicated work, was swiftly put in hand with completion date anticipated within months, though that proved to be somewhat ambitious. The two adjoining wharves on the north bank of the Thames, immediately upstream from the St Katharine's Dock entrance, in which such substantial sums were invested continued to be General Steam's key cargo and passenger facility for many years.

The potential for disruption of the Company's services whilst the wharf was unusable was great. Press notices of services during 1867/8 changed only very slightly: a 23 December advertisement in the *Shipping and Mercantile Gazette* stated that the regular services to Hamburg, Rotterdam, Charente and other ports left,…'from off St Katharine's Wharf '. When the wharf was out of commission the vessels used alternative wharves or moored to buoys in the river adjacent to St Katharine's, from whence cargo and passengers were moved to and fro by boat and lighter.[207]

By August of 1868 the wharf was described as being partially in use and later in the year it became fully operational, with 'modern appliances for the loading and unloading of cargo', new warehousing space and improved facilities for passengers. During 1869 similar problems were discovered at Irongate Wharf. The Company negotiated with the lessee to take over the lease immediately and carry out the necessary repair work. The lessee contributed the sum of £9,000 in order to be released from further responsibility. The work was completed in early 1870.[208]

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was a loan (at interest rate of 5 per cent), as was that from the bank. No explanation has been found for this seeming major departure from what was a legal restriction.

[207] *Shipping and Mercantile Gazette*, 23 December 1867. Even when the wharves were in operation, ships frequently lay off the wharves, to buoys, and loaded and discharged cargo and sometimes passengers by lighter and boat.

[208] GSN 7/4, 89th Report, 31 August 1869.

The value to the Company of these two riverside wharves, with their storage space and passenger facilities, was great. They were convenient to central London and its markets for the movement to and fro of cargo, particularly fresh produce. And they were equally accessible for passengers. Facilities for both were constantly, and expensively, updated. Just as importantly, ownership of the wharves meant that the Company, with a number of vessels in port daily and regular schedules to maintain, was able to control ship movements, arrivals and sailings, to its own convenience. The effective organisation of cargo loading and discharging and the timely embarkation of passengers was a considerable feat. Small wonder, then, that improvements to equipment and facilities were constant.

Finances.

General Steam's income rose from £341,549 in 1860 to £444,661 in 1870, an impressive 30 per cent. As already noted, generally buoyant trading conditions encouraged the directors to invest in 31 additional vessels over the decade, so increasing the number of voyages made. Competitive pressure, the problems of the cattle trade and even the shock of a banking crisis of 1867-1868, when the directors spoke of extreme depression in every branch of the commercial interest of the country, did little more than temporarily halt this upward trend, which delivered profits of £85,816 in 1869, surpassing the all-time record of £67,133 in 1860.

Costs, of course, rose accordingly but not quite in tandem, standing at £274,416 in 1860 and at £345,464 in 1870, an increase of 26 per cent. Spending on fuel increased from £61,243 in 1860 to £77,370 in 1870, an increase of 26 per cent, having peaked at £89,457 in 1866. The Company had little control over the price it paid for coal, though it endeavoured to minimise fluctuations by buying on contract and holding stocks in its various Stations. There is evidence that the price of coal in the 1860s remained steady at average 18s per ton, which suggests that the greater number of ships in operation accounted for the increase.

Table Seven. Profit and Loss Account, 1860 – 1870.

	Coal £	Ship Costs £	Ship Repairs £	H/Offc. Costs £	Stations £	TOTAL Costs £	TOTAL R'ceipts £	Trading Profit £	Profit as % of Rec'pts.
1860	61243	153919	41693	10521	7040	274416	341549	**67133**	20%
1861	64942	168056	46950	11867	7669	299484	377235	**77751**	21%
1862	69775	180757	56405	11990	7657	326584	393805	**67221**	17%
1863	74346	201608	65836	11569	8094	361453	430391	**68938**	16%
1864	69978	202064	45944	11063	7405	336454	412184	**75730**	18%
1865	75537	199516	53883	11560	7570	348064	430584	**82520**	19%
1866	89457	202078	54677	11754	7913	365879	441104	**75225**	17%
1867	85326	198441	54902	13211 13000*	7706	372586	431540	**58954**	14%
1868	78798	180429	54131	12019 19475*	7969	352821	411873	**59052**	14%
1869	84948	203378	49650	11946 4078*	7491	361491	447307	**85816**	19%
1870	77370	198794	50318	11973	7009	345464	444661	**99197**	22%

Source: Bi-annual Reports to shareholders, various. *These are costs incurred, with the exception of £2000 in 1867, in the restructuring of St Katharine's and Irongate Wharves which charges were made directly against revenue. The £2,000 was a reimbursement to Messrs Rothschild for loss sustained by bullion robbery from *Waterloo* when lying in the Thames: having loaded several boxes of bullion it was found in the morning that two boxes were missing.

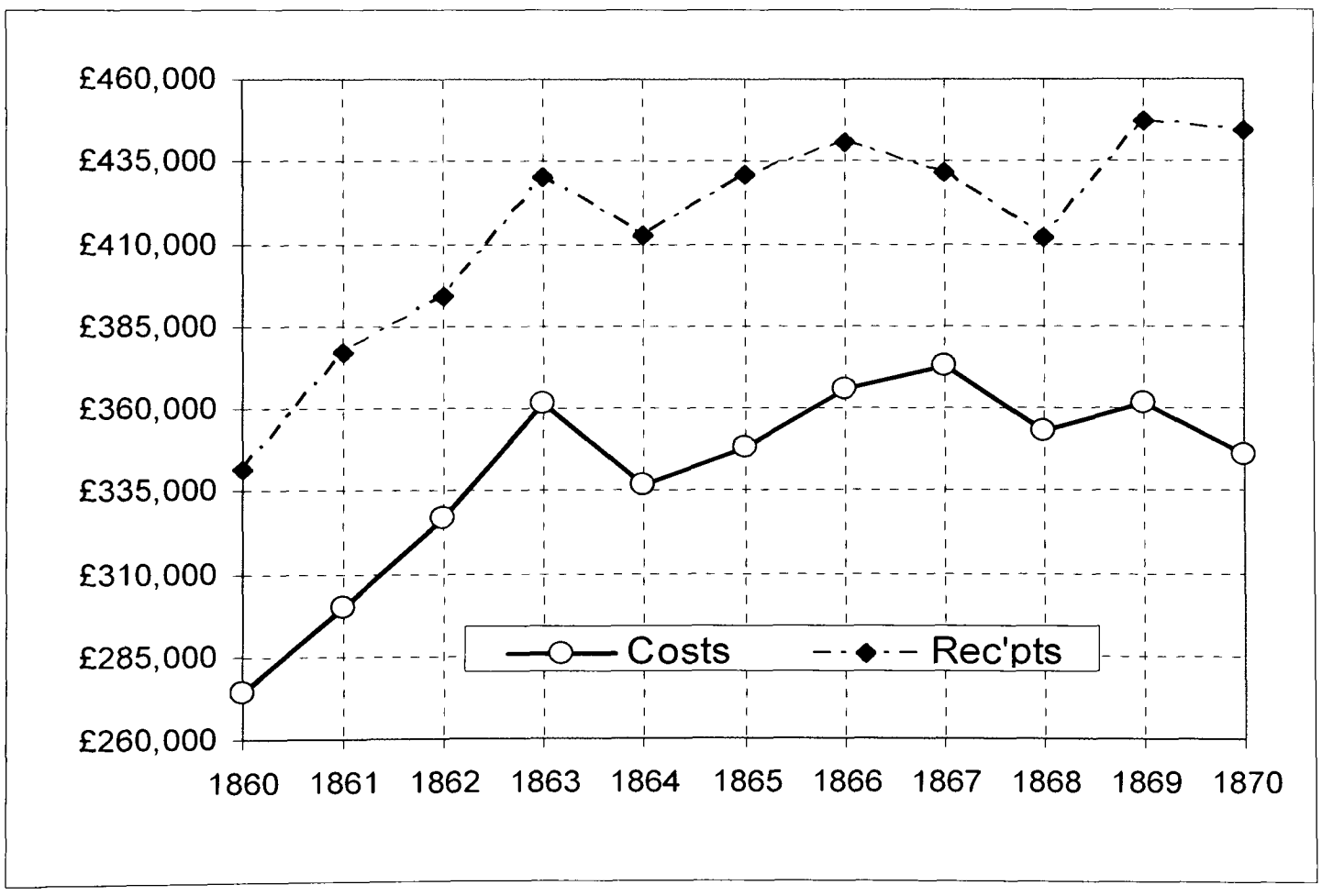
Similarly, the spectacular rise in other ship operating costs, from £153,919 in 1860 to almost £200,000 by the 1865/7 period, can be explained by the addition of seven vessels to the fleet over the period.[209] Repair costs were, however, tidily contained between 1860 and 1870. This was something of an achievement considering the increasing age of the bulk of the fleet and the constant refitting and updating of ships, but it also reflected the element of choice as to postponing non-vital work. The costs of repairs to St Katharine's Wharf were, unusually, applied directly to the Profit and Loss Account under Head

[209] 31 vessels were added to the fleet and many were laid-up or scrapped.

Office charges, £13,000 in 1867, £19,475 in 1868 and £4,075 in 1869. As a result the profit in 1867/8 dropped sharply.[210]

Profits rose during the 1860s, from £67,133 at the beginning of the decade to £99,197 in 1870. The increase of over one-third suggests that General Steam was in a very healthy situation. With dividend payments consistent at 10 per cent shareholders had every cause to be satisfied with their investments. Large sums were set aside in the Balance Sheet for Deteriorations, a total of £389,000 in the decade, though the cost of 31 new ships must have been very close to that figure. Additional costs were incurred when at least five vessels were lost in serious accidents, four of them no more than five years old so that their purchase value was written down only by 20 to 25 per cent.[211] Figure Two illustrates the movement of Receipts and Costs in the period.

Figure Two. Receipts and Costs, 1860 – 1870.



[210] In time more costs were brought into the Costs and Receipts Account. The objective may have been to ensure that shareholders were well aware of the unavoidable charges and were discouraged from pressing for dividend increases

[211] *Harburg* was wrecked 1860; *Chevy Chase* sank in Elbe 1864; *Caledonia* stranded, total loss, 1864; *Arno* collision, sank 1866; *Bruiser* collision, sank 1866. All were reported in bi-annual Reports.

The sample Balance Sheets, Table Eight, reflect the increased interest charges on the Debentures, the 1866 charge of £2,704 increasing in the following year to £3,310 and then £3,656, suggesting that the recent £20,000 (1867) offer was at 5 per cent. However, nowhere in the Balance Sheet figures for 1867 through 1870 does the £6,000 interest on the Attwood loan feature, nor does interest due to the bank. The amount set aside for Deteriorations averaged £36,000, probably a fair figure.

Table Eight. Sample Balance Sheets, 1860 - 1870.[212]

	1860	**1861**	**1862**	**1870**
Unappropriated from year prior	57,736	66,145	74,561	83,700
Balance for year from P & L	**67,133**	**77,751**	**67,221**	**99,197**
Interest received	1,111	1,135	1,171	309
Total	**125,980**	**145,031**	**142,953**	**183,206**
Deteriorations	25,000	35,000	40,000	46,000
Dividends paid	30,497	30,497	30,497	30,497
Income tax paid	713	1,336	1,265	728
Debenture interest paid	2,625	2,637	2,552	3,675
To Reserve	1,000	1,000	999	5,000
Total	**59,835**	**70,470**	**75,313**	**85,900**
Carry forward to next year	**66,145**	**74,561**	**67,640**	**97,306**

The form of the Profit and Loss Account did not alter in the 1860s. There was still no indication in the accounts of the written-down value of the fleet nor of funds held in reserve. Ships were built or bought in response to identified trading opportunities which regularly materialised through the 1860s resulting in very substantially increased income. There was a presumption on the part of management that the commercial climate would remain favourable, with cargo and passenger traffic maintained and Costs remaining manageable.

[212] The samples are given to illustrate the operation of the Balance Sheet at that date. Space does not permit of coverage of every year.

In the ten years from 1860 the Reports and Accounts indicate that an average of £36,000 was set aside each year for Deteriorations, the maximum being £48,000 in 1866, the minimum £20,000 in 1869.[213] This figure was well in excess of the allocation in the prior decade. However, the dividend payments were such that investors appear to have been well satisfied, with in excess of £300,000 being paid to them in the decade. The other clearly identified regular modest allocations were to a Reserve Fund. The average annual allocation in this period was £2,000. Table Eight indicates the detail given in the Balance Sheets of the period. Appendix Two gives fuller details.

Conclusion

In the period 1860 to 1870, with reasonably stable economic conditions, the mainly elderly directors performed well and in the best interests of the shareholders. The Company consistently paid dividends of 10 per cent, seemingly satisfactory to shareholders, on the shares with a nominal value of £15.[214] Nothing suggests that the shareholders were other than entirely happy with the steady market value of their shares.[215]

The decision to purchase the St Katharine's and Irongate Wharves, though, in a sense, forced upon them by the costs of impending repair work, was one of the most significant business transactions in the Company's history and reflects great credit on the Board. Raising the purchase price at short notice was clearly a strain on finances and it highlighted the limited borrowing facility.

The move from wooden paddle steamers to iron screw steamers was smoothly effected, despite the increased cost of the latter, though most of the new tonnage was prudently bought second-hand. By the end of the decade, however, there was a distinct move towards building to order, perhaps conditioned by the prices offered by builders.

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[213] It is impossible to assess the value of the fleet in this period, and it was not the Company's practice to disclose it. It is estimated that in 1865 the Company may have been operating 60 ships at average written-down cost of £8,000, total £480,000. An average per annum set-aside of £36,000 against the Company's usual 5 per cent of value was prudent.

[214] In 1870 £1 per share was still outstanding on the 20,000 ordinary shares in issue.

[215] GSN 7/4 and 7/5. Proprietors attending the year-end shareholders' meetings were 30 in 1865 and 26 in 1870. It may be argued that low attendances are indicative of satisfaction with dividends and the way the company is being run. Or, conversely, they merely reflected apathy.

All routes were maintained, so far as can be judged, profitably and the very important cattle trades were developed with specially built tonnage and facilities.[216] Existing routes were vigorously defended and, where opportunity offered, new services were opened.

In generally favourable economic conditions the Receipts advance of 30 per cent was most creditable, as was the containment of Costs which would have been spectacular without the addition of the considerable sums for repairs to the wharves.

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[216] On only one occasion, and that was some years ahead, does detail survive of the comparative profitability of routes. So far as can be established this information was never divulged to shareholders.

Course of the Exchange, a publication which listed share prices, by authority of the Stock Exchange, records that the £15 ordinary shares were valued at £25 in 1850, £26 10s in 1860 and £29 in 1870

CHAPTER FOUR

New Management, New Capital, 1870-1890

The period 1870 through 1890 was one of enormous change in the shipping industry, with continuing rapid technical developments in ship hull and engine design. Iron construction and screw propulsion became standard, steel replacing iron in the 1870/80s. Engines became progressively more efficient. The Company's first steel ship was the 1880-built *Swan*, acquired in 1882. Even so, a number of services still required paddle steamers, notably the Thames summer excursions and some Continental routes.

In contrast to the generally positive economic situation of the previous two decades, the 1870s heralded a more difficult trading environment for Britain and Continental countries. This impacted inevitably on General Steam. The so-called 'great depression' of 1873 to 1896 was a period in which production in both industry and agriculture continued to rise, but at a lesser pace than previously, and prices generally fell. Rapid industrialisation in other countries reduced the demand for British products: indeed, those countries began to export into Britain.[217]

Britain's farmers were unable to meet the demands of an increasing population and the nation became a substantial importer of food of all kinds, creating opportunities for General Steam whose cargoes from the near-Continent included increased quantities of dairy products, general foodstuffs and live cattle. In 1875, the total value of meat and provisions imported into Britain was nearly £25.8mn., up from £12.6mn.in 1865.[218]

Food prices generally fell by more than the aggregate cost of living. A comparison of average prices in 1871/75 and 1894/98 shows falls in beef prices of 29 per cent, of mutton 25 per cent and of bacon 26 per cent. The decline extended even to such products

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[217] See Roderick Floud, 'Britain 1860 – 1914: a survey', in (eds.) Roderick Floud and Donald McCloskey, *The Economic History of Britain since 1700, Volume II*, (Cambridge, 1981). He comments that despite Britain continuing to be the world leader in production and trade its confidence was shaken.
Beales, *The Great Depression in Industry and Trade*, pp.406-413. The writer identifies the key factors governing the depression period as improving mechanism of industry and the advance of other countries to competitive power. His views are not necessarily shared by other historians. See the Introduction for discussion on this point.

[218] University of Reading, The Rural History Centre, 'Agricultural returns of Great Britain', Table No. 19, p. 92, published by the Agricultural Department. The figure included salted, fresh and preserved meats, butter, cheese, eggs and potatoes.

as butter imported from Denmark and to potatoes brought in from Holland. Price reductions for foodstuffs meant, almost inevitably, that freight rates came under pressure, at times dipping at times to levels that were barely profitable to the shipowner.

By the mid-1880s it was generally accepted that conditions of depression existed in Britain, despite the fact that exports continued to increase. The prices of raw materials and manufactured goods fell and shipping industry profits continued under pressure. This was a time of wild speculation, shipyards producing tonnage for the many individuals and companies hoping for a quick return on their money when trading conditions improved.[219]

The depression was cyclical, with periodic severe downturns in the economies of many nations, followed by recovery. For General Steam this meant that at times cargo volumes and freight rates fell as costs rose across the board. Increasingly, overseas cargoes were delivered direct to the port of destination in Britain or on the Continent, reducing the Company's lucrative transhipment trade.[220] Competition increased on all routes as greater numbers of steamships entered service and of particular concern was the continuing development by the railway companies of their cross-channel shipping activities at rates considered by the shipping companies to be loss making and unfair.[221]

The live cattle trade from the Continent continued to make an important contribution to General Steam's income, affected as it was by almost continuous disease in various forms which affected shipments, total bans on imports from specific countries being applied at times. By the mid-1880s the business was in decline, contributing to the Company's increasingly difficult trading situation.

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[219] *Mitchell's Maritime Register*, 14 July 1882. The editorial on p.880 referred to, ".....the mania for speculating in ships which has recently attacked even servant girls in remote villages".

P.L. Cottrell, 'Domestic Finance, 1860-1914', in (eds.) R. Floud and P. Johnson, *The Cambridge Economic History of Modern Britain, Volume II: Economic Maturity, 1860-1939,* (Cambridge, 2004), p.263. The facetious reference is to the many 'single-ship' companies which sprang up from about 1879.

[220] PP. *Third Report of the Royal Commission on Depression of Trade and Industry, 1886 (XIV),* p.162, General Manager, R. Cattarns, of General Steam, giving evidence reported a 'very considerable' change in the transhipment business. He cited, amongst others, Royal Mail Line calling at French ports and delivering cargo direct to Hamburg. A factor in this development was the imposition of a tax (*surtaxe d'entrepot*) by the French on goods transhipped from Britain.

[221] PP. *Third Report of the Royal Commission, 1886*, p. 162. Cattarns stated that, '....the railways companies, in order to support competition with the sea-borne trade, carry the trade that is sea borne at rates which leave the railway companies a loss'.

The effects of these uncertain conditions were reflected in General Steam's operating profits through the period. The difference between Costs and Receipts dipped to only £30,344 in 1873, recovered well, peaking at £140,293 in 1882 before plunging to £38,007 in 1885. In such a climate the pressures on General Steam's management were great. Vision was more essential than ever, as was an accurate assessment of likely movements in the economy (nearly impossible in the circumstances that prevailed) and of business prospects. These were doubly difficult to anticipate at a time when, in terms of exports, the country's economy appeared to be still buoyant.

Management Changes

The chairman of the Company in 1870 was John Wilkin. The directors, ten in number, were still mainly men who had been involved with the Company over a number of years.[222] Chairman Wilkin had been a Board member for nearly half a century but, perhaps due to age, he did not regularly attend meetings. In October 1872 Benjamin Attwood was elected chairman of the Company for the year.[223] The following year the directors determined that the chair at Board meetings be filled by each director in rotation for one month and that on the occasion of a shareholders' meeting the directors chose the chairman at the prior Board meeting".[224] This was an odd procedure which hinted at a leadership vacuum.

Very much on the minds of the directors, with an appreciable debt still to be met, was the need for further capital to extend and update the fleet, though no immediate mention was made in the Reports of the intent to seek Parliamentary authorisation to increase capital in order to resolve the matter.

The practice of having a different chairman at each meeting continued into 1874, but it is noticeable that J. Herbert Tritton began to take a very much more active role. He was one of three directors who, in December 1873, was appointed to research and report on aspects of a new rail connection for the cattle station proposed for Poplar. In March 1874

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[222] The ten were John Wilkin, Henry Wilkin, George Brockelbank, Benjamin Attwood, George Roots, Thomas Kent, George Browne, Henry Wood, Philip Twells and J.Herbert Tritton. The reason for Tritton's appointment as director in 1869 is unclear: if it was the view of the bank and of the Company that the bank should be represented on the Board, then Twells, the older, more experienced man surely filled the bill.
[223] GSN 1/23, Board minutes, 3 October 1872.
[224] GSN 1/23, Board minutes, 11 December 1873.

he offered to visit the Stations at Edinburgh, Newcastle and Hull, in company with the accountant.[225] Tritton was also involved in arranging revisions to some of the clauses of the capital re-organisation Bill due to go before Parliament in 1874.

Shipping companies were obliged to conform with a battery of new government regulation relating to safety issues, much of which was resented by the shipping interests who regarded such direction as 'interference'. General Steam was certainly party to that view. The shipowners considered that they knew best how to load and discharge and manage their vessels. Also, and importantly, practically every piece of legislation came at a cost to the shipowner. The government, faced with evidence that a considerable problem existed, was caught between its policy of non-interference and a desire to protect its citizens.[226]

The Report to shareholders in February 1875 described the anticipated 1876 Merchant Shipping Act, which adopted a compulsory loadline scheme as, 'objectionable and impractical and most injurious to the interests of British shipowners', a view shared by many. Nevertheless, in the same year the directors expressed concern about the sea-worthiness of their vessels, two having been recently lost with all hands.[227] They clearly had a view that *something* must be done, but demanded a say in precisely what that was to be. The directors were obliged to be much involved in these matters and, in due course, to conform.

At the shareholder's meeting on 24 February 1874 there was an early hint that not all shareholders were satisfied with the Board's membership. Mr Benjamin Attwood stood

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[225] GSN 1/23, Board minutes, 19 March 1874.

[226] The objective of the Parliamentary activity in this period was to contain or eliminate loss of life at sea caused by shipowners sending unseaworthy tonnage or overladen and badly laden ships to sea. Samuel Plimsoll was one of several who agitated over a number of years for the introduction of a load line and surveys prior to sailing. After a lengthy struggle the terms of the 1876 Act were re-enacted in the Merchant Shipping Act of 1894. These matters are comprehensively explored in David M. Williams, 'State Regulation of Merchant Shipping 1839-1914: The Bulk Carrying Trades' in *Charted and Uncharted Waters,* (eds.) S. Palmer and G. Williams, Proceedings of a Conference on the Study of British Maritime History, 8-11 September 1981. See also G. Alderman, 'Samuel Plimsoll and the Shipping Interest' in (ed.) R. Craig, *Maritime History, Volume 1*, 1971, and J. Armstrong and D.M. Williams, 'The Steamboat, Safety and the State: Government Reaction to New Technology in a Period of Laissez-Faire', in *Mariners' Mirror*, May 2003, pp.180-181.

[227] GSN 7/5, 100th Report, 23 February 1875. The vessels lost were *Scorpio*, lost whilst on charter carrying coal from Cardiff, and *Elba*, sunk in a severe storm in the mouth of the Elbe. Within months, a further

down in rotation, as was the practice, and Chairman Wood proposed that he be re-elected. Two shareholders, Messrs Lewis and Perry, counter-proposed and put forward a motion that he be not re-elected. No other record has been found of a director of the period offering himself for re-election and being rejected, nor do the minutes give an indication of the reasons for the actions of the shareholders. A shocked Mr Attwood resigned immediately.[228] Later in the year former chairman John Wilkin resigned so that within months two of the Company's most experienced directors left the Board. Attwood was replaced by Colonel Stedall.

By June of that year, J.H. Tritton, having been profusely thanked for his 'valuable report'on the Stations, was occupying the chair, apparently in rotation, and then, on 11 June, the following was minuted:

> "Resolved that Mr J. Herbert Tritton be elected chairman of the Company for a year and that a payment of £300 be made to him in addition to his fees as a remuneration for the duties of his Office".[229]

At the following shareholders' meeting, in August, Tritton's election as chairman was approved.[230] He had exhibited energy and drive and the other directors must have been only too conscious of his influential situation within the Company's bank.[231] The reason for his involvement with General Steam is uncertain, though it was clearly only on a part-time basis, as was that of other directors. It may be that he was safeguarding an investment interest of the bank though it has proved impossible to confirm that point. His subsequent actions indicate that he had, despite his very limited experience, firm views

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vessel, *Princess*, was lost. Though the Reports refer to the losses, no comment is made about the possible causes.

[228] As recently as 1867 it was Attwood's loan of £120,000 that enabled General Steam to purchase the St Katharine's and Irongate Wharves. His rejection seems harsh, especially as the debt to him had been cleared only the year prior. The Board minutes of the same day suggest that Attwood's rejection took place at 'a Special Court' prior to the shareholders' meeting. No information or explanation of this circumstance or of the motives of Lewis and Perry is offered in the archive.

[229] GSN 7/5, 98th Report, 24 February 1874 and Board minutes, 24 February 1874.

[230] GSN 7/5, 99th Report, 25 August 1874. However, there is a note in the minutes of a subsequent Board meeting, 1 March 1877, that Mr Tritton was unanimously requested to act as chairman of the Company during the ensuing year. This was, presumably, an annual ritual.

[231] Messrs Barclay, Beron, Tritton, Twells & Co. were appointed in 1863. Tritton's family had long been associated with the bank.

about the management structure required of a successful company and was supported by like-minded colleagues on the Board determined on change. The removal of certain of the 'old guard' was considered desirable. The unseating of Attwood, so recently the Company's benefactor, was, almost certainly pre-arranged.

The Board's plan to apply to Parliament for permission to raise additional capital was already approved by the shareholders and, new, larger ships were on order.[232] Three were already in service in 1872. The inescapable conclusion is that Tritton was asserting himself within the Board and the members were obliged to decide if they were prepared to submit to his leadership. There was no further blood-letting so that it must be presumed that the remaining directors were acceptable to Tritton, or sufficiently compliant to go along with him.

Capital extension

In 1870 General Steam, an incorporated public company, had in issue 20,000 £15 ordinary shares representing capital of £300,000, with £1 still outstanding on each share. In August 1873 the directors advised shareholders that the balance of £70,000 still due on the Attwood loan of £120,000 had been called-in for 1 July. The directors' intent was to settle the outstanding amount with assets held, including £27,000 in the Insurance Fund, other securities and a £30,000 loan from the bank.

At about the same time, in an effort to improve the Company's cash situation, a £70,000 mortgage request on the recently purchased freehold property of St Katharine's and Irongate Wharves was applied for. This was refused on the grounds that the Company had already exceeded its permitted borrowing powers of £75,000. The directors then proposed that the outstanding £1 per share be called in, raising £20,000, and that further capital be raised by issuing 2,000 additional shares, yielding £30,000 as permitted by the Act of 1831.[233] These modest moves may have contributed to clearing the Attwood debt but simultaneously the directors began to explore means of raising

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[232] GSN 1/24, Special Board meeting, 14 July 1874.

[233] The issue of 2,000 £15 ordinary shares was not proceeded with, the sum of £30,000 clearly being inadequate for the purposes of the directors. It is a little surprising that the directors do not appear to have been aware of the limits of the Company's borrowing capability, though, as already noted, the Attwood loan somehow circumnavigated this limitation.

substantial sums of money in order to clear debts and modernise the fleet. The hand of banker Tritton was clearly evident.

The Board, at an Extraordinary Meeting in February 1873, obtained approval from the proprietors to introduce a Bill in Parliament seeking further powers and consolidating the Acts relating to the company.[234] At a further Extraordinary Meeting on 14 July 1874, the new Bill was approved and shareholders were assured, '....that the utmost care will be exercised by the Directors in appropriating the new Capital placed at their disposal'.

The directors were authorised to proceed with the mortgage loan and raise further capital of £300,000, for total £600,000, by the issue of 30,000 preference shares of £10.[235] Of these, 20,000 were issued in 1874, the remaining 10,000 being offered, but not fully taken up, in 1877. The permitted level of borrowing was increased by £75,000 to £150,000, the additional facility to be used to 'borrow on mortgage or bond'.[236] From 1874 the existing commitment to new tonnage was vigorously pursued, at great cost. Time would tell whether or not the directors really were competent to spend wisely the large additional resources now at their disposal.

With Tritton in the chair, General Steam entered a new era. One of his first steps was to restructure the management of the Company. George Brockelbank was advised by the Board that his position as Supervisor of St Katharine's Wharf was terminated as of December, a new manager having been appointed, and that he should vacate the apartments he occupied. He was invited to be present on the wharf to promote the Company with passengers arriving and leaving, surely a humiliation for a long-time director of the Company.[237] Oddly, though, he remained a director.

Further management-level changes followed swiftly. Within months of Tritton's appointment Richard Cattarns was appointed secretary to the Company and Captain John

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[234] GSN 7/5, Extraordinary Meeting of Proprietors, 3 February 1873.

[235] PP. *The General Steam Navigation Company Act, 1874. 37 Vict., Chapter VII.* (8th June 1874) The number of directors was confirmed as ten and not less than eight; directors to hold not less than fifty shares in the Company. See Appendix Four for full details.

[236] The 1834 Act permitted the Company 'to borrow or raise' up to £75,000. The 1874 Act stipulated that the additional £75,000 could be borrowed 'on mortgage or bond'.

[237] Even this appointment was terminated the following year on the appointment of a marine superintendent. Brockelbank's service to the Company, and that of his father, was recognised. The clear implication is that Brockelbank's position was a sinecure and not to the liking of the new chairman.

Ellis was appointed the first marine superintendent .[238] They, along with the engineering superintendent, Joseph Beardmore, in charge of the Factory, were fundamental to Tritton's plans in terms of knowledge of ships, trades and the personnel involved and, in Beardmore's case, in experience of ship and engine building and repairs.[239]

Further senior appointments were made. A legal advisor was appointed in 1874, as was a chief accountant. A wharfinger was appointed in 1875 to supervise St Katharine's and Irongate Wharves. On completion of the repair work to St Katharines Wharf in 1877, an architect and surveyor was delegated to inspect quarterly the Company's freehold properties. These appointments in a short space of time heralded a new and more professional approach to management. Responsibility was given and performance was demanded.

Mindful, perhaps, of the impact these appointments would have on the salary bill, Tritton turned his attention to operating costs, seeking the cooperation of the Company's captains in reducing them. In September of 1874, only months after his appointment, he wrote a letter to all ship's captains which included:

> 'It appears to me, Gentlemen, that much – very much – depends on you. If the Company is still to maintain its position in the front rank of the Merchant Service of the country, it can only be by the intelligent and ready aid of those in command of its ships. I am convinced that I shall not look in vain for this co-operation which is so essential'.

He went on to ask the masters to contact him with suggestions to decrease on-board expenditures.[240] Importantly, this approach made clear that he was fully aware that ship

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[238] GSN 7/5, 100th Report, 23February 1875. Cattarns became general manager in 1883 when the roles of secretary and manager were split. The previous secretary, Martin Pratt, retired, having been secretary for 25 years, and was appointed to the Board, replacement for John Wilkin.

[239] GSN 1/23 Board minutes on 25 July 1872. Joseph Beardmore succeeded his father as superintendent at salary of £1,000 per annum, the same as received by his father. This compares with the salary, part-time, of the new chairman of £300 per annum plus director's fees and reflects the importance and full-time nature of the position. Beardmore's father, also Joseph, had been with the Company since 1824. Prior to Captain Ellis' appointment the engineering superintendent appears to have doubled as marine superintendent.

[240] GSN 11/1. Letter from chairman to captains dated September 1874. There was a cautionary note for the captains: "Allow me to point out, in conclusion, that in every profession those who display the greatest interest in their employer's welfare are those whose own interests are most sure to improve....."

costs, always the largest cost element, could be contained or reduced with some input by the shipmasters.

A positive encouragement was the introduction a few months later of a 'substantial gratuity' for every successful voyage performed by them, payable to masters and mates. This was on a sliding scale, ranging from £3.10s per voyage for a master on the longer Bordeaux or Charente routes to 17/6d for a master on the Antwerp route. The payments were, in part, directed towards the efficient handling of cargo and labour in the ports of destination, the former being always subject to damage and theft.

These were gentle inducements to improve performance but we may safely presume that ship costs were closely monitored and those not in receipt of bonuses were taken to task. A little later Tritton attempted to improve shipboard discipline. In 1877 the Company produced a booklet with *General Instructions and Rules for the Guidance of Masters and Others in the Company's Service* which covered every eventuality likely to be encountered.[241]

The Board appears subsequently to have dealt more firmly with transgressions by its masters and other crew members, though its competence to judge such matters was questionable prior to the appointment of the marine superintendent. Demotions and dismissals of masters and others for breaches of duty were not uncommon and there was a general attempt to apply safe and proper practices. In the more serious cases of collision, especially where there was loss of life, a Board of Trade Inquiry reviewed the circumstances and determined where blame lay. Not uncommonly, disputes between parties were settled in the Courts.

Another focus of the chairman's attention was 'the greatly increased cost at Deptford'. The superintendent, Joseph Beardmore, responded defensively to the Deptford Committee's enquiries, arguing that 'retrenchment with efficiency' was impossible. He resigned within two weeks and was quickly replaced. The chairman personally sought an experienced engineer to take charge of the engineering department, by which was

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[241] GSN 10/1. This publication will certainly have been the work of the marine superintendent. The Regulations stressed that: "The responsibility of the master was constant when at sea and that vessels must always be navigated in crowded and narrow waters with the strictest care and attention".

Masters were promoted through three grades at the discretion of the Board. Equally they might be downgraded or dismissed for misdemeanours. Salary levels for the three grades were £150, £170 and £180 per annum.

presumably meant the entire Deptford operation, and suspend any of the employees he thought fit, suggestive of the fact that inefficiencies were widespread.[242]

The determination of some of the railway companies to develop their short-sea connections was reflected in a series of meetings which took place over a period of months in 1876/7. A nominee who later claimed to represent 'four railway companies' and the 'other South Coast railways and the Great Eastern Railway' made a personal approach to Chairman Tritton with an offer to purchase the Company, its 54 ships, plant, machinery, etc. for £1,110,000.[243] There were 20,000 ordinary £15 shares in issue at the time, each valued at £29, for total of £580,000.

Tritton, whether from genuine business interest (the offer was, after all, one which may well have been attractive to shareholders) wrote to the chairmen of the railway companies asking if the statements made on their behalf were well founded. The offer, if it was legitimate, reflected the concerns of the railway companies with General Steam's activities and placed an interesting and rather extravagant valuation on the Company.

Eighteen months later, at a General Steam Board meeting on 11 October 1877, it was agreed that the chairman would discontinue further communication with the railways' representative, the matter having become messy, with allegations of attempted bribery.[244]

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[242] GSN 1/24, Board minutes, 17 September, 8 October and 29 October 1874. Beardmore appears to have been one of the few to resist the demands of the Board's Deptford Committee, influenced by Chairman Tritton. It was Tritton himself who sought the replacement, approaching two Thames shipbuilders, John Penn and R.&H. Green; it does seem that the chairman was not one to be hindered by a lack of technical knowledge and experience, yet at this time, early in his chairmanship, he was making few mistakes. The replacement, a Mr Jackson, received salary of only £600pa.

Practically no information is available about Company employees and their specific functions at this time. No lists or details of wages have survived, other than those of some ship's officers. What is clear from the Board minutes is that employees, both ashore and afloat, frequently worked for the Company for many years. The Board determined individual pension awards which were recorded in the minutes, usually to workers, or their widows, who had been employed at the Factory for forty or more years.

At something of a guess, based on information of a later date, General Steam may well have had above 1,200 on the payroll in the 1880s, including crews of about fifty ships, those employed in the Factory, in Head Office and on the wharves. The Company was noted for retaining sea staff, and would be for many years, very likely because the short voyages were attractive to some seamen, but, possibly, because it looked after its employees well.

[243] GSN 16/5. Correspondence relating to attempt to buy Company. The first approach was dated 23 February 1876. The seeming over-valuation may explain why Tritton does not appear to have treated the approach seriously.

[244] GSN 1/26, Board minutes, 11 October 1877. A Captain Pelly and a Mr J.O.Lever are named in the minutes and activities of the former are described as 'unauthorised'. The minutes of the 28 February 1878 Board meeting indicate that Mr Brockelbank, director, was censured by the Board for actions which were,

The remaining correspondence does not indicate that any meetings took place with board members of the railway companies, other than the few contacts with intermediaries. No hint is given in the October minutes of the views of the Company Board, whether or not the approach was deemed to be genuine or if some directors were tempted by it. It is interesting that Chairman Tritton, throughout, appeared willing to at least talk with the other parties, even as late as August 1877. No record exists of the matter being brought to the attention of shareholders.

In August of 1876 shareholders were advised that the 1874 preference shares, offered to existing shareholders at par, had been fully taken up, a measure of shareholder confidence in the Company's prospects. [245] The directors of the London Life Association approached the company with an offer of a loan of £75,000 on security of St Katharine's and Irongate Wharves at 4.5 per cent. The offer was accepted.[246]

Such was the rate of spending on new tonnage, 21 vessels were built or bought in 1875/6, that a second application was made to Parliament in 1877 to again double the Company's authorised capital. This was a remarkable development in such a short space of time, perhaps impulsive, and it hinted at an unrealistic assessment of business prospects. The new Act extended the authorised capital to £1.2mn.and also the borrowing facility.[247] The directors determined to offer at first only 8,000 each of ordinary and preference shares with nominal value of £200,000 (of the permitted additional £600,000). Of these only 5,321 ordinary and 6,758 preference shares were taken up and fully paid, increasing the issued capital by £147,395, for total of £747,395.[248] This level of issued

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'entirely unauthorised and contrary to the wishes and views of the Board'. It seems that Brockelbank maintained contact with Lever after the Board's decision to withdraw.

[245] GSN 7/5, 103rd Report, 29 August 1876.

[246] GSN 7/5, 99th Report, 25 August 1874.

[247] PP. *The General Steam Navigation Company Act, 1877, 40 Vict., Chapter vi.* (24th April 1877) The new Act noted that, "... the Company have since 1874 incurred a large outlay in the acquisition of additional ships, and in extension and improvement of their wharves and premises.....it will be necessary for the Company from time to time to expend further moneys". The additional £150,000 permitted borrowing had limitations. £25,000 could be borrowed for each £100,000 of new capital issued. Additional issued capital totalled only £147,395 so that the facility amounted to additional £25,000. The Act further stated, 'Company not to issue debenture stock'. Interpretation of the borrowing facilities of three Acts is difficult, but it does seem seems clear that each borrowing facility had strings attached.

[248] GSN 7/5, 105th Report, 28 August 1877 and Board minutes of a Special General Meeting on 5 June 1877.

capital remained unaltered for the next twenty-five years. The archive gives no hint of the considerations which led to the 1877 capital increase application: only 25 per cent of the available capital was issued and the borrowing facility was increased by only £25,000. By the end of 1877 the issued capital situation was thus:

20,000 Ordinary £15 shares (1831),	£300,000
30,000 Preference £10 shares (1874)	300,000
6,758 Preference £10 shares (1877)	67,580
5,321 Ordinary £15 shares (1877)	79,815
Total	£747,395

(Permitted borrowing: Loan/mortgage, £100,000; mortgage/bonds, £75,000. Permitted but unused facility related to un-issued capital, £125,000. Debenture bonds in the value of £75,000 were issued in 1880 to replace the mortgage of £75,000 on the St Katharine's and Irongate Wharves which was terminated.)[249]

As already noted, this increase in capital, modest as it proved to be, was an essential pre-requisite for fleet expansion and improvement, but its implications went further. The matter of servicing the dividends due on the considerable new capital must have been in the minds of the directors following the difficult years 1872 to 1875, but no record of their deliberations remains. The preference shares alone, paying dividend of 5 per cent, cost over £18,000 per annum to service; the ordinary shares, at 10 per cent, assuming that figure was maintained, a further £38,000, quite apart from interest due on loans.

Until the mid-1880s shareholders appear to have been, judging from the semi-annual Reports, passive and unquestioning of the directors' enthusiastic determination to update the fleet and satisfied with the regular dividend payments on the ordinary shares.

The 1877 ordinary shares were not offered at par. Initially, the offer was to existing shareholders on the basis of two ordinary and two preference shares for every five ordinary held. The market value of the new shares was the basis for the price paid: £15 ordinary shares cost £25 cash (the market value of the shares was £29 at the time, having risen sharply since 1874) and £10 preference shares were offered at face value of £10. So that the amount raised on the sale of the ordinary shares exceeded the nominal value by approximately £53,000, a very substantial additional sum. The Board was authorised to dispose of shares not accepted, but it seems the directors were satisfied with the sums raised and did not pursue further sales, then or later.

Nevertheless, there was a considerable shortfall in the additional capital raised and one can only speculate that the relatively poor profits of the years immediately prior had affected shareholder confidence. That, or the relatively high cost of the ordinary shares, £25 each.

[249] GSN 7/5, 111th Report, 31 August 1880.

However, in 1885 the profit for the year was more than halved to £38,007 and no dividend was paid at the half-year on the ordinary shares or on the 1877 preference shares. One half only of the dividend due was paid on the 1874 preference shares. At the year-end when, again, the ordinary dividend was passed, shareholder unrest manifested itself.

Passing on the ordinary share dividends was a matter of concern to shareholders. Paying no interest on the preference shares, or reducing it, implied real problems with the liquidity of the Company. Predictably, the market price of the Company's £15 ordinary shares plunged to around £7 from a high of £33 in 1872.[250] The Company's share price was, of course, always subject to fluctuation, in part reflecting its own performance but also the general state of the shipping industry. As recently as 1880 the sell-price of the shares was £29, so that the dip in value by 1887 was spectacular.

Two shareholders, stung to action, proposed at the 1886 February Meeting that a committee be formed to investigate the management and finances of the Company.[251] This was more than just a reaction to the dividend and share value losses: the action proposed was wide-reaching and implied a complete loss of confidence. There was no support for the amendment, the majority of shareholders accepting the management's explanation that trading conditions were especially difficult, but the directors were on notice that trouble was brewing.

The relationship between a company's directors and shareholders is based, to a large degree, on trust and failure to be entirely forthcoming with information inevitably puts pressure on that trust. It is arguable that the unpleasantness which developed between a section of shareholders and the Board in the mid-1880s, as dividends came under severe strain, and led to open revolt in the late 1880s and the early 1890s, might have been avoided had there been a greater degree of transparency in the accounts, as was the case

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[250] *The Shipping World*, 1 January 1887, p.258. General Steam's share price was not alone in being under pressure. Many other companies suffered: Royal Mail shares fell over £8 in the year prior, to £63.

[251] GSN 7/5, 124th Report on 22 February 1887. The resolution proposed by Mr Froud and Mr Carpenter was defeated. It said: "That the adoption of the Report be deferred and that a Committee consisting of five Shareholders be appointed to investigate the financial position of the Company, the general management and its affairs and the state of its property. Also, to make suggestions as to future management and to report to an adjourned meeting of the Shareholders previous to the adoption of the Directors' Report".

The Shipping World of October 1885, p.186, commented, '...that the Board have been assailed with charges of bad management'.

with some other companies.[252] It is clear that General Steam's directors, having some freedom in the matter, chose to make available only a limited amount of information.

As chairman, Tritton was particularly under pressure, not something he was used to. Also singled out for shareholder criticism was Richard Cattarns, the general manager who was perceived by some shareholders to be the chairman's 'man'. In a lengthy letter dated 9 February 1887 to a complaining but unnamed shareholder, Tritton rebutted the detailed financial arguments made by that gentleman on the grounds that they were falsely based and offered a reasoned counter case. He also defended the Company's administration and accounting processes and the decision to appoint Cattarns as general manager in 1882 on the grounds of the increasing size and complexity of the business. He noted that enterprises as large as General Steam had not survived the very difficult period of crisis and expressed the view that the Company would emerge stronger with returning prosperity.[253]

It was only in 1886 that a director with outside shipping experience was appointed and that appointment was an indicator that the Board acknowledged, perhaps reluctantly, that it lacked a breadth of shipping experience.[254] The new appointee was, J.B.Westray, a director of a London ship-owning and broking firm and his appointment heralded a move towards increased tramping activity using the Company's larger vessels. In 1890 a further experienced shipping man, A. Howden, replaced the former company secretary, M. Pratt, who retired having been a director for 16 years, though there was some shareholder resistance to this appointment for reasons not stated.[255] The trend towards the appointment of experienced shipping executives with wider-ranging experience and contacts than most of the Board members would continue into the 1890s.

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[252] Napier, 'Fixed asset accounting in the shipping industry', pp.37/38. P&O accounts during the nineteenth century are regarded as examples of good practice. The 1876 Annual Report, for instance, included a 'very detailed discussion of accounting matters' and introduced a new form of financial accounting with details of reserve fund totals and the like. P&O also made clear that it regarded depreciation as a resource for asset replacement.

[253] GSN 9/3, letter dated 9 February 1887 from Chairman Tritton.

[254] GSN 7/5, 123rd Report, 31 August, 1886.

[255] GSN 7/5, 131st Report, 26 August 1890. Philip Twells, M.P., retired from the Board in 1877, replaced by Sir Stuart Hogg who had experience of port management in Calcutta. Henry Wood resigned in 1882, replaced by Mr Ernest Villiers, a former Company auditor. J.B. Westray replaced George Roots. Colonel Stedall resigned in 1882, following a disagreement, unspecified, with the chairman.

Table Nine. Profit and Loss Account, 1870 -1880.

	Coal £	Ship Costs £	Ship Repairs £	H/Offce Costs £	Stations £	TOTAL Costs £	TOTAL Rec'pts. £	Trading Balance £	As % of Rec'pts.
1870	77370	198794	50318	11973	7009	345464	444661	**99197**	22%
1871	78600	204915	58171	11607	6880	360173	475771	**115598**	24%
1872	110551	213312	62603	12212	7181	405859	457406	**51547**	11%
1873	135479	216646	67942	12437	7611	440115	470459	**30344**	6%
1874	113130	223005	68102	14362	7891	426490	467716	**41226**	9%
1875	104060	228124	63649	16847	8084	420764	483560	**62796**	13%
1876	104743	292896	69876	17350	8423	493288	600795	**107507**	18%
1877	95208	286708	67390	19783	7243 * 999	477331	577811	**100480**	17%
1878	81692	279623	64089	20813	6921 *881	454019	559124	**105105**	19%
1879	77561	278279	54768	20044	6468 *603	437723	531836	**94113**	18%
1880	80589	281705	51400	19033	6361	439088	523167	**84079**	16%

Source: Bi-annual Reports to shareholders, various. *These are additional, temporary, costs described as "Wharfage on Passengers" and attributed to J.Knill & Co.

Receipts

Despite the adverse economic climate the Company's income in the 1870s progressed satisfactorily. The performance was broadly acceptable in a period in which the directors repeatedly acknowledged the conditions of depression in the general trades of the country. General Steam was no less affected than others, as evidenced by the profit plunge in 1873-74.[256]

The February 1876 Report, in respect of 1875, noted that, with freight rates low, 62 additional voyages were made with some marginal profit. The following year the directors spoke of severe competition, cattle disease, reduced freights and 112 voyages more than the previous year though with a satisfactory profit of £107,507, as shown in

[256] GSN 7/5, 107th Report, 27th August 1878.

Table Nine. The attempts to open new routes failed, with the exception of the Oporto service.[257]

No information is available on the alternative deployment of Company vessels when the near-Continent trades were difficult. Bearing in mind the number of vessels in service at the time, the likelihood is that vessels were chartered out whenever possible in this period, their rates contributing to Receipts.[258]

The difficult economic situation of the 1870s continued into the 1880s, made worse by severe weather conditions and cholera on the Continent. Revenues from cattle shipments continued to be adversely affected. Imports from France were banned in 1883/4 and attempts were made to increase imports from other unaffected countries.[259] Despite this, income increased satisfactorily from £523,167 in 1880 to £551,905 in 1884, at which stage it slumped and did not recover before the end of the decade. From 1884 the reports of the directors were consistent; 'intensified commercial depression', 'extraordinary competition' and 'freight rate reductions' are featured.

Table Ten, next page, starkly illustrates the severe decline of the Company's financial situation in the period. 1882, with Receipts peaking at £580,835, was a highly profitable year, at £140,293 the Company's largest trading balance to date. Considerable extra business was undertaken and a number of vessels were chartered to the Government, usually at very profitable rates, in connection with the Egyptian Store Transport Service. The profit enabled the directors to make good allocations to Depreciation, £56,734, and £30,000 to Reserves, as well as to service charges on Debentures and preference shares and to pay ordinary shareholders two dividends of 10s as well as a bonus of 4s.

Subsequently, Receipts eased somewhat, more quickly than Costs, so that profit was severely affected. The nadir was reached in 1885, when a poor profit of £38,007, reflecting a near 50 per cent drop in cattle receipts when compared with 1883, obliged the

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[257] GSN 7/5, 102nd Report, 29th February 1876 and 104th Report, 27th February 1877.
[258] GSN 7/5, 121st Report, 25 August 1885. *Albatross* and *Osprey* were chartered to the Government for service during the Sudan campaign, at rates described as 'low'.
[259] GSN 7/5, 118th Report, 14 February 1884.

Table Ten. Profit and Loss Account, 1880-1890.

	Coal	Ship Costs £	Ship Repairs £	H/Offce Costs £	Stations £	TOTAL Costs £	TOTAL Rec'pts £	Trading Balance £	Profit as % of Rec'pts.
1880	80589	281705	51400	19033	6361	439088	523167	**84079**	16%
1881	77652	274495	43295	19692	6232	421366	525281	**103915**	20%
1882	81337	286478	47010	19434	6283	440542	580835	**140293**	24%
1883	86782	287317	49404	19724	8215	451442	563016	**111574**	20%
1884	83097	293690	48656	21457	8657	455557	551905	**96348**	17%
1885	75813	261246 *8645	52177	#21823	8174	427878	465885	**38007**	8%
1886	67461	243082 *4122	39798	18936	7447	380846	436309	**55463**	13%
1887	63219	241168 *4562	43448	20065	7535	379997	456211	**76214**	17%
1888	66479	259095 *7969	41049	20683	8147	403422	487798	**84376**	17%
1889	69118	265509 *8836	43978	20588	8393	416422	482923	**66501**	14%
1890	74290	240673 *7390	36471	20317	7556	386697	460733	**74036**	16%

Source: Bi-annual Reports to shareholders, various.

From 1885 a figure was included in Head Office costs for, in that year, Rent of Temporary Offices and then, from 1886 a charge was made for ground rent and taxes for the new office in Great Tower Street.

*From 1885 a charge was added to Ship Costs under the head of Damages. This term usually referred to uninsured costs due to another party.

directors to take vigorous action. The ordinary share dividends were cut completely, which situation would continue for the next two years. The directors expressed 'regret' that only a reduced dividend could be paid on the preference shares. No allocation to reserves was possible.

The income slump from 1882's high and slow recovery to £460,733 in 1890, reflected lower cargo volumes carried and very much reduced freight rates and passenger fares. One economy measure was a reduction in the number of voyages, especially on the

Boulogne route where railway competition was fierce. The cattle trade was described as 'seriously depressed' and for some ports, practically ceased altogether.[260]

In March of 1886 *The Shipping World* newspaper commented: 'The freights which the company have been compelled to take, however, have been miserable, and thousands of tons of goods have been declined on account of the low freights offered'.[261] In a separate article it commented on the reduction in the Bank Rate to 2 per cent being '...another indication of the extreme depression of trade'.[262] Despite the very serious disruption to trade caused by a dock strike in London in the second half of 1889 receipts in the year fell only marginally from the year before but profit fell appreciably to £66,501. It was five years before the 1888 income level was exceeded.

Costs.

Expenses across the board rose alarmingly during the 1870s, up from £345,464 in 1870 to £493,288 in 1876 and then easing to £439,088 in 1880. The half-year Reports comment on this but not in terms that indicate deep concern. It was noted that coal, stores and other costs, including wages, had risen, in part due to increased numbers of voyages. Directors and shareholders alike were, of course, aware that the greater level of activity would be reflected in the level of costs, so that an increase in these did not necessarily signify a problem. Predictably, Ship Costs rose through the decade with increased tonnage, as did Head Office costs.

Another factor to be taken into account is the number of ships operated and the number of voyages made by them. *The Return of Registered Steam Vessels of the United Kingdom* lists 53 vessels operated by the Company at 1 January 1870 and that is a fairly reliable guide. But the figure increased in untimely fashion as the directors embarked on their ambitious building programme during the 1870s, adding three new vessels during 1870-72, a further 20 in 1874-6, all but five new-builds, and seven more, six of them new-builds, in 1877-80. During this period the directors referred persistently to the intent to introduce larger tonnage with compound engines which were more economical in coal

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[260] GSN 7/5, 122nd Report, 23 February 1886.
[261] *The Shipping World*, March 1886, p.384.
[262] *The Shipping World* , March 1886.

consumption and in general running costs, but progress in this direction was slow, the largest vessel built being of only 1,246 tons. (*Gannet*, 1879)

The price of coal greatly exercised Board members. It had risen from an average of 18 shillings per ton in London through the 1850s and 60s to 24 shillings in 1872 and 1874, with a peak of 31s in 1873, despite the fact that increased supplies of coal were now reaching the capital as the railways increased their share of the trade. The price eased from 1875-1880, to average 17 shillings.[263] Though the Company benefited from contract rates for its very considerable coal purchases, fuel prices were good cause for concern. Their impact is reflected in the costs shown in Table Nine. Coal Costs rose early in the decade but fell after 1875-76 with the result that, despite the significant increase in the number of vessels already noted, the total expenditure did not rise proportionately.

Some of the directors' endeavours did bear fruit in the 1880s. Coal costs were further reduced, from £80,589 in 1880 to around £70,000 by the middle of the decade, despite the fact that the ships trading to the Mediterranean were using large quantities. The reduction is partly attributable to lower fuel costs with more efficient engines, but also to fewer voyages, with a number of vessels laid-up at times. Head Office Costs remained at about 1880 levels, though with a ground rent element for the new head office included, whilst Station Costs advanced slightly. Ship Repairs and Ship Costs were appreciably reduced.[264] But, while Total Costs fell from £439,088 to £380,846 by 1886, 12 per cent, Receipts were down still further, by 17 per cent at £436,309.

This was a critical time for General Steam. Savings were effected at considerable sacrifice all around. Some head office staff were laid-off and directors drew only a portion of their remunerations, as did some principle officials in 1886.[265] As prices and profits reduced generally in this period, there was some small comfort that the costs of

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[263] PP.1820-85. 1886 (126) LX.201 92.466. *Return of Average Price (Ann) of Best Coal at Ship's side in Port of London, 1820 – 1885.* It is difficult to reconcile these coal prices when compared with an entry in the Board minutes of 8 June 1876 which notes that an offer to supply coal to the Company at 11s per ton less 5 per cent was under consideration. The difference may lie in the point of delivery; the higher prices being for London delivery.

[264] GSN 11/4. An unsigned and undated letter addressed to captains, thought to be from about 1890. The letter urges captains to conserve fuel by anticipating arrival times at destinations, slowing speed when possible, and not to 'drive' the ship. Captains were also reminded that ships are not insured for damage and collision at sea and that individual records will be maintained in the future in these matters.

[265] GSN 7/5, 123rd Report, 31 August 1886.

stores and coal were reduced. These latter days of the 'great depression' were difficult for business generally and not just for General Steam and its employees.

Figure Three. Receipts and Costs, 1870-1890.

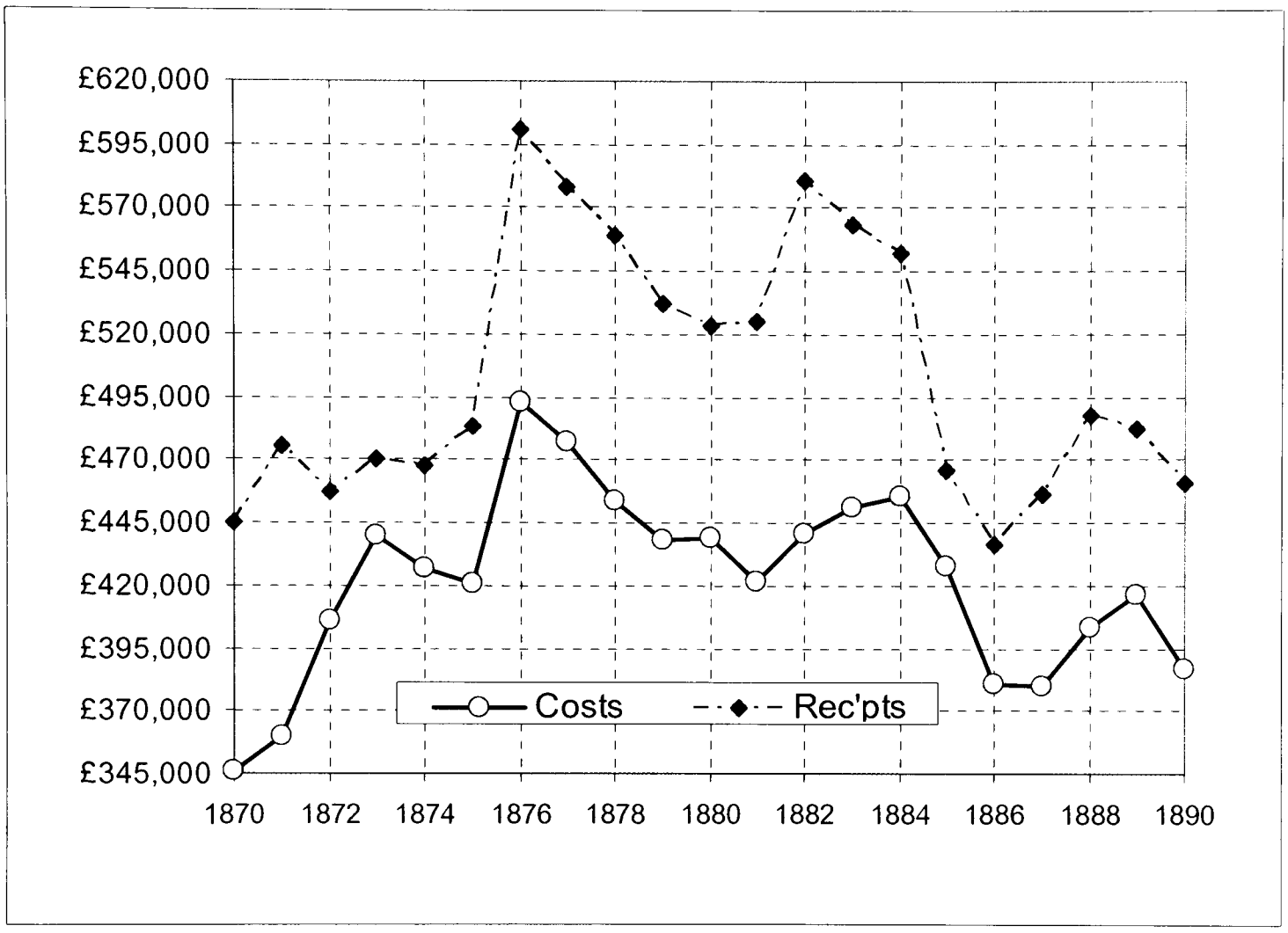

Figure Three illustrates the erratic nature of, especially, the Receipts over the twenty year period, the Profit peaks in 1876 (£107,507) and 1882 (£140,293) and the collapse in 1885 to £38,007.

An item not readily identified in the Costs was claims by other parties for damage caused by collision and the charges to the accounts in respect of vessel losses. The catalogue of accidents through the decades of the 1870s and 80s suggests that these costs were substantial. Insurance of the vessels in the London market would in itself have been an appreciable expense and, in the absence of evidence otherwise, it must be presumed that the directors, with benefit of long experience, determined to continue with their policy of self-insurance, it being, in their belief, in the best interests of the company.

In 1877 the directors reported that they had decided that all losses in excess of £250 would be charged to the Insurance Account into which they, presumably, made payments equivalent to the cost of insurance purchased on the open market.[266] The decision was made with reference to anticipated heavy losses subsequent to a collision in the Thames in which the Company's *Waterloo* was found solely to blame.[267] Another factor was the anticipated cost of £11,725 in respect of the 1875 loss of *Princess*.[268]

There is not in the 1877 or subsequent Reports and Accounts any clear indication of deductions specifically allocated to an Insurance Fund, nor an indication of the amount in the fund, so that it must be presumed that a portion of the Balance Sheet deduction titled Reserve was used for the purpose.[269] However, again reflecting continuing uncertainty in the matter, a note in the Board minutes in 1879 advised that consideration was being given to insuring the steamers on the Oporto service for half of their value.[270] The decision was not noted.

It was not until 1890 that the policy on insurance cover appeared to firm with the decision to partly insure the Company's two larger and newer vessels, *Hirondelle*, 1607 tons, and *Seamew*, 1,505 tons, built in 1888. The grounds given for this move were that the vessels were so much more costly than the average of the company's vessels.[271] This procedure would be followed in respect of other selected vessels.

Little commented on in the Reports were the very substantial costs involved with land purchase and building extensions. The freehold of the Lombard Street head office was bought in 1877 and repairs and alterations were carried out. The property was sold in 1885, it being no longer large enough. A site at Great Tower was obtained on a 99 year lease on which to build new premises, nearby offices being leased temporarily. Possession was taken of the new office in 1886.

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[266] GSN 7/5, 105th Report, 28 August 1877.
[267] GSN 7/5, 105th Report, 28 August 1877 and *Mitchell's Maritime Register*, 9 March 1877, p.308.
[268] GSN 7/5, 101st Report, 31 August 1875.
[269] The allocation to Reserve in 1877 was £10,000. From 1885 the Profit and Loss account included, under Ship Costs an amount attributed to Damages. The sum was in the region of £8,000 in 1888/90, not likely to be sufficient to cover ship losses.
[270] GSN 1/27, Board minutes, 8 May 1879.
[271] GSN 7/6, 131st Report, 26 August 1890.

In 1877 the river and creek front at Deptford was raised by six feet and, in 1880, the drydock, leased for 30 years prior and in need of repairs, was purchased and repairs put in hand. It was said that after the repairs the dock would accommodate the largest of the Company ships: this implies an extension of the length of the dock, major work. Hay Wharf was purchased in 1881.

The facilities at St Katharine's and Irongate Wharves were regularly updated and improved. In 1881 the Report commented that a very considerable sum had been expended 'on capital account' in connection with improvements and additions to property on shore.[272] In 1884 the Report carried a reference to a Freehold Buildings, Wharves and Premises Account.[273]

Balance Sheet

In the decade of the 1870s the trading profit peaked at £115,598 in 1871, then plumbed £30,344 in 1873 before recovering slowly. Chairman Tritton admitted years later that he had not anticipated the severity of the business downturn.[274] But then, nor did anyone else. It was unfortunate for General Steam's new and inexperienced chairman that his time in office would coincide with such a turbulent period in Britain's economic history.

Throughout these difficult years of the 1870s the directors successfully courted the favour of shareholders by maintaining a very fair level of dividend payment. At the half-year, payments were generally maintained at 14s or 15s until 1880, though no bonuses were paid in some years. Significantly, the 1874 5 per cent preference share offer was fully subscribed and the 1877 offer of 8,000 ordinary and 8,000 preference 5 per cent shares, not all of which was taken up, was largely acquired by existing shareholders; a measure of confidence on their part and a fact noted by the directors.

The maintenance of dividend was only made possible by manipulating the Company's finances. The Balance Sheet shows that, exceptionally, in 1873 and 1874, no allocations were made to Deteriorations and only nominal sums were applied to Reserves in order to ensure that the dividend payments were met. Profits had fallen sharply and the directors were keen to maintain the support of shareholders as they embarked on their capital

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[272] GSN 7/5, 112th Report, 22 February 1881.
[273] GSN 7/5, 118th Report, 14th February, 1884.

raising exercise. Though, over the next ten years, the directors appeared to pursue their goal of updating the fleet and to carry shareholders with them, their action in maintaining the 1873-4 dividends affirms their understanding of investor expectations.[275]

Or it may be that, confident in the knowledge that large sums of new capital would soon become available, they felt able to allocate available cash to dividends rather than to Deteriorations and Reserves. 1873 and 1874 apart, from the early 1870s the directors began to set aside rather larger funds in the Reserve account, consistently in the region £10,000 from 1875. (The £35,000 in 1872 included a £30,000 repayment on the Attwood debt.)

The preference shares had, as the name suggests, a prior claim for dividend payments and these would, along with payments on Debentures, by the late 1870s begin to constitute a considerable drain on available resources. Appendix Two demonstrates that these priority charges amounted to very nearly £25,000 per annum from 1877. By 1880, so difficult was the trading and financial situation that no allocation was possible to Reserve funds and payment of the ordinary dividend was substantially reduced, from 30s the year prior to 22s 6d.

The sample Balance Sheets, see Table Eleven, next page, extend the information given in the Profit and Loss Account, showing further additions to the Profit for the year before, the Carry Forward, arriving at the total available for distribution. They then detail subsequent allocations, Dividend payments, Reserves, etc., leaving a 'carry forward' figure for the following year, as under. There is still no indication of the total of reserves held.

In 1878 the Deterioration/Depreciation - the term altered to the latter at about this time – allocation was £34,181, 4 per cent of the unstated value of the fleet, by then consisting 59 vessels.[276] Quite why the Deterioration figure allowed was reduced to 4 per cent is not

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[274] GSN 9/3. See summary. Letter dated 9 February 1887 to a complaining shareholder..

[275] On the other hand, the wisdom of payment of dividends where, strictly speaking, no profit existed (had prudent allocations been made to Deteriorations and Reserves) was questionable, whatever plans the directors had for imminently raising cash.

[276] Letter from Secretary, Richard Cattarns, dated 29th August 1876, to an unnamed shareholder who was not present at the shareholder meeting. He explains that the allowance of 5 per cent was based on the cost of vessels in the Company's ownership for more than one year and which have not already been written

clear, as there was sufficient cash in hand to allow for the more usual 5 per cent (in the year prior, £44,004 had been allowed) and still allow for the 'usual' dividend.

Table Eleven. Sample Balance Sheets, 1870-1878.

	1870	**1874**	**1876**	**1878**
Carried forward	83,700	44,883	36,586	35,140
Profit/balance year for year	99,197	41,226	107,507	105,104
Interest earned	309	190	1,165	3,238
Total	183,206	86,299	145,258	143,482
Less: To Deterioration Fund	46,000	-	35,085	34,181
Dividends (ord.)	30,497	28,997	29,997	37,012
Income Tax Paid	728	472	327	719
Pref..Shrs./ Debentures	3,675	5,919	20,562	* 24,895
To Reserves	5,000	500	15,000	11,000
Carry forward	97,306	50,411	44,287	35,675

- As can readily be seen the Preference shares/Debentures charge altered over the period. The figure for 1878 was made up of: preference share dividend £17,957, debenture interest £3,619, mortgage interest, £3,319, Total £24,895. The Balance Sheet format changed in 1880, so that no comparison is sensible in the above Table.

The implication of retentions to Reserves and Deteriorations was that the monies were held for appropriate use, the latter for fleet and property purchases. The presentation of the Balance Sheet altered in 1880 and much more fully in 1895 when Liabilities were detailed.[277]

Management had coped commendably with a difficult commercial situation in the late 1870s, maintaining the trading profit (the difference between total Costs and Receipts) at

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down to their minimum value. The deduction from the Profit and Loss was applied 'in part payment for new vessels'.

[277] See A.J. Arnold, 'Accounting Information and Historical Research in the Shipping Industry', in *International Journal of Maritime History, Vol. VII, No.1,* June 1995, pp.105-115. The accounting procedures of the mid-nineteenth century were adequate for the time, directed as they were towards identifying a dividend that could safely be paid. In the second half of the century accounts gradually moved away from a cash basis with the introduction of 'book' transactions. These included prudent provision for replacements and repairs ahead of the requirement and write-downs in the value of major assets.

around £100,000 per annum but that figure was now a *minimum* requirement. To illustrate: regular annual outgoings in the early 1880s (1881 is used as an example, see Appendix Two) included £22,000 to Reserve Fund, £18,983 to ordinary dividends, £24,604 to preference and Debenture payments before allowing for a Depreciation charge of £36,304. These totalled £101,892.

If the annual profit figure was less than £100,000 some of the these allocations were necessarily reduced or dispensed with,....usually, in the first instance, the payment to the Reserve Fund and then the Depreciation charge. After that, the ordinary dividend came under pressure. The company's dividend record throughout its history had been excellent, until the latter part of 1880 when it was obliged to appreciably reduce the payment on ordinary shares. That was an early indication of financial problems.

The Balance Sheets very well illustrate the parlous situation from the mid-1880s, with no ordinary dividend at all paid over a two and a half year period. Payments resumed with a very modest 3s 9d at the end of 1887 and it remained a struggle to make any payments through to 1890. In 1885 only half of the preference share 5 per cent dividend was paid. At the Annual General Meeting in February 1887, the chairman, perhaps unwisely, commented that, 'The position of a company was generally estimated by the amount of its dividend.....', prior to confirming that no dividend would be paid on the ordinary shares for the half-year.[278]

The failure by a publicly-owned company to pay a dividend on ordinary shares was a very positive, if reluctant, indication by directors to shareholders that the financial situation of the company was not at all sound. Passing on the preference share dividend was even more serious. Yet the bi-Annual Reports give little hint that the directors were determined to alter their ways by reducing outgoings. Indeed, it was very much business as usual. True, they did suspend further spending on new tonnage and made other economies in the crisis year of 1885, but then ordered three vessels in the following year and a further six by 1890.

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[278] *Shipping Gazette and Lloyd's List*, 23 February 1887, p.9. The chairman spoke at length and persuasively of the difficulties of the year prior, but, though he acknowledged trading difficulties he invariably sought to justify the actions of the Board.

As ever, Chairman Tritton, whilst he acknowledged the difficulties experienced by the Company and sought to reassure shareholders, insisted that the directors had behaved prudently. He then spoke of 'progressive improvement' and of further investments in ships.

Conclusion

The certainties of General Steam's performance prior to 1870 were lost in the succeeding two decades. Everything changed: many of the circumstances were beyond the Company's control. The advent of the depression years from the early 1870s heralded unpredictable economic conditions. As we shall see in Chapter Five, the constantly changing ship and engine technology demanded major expenditures in order to maintain efficiency and economy as well as competitiveness. Disease severely affected the lucrative cattle trades. New regulations relating to safety at sea, invariably opposed by the shipowners, were applied, invariably at a cost.

Steamship owners, on the Continent as well as in Britain, added new tonnage and sought profitable employment. General Steam was generally able to suppress competitors and, on occasion, to reach an accommodation with them, though cargoes and freights were adversely affected at times. The railway companies were more difficult to deal with. They were determined to extend their main line routes by developing shipping services to the near-Continent, and they did, regardless of the vigorous complaints of the shipping companies.

There were, however, factors within the control of the directors. From early in the decade greatly increased capital was available to them and they were charged with employing the capital prudently and in the best interests of the shareholders. Similarly with the route network: it was their responsibility to assess the profitability of existing trades and, as opportunity arose, to establish new ones.

In 1881 the directors exhibited a measure of confidence in their performance when they reported to shareholders their satisfaction with the development of the Company since its earliest days. They spoke with pride of the increased capital of the Company, the acquisition of 30 ships and a modern fleet of 59 ships of 41,102 tons. Then they

announced that the half-year dividend was to be reduced for the first time in very many years! [279] That was quite extraordinary behaviour. Where did things go wrong?

Chairman Tritton and his fellow directors had no experience of the conditions that beset the Company from 1872. Their 1874 and 1877 capital increases seemed sound in light of their determination to modernise the fleet and consolidate the Company's competitive situation.

The rate of acquisitions in the 1870s was almost precisely that of the 1860s. The difference lay in the use made of the capital available. In the earlier decade issued capital of £300,000 was spent cautiously, the great bulk of the new tonnage being second-hand and thus relatively inexpensive. Of the ships built during the 1870s, with capital increased to nearly £0.75mn, 75 per cent were larger and ever more expensive new-builds and the pattern remained unaltered through the 1880s. In addition, considerable sums were spent on improvements to the wharves and at Deptford.

Management persistently hoped for improved trading conditions: they were sadly disappointed. 1885 was described by a knowledgeable figure as, 'one of the darkest ever experienced', and the comment related to shipping generally.[280] Certainly constructive efforts were made to establish new trades which would, in time, prove to be successful but General Steam's problems were immediate. There is no question that the Company over-extended itself financially and when profits came under serious pressure from 1885 there was no evidence of the exercise of caution.

In such difficult circumstances there appears to have been no fall-back position, no hint of reassessment or reconsideration of the strategy. Perhaps not surprisingly the Reports gave no hint of disagreement within the Board, though one director, Colonel Stedall, resigned in 1881, seemingly following a disagreement with Tritton, the nature of which is not known.[281]

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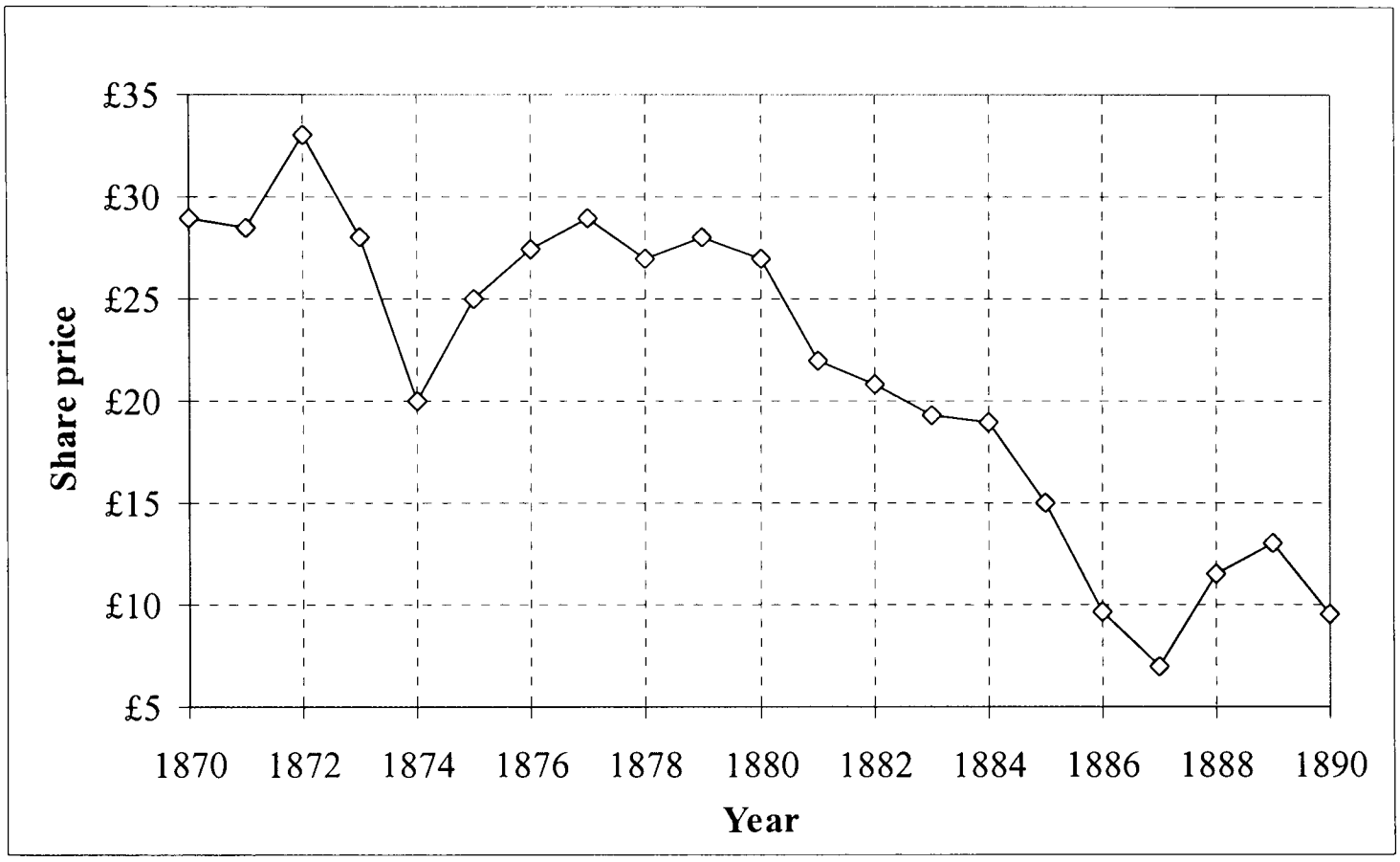
[279] GSN 7/5, 112th Report, 22 February 1881.The dividend was reduced from the usual 15s to 7s 6d, 'after most careful consideration'.

[280] *The Shipping World*, March 1886, pp. 379-80. The comment was made by the chairman of the Chamber of Shipping. He added that the only ray of hope was the reduction in tonnage being built.

[281] GSN 1/28, Board minutes, 10 March 1881. The directors noted that the terms of Stedall's resignation notice, 'impute improper remarks to the chairman'.

The dividend reduction for the latter half of 1880 was the first indication of developing difficulties and the decline persisted. Shareholders were moved to action by 1887 and two years later, with the dividend at 9s 9d, when pressing for the formation of a committee of enquiry, a shareholder told the annual meeting that: '.....the management of the General Steam Navigation Company was the laughing stock of the City....'[282] Things could not get much worse.

Figure Four. Ordinary (£15) Share Prices, 1870 – 1890



The situation of General Steam was not only of interest to shareholders. Sentiment in the City of London was important and the stock market share price was a measure of City concern with Company performance. Figure Four traces the collapse of the share price, from a high of £33 in 1872 to £7 in 1887, an acute embarrassment to the directors. A newspaper report in 1885 commented on the general easing in the value of shipping shares, some major liner companies falling by from 2 to 4 per cent, and the fact that in

[282] *Shipping Gazette and Lloyd's List*, 27 February 1889.

other cases the losses were 'disastrous', citing General Steam, down 21 per cent, and Cunard down 35 per cent, amongst others.[283]

[283] *The Shipping World*, January 1885, p.331. P&O and Royal Mail were down a more modest 2 per cent, Castle Mail 4 per cent.

CHAPTER FIVE

Severe depression all over the World, 1870 - 1890.[284]

London continued to be by far the U.K.'s major port for coastal and near-Continental shipping, with 2.8 million tons entered and cleared in the year of 1870, approximately the same total as the next three largest ports together, Liverpool, Glasgow and the Tyne.[285] The great bulk of cargo was still carried in sailing vessels.

A measure of General Steam's importance in the coastal and short-sea trades is an 1870 newspaper listing of vessels arriving at and sailing from Gravesend on 11 September. Of the 35 vessels listed, no less than nine were the Company's.[286] In 1876 a press notice of vessels Entered In and Out by London Custom House indicated that in one day seven Company ships were Entered In, six were Entered Out and seven were Cleared Out. Of the latter, two were Cleared Out in ballast: *Leo* for Antwerp and *Hollandia* to Harlingen.[287]

In early 1870 General Steam, reflecting its very strong situation in its several trades, advertised twenty-six regular weekly sailings to seven destinations on the near-Continent from St Katharine's and other London wharves as well as services to four east coast of England and Scotland ports. See Table Twelve. Other important routes were, as yet, unadvertised. In addition there were twice weekly excursions to Boulogne and daily services to Margate from London Bridge Wharf. There were also daily excursions to Margate and Ramsgate utilising the service of the London, Tilbury and Southend Railway from Fenchurch Street Station.

The range and frequency of services indicates that a minimum of 35 vessels was required to meet the commitment, with additional vessels on stand-by. The figure does not include the specialist ships plying the cattle routes to Harlingen and Geestemunde.

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[284] GSN 7/5, 120th Report, 24 February 1885. Directors Report to shareholders.
[285] PP *Annual Statement of Navigation and Shipping of U.K. Vessels Entered and Cleared in the Coasting Trade in 1870.*, 1872 (C.615-I)(C615-II) LVI.299, Table 30.
[286] *Shipping and Mercantile Gazette,* 12 September 1870.
[287] *Shipping and Mercantile Gazette*, 23 March 1876.

Table Twelve. Services in 1870.[288]

	St Katharine's Wharf	Irongate Wharf	Custom-House Wharf	London Bridge Wharf.
Hamburg^	4 x weekly			
Rotterdam	2 x weekly			
Antwerp*	2 x weekly			
Havre	Weekly			
Ostend#	2 x weekly			
Charente+				
Boulogne	Daily			
Calais	2 x weekly			
Edinburgh		2 x weekly		
Newcastle		2 x weekly		
Hull			2 x weekly	
Yarmouth				4 x weekly

Source: *Shipping and Mercantile Gazette*, 1 February 1870, advertisement.

^ Two of the Hamburg sailings were cargo only.

* This service was advertised additionally,...'for Brussels and the Rhine'.

Antwerp, Brussels, Cologne and Rhine.

+ No sailing frequency advertised but three steamers were on the route, the newly-built *Scorpio, Alford* and *Elba.*

The saloon fare to Hamburg was £2, the Chief Cabin to Rotterdam,£1. By arrangement with a French railway company through fares were offered to Paris via Boulogne at 25s, 21s or 15s. Return fares for the daily Margate and back excursion were 5s.6d, 4s.6d and 2s.6d. No less than three London brokers were cited in the advertisement for cargo bookings, each with its own group of Continental ports. Passenger reservations were made at the head office in Lombard Street or at offices in Regent Street or Piccadilly.

An extract from the Customs Bills of Entry quoted in the 1 August 1870 edition of *Shipping and Mercantile Gazette* shows typical Continent to London cargoes carried in the Company's vessels at this time:

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[288] At times other services were operated, some on a seasonal basis. The Company Timetable for January 1881 (GSN 27/4) listed a passenger/cargo service to Stettin as well as a cargo only service to Amsterdam.

From Boulogne *Cologne* brought in 138 cases and 3 casks of wine, 1 case cigars, 15 cases eggs and 132 baskets of fruit.

From Antwerp *Orion* discharged 11 cases extract of meat, 1 box colours, 300 bales seed, 50 sheets iron, 10 tons linseed cake, 13 cases wine, 25 cases, 6 sheets spelter, 216 cases, 1829 lvs. sugar, 4 baskets pigeons, 388 baskets fruit, 4 oxen, 702 sheep.

Dragon brought in from Hamburg 23 bales hair, 35 bales wool, 152 bales bacon, 2 casks prunes, 10 bags beans, 103 casks wood pulp, 30 casks black lead, 1 case cigarettes, 7 bales cod liver oil, 43 casks, 1 box, 2 carboys, 10 pas, 60 hds spirits, 1 case skins, 50 sacks cassia lignea, 50 bags coffee, 66 cases paraffin, 17 cases cigars, 4 cases liqueurs, 3 cases chemicals, 3 cases drugs, 1 cask camomiles, 1 case essential oil, 37 casks lard, 37 casks butter, 30 casks wine, 337 sheep, 66 pigs.[289]

Other valuable imports were the very considerable quantities of wine and brandy (as well as cattle and sheep) brought in from Charente and Bordeaux. Shipments of potatoes were an additional revenue source. Usual outward cargoes to the Continent were iron manufactures, cottons, yarns, woollens and beer.[290]

Some credit must be given to management for the moves to broaden the route network within its existing area of expertise, the near-Continent, in the 1870/90 period even if most of the new destinations proved to be non-viable. In 1873 an attempt was made to develop a route to Terneuzen, trade being described as only slow. The experiment was terminated in May of the following year after suffering heavy losses.[291]

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[289] *Shipping and Mercantile Gazette*, 11 July 1870.

GSN 1/26, Board minutes, 25 September 1876. Freight rates for the time ex Ostend were noted: they were reduced to 1/6d for rabbits and eggs, 9d for butter, 5s per case of pork.

[290] GSN 43/7. A hand-written report dated 1924 in which the writer recalls that in the 1870s General Steam's cargo brokers in London not only engaged cargo for their specific ports but supervised the loading and discharge of the same on the Company's wharves, rather as agents on the Stations did. It was not until 1889 that the Company took over this cargo-handling function itself. Specifically he notes that perishable cargo was unloaded at whatever hour the ship docked, by exceptional permission of the Customs. The cargo was then rushed straight to market. *Swift* and *Swallow* brought in from Ostend rabbits, sometimes 150 to 200 tons of them, poultry, eggs and butter as well as baskets of fruit in season. 'Dead pigs' were shipped in cases, some weighing more than a ton. In the context of cargo capacities of small paddle steamers, note that, eg *Swift*, 627 tons, was able to carry appreciable cargo loads, at a guess, up to 300 tons.

[291] GSN 1/24, Board minutes, 7 May 1874.

Messrs. Malcolmson Bros. (The St Petersburg Steam Ship Company), who very likely had a working arrangement with General Steam, withdrew from a number of their trades in 1876 and the Company took over services to Amsterdam, Harlingen and Bordeaux, the first two being absorbed into existing services. The Bordeaux connection, in which the Company was engaged some time previously, was advertised as a cargo-only service of two ships in September of that year.[292]

In 1876 a service was established to Groningen and in 1878 to Ghent, but neither was advertised and they were likely short-lived. More successful was a new route to Oporto begun in 1878 and advertised as fortnightly in 1880.[293] At about the same time an attempt was made to revive the service to Stettin, which had been discontinued some years prior, with sailings every ten days.[294]

Business conditions in the late 1870s and 1880s were particularly difficult due to the continuing periods of depression. The Company's cargo volumes increased little in the 1880s and competition from more and larger vessels inevitably severely affected freight rates, at times reduced by as much as 70 per cent, and profitability.[295] The number of sailings was curtailed on occasion to reduce costs and some vessels were laid-up temporarily.

Further changes were made to the route network in the 1880s as it became clear to the directors that they must look further afield in order to win business in the continuing very

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[292] GSN 7/5, 103rd Report, 29 August 1876 and *The Shipping and Mercantile Gazette*, 4 September 1876. The Report describes the route acquisitions as, 'a need to exclude others from the trades'.

Perren, *The Meat Trade*, p. 118, describes the St Petersburg Company as a large company of 12 ships 'involved in the trade with Europe', carrying animals from Holland, Portugal and France. Oddly, Perren does not mention General Steam. St Petersburg is the only London-based company noted specifically as being involved in the live cattle trade.

[293] GSN 8/4. Secretary Richard Cattarns, writing to an un-named shareholder in February 1879, described the genesis of the new service thus: 'The Directors had acceded to a request made to them to commence a regular Line of Steamers between London and Oporto'.

[294] GSN 7/5, 108th and 110th Reports, 25 February 1879 and 24 February 1880.

[295] John Glover, 'Tonnage Statistics in the Decade 1870-1880', Table XIII, p.50. In 1870 there were 1,071 steamships of 170,746 tons, average 159 tons in the Home Trades. In 1880 the numbers were 1,295 ships of 233,271 tons, average 180 tons.

PP. 1886 (XIV) *Third Report of the Royal Commission of the Depression of Trade and Industry*, p. 175. Giving evidence to the Commission, the Company's General Manager, R Cattarns, confirming that cargoes were not increasing as they should with 'increased business and population', highlighted, not increased competition as the cause, but the loss of the transhipment trade.

difficult trading conditions. The Company's most ambitious and distant service to date, from London to the Mediterranean, was commenced in 1882, with calls at Genoa, Leghorn, Naples, Messina and Palermo. The new service was extended in due course, with calls in North Africa, Greece and Turkey, and would prove to be one of the company's most enduring and profitable ventures.[296]

In June of that year a rather unusual arrangement was authorised by the Board. This involved an experimental service, so far as General Steam was concerned, from London to Esbjerg in Denmark for a two month period with the Thames Haven Company guaranteeing the expenses of each voyage to maximum of £150.[297] This was not further reported on and it is presumed it was not a success.

In early 1888 the Company established a collaboration with its old rival, the Great Eastern Railway Company, opening a new route from Parkeston Quay in Harwich to Hamburg. The first sailing was taken by *Hawk* on 29 March. The intent was to build a fast passenger and goods service, with benefit of the shorter sea crossing, though it was appreciated it would take time for this to develop sufficiently to make a profit.[298] The railway had made a substantial investment in its new quay built on reclaimed land two miles upriver from Harwich and opened in 1883. Parkeston serviced GER's regular routes to Rotterdam and Antwerp, with direct rail connections from London and the North.[299]

A Danish service to Esbjerg shared the quay facility with General Steam so that it does seem likely that the arrangement with the railway company was a normal commercial one, probably involving rental payments, though firm information on this for the period is lacking. Whatever the terms, both parties benefited from the railway's passenger and freight traffic direct to its new station on the quayside. Interestingly, the new thrice-weekly service to Hamburg was advertised in the shipping press by Great

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[296] GSN 7/5, 116th Report, 15 February 1883. The directors were of the view that there was a reasonable prospect of developing the new trade, despite competition. *The Shipping and Mercantile Gazette* of 2 March 1880 carried two advertisements for existing services to Italy from London plus services from both Glasgow and Newcastle.
[297] GSN 1/29, Board minutes, 8 June 1882.
[298] GSN 7/5, 126th Report, 21 February 1888.
[299] Cecil J. Allen, *The Great Eastern Railway*, (London, 1955), pp. 193-5.

Eastern Railways, along with its own rapidly developing shipping services, though General Steam's involvement as carrier to Hamburg was acknowledged.[300]

In 1890 the Great Eastern's chairman wrote to General Steam indicating he was quite prepared to recommend to his board that the trade 'agreement', the term used in the Board minute, be extended for a further twenty years, which offer was accepted. In 1891 the service was enhanced by the fast new steamer, *Peregrine*, 1,664 tons, with accommodation for about 200 passengers.

The timing of General Steam's decision to enter and develop the Harwich service is of interest: Alan Pearsall has commented that the Company was suffering from the decline of its London-Hamburg passenger service and this may be true, though even in 1890 it was still advertising berths (£1 in Saloon) on its once-weekly passenger-cargo sailings out of London, with daily cargo only departures.[301] However, the London passenger service did end in 1891. The new service seems to have been a sound move by the directors. The shorter sea-route from Harwich was beneficial for passengers in adverse weather, and Great Eastern's advertised 'Boat Expresses' from Liverpool Street Station were a further convenience.

Perhaps more important was the potential to develop the service to the Continent for passengers and cargo from the industrial heartlands of Yorkshire and Lancashire, using Great Eastern's well established network of rail routes. The railway offered a through-booking facility from the major northern towns with onward transmission by train on the Continent. In time 'Fast expresses' were advertised from all around the north, with a 'Dining-Car and corridor carriages' service between Doncaster and Harwich.[302] There was also an element of self-preservation so far as General Steam was concerned: if, as was clearly the case, the railway had determined not to develop its own service to Hamburg then it must only have been a matter of time before another shipping company seized the opportunity to make use of the facilities.

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[300] *Shipping Gazette and Lloyds List*, 3 August 1888, advertisement.
[301] Alan Pearsall, 'Steam enters the North Sea', p.208, and *Shipping Gazette and Lloyd's List,* 27 February 1890, advertisement.
[302] *Shipping Gazette and Lloyd's List*, 2 January 1892, advertisement.

A press advertisement in early 1890 noted that the Edinburgh, Hull and Yarmouth services continued, that to Newcastle having been terminated in 1881 as it was no longer profitable. By this time, however, the Continental services had altered substantially and reduced passenger services, with the exception of those on the newer routes, are evident.[303]

Hamburg, weekly with passengers and daily with cargo.
Hamburg, twice weekly from Harwich, passengers and cargo.
Antwerp, twice weekly, cargo only.
Ostend, three times per week, one of them cargo only.
Havre, weekly, cargo only.
Bordeaux, weekly, passengers and cargo.
Oporto, every three weeks, passengers and cargo.
Mediterranean, to Genoa, Leghorn, Naples, Messina and
Palermo, passengers and cargo, frequency unstated.

The Company Timetable for 1881 was a comprehensive publication covering each month of the year and it listed vessels owned, agencies and routes operated and full details for passengers and cargo shippers.[304] Especially of interest was the list of over forty agencies, including one in Montreal and British India Steam Navigation Co.'s offices in Calcutta, Madras and Bombay. Further confirming General Steam's considerable involvement in the trans-shipment of cargo is a notice advising that through Bills of Lading were issued by General Steam, in conjunction with British India, to dozens of ports en-route to and within India. Twice-weekly sailings to India were also advertised per, 'Eastern Steamship Companies'.

Offices were maintained by agents in all of the Continental ports serviced by the Company as also in Paris, Frankfurt, Copenhagen, Brussels, Biarritz and Danzig, for the

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[303] *The Shipping Gazette & Lloyd's List*, 4 January 1890, advertisement. The Harwich to Hamburg service was advertised by Great Eastern Railway only. For reasons not clear the Company's Rotterdam and Amsterdam services were not advertised, nor was the Harlingen cattle service.
[304] GSN 27/4. Timetable for 1881. Timetables are not available within the archive for every year from 1876. Progressively the timetables promoted General Steam's move into the holiday and cruise business. Most routes offered outward and homeward travel by sea with extensions by rail. A 'cruise' round Scotland was advertised, using Company services to Edinburgh and then round the north coast using other shipping lines, returning to London by sea from Edinburgh..

purpose of generating trade. Through steamer/rail fares were offered to and from all Company Stations. Within the United Kingdom one or two offices appear oddly situated: there were agents in Greenock, Plymouth and Lymington.

One development was the takeover of the Bordeaux agency by Company staff in 1877. Thirty years later this became normal practice when new management recognised the commercial benefit of handling agency work in-house, but at the time it was exceptional. The existing agency was 'relieved' of its duties, for reasons unstated, though there was a hint of misconduct. Bordeaux was a valuable source for lucrative wine and brandy cargoes.[305]

At about this time there was an increase in the amount of charter work undertaken, an attempt to make profitable use of under-employed vessels. The Company had been long involved in this line of work, though the directors' Reports referred to it only infrequently. In 1883, when ships were flowing from the builders' yards and the cattle trade was poor, the directors commented that profits from 1882 charters by government obscured a falling off in the cattle trade.[306]

The following year several vessels were chartered to the British government for use by the Egyptian Transport Service. The rates are not indicated, but this form of charter, with vessels often urgently required, usually attracted good rates.[307] Foreign governments, too, would, on occasion, lease a vessel for transport purposes.

The arrangement of an occasional one-way charter for a vessel in the absence of outward or homeward cargo was a useful additional revenue source. *Plover* carried a cargo of coal from south Wales to Rochefort on the French Biscay coast in 1875, her maiden voyage, and in the same year *Scorpio* was lost with all hands in a storm when en route from Cardiff with a cargo of coal.[308] The profits from charter work were never separately identified in the accounts, so that it is impossible to ascertain the scale of the employment.

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[305] GSN 1/26, Board minutes, 26 July 1877.
[306] GSN 7/5, 118th Report, 14 February 1884
[307] GSN 7/5, 116th Report, 15 February 1883.
[308] National Maritime Museum, Woolwich. The Crew Agreements for *Plover* confirm the outward cargo. GSN 7/5, 100th Report, 23 February 1875. The fact of *Scorpio*'s charter arrangement would not have been commented upon if not for the loss of the vessel. Her destination was not named.

A bonus for the Company in 1885 was the resumption of a contractual arrangement with the Post Office. Agreement was reached for the carriage of parcel mails to all ports between the Elbe and the Gironde and from the Gironde to Oporto with payment of 1/4d per pound weight. The contract was for initial twelve months to 'commence at any time appointed by the Post Master General', with continuation until either party gave six months notice. However, though the Hamburg service commenced within months, the other routes were not used by the Post Office, despite the fact that for a time the Company's advertisements were headed 'Royal Mail Steamships'.[309]

A serious blow was a major strike of dock labour in 1889 which extended to most workers involved with shipping, including seamen. The demand was for wage increases: the dock workers' union pressed for an increase in the hourly rate for ship's labourers from 6d to 7d per hour, to which the Company reluctantly yielded. Business in London and around the country was greatly affected for a time. Particularly damaging for General Steam was the diversion of shipping from London to outports and to the Continent. A major effort was made to cut costs, marginal businesses being closed, including the long-established route to Boulogne.[310]

The Thames River Services.

By the 1870s day trips and holidays were becoming increasingly popular, with the Kent and Essex coasts a particular attraction for Londoners. Day excursions by steamer continued to draw large numbers, the pleasure of the sea breezes presumably providing a welcome contrast to the grime of the city. By this time, however, railways carried the

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[309] POST 29/267 Pkt. No. 287A. Contract dated September 1885 to carry parcel mails from London to ports between the Elbe and Oporto.
GSN 19/1. In a letter dated 11 November 1889 General Steam asked the Post Master General for a rate increase to 1/2d per parcel, on the grounds that shipboard costs in respect of mails, officers and crew, made it impossible to earn a profit. The P.M.G. wrote to the Treasury commending the increase on the grounds that the direct service from London was less expensive than a shorter sea crossing with added cost of rail transit on the Continent. He added: '....it has not been found possible to utilize for the conveyance of parcel mails any of the services except Hamburg'. The Treasury approved the increase. The Post Office archive makes no reference to the mail service after 1894 when it attempted to renegotiate the carriage rate, nor does the General Steam archive.

[310] GSN 1/34, Board minutes, 12 November 1889. The following year the wages of Company seamen and firemen were increased from 27s to 30s per week.

great bulk of the excursion traffic to the coastal resorts, being able to offer more services at lower fares.[311]

General Steam's Thames services were operated at this time by a variety of vessels, not all of them built specifically for the trade. The *Hoboken*, described in the press as a 'handsome vessel, most comfortably arranged', was built in 1873 and acquired in 1877. She was an innovation for the Company, being its first deck-saloon steamer. She entered service with the *Hilda* and *Eagle* in that year, and it was usual for the three boats to run daily on the Kent services. Some of the older vessels remained in service and, on occasion, Continental vessels were used on the Margate and Ramsgate service, in particular *Concordia, Seine* and *Moselle.* In mid-1874 the directors determined to proceed with a variation of the usual river services by allocating *Hilda* to run from Margate and Ramsgate to Boulogne and back, starting 1 August.

A new and equally competitive route was to the developing Essex coast resorts of Clacton and Great Yarmouth. In 1876 an amalgamation of Thames steamboat companies, including the Woolwich Steam Packet Company, resulted in the formation of the London Steamboat Company which controlled 70 vessels. Many of them were up-river steamers though a number were used on established services to Ipswich, Harwich, Southend and Sheerness. The new company also owned 18 piers, assorted premises and a dry-dock, acquired from the Woolwich.[312]

It is not certain when General Steam became involved in the Essex services. It was 1867 according to Dix, but they were certainly active in the 1870s, their main interest being a service to Yarmouth, where they had an agent prior to 1874. He was dismissed that year for 'maladministration' and replaced by a Mr Harper who received £100 per annum for his services to the passenger trade and a percentage on goods freight.[313]

When a new service was opened to Lowestoft in 1876 the local newspaper commented:

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[311] Simmons and Biddle, *The Oxford Companion*, p.151. Profit from excursion business was a point of argument in rail companies, as in General Steam. In 1870 the chairman of the London, Brighton & South Coast Railway told shareholders that he doubted that excursion traffic paid for itself. The competitive nature of the business meant that fares were kept low. In 1865 Royal Commission noted that three railways alone carried 1.14mn. passengers in the year.
[312] Frank L. Dix, *Royal River Highway: A history of the passenger boats and services on the River Thames*, (Newton Abbot, 1985), p. 97.
[313] GSN 1/24, Board minutes, 17 December 1874.

> The exodus of Londoners for their accustomed seaside trip may be said to have now commenced in earnest, the train and steamboat services having during the last few days been extensively patronised. On Saturday the demand for accommodation was so great, that the managers of the General Steam Navigation Company had to place two of their fine vessels, the *Albion* and *Sir Walter Raleigh*, on the station for Yarmouth. A similar instance to this is of no uncommon occurrence for a week or two during the height of the season.....[314]

Competition increased in the 1880s, with a number of companies building faster and more luxurious vessels. The directors determined in early 1887 that, if they were to hold their ground in the Kent and Essex services, they must replace their aging summer tonnage in order to be able to compete. They responded positively by building five fast steamers. So successful were the new ships, with their increased speed and passenger capacity, that the services were extended to Deal and Dover.[315]

In the past the small steamers used on the summer services were also used on other routes during the off-season. The new vessels, now termed 'Summer boats', were employed exclusively on the excursion services: they were laid-up for at least six months of each year, probably off Deptford, and expensively refurbished prior to the summer season. Their ability to return positive profits over a twelve month period demanded fair weather with an extended season and high passenger loads, conditions by no means guaranteed.[316]

The following year *Mavis,* one of the new vessels, was noted to be employed with *Hoboken* and *Seine* on the Great Yarmouth service, the former regularly carrying 500 passengers and, on Bank Holiday Saturday, she was supported by no less than three other vessels.[317] So great were the crowds attracted to the resorts at times, especially on holiday

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[314] *The Lowestoft Journal*, 22 July 1876, in Peter Box, *All at Sea*, (Lowestoft, 1992), p.116.
[315] GSN 7/5, 127th Report, 28 August 1888.
[316] No breakdown of the highly competitive summer service profitability, or otherwise, is available for the period though the service was undoubtedly prestigious for the Company. Some years later an internal memorandum highlighted the marginal profitability obtained in the year due, in the main, to lay-up costs of the vessels bought specifically for the summer trade. Another source describes the Kent services, in 1887, as 'financially lucrative'.
[317] Peter Box, *Belles of the East Coast*, (Lowestoft, 1989), pp.25/26.

weekends, that ships sailed when they were full of passengers regardless of the advertised sailing times and extra boats were regularly available on standby from the larger companies. On the Bank Holiday Saturday of 1889 no less than five General Steam ships berthed at South Quay, Yarmouth, between 6pm and 10pm.[318]

Meantime there were considerable changes in the other companies involved on the routes. The River Thames Steamboat Company, which ran to, amongst other places, Clacton, was in financial trouble. In 1888 its fleet was taken over by the Victoria Steamboat Association which set out to rival the by now dominant General Steam on its routes to the Essex and the Kent resorts. Another competitor was the London, Woolwich and Clacton-on-Sea Steamboat Company which would later be known as Belle Steamers. Both companies bought or had built faster and more luxurious steamers of improved design, with saloon decks running nearly the full length of the ship, lounges and bars. These ships quickly became very popular.[319]

The Cattle Trade.

In an attempt to control the persistent problem of cattle disease from the Continent the Corporation of the City of London, under the 1869 Contagious Diseases (Animals) Act, in 1871 opened the Foreign Cattle Market at Deptford, on land previously occupied by the Royal Dockyard which had closed in 1869. Cattle, sheep and pigs imported from scheduled countries on the Continent (that is countries which the government considered to be at risk of disease) were landed there and slaughtered on site. Animals from unscheduled countries continued to be sold along with home-fed animals at the larger Metropolitan Cattle Market at Islington, which dealt with a wide selection of animals and attracted a greater number of buyers with resultant higher prices.[320]

Faced with Government regulations for the carriage of animals by sea, General Steam made it clear that it had met all the requirements for some time past. The directors, predictably referring to 'restrictive regulation', expressed the view that these 'were likely

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[318] Box, *Belles*, p.28.
[319] Box, *Belles*, pp. 26 and 28.
[320] Perren, *The Meat Trade in Britain*, p.111. The scheduling of a country might mean that all stock imported were slaughtered on landing. It might also mean that the import of cattle, say, was entirely prohibited whilst sheep and pigs might be imported from the same source for slaughter. Note that the

to have the effect of checking importations particularly of horned cattle which will be prejudicial to the Company'.[321]

In its first year of operation, 1872, Deptford Market handled 38,426 cattle and 122,601 sheep. These figures fell very dramatically in the following two years, with only 7,175 cattle and 114 sheep in 1874, but they increased considerably towards the end of the decade. 120,196 cattle and 658,899 sheep were slaughtered there in 1880, by which time scheduling was applied to the majority of livestock imports.[322] Predictably, the procedures with diseased cattle were extremely unpopular with the trade from the outset, the return to the producer being less, as was the market price.[323] These factors must certainly have influenced the freight rate that General Steam was able to charge on shipments from scheduled countries, though this was never specifically commented upon.

The imports of animals from the Continent continued to be periodically affected by disease after 1880. A further problem arose when some European countries, including France and Germany, unable to maintain supply for their increasing populations, were themselves obliged to import live animals. Those countries with a surplus found ready markets with lower transport costs within Europe, causing a shortage of Continental cattle available for export to Britain.

The Atlantic cattle trade from the United States and Canada to the ports of London, Liverpool and Glasgow, developed from 1875, benefited from these adverse circumstances. Imports of carcasses as well as livestock grew, assisted by efficient oceanic steamship services and the development of the chilling process. Indeed it was reported that cattle killed in New York could be sold in Britain within a fortnight.[324]

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continuing attempts to control disease entering the country were concerned with the transmission of disease to native animals and not, it seems, with consideration for the consumer.

[321] GSN 7/5, 94th Report, 29 February 1872.

[322] Perren, *The Meat Trade*, Table 7.1 on page 112, information derived from 'Agricultural Statistics', 1887, Table XXVI. No explanation is offered for the dramatic slump in cattle and sheep landings at Deptford in the period 1873-1875. The 1880 Deptford figures accounted for the great majority of live animals brought into London, 78 per cent in the case of cattle, 91 per cent for sheep.

[323] Perren, *The Meat Trade*, p.111. One farmer, from Schleswig Holstein, calculated that he lost from 35s to £2 per head on cattle and 5s a head on sheep if he had to sell them at Deptford rather than Islington. As a general rule, imported cattle were of inferior quality and weight to home-bred beasts.

[324] *Shipping and Mercantile Gazette*, 5 September 1876. The advantage of the carriage of carcasses, as opposed to live animals, was that the entire carcase was saleable, whilst nearly half of the weight of a live animal was offal.

Perren, *The Meat Trade*, p. 116, refers to the dead meat as 'chilled'. There was an additional cost advantage in the shipment of meat: In 1877 it was estimated that it cost £8.10s to ship an animal to

Already by the late 1870s the directors believed that the American competition was inevitable.[325] Periodic outbreaks of cattle plague, as in 1877-1878, caused the Continental trade to be much reduced and as a result a number of General Steam's vessels were temporarily laid up. The effect on income must have been considerable, though, unfortunately, no specific figures on cattle trade profitability are available for this decade.[326]

In 1878 the directors, having long considered the likely effects of the development of the American chilled meat shipments, expressed the view that it was unlikely to be profitable and that the importation of live animals was most satisfactory to all parties concerned! They then called for improved facilities to encourage the trade.[327]

Ever pragmatic, in 1879 General Steam arranged with the Corporation of the City of London to transport the large numbers of American cattle arriving in the Docks to the Deptford Market. The fact that the trans-Atlantic imports had lessened the importance of the Continental cattle trade was acknowledged.[328]

A measure of the problems developing in the Company's most lucrative trade was its decision in 1881 to discontinue the lease of Brown's Wharf at Blackwall and sell the freehold portion of the premises. The stated reason was that the official policy of

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England, compared with the 30s cost of a dead animal shipped as chilled beef. Quite what was meant by 'chilled' beef so far back as 1877 is uncertain. These were still the early days of refrigeration and it is likely that the conditions of carriage were primitive. The ports receiving the meat in this country were obliged to move rapidly to build cold storage facilities to receive the product.

GSN 7/6, 129th Report, 27 August 1889. There is no indication prior to this date that General Steam and its European suppliers anticipated the need to move to the carriage of carcasses under refrigeration, presumably based on the short sea journey. There are references to large quantities of dead meat, cured meats, hams and bacon being imported. Home produced fresh meat was handled, from 1868, at the new London Central Meat Market. In that year the market handled 120,000 tons, increased by 1876 to 175,000 tons.

[325] GSN 7/5, 108th Report, 25 February 1879. Commenting on a considerable falling-off in the Continental trade, due, in part to the developing trade with the United States, the directors commented that they considered this to be 'permanently established'. Imports of American and Canadian cattle doubled from 101,001 in 1879 to 204,467 in 1880.

[326] GSN 7/5, 104th Report, 27 February 1877 and 107th Report. 27 August 1878. One of the cattle ships, *Florence*, was laid up for 6 months..

[327] GSN 7/5, 107th Report, 27 August 1878.

[328] GSN 7/5, 109th Report, 26 August 1879.

concentrating nearly the whole business of the import into London of live cattle and sheep at the Deptford Cattle Market had made it superfluous.[329]

Table Thirteen. The Share of the Cattle Trade in GSN Profits, 1883 – 1892.

Year	Annual Gross Profit of GSN	Cattle Trade Profit	Percentage share of cattle profits in total profit.	Import Restrictions
1883	£111,574	£45,167	40%	French cattle and sheep
1884	£ 96,349	£36,816	38%	
1885	£ 38,003	£23,772	62%	
1886	£ 55,463	£25,334	46%	
1887	£ 76,215	£17,839	23%	
1888	£ 84,376	£26,763	32%	Belgian sheep
1889	£ 66,500	£13,606	20%	German sheep, Holstein cattle
1890	£ 74,036	£ 8,684	12%	Dutch cattle and sheep, (temporary ban)
1891	£ 69,990	£13,549	19%	
1892	£ 47,487	£ 600	-	Dutch, Portuguese cattle/ sheep.

Source: GSN 7/6, 136th Report, 21 February 1893.

Imports of German cattle were stopped in 1877 and never resumed.

In 1882 there was a temporary reduction in imports from America and more cattle were brought in from Europe. The following year, however, the number of cattle carried in the Company's vessels again fell. Thereafter the continued impact of disease ensured that the half-year Reports became a litany of bad news. This culminated in the banning of imports of German sheep in 1889, followed by a bar on livestock from Holland.[330]

In 1892, faced with conveying the seriousness of the situation to shareholders, the directors released details of the contribution the cattle trade had made to its profits over

[329] GSN 7/5, 113th Report, 30 August 1881.

the past ten years. This information, Table Thirteen, confirms the importance of this trade to General Steam and highlights the significance of the severe revenue loss in the 1880s.

The downward trend of cattle Receipts/Profit after 1883 was clear and by then there was ample evidence that viable alternative sources of live cattle and carcases were available, without the constant risk of disease. The numbers of cattle from North America increased from 68,903 from the U.S. and 17,995 from Canada in 1878 to 294,391 and 84,558 respectively by 1889.[331] A press report in 1888 commented that no less than eight ships arrived in Liverpool from America and Canada in the week prior, three of them carrying 1,170 cattle, the others with a total of 7,703 quarters of beef. [332]

Also, by the mid-1880s the trade in frozen meat, mainly mutton and lamb in the early years, from Australia, New Zealand and Argentina was well under way and, if initially there was some consumer reaction against the product, the economics of the business were unarguable and, in the end, greatly to the benefit of the consumer. The first carcases were imported from Australia in 1880 and by 1903 there were already in operation 147 steamers with carrying capacity of over eight million frozen carcasses.[333] The live cattle trade from the Continent was in terminal decline and it ended, so far as General Steam was concerned, in 1892.[334] Without doubt, the collapse of this business dealt a very considerable blow to the Company's prospects.

The Fleet.

The revolution in shipbuilding techniques and engine design progressed. Iron was by now well established as the building material for steamships and improved engine designs

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[330] GSN 7/6, 132nd Report, 24 February 1891. The ban was anticipated to be only temporary and the directors noted that this was the first time in many years that the Company was deprived of the revenue source.

[331] Perren,, *The Meat Trade in Britain*, p.117.

[332] *Shipping Gazette and Lloyd's List*, 24 February 1884. The trade in live animals from these countries would continue for some years, with the Deptford Cattle Market continuing in use. There were occasional alarms due to sickness. In 1890, for instance, all landings of cattle in Britain from Argentina were forbidden due to foot and mouth disease. *Shipping Gazette and Lloyd's List*, 24 April 1900.

[333] Messrs. Weddell & Co., 'Review of the Frozen Meat Trade', in *Shipping World*, 8 July 1903, p.12. Beef imports surged from 1885 with, by 1895 Argentina the main source.

[334] Perren, *The Meat Trade in Britain*, pp.172/3 and Table 9.3 on p. 164. After 1892, insignificant imports of cattle continued from Norway until 1897 when they ended. Limited imports of sheep continued for a few years. Imports of live cattle from North America peaked in 1905 and declined rapidly thereafter, less than 10,000 animals being imported in 1913.

continued to be developed. The compound marine engine with high and low-pressure cylinders offered still greater economies of fuel.[335]

Economy was the key and General Steam was only too conscious of the need to keep pace with developments. Larger ships with more economical engines gave reduced fuel costs. The increased cargo spaces supported revenues when freight rates were low and maximised profit when good cargoes were carried. The need to urgently reassess the requirements of the fleet was forced on the directors by increased coal costs. In 1871 the Directors' Report stated, as two new vessels of over 1,000 tons came into service, '....it is absolutely necessary to replace some of the vessels of the Company's fleet by a class better adapted to suit the present requirements.....in an efficient and economic manner'.[336]

In 1870 the Company maintained approximately 50 ships in service. As we have seen in the previous chapter, considerable additional capital was obtained in 1874 and 1877 to facilitate the update of the fleet to meet the changing demands of the Company's routes and maintain profitability. The 1876 timetable indicates that 61 ships were in operation and by 1880 the figure was marginally reduced to 59.[337] A major problem was that the majority of the fleet was more than 15 years old, 10 of them were twenty years old, one, *John Bull*, dating from 1835.

The older vessels were becoming expensive to operate and needed constant repair and maintenance, as well as renewal and updating of engines and boilers. Nevertheless, the directors reassured shareholders that the fleet was well maintained and suited to its purpose. A major replacement programme was put in hand, in the region of 30 vessels being built in the decade of the 1870s, the great majority iron, screw-propelled and mostly in the range of 600 to 800 tons, though six exceeded 1,000 tons. At that time a

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[335] J. Graeme Bruce, 'The contribution of cross-channel and coastal vessels to developments in marine practice' in (ed.) John Armstrong, *Coastal and Short Sea Shipping*, p.66 and Robin Craig, *The Ship: Steam Tramps and Cargo Liners 1850-1950*, (London, 1980), p.11. The compound engine demonstrated fuel economies of 30 to 40 per cent, more when triple and quadruple expansion engines were developed and surface condensers, improved boilers and forced draught permitted the use of higher steam pressures with further economies.

[336] GSN 7/5, 91st Report, 30 August 1870.

[337] The first positive indication of fleet numbers was contained in the 1876 Timetable, the first available in the archive. From 1881 the bi-annual Reports began to specify fleet numbers.

ship of one to two thousand tons was delivered from the builder within four to six months.

Two new iron screw vessels entered service in 1871. *Virgo*, 1,116 gross tons, and *Rainbow* (2), of 1,083 tons, were built by Gourlays of Dundee, a favoured builder and one which produced another dozen ships for the Company in the next twenty years. The latter, a passenger/cargo vessel was equipped with compound engines of 200 hp and high and low pressure surface condensers. Trade at the time was buoyant and the Company commented that there was a great demand for steam shipping and that building costs were high.[338]

A third large steamer, *Iris*, 1,033 tons, also with compound engines of 200hp, came into service in 1873. She was built by James Watt & Co. on the Thames and had accommodation for 104 passengers.[339] She was one of the very few ships built for the Company where a firm indication of cost is recorded. The price of £27,300 confirmed the cost escalation for new and larger tonnage.[340] She was placed on the Hamburg service.

Two ships were purchased second-hand at cost of £11,000 each in late 1874, *Princess*, 510 tons, and *Capulet*, 336 tons, their size belying the move towards larger tonnage, though they may have been engaged on specific routes not suited to larger vessels. *Nautilus*, 718 tons, was bought on the stocks from the builder. She was placed on the Charente route. *Condor*, built in 1875, was the first of the Company's steamers to be named after a bird, which became the normal practice. The Company's last paddle steamers for the Continental trades, *Swallow* and *Swift*, were built at Stockton for the Ostend Station. They were described as having high speed and a low draft.[341]

Of the four ships acquired from The St Petersburg Steamship Company, two were paddle steamers and two were screw propelled. The price paid was £33,000, low, but two of the vessels were 15 years old and one of the paddle steamers was nearly 30 years old. By now a mix of vessels was being built, some for passengers and cargo and some for

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[338] GSN 7/5, 92nd and 94th Reports, 28 February 1871 and 29 February 1872.
[339] GSN 7/5, 98th Report, 24 February 1874. A cylinder of the engine was found to be defective. The builders agreed to make the repair and were advised that they would carry not only the repair cost but also pay demurrage, loss of earnings in the period of repair. The latter claim was rejected by the builder and the matter became the subject of legal action.
[340] GSN 1/22, Board minutes, 27 July 1871.
[341] GSN 7/5, 100th Report, 23 February 1875. The use of low draft paddle steamers on the Ostend service was most likely due to limited water depth in the harbour.

cargo only, and periodic comments by the directors made it very clear that they still considered passenger fares to be an important revenue source.

Whilst new tonnage was clearly a priority, the directors made a number of enquiries concerning the fitting of new engines and boilers to existing tonnage but not all ships were suited to updating. In the first instance they sought to have existing engines 'compounded', as opposed to replaced with new compound engines. *Libra*, built in 1869, was dealt with in this fashion in 1876 by the North East Marine Engineering Company and *Benbow*, 1865, was re-engined by Gourlay Bros. in the same year.[342]

Despite the conditions of depression prevailing, or, perhaps, because of them, prices on offer from the shipyards were attractive in late 1875 and five new 'first class passenger vessels of large cargo capacity' were ordered for the Rotterdam, Antwerp and Boulogne trades. A Board minute reflects a business-like approach to seeking tenders for the new ships. Three companies were asked to produce plans and specifications for a 500 ton deadweight compound-engined, screw-propelled, passenger and cattle carrying vessel capable of 11.5 knots minimum speed. Messrs Gourlay of Dundee was awarded the first contract at price of £30,000.[343] The ship, of 906 tons, was named *Penguin*. Interestingly, both of the others asked to tender were awarded contracts. Pearce & Co.'s tender was accepted, price £23,250, and Messrs. Mitchell's was accepted at £24,000.[344]

A total of 18 vessels was built or bought in 1875/6. One of the vessels, *Merlin*, 643 tons, built in Aberdeen, cost £13,000. Even assuming a cost of approximately £15,000 per vessel, this was an enormous investment and one not without risk in what was a challenging economic environment.

Plover, 949 tons, was built in Sunderland and *Petrel* was bought from the Aberdeen builder's stocks in late 1876.[345] Two vessels followed in 1877: *Osprey*, said to be the

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[342] GSN 1/25, Board minutes, 22 May 1876.

[343] GSN 1/25, Board minutes on 9 September 1875 and 2 December 1875. The specification called for passenger accommodation with a 100A Board of Trade Passenger Certificate and fitments for the carriage of livestock on deck and in the 'tween decks.

[344] GSN 1/25, Board minutes, 2 and 6 December 1875. The Pearce ship was *Teal*, 830 gross tons, the Mitchell, *Widgeon*, 788 gross tons. Whether the price variation resulted from supply and demand or varied specification is uncertain. The Company appointed a private firm, Farnia & Co. to superintend the building of all three.

[345] National Maritime Museum, Woolwich. The Crew Agreement for *Plover,* which covers her maiden voyage from the builder's yard, confirms she was equipped with a compound engine of 110hp and she carried a full set of sails, as did most steamships of the period. The crew numbered twenty-three, including

Company's largest vessel, at 1,095 tons and with the finest passenger accommodations in the fleet, and *Hoboken*, a paddle steamer, was bought for the Margate service.[346]

Two further passenger ships were ordered, *Kestrel* and *Bittern*, which were both placed on the Bordeaux run in 1878. In late 1879 *Lapwing* was delivered and *Gannet* ordered for early 1880 delivery. Both were larger than previous ships, at over 1,200 gross tons, and the latter was said to have 'good passenger accommodation'. *Redstart*, 1,192 tons, built at Stockton, a cargo-only vessel fitted with the latest compound engines, was the last vessel built up to and including 1880.

In February 1881, the fleet of 59 vessels totalled 41,102 gross tons, of which 34 were cargo/passenger with accommodation under Board of Trade certificate and 25 were cargo only. Twenty-eight of the vessels were fitted with the latest compound engines and the book value of the fleet was recorded as £634,286. The directors noted at this time the changing nature of the company's business since its formation: the passenger trade, '……to which its attention was mainly directed has materially depreciated……whilst the goods trade has to a larger extent in proportion developed'.[347]

The expenditure on new tonnage continued: a further 16 ships were built or bought in the period from 1882 to 1889. These included the Company's first steel ship, *Swan*, 1,231 tons, built in 1880 as *Deak* and purchased in 1882.[348] At about the same time two new screw steamers, *Raven* and *Cygnet*, were ordered, the former of iron being larger at over 1,600 tons and capable of carrying 2,000 tons of cargo, the latter, of steel.[349] *Egret*, of only 723 tons, was delivered in 1883 and *Albatross*, 1,450 tons, followed from Palmer's Yard in Jarrow. She was intended for the Bordeaux run, carried 1034 tons of cargo and had limited passenger accommodation. So poor were the conditions of trade that she was

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master, two mates and twelve deck hands, chief and second engineers and five engine-room hands plus a cook/steward.

[346] GSN 7/5, 106th Report, 26 February 1878.

[347] GSN 7/5, 112th Report, 22 February 1881. This detailed information was given, most unusually, in the course of a self-congratulatory reflection by the directors on the changing shape of the business and their successful efforts to maintain it.

[348] Subsequently most Company-built ships were of the stronger, lighter and more durable steel. Prices reduced by half in the 1880s., and steel effectively replaced iron by 1890. See David J. Starkey, 'The Industrial Background to the Development of the Steamship', Table 6/3 on p.134 in (eds.) Robert Gardiner and Basil Greenhill) *The Advent of Steam*, (London, 1993).)

[349] GSN 7/5, 117th Report. 28 August 1883. The Report noted that *Raven* left London with more than 2,000 tons of cargo but the destination was not noted.

chartered, along with *Osprey*, to the government for four months for the Sudan campaign at rates described as 'low'.[350]

Over £100,000 was expended during 1883 on new ship buildings and repairs, with several vessels re-engined and re-boilered and extensively refitted. Much of this work was done at Deptford, though *Virgo* was re-fitted at Dundee where she was built in 1870. In 1886 *Libra* was re-engined with 'triplicate engines', (triple expansion), reducing the London/Edinburgh voyage time from 35 or 36 hours to 28.5, with no greater fuel consumption.[351]

The first of five small Summer boats, *Halcyon*, was delivered from Messrs. J. Scott & Co., in Kinghorn, Fife, a builder not previously used. She was followed by *Oriole, Mavis*, *Philomel* and *Laverock*, 17-knot, steel, compound-engined paddle steamers of about 500 tons from the same yard. *Philomel*, marginally the largest, cost £13,230 and *Laverock*, £12,150.[352]

The reaction to the intensive building programme was to lay-up and scrap those vessels nearing the end of their useful, and profitable, lives. Several vessels were deleted from the fleet list and dismantled and sold: three were disposed of during 1885, all being nearly 30 years old. During 1886/7 a further six vessels were dismantled and sold, usually for a modest sum: the oldest, *Albion*, a small Summer paddle steamer, was nearly 40 years old. *Eider*, a paddle steamer and cattle ship, was only 20 years old. Her consort, *Taurus*, also built in 1866, was fitted with new boilers and paddle wheels in 1886. Some vessels were laid-up, others were chartered out.

By 1887 26 ships had been broken up by the Company within 12 years. In the same period 32 ships were built and five re-engined and modernised.[353] Intended for the Edinburgh route, *Seamew,* of 1,505 tons, was launched by Palmer's of Jarrow in May of 1888: she had a triple expansion engine and accommodation for nearly two hundred passengers of whom one hundred were First Class and she was equipped with electric

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[350] GSN 7/5, 121st Report, 25 August 1885.
[351] *The Shipping World*, October 1886, p.162.
[352] GSN 1/33, Board minutes, 20 September 1888.
[353] GSN 7/5, 124th Report, 22 February 1887.

lighting.[354] In 1889 *Hirondelle*, a cargo/passenger vessel of 1,660 tons was ordered and, on delivery the following year, she was described as the, 'the largest and fastest owned by the Company'.[355]

An interesting development in 1889 was the decision to install 'a cooling apparatus', fitted by Messrs Haslam, in *Penguin*, for what was described as 'the dead meat trade'. Unfortunately, she was lost at sea within months. Further ships were fitted with electric lighting, *Rainbow* and *Osprey* being among the first. Such was the novelty of this development that the ships were advertised, "These ships are fitted with the ELECTRIC LIGHT".

Casualties

General Steam continued to experience a number of ship accidents and losses, at least some of them avoidable, as the Company acknowledged and, inevitably, costs were incurred, a heavy burden on the Insurance Fund set up in 1876.[356] Collisions and accidents were seldom reported to shareholders, only the ship losses. Attempts were made to improve the situation by tightening on-board discipline and acting vigorously when regulations were ignored.[357] The Board dealt with disciplinary transgressions and at one meeting in 1877 a master and two mates were dismissed and further instructions were issued regarding the manning of the bridge when vessels were under weigh.[358]

It was to no avail. In 1873 *Mermaid* was in collision with an anchored vessel off Gravesend when inward bound from Newcastle with coal for Company ships. She sank and became a total loss. Predictably, the Company blamed the other party, but the Court found otherwise and the matter went to appeal.[359] In 1877 *Rhine* struck and sank the

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[354] *Lloyd's Weekly Shipping Index*, 26 May, 1888. She carried 100 passengers in 1st class, 60 2nd class and 33 in steerage. *Seamew* is a good example of the remarkable numbers of passengers these small ships were able to carry.
[355] GSN 7/6, 131st Report, 26 August 1890.
[356] GSN 7/5, 102nd Report, 29 February 1876.
[357] GSN 7/5, 105th Report, 28 August 1877. The directors noted: 'Collisions of a more or less serious character have lately attended the working of the Company's vessels'. They added that as some masters were comparatively free from accidents it is 'fairly deducible' that some casualties are avoidable.
[358] GSN 1/26, Board minutes, 19 July 1877.
[359] GSN 7/5, 97th Report, 26 August 1873 and 98th Report, 24 February 1874. The Privy Council rejected the appeal.

Tongue Lightship in the mouth of the Thames and the following year two Company vessels managed to collide with each other in Woolwich Reach in the Thames.[360]

Within a few months in 1881/2 three vessels were reported to have been involved in collisions and two ran aground, *Cosmopolitan* in the Scheldte and *Kestrel* on the French coast bound for Bordeaux. Coastal waters are always dangerous but this does appear to have been a problem that General Steam was unable to contain.

In one twelve month period in 1889/90 the Company suffered fifteen collisions, three groundings and three fires on board, a truly alarming accident rate. One vessel, *Kestrel*, had three collisions in the twelve month period. There is no record of disciplinary action taken against the master(s) of the latter vessel.[361]

Whilst the Company was conscious of the need to apply sensible practices to its ship operations, a factor, no doubt, in the appointment of its first Marine Superintendent in 1875, the requirement for load lines to be marked on the ship's sides was, at the time, at the discretion of owners.[362] Even if the Company approved the idea of a load line the positioning of the line remained a matter of dispute for some years. Whilst indicating concern about the sea-worthiness of their vessels, they expressed considerable unhappiness with the Merchant Shipping Act of 1875, several clauses being, '....objectionable and impractical and most injurious to the interests of British shipowners'.[363]

In the mid-1870s two vessels were lost at sea with all hands. In 1874 *Elba* sank in a severe storm off the Elbe, presumably carrying her usual general cargo. *Scorpio* met a similar fate a year later when loaded with coal, very likely due to movement of the cargo.[364] No reference has been found of steps taken by the Company to meet the general concern being expressed at the time in Parliament and elsewhere over safety at sea. Many

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[360] GSN 7/5, 105th Report, 28 August 1877 and GSN 1/27, Board minutes, 28 February 1878. The vessels were *Ostrich* and *Benbow*.
[361] *Lloyd's Confidential Index*, March 1890.
[362] David M. Williams, 'Samuel Plimsoll and the Safety of International Shipping. An Appraisal', pp.12-15, in *The Mariners' Museum Journal*, Second Series, Volume Two. It was not until 1890 that the load line requirement was made law.
[363] GSN 7/5, 100th Report, 23 February 1875.
[364] GSN 7/5, 98th Report, 24 February 1874 and GSN 7/5, 100th Report, 23 February 1875. The Company gave £100 to the fund opened for the eighteen widows and thirty-six children of the crew members of *Elba*. Bulk cargoes of coal were carried on occasion by Company ships, sometimes when on charter.

shipowners, even senior Board of Trade figures, were opposed to regulation and it would be some years before compulsory load line schedules were adopted.

Infrastructure.

In 1870 the Company owned the valuable St Katharine's and Irongate Wharves and was in process of moving its various services from Custom House Quay and London Bridge Wharf to the new premises.[365] By 1876, major repairs and improvements having been completed, with new buildings, passenger facilities and offices to let, the cranes, machinery, furniture and fittings of the wharves were insured for £7,000.[366] A mortgage to the value of £75,000 arranged on the wharves was redeemed in 1880 by issue of debentures to the same value.[367]

The other important asset in the Company portfolio was the land and property at Deptford. In 1872, following lengthy negotiation with the Corporation of London, further land was purchased 'at very high cost', so that all of the land comprising the Factory and the Wharf was now the Company's freehold property.[368] Considerable expenditures were made over the next few years to upgrade and develop the buildings and facilities, including the acquisition of additional wharfage.

Further land abutting on Deptford Creek was acquired in 1875 and a drydock and premises which had been leased for some thirty years were purchased in 1880, the purchase being described as 'highly advantageous'. Repairs were made to completely reinstate the dock so that its depth was suited to most of the Company's vessels, some by now exceeding 1,000 tons.[369]

The Lombard Street head office was considered to be too small and it was sold in 1885 for £40,000. The proceeds of the sale were expected to cover the costs of the new building in Great Tower Street which was occupied in 1886.[370] These transactions proceeded at a time when profits were already under severe pressure, with no dividends

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[365] GSN 1/22, Board minutes, 1 September 1870. The Boulogne, Calais and Yarmouth services moved from London Bridge Wharf and the Hull ships moved from Custom House Quay.
[366] GSN 1/26, Board minutes, 12 October 1876 and GSN 7/5, 103rd Report, 29 August 1876.
[367] GSN 7/5, 111th Report, 31 August 1880.
[368] GSN 7/5, 95th Report, 27 August 1872.
[369] GSN 7/5, 110th and 111th Reports, 24 February 1880 and 31 August 1880.
[370] GSN 7/5, 120th Report, 24 February 1885.

available to shareholders, and, despite the reassurances regarding costs, shareholders must have been concerned.

The Company's property in Poplar, including Brown's Wharf, was developed in 1873/4 with the building of facilities for the transportation by the North London Railway Co. of cattle by rail to the market. The requirements of the trade altered with the government's concentration of cattle landings at the Deptford Cattle Market and, in 1881, business at Brown's Wharf having been greatly curtailed, the Company discontinued the use of the wharf and terminated the lease which covered part of the property.[371] The remaining portion of the premises and the wharf were sold in 1884.

The lease of the Company's West End office in Piccadilly Circus expired in December of 1883 and was not renewed. The agency business was placed with Messrs. Hickey Borman & Co. The Company relied mainly for its representation around the country and on the Continent on independent agencies who owned or leased their properties.

The building of Tower Bridge had been mooted for some time and, in 1885, the Tower Bridge Bill, promoted by the Corporation of London, was passed by both Houses of Parliament. The estimated cost of the structure was three-quarters of a million pounds.[372] At the outset, General Steam raised unspecified (in its Reports) objections to the building of the bridge, including a petition to the House of Lords. These were very likely on the grounds that its proximity, immediately upstream of the Company's St Katharine's and Irongate Wharves on the north bank of the Thames, would disrupt access to the wharves by road and river. In the event, agreement was reached with the Corporation which agreed to pay the Company the sum of £15,000 on commencement of work, though the specific reasons for the payment remain unclear.[373]

Conclusion.

In the period under review General Steam's management, for the first time in many years, made a determined effort to extend the route structure and was successful in some instances. Others failed and were terminated when profit did not materialise. Inevitably

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[371] GSN 7/5, 113th Report, 30 August 1881.
[372] *The Shipping World*, June 1885, p. 64.
[373] GSN 7/5, 123rd Report, 31 August 1886. The payment may have related to altered road access requirements.

the routes that were successful, notably those to Oporto, the Mediterranean and the Harwich-Hamburg service, took time to develop profitably, but that was in the nature of an investment. The continuing decline of the cross-channel transhipment trade much troubled the directors, the situation being made worse by the effects of the 1889 labour strikes.

The Continental cattle trade was probably the Company's most lucrative over many years and, by the 1880s it was in decline. Despite years of experience and a better understanding than most of the commercial effects of disease on the business, the directors expressed the view in 1878 that the future of the meat importing business would continue to be live cattle.[374] They were wrong. And no doubt others were too. But this was no longer a matter of moving a product from A to B: the product changed, the economics of meat production changed, as did the shipping of it.

As the cattle trade withered, the directors did nothing. There are very few references to cattle in the Board minutes of the 1880s or in the lengthy press reports of shareholders' meetings. The Report of the meeting in early 1887 perhaps reflects management's negative view. The chairman was reported as saying: 'The cattle trade has also largely diminished by circumstances over which we had no control, and now we have to make a living out of a class of goods at which we could not look in times past....'[375]

There was no hint of an alternative plan, no mention of the exploration of new initiatives at a time still a few years away from the ending of the trade. The directors' focus was entirely on the live cattle trade. It was not until 1889 that a vessel was fitted with refrigeration equipment suited to the carriage of meat, but by then it was too late. The Reports do not confirm the extent of the refrigeration installation or that chilled carcases were ever carried. The directors cannot be faulted for the loss of cattle revenues. They can be criticised for poor judgement and inflexibility in persisting in the view that legislative changes would resolve the problem. So far as General Steam was concerned the trade simply died.

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[374] GSN 7/5, 107th Report, 27 August 1878. The view that the directors have long since entertained is that '....the profitable importation of fresh meat on a large scale is something more than doubtful...' 'It is desirable that all legislation should lead to improve the facilities necessary to encourage an increasing Live Cattle Trade'.

The profit potential of the Thames summer services was evident, especially by the 1880s., as the numbers of excursion passengers continued to increase and new companies crowded into the market. In addition, a new holiday traffic developed as Margate and Ramsgate and other coastal towns expanded as resorts. Here again, the directors failed to distinguish themselves. The building of five new steamers in 1888/1889 was not an initiative. It was a reaction to increased competition from faster and more modern vessels that obliged the Company to respond in 1888/1889 by replacing outdated tonnage with larger, better equipped and faster vessels.[376]

There were exceptional Costs in this trade. The new ships were built specifically for seasonal operation on the Thames so that each year at the end of the summer they were laid-up for about six months and completely refurbished in the Spring.

It is difficult to evaluate the contribution to profit, if any, of the Thames services, as the Receipts and Costs were never separately identified in the accounts. Whilst Costs were fixed, barring accidents, revenues were very much dependent on the weather. The building costs of the new vessels were considerable, probably in excess of £100,000, at a time when trade in general was difficult and dividends were under pressure. It is, however, likely that in a good season some profit accrued, however modest, sufficient to justify the Company's determination to maintain its prestigious and long-standing presence on the Thames.

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[375] *The Shipping Gazette and Lloyd's List*, 23 February 1887.

[376] GSN 1/33, Board minutes, 29 September 1887. A special report was ordered as to the cost of preparing *Hilda* and *Eagle* as stand-by vessels for the 1888 season. *Eagle* was built in 1853 and *Hilda* in 1862. So poor was *Hilda's* condition that she was instead scrapped and sold in 1889 for £530.

CHAPTER SIX

Near Collapse, Slow Recovery, 1890 – 1902.

The uncertain economic conditions persisted well into the decade with what is generally recognised as a third slump in prices after 1890. The period through to 1896 proved to be just as uncomfortable and difficult for General Steam as the twenty years prior. The fierce competition on its many routes continued and freight rates were constantly under pressure. The extending railway shipping interests also adversely affected the Company, particularly its passenger services.

Exports of cottons, manufactured goods and machinery and of coal, iron and steel continued to increase though as Continental countries and America increased their own production capacities they were less reliant on imports. Britain's share of world exports fell from 5 per cent per year between 1840 and 1870 to only 1 per cent in the 1890s.[377] Export values of the early 1870s were not surpassed until the second half of the 1890s and imports grew less quickly, both elements adversely affecting General Steam.[378]

Cope Cornford, in his centenary history of General Steam, judged that the years 1892 to 1895 were the worst years known to the Company and they were, without doubt, very difficult.[379] The Company results indicate a struggle throughout. Britain's trade continued to suffer in the depressed conditions and, combined with the after-effects of the dock strike of late 1889, business was severely affected.

Management under Pressure.

In 1890 the Company, still based in leased premises in Great Tower Street, had ten directors, several of whom were long-serving. J.H. Tritton remained the chairman.[380] The directors continued to be involved with the weekly committees of the Company, concerned respectively with Accounts, the Wharf and the Company's premises at

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[377] Anthony Wood, *Nineteenth Century Britain 1815-1914*, (Harlow, 1982), p.277.
[378] Peter Mathias, *The First Industrial Nation: an Economic History of Britain 1700-1914*, second edition (London, 1969) p.365.
[379] Cope Cornford, *A Century of Sea Trading*, p.67.

Deptford, in addition to attending Board meetings, though this was no more than a half-day commitment.[381]

There were significant changes in the following ten years as poor share price and dividend performance stirred shareholders to action. Sir Henry A. Isaacs resigned in 1891, following concerns raised at the AGM about conflicting interests. The most dramatic changes occurred within a period of only a few months in 1893/4, when five of the long-standing directors were unseated in one way or another. Chairman Tritton, the subject of much criticism, resigned in 1893, and General Manager Richard Cattarns resigned at the same time. Tritton was replaced by Sir Stuart Hogg and Cattarns by J.H. Nelson, a former partner in the shipping firm of George Nelson and Sons of Liverpool.

In early 1894 the eight-member Board consisted of Sir Stuart Hogg (appointed director in 1878) in the chair, and Messrs. Levy (1894, a lawyer and a major shareholder), Howard (1894), Westray (1886), Rhodes (1893), White (1893) Howden (1890) and Villiers (1882, formerly a Company auditor). The reasons for such a rapid and extensive transformation of the Board will be examined in this chapter.

Subsequent chairman in the period under review were Sir James Mackay, (1895) and J. B. Westray (1897). New directors joining the Board had business or shipping experience so that the nature of the Board altered and by 1894 all of the elderly and long-serving directors were replaced.[382] By 1902 they were only seven in number: Richard

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[380] The others were Messrs. George Browne, Thomas Kent, who died in 1892 after 29 years on the Board, George Brockelbank who, by now had been a director for more than forty years, Henry Wilkin and Ernest Villiers, Sir Henry Isaacs. In addition, the recently introduced Messrs. Westray and Howden.

[381] GSN 11/13. Letters to and from Richard White and the company secretary when he became a director in 1893 give details. Accounts Committee: Villiers, Howden, Rhodes met Thursdays to check Cash Book, Station Accounts and to "supervise the financial arrangements of the Company". Wharf Committee: Messrs Brockelbank and White, with Wharf Superintendent, Mondays at noon, duties not specified. Deptford Committee: Messrs Westray and Wilkin with Superintendent Engineer, Fridays at 1pm. Fees paid were £1.1s for committees, 2 guineas for Board meetings and an annual payment of £30 to each director.

[382] Sir Henry Isaacs, elected 1881, resigned in 1891. T. J. Kent resigned due to ill-health in 1891 after 29 years on the Board and the number of Directors was reduced to eight. George Browne stepped down in 1893, at the same time as the chairman. George Brockelbank died in October 1893 and was replaced by Mr Charles Howard , a shipowner and broker. Henry Wilkin, in 1894, was ousted by Mr Louis Levy at a shareholder meeting. Levy was described by the chairman as a large shareholder, but his holding was not specified. At the time of the resignations of Tritton and Browne Messrs J. G. Rhodes and R. White were appointed in 1893 at the request of several large shareholders. Mr Rhodes died in 1895 and was replaced by Sir James Mackay, a director of the British India Steam Navigation Company. Mackay resigned in 1897 to pursue BI interests in India, Mr D'Arcy Mackinnon Dawes of the firm Gray, Dawes & Co., shipbroker, taking his place. (It would be confirmed much later that Mackay and Dawes were closely associated in

White, Louis Levy, shipbroker D'Arcy Dawes, former Company Marine Superintendent Captain Ellis, Captain H.B.Hooper, formerly of the Royal Indian Marine, J.B. Westray and Charles Howard, though the latter appears to have resigned in 1903.

Recorded share transactions in the Board minutes in the late nineteenth century were usually small. The transfer of fifty shares, the number required by a director in order to qualify for appointment to the Board, was a large transaction.[383] At the time of his appointment in 1894 Louis Levy was described as a 'major' shareholder but no record remains of his holding or those of other directors. With over 60,000 shares in issue, it is quite possible that there were a number of large holdings.

The mood was sombre in the Board Room as the 1890s began. The Report for the year (1890) spoke of,...'disorganised trade following the 1889 dock strike, cargo shipments diverted from London, cattle disease, threats of more labour difficulties'. The trading balance was £74,036 and a disappointing final dividend of 3s was paid, making the total for the year 9s per ordinary share. The immediate trade prospects were gloomy: freight rates were low and, wherever possible, ships were placed on charter work.[384] Wages and other costs continued to rise and desperate attempts were made to counter the increases, some sailings being cancelled and workshops at the Deptford Factory closed, with workers laid off, and other facilities offered for rent.[385]

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business). Captain Ellis was appointed in 1898. Sir Stuart Hogg resigned in 1900 and was not replaced. In 1901 Mr Howden resigned and Captain H.B. Hooper, retired, Royal Indian Marine, was appointed.

[383] GSN 1/34. Board minutes on 20 November 1890. Ordinary shares numbering 105 transferred: William Flood to Edward Clark, 5 shares. Thomas Ferguson & Robert Meikle to Richard White, 50 shares. The same to Edward Clark, 50 shares. The White shares may well have been his required fifty 'qualifying' shares, prior to election to the Board in 1893.

[384] GSN 7/6, 133rd Report, 25 August 1891. Seven ships were recorded as being on charter. The Report hoped that 'chance' voyages (charter work) 'will prove an important adjunct to the Company's earning power, worked as it is at practically no addition to the establishment expenses'. The directors added that a few more suitable ships would need to be added to the fleet. The Company had chartered out ships for many years, usually for Government service, but this is the first indication that serious consideration was being given to the development of the trade. The input of the new directors no doubt contributed to the Board's considerations.

[385] GSN 1/34, Board minutes, 21 August 1890 and 18 December 1890. Despite the difficulties, under much pressure wages were increased. In addition to shipboard wages, already mentioned, office staff wages were increased, typically from £160 to £170 pa; weekly paid rates increased from 7/6d to 12/6d and from 27s to 30s. At that time the wage of a senior clerk in head office was £350 per annum.

GSN 1/35, Board minutes, 18 June 1891. The severity of the Deptford cutbacks is reflected by the attempt to rent out buildings and machinery and Creek frontage of 200 feet for one year, the tenant to carry out repair work required by the Company.

Yet, while the directors could point to these troubles to explain and justify poor results, there were indications that the problems were more deep-seated. *The Shipping World* began its report of the April 1890 Annual General Meeting:

> A considerable amount of grumbling has been heard about this company, owing to the fact that in such a prosperous year for the shipping trade, as last year was, it was unable to pay any dividend on its ordinary shares.[386]

A printed document dated 19th August 1890 titled, 'The General Steam Navigation Company. Its Capital-How Invested-Business and Future Prospects' fortuitously survives and gives an insight into the desperate stratagems being considered by the directors.[387] It's contents and the fact that it was in printed form suggest it was intended to be presented to shareholders at the 26 August 1890 half-year meeting, though the key proposals were very likely dropped, only two paragraphs of the three pages being recorded in the Report and the detail has not been found in press reports.

Whether or not production of such a comprehensive paper for shareholders was routine or a reflection of a developing crisis, we cannot know. The document covers in detail the capital of the Company, £747,000 plus Mortgage Debentures of £150,000, how invested, in ships, property, etc. The St Katharine's and Irongate Wharves were valued at £180,000, the Deptford Factory and various offices at £92,000. The fleet was valued at £608,000, written down from £1,068,797, the purchase cost.

Having reassured shareholders of the value of their investments and that they, the directors, had been long preparing plans for the future, the Board then presented its conclusion. This involved releasing capital to build more ships to be used in developing, 'new business (which) is an absolute necessity'. The proposal was to amalgamate the Wharf business with that of the British and Foreign Wharf Company (B&FWC) which leased the wharf and warehouses close by St Katherine's.

The intent was that B&FWC would purchase St Katharine's and Irongate Wharves at full book value, £185,000, including a tug and barges. General Steam planned to repay

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A proposal made at the time to separate the accounts for Deptford and the upriver wharves in order to ensure that they were profit centres was not implemented at the time, though it would be some time later

[386] *The Shipping World*, 2 May 1900, p. 462.

the whole of the outstanding £150,000 of debentures from the proceeds, then re-issue new debentures in the value of £75,000, leaving it with £110,000 to expend on the fleet. In return, having sold the property, General Steam would appoint two directors 'who have been duly elected' to the board of B&FWC. The plan was that all of the wharves would be operated more efficiently under a single management. Shareholders were, 'cordially invited to co-operate in a matter so vital'.

Proceeds of sale,	£185,000
Debentures redeemed,	£(150,000)
Remains,	£ 35,000
New Debentures issued,	£ 75,000
Capital available,	£ 110,000

It is not possible to establish why or how this proposal to sell off one of the Company's most valuable assets in order to purchase more tonnage was not pursued, but, without doubt, the directors must have given it very serious consideration. Indeed, the fact that two General Steam directors had already been appointed to B&FWC's board indicates that the matter lacked only shareholder approval.

It is likely that the directors recognised that the document would cause alarm and that shareholders, already dissatisfied with the Company's performance, might well react strongly to the selling of one of its prime assets. The fact that it was not further referred to in Company Reports or in the press confirms that it was withdrawn before the shareholder meeting. It is inconceivable that, if known, such radical proposals would not have excited considerable comment.[388]

The pressure on the Board mounted: at the February 1892 meeting a shareholder, Mr Fisher, attacked the ship-building and dividend policies of the company, arguing, unsuccessfully, for a shareholder committee of inquiry. He stated that: '.....had the company been in the hands of a competent board they (the shareholders) would have had

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[387] GSN 9/4. 'The General Steam Navigation Company. Its Capital-How Invested-Business and Future Prospects'.

[388] *Shipping Gazette and Lloyd's List* for 27th August 1890, the day after the shareholders' meeting, makes no reference whatsoever in a lengthy report to the document.

their usual dividends of 15s.....'[389] His comment was oddly timed: eleven years had passed since the 'usual 15s dividend' ceased, during which time the share price had collapsed. His proposal was not popularly received, but it did indicate a measure of considerable concern in certain quarters.

The half-year meeting on 30 August 1892 was no less contentious, with angry shareholders expressing unhappiness with the Company's situation and accusations being made of mismanagement. The editor of *Fairplay* leapt to the support of Chairman Tritton, branding the criticism as, 'wild, unreasoning and virulent', and arguing that the company was doing as well as could be expected in difficult circumstances, citing the loss of the cattle trade.[390] Whether or not the comments were informed must be a matter of judgement. Certain it is that shareholders no longer had confidence in Tritton's leadership.

In the Company archive there is copy of a letter dated September 1892 from a Captain Carpenter addressed to the editor of *FairPlay,* apparently in response to his published comments. Having stated he bears no ill-will to Messrs Tritton or Cattarns, he refers to, 'Mr Tritton and his satellite Mr Cattarns' whom he regards merely as paid officials, 'the first handsomely, and the latter as a very much over-rated and over-paid servant of the Company, especially at a time when the unfortunate shareholders are getting nothing owing to their mismanagement'.[391]

Tritton, who by now had been associated with the Company for almost twenty-five years, most of them as chairman, and another experienced director, George Browne, resigned from the Board in March of 1893. Tritton's departure appears to have been somewhat precipitate. He chaired the Board meeting on 2 March, no comment being made of his intent to resign other than an indication by him that there would be one or two vacancies on the Board shortly, with an opportunity to add 'some much needed new blood to the

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[389] *Shipping Gazette and Lloyd's List*, February 24 1892, p.3.
[390] *Fairplay*, editorial comment, 9 September 1892.
[391] GSN 9/8, letter from Captain Carpenter dated September 1892 to the editor of *Fairplay* in response to a published article. A letter dated August 1893 from another shareholder, Charles Robbins, stated that Cattarns' salary was £2,000. (GSN 9/5) Tritton's remuneration was a modest one: when he was appointed chairman he was paid £300 per annum plus expenses. At the Annual Meeting on 23 February 1892, on the resignation of T.J. Kent, the directors agreed to reduce the number of directors from nine to eight and, in what was clearly a gesture, to reduce the directors' remuneration from £3,000 to £2,000.

directorate'.[392] On 30 March his resignation was accepted, Sir Stuart Hogg having been elected chairman for the year at the meeting.[393] No reason for the Tritton resignation was recorded, the directors merely expressing 'regret'.

At Chairman Tritton's final shareholders' meeting, on 21 February 1893, he attempted to defend his record. In moving the adoption of the Annual Report, he spoke at some length, opening with, 'I am aware that I am addressing a body of shareholders who on both sides of the table are naturally disappointed',....for no dividend was to be paid. He continued:

> The years 1872, 1873 and 1874 yielded average profit of £41,000. In the year 1874 I was elected chairman, and new capital was raised. The next three years, 1875, 1876 and 1877, showed average profit of £90,000, so that the new capital was bearing good fruit. The years 1878, 1879 and 1880 showed average profit still larger, namely of £94,000. In 1877 and 1878 we raised further new capital with correspondingly good results. In 1881, 1882 and 1883 the average profit amounted to £118,000, that is the annual average. I suggest to you that these figures prove to you that while the business was normal, and was that for which the old ships were fitted, there is very little evidence of mismanagement. In 1883 things altered, and difficulties loomed ahead, more particularly in connection with the cattle trade.

Tritton then referred to the fact that in his eighteen years as chairman the Company had made profits of £1.5mn., set aside 5 per cent per annum of the fleet value (for fleet replacement) and paid dividend of within a fraction of 5 per cent. He remained unrepentant: 'I am charged with having been too sanguine in some of the years intervening between then and now; but seeing those difficulties met and to a very large degree overcome one by one, I, for my own part, feel perfectly justified in all I have said in this room'.[394]

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[392] *The Shipping World*, 1 April, 1893, p. 408.
[393] GSN 1/35, Board minutes, 30 March 1893.
[394] *Shipping Gazette and Lloyd's List*, 2 March 1893.

His defence of his record was disingenuous and it reflected little credit on him. The reference to an average 5 per cent dividend over his period in office, 1874 – 1893, was hardly likely to impress shareholders used to a 10 per cent return up to the 1880s. The dividend record from 1880 was dire and at the same time the share price, which he failed to mention, was in freefall. (See Figure Four, page 112). Tritton and his fellow Board members were preoccupied with the use of capital for fleet renewal and other asset improvements to the exclusion of dividend increases for shareholders, a legitimate use of the increased profits, and prudent set-asides to Reserves in the years of high profits.

A measure of the effectiveness of the operation of the business is the ratio of declared profit to Receipts, 22 per cent in 1870, only 17 per cent in 1877 and 20 per cent in 1881, the latter figure achieved on much reduced revenues but with Costs severely contained due to adverse trading conditions with, nevertheless, profit in excess of £100,000. The figures suggest that despite the frequently commented-upon increased efficiency of the fleet the directors experienced difficulty in effectively containing Costs. By 1892 the figure was only 11 per cent.

Tritton's further comment that there was no evidence of mismanagement until difficulties loomed in 1883 merely played into the hands of the critics of the Board, in that it acknowledged that the Company's performance had deteriorated from that date, as trading conditions altered. The statement was a serious misjudgement and it merely underscored the failure of the directors to be alert to potential changes in the business climate, anticipate developments, and deal with them in a vigorous and professional fashion.

One shareholder taunted the chairman that the Company was close to bankruptcy and another, with a measure of foresight, suggested that the Company should be restructured. Unfortunately, he added that the objective of that move was to raise fresh capital in order to enable it to build larger ships so that it might carry on a more profitable trade. This was greeted with cries of, 'No, No', indicative of the fact that some at least of those present were of the view that the strategy of the Board did not need to be revised.

More sober comment came from another shareholder, Richard White, who acknowledged that many other, indeed, all shipowners had suffered equally disastrous results. He added that he did not intend to offer any unfavourable criticism and proposed

that, amongst other changes, the Company should build no more ships for at least two years and that it should clear its debenture debt, on which it was paying 4 per cent.

He countered the chairman's argument that average 5 per cent dividend had been paid over eighteen years by pointing out that the figure over twelve years was nearer to 3 per cent. He also noted that the book value of the fleet was too high. Another shareholder, J.G. Rhodes, proposed that as much money as possible should be retained within the Company in order to restore confidence.[395]

The criticisms of the general manager (Cattarns) were so virulent that one shipping newspaper offered a defence of his performance and expressed the view that the directors of the Company should decline to accept the resignation he tendered just prior to the meeting on 28 February and that he should not be sacrificed to a 'noisy section whose favour he has lost in serving the true interests of the company'.[396] Though Chairman Tritton bore the brunt of the criticism of shareholders, not a word of press comment regarding him, adverse or otherwise, has been traced.

It is impossible not to have some sympathy for Tritton's predicament. He believed, with some justification, that he had done well by shareholders through his term in office, updating the fleet, developing the route structure and paying regular dividends. He was, he said, satisfied with his performance. In this he was entirely consistent: he had regularly rejected criticism from shareholders, seemingly regarding them as a troublesome minority. But, there was an element of truth in the accusation that the Company was near-to bankruptcy.

Under Tritton the Company had failed to build reserves, spending cash available, issuing maximum debentures, and even considering selling its principle asset, the wharves. Bankers are considered to be conservative in business but there is a complete lack of evidence of caution, or even sensible practice, by Chairman Tritton and his Board in the difficult period which began in 1880.[397]

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[395] *Shipping Gazette and Lloyd's List,* 2 March 1893. Report of shareholder meeting. The decline in the cattle trade dated from 1883/4.
[396] *Shipping Gazette and Lloyd's List*, Wednesday 1 March 1893, editorial comment, page 8.
[397] *Shipping Gazette and Lloyd's List*, 24 February 1892. Tritton told a shareholder meeting that, as a banker, he frequently saw large bills drawn from Australia in respect of wool marked 'Shipped to

Profit in 1892 was £47,488 and no dividends were paid. The figure was only marginally worse than those from 1888 to 1891, but the continued reduced or suspended dividend payments and the absence of good news on the trading front precipitated the shareholder revolt.

The Balance Sheet, which at that time still did not detail assets, identified the figure of £31,595 allocated to Depreciation and further £7,116 to preference share dividends and Debenture payments. The latter payment just covered the interest due. £9,000 was placed to Reserves, a slight improvement on the years immediately prior. Yet, in the previous twelve months one new ship was delivered, another bought, one ordered and two ships were lengthened.[398]

The August 1893 meeting, with Sir Stuart Hogg in the chair, was inevitably a difficult one. Messrs J.G. Rhodes and R. White, both of whom had spoken in conciliatory but positive terms at previous meetings were elected to replace directors Tritton and Browne, 'at the request of several large shareholders'.[399] The chairman confirmed the directors' recommendation that, again, no ordinary dividend be paid and it was clear that the Company's troubles were far from over, with no indications of an improvement in trade.

Antwerp'. A short time ago, he added, the Company would have handled that wool in London, transhipping it to Antwerp. The loss of this trade was a major blow to the Company.

[398] GSN 7/6, 135th Report, 30 August 1892 and 136th Report, 21 February 1893. It was not until 1895, when the presentation of the Balance Sheet was altered, that full information was provided of Assets and Liabilities. At that time, cash at bank and investments totalled approximately £90,000 with no cash held in the Insurance/Contingency Fund. Capital assets were shown as £747,395 and debentures in issue as £173,500.

Peregrine was ordered, *Adjutant* entered service, *Linnet* was purchased and *Cygnet* and *Raven* were lengthened.

[399] Quite what was meant by 'large shareholders' is uncertain. No shareholder lists are available before 1903. The qualification for a director, per the Act of 1874, was fifty shares and it may be that a holding of around that number constituted a 'large' holding, though it is rather unlikely. In an 1887 letter to an unnamed shareholder Chairman Tritton referred to directors and their friends who held a 'very large shareholding in the Company'. (GSN 9/3) Louis Levy was described as a large shareholder when appointed

His opening remarks were, perhaps, ill-advised:

> You will see from the report that since our last annual meeting there has been a very great change amongst those who were responsible for the management of the Company – (applause) – and I am sure you will all join with the directors in the the regret expressed by them in the report at the resignation of Mr Tritton - (cries of, 'No').....

He added to the gloom with details of the loss of a Company steamer, the *Kestrel*, run down whilst at anchor in the Elbe, and two other collisions, one of which, embarrassingly, involved two Company ships, *Petrel* and *Cormorant*.

There was dispute about adoption of the Report, shareholders demanding that a committee of their number should be permitted to look into the Company's affairs.[400] The attack was taken up by a Mr Robbins: 'seventeen or eighteen years ago Mr Tritton and his protégé Mr Cattarns took up the management of the company. It was then a prosperous concern, but what was it now'? (Hear, hear!) He said that he felt, 'most profound contempt for the way in which Mr Tritton had sneaked out of the company'. Others expressed equal unhappiness with the performance of management. General Steam's situation at this time was succinctly assessed in *The Shipping World*: 'For misfortune amongst steamship undertakings this Company certainly carries the palm'.[401]

The manner of the departure of Chairman Tritton remains something of a mystery. No comment whatsoever, apart from 'regret', was offered in either the Reports and Accounts or the Board minutes, which must be construed as unusual, bearing in mind the length of his tenure. It is clear from a reading of the detailed press reports of his final shareholder meeting in February 1893 that he and the general manager were the targets of very

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director in 1894: in 1903 he held only 100 preference and 201 ordinary shares, hardly a major holding. He may, of course, have disposed of shares in the interim.

[400] No further reference to this investigation has been found within Company documents and it may be that the matter was put aside. The Report was almost certainly approved based on the numbers of shares held by directors and shareholders' proxies and not by the numbers present at the meeting.

Shipping Gazette and Lloyd's List, 31 August 1893. An editorial comment with the report of the shareholder meeting stated: 'We think that the directors will be wise if they readily invite examination of the company's affairs by a small committee of shareholders'.

[401] *The Shipping World*, October 1 1893, p.196.

considerable shareholder dissatisfaction, though he was not specifically named, and his resignation shortly thereafter was no surprise. The remaining directors were in a difficult situation, as Tritton remained a senior partner in General Steam's bank, Barclay, Beron, Tritton, Twells & Co..[402] Their tactful disinclination to comment was, perhaps, understandable.

It is difficult to make other than a general assessment of Tritton's performance in his years as chairman, as the available archive material illuminates his actions and their influence on the Company without giving any indication of the nature of the man. It is highly likely that from the time he joined the board he was active in promoting the very substantial increases in capital in 1874 and 1877. His determined early actions as chairman to reduce and contain costs and improve shipboard disciplines were sound, as was the programme of expanding and updating the tonnage. Nothing escaped his eye, be it the operation of agencies in the outports, the management of the Company Factory at Deptford or the benefits to be gained from the employment of a professional seaman as Marine Superintendent.

For a young man with no practical business or management background Tritton's performance through the 1870s was exceptional and the likelihood must be that he was advised, well, by at least some of his long-serving colleagues. Despite difficult trading conditions and the urgent need to update the fleet, profits were generally very satisfactory and shareholders had every cause to be satisfied. But then, as he himself said, in 1883/4 difficulties loomed: the ordinary share price fell alarmingly and dividends began to suffer, both major concerns for shareholders.

The accounts were never examples of clarity and forthrightness and eventually became the focus of shareholders' anger. This raises the question whether the withholding of information from the shareholders was a deliberate matter of policy, which was not uncommon in the period.

Tritton certainly did not lack confidence. It may have been that very confidence, indeed, arrogance, that was his undoing. A letter he wrote in 1887 responding, at some length, to a shareholder who had offered 'friendly criticism' across a range of matters

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[402] *Dictionary of Business Biography, Vol. 5, S-Z*, (ed.) David J. Jeremy, (London, 1986). Tritton was from a Quaker/banking family, educated at Rugby. He was a family man with four sons and four daughters.

conceded no possibility of failure on the part of management. He was dismissive of most points raised, no doubt justifiably in some instances, but the tone was of condescension.[403]

Clearly, by the early 1890s, he had lost the confidence of a small but vocal number of shareholders and he found the experience difficult to cope with. His speech at his final Company meeting was that of a man still attempting to justify his performance and unable to comprehend the level of antipathy directed towards him. Had he recognised the concerns of shareholders from 1886, as he certainly should have done, rather than merely dismissing them, he may well have found his audience more sympathetic.

Two points are important: despite the fact that he himself was not a shipping man, in his period in charge of the Company he persevered with the mainly elderly directors, some with family connections, others former Company secretaries and auditors, none of whom had broad shipping experience other than their long-time involvement with General Steam. At least one became a director when he retired due to ill-health. The exceptions were Westray and Howden introduced only in 1886 and 1890 respectively.

The structure hardly encouraged the new thinking that the Company required in its time of need. However, in the late 19th century it was still commonplace for large companies to be operated by members of the original founding families and their personal contacts, rather than by a 'professional' management structure, as would become usual some years later. The directors did attempt - with some success - to keep pace with the developments in hull design and engine technology but they were indecisive in terms of anticipating changes in the Company's trades and making plans to deal with them.

Arguably, sound leadership and experience, which would have focused on financial planning for the future, was lacking. Equally, it may well be that Tritton's fellow directors were overly compliant, yielding to his direction, though it is difficult to be certain of this as the remaining archive material, not surprisingly, gives no hint of problems. For sure, the culture of the Board was unsound, due to a lack of breadth of experience in a business

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[403] GSN 9/3. Letter dated 9 February 1887.

that was changing rapidly and dramatically. Tritton himself acknowledged this point when he referred to the need for new blood on the Board. The directors were ill-equipped to meet the challenges of changing circumstances.

Tritton was still a relatively young man, forty-nine years of age, when he left General Steam and he continued to be closely involved with the family bank. When he died in 1923 no reference was made in his obituary in *The Times* to his considerable involvement, indeed, measure of success, in the shipping business.[404] There appears to have been a deliberate and successful attempt to dissociate himself from that period of his early life, which he may well have considered to be a personal disappointment.[405]

A Slow and Painful Recovery

With Tritton's departure an era in the Company's history ended, but shareholders kept up the pressure on the directors. The dividend record was guaranteed to be a continued cause of disquiet amongst at least some of the shareholders and evidence of that remains. In 1893 a Mr Robbins circularised them in order to bring to their attention 'the true state of the company',.. in light of..., 'the imperfect accounts published'. He referred to the fact that, '...for a considerable time past, there has been a great deal of dissatisfaction expressed at the management of the Company's affairs'.[406]

Robbins kept up the pressure on the Board, urging shareholders, in early 1894, to attend meetings in order to ensure that the directors under their new chairman took note of their wishes in respect of new Board appointments. He complained specifically about the Company's intention to appoint a Mr Howard without reference to the shareholders.[407]

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[404] *The Times*, 13 September 1923, obituary. He died on 11 September 1923, aged 79 years. He was described as 'one of the most prominent of the few remaining representatives of the old type of private banker'.

[405] *Dictionary of Business Biography, Vol. 5, S-Z.* Tritton became a director of Barclay & Co. Ltd. when it amalgamated in 1896 and he remained on the board until he retired in 1918. He was also president of the Institute of Bankers in 1885-87 and again in 1902-4.

His entry in *Who Was Who 1916-1921* contained no reference to his shipping involvement.

An archivist with the Barclays Group archive in Manchester states, letter 13 March 2007 amongst others, that she has been her been unable to find direct reference to Tritton's connection with General Steam.

[406] GSN 9/5, letter dated August 30 1893 from Charles H. Robbins to shareholders.

[407] GSN 9/6, letter dated February 17 1894 from Charles H. Robbins to shareholders.
It does seem that the directors effected the appointment of Charles Howard without reference to the

At the 1894 annual meeting one shareholder argued that it was bad enough to receive no dividend but that the fleet was overvalued, (£530,210 in the following year, 1895), with insufficient allowed each year for depreciation. The fact was acknowledged by Chairman Sir Stuart Hogg who added that Debentures totalling £180,000 would be falling due at some stage.[408] The resolution of the fleet over-valuation and reduction of the Debenture debt became a main platform for action by the directors in an effort to correct errors of the recent past.

Attempts to develop new routes and trades were not successful, one to West Africa proving to be an embarrassing and costly exercise. A press report in November of 1895 was headlined, 'Better Prospects for Shipping'. It spoke of improvement in trade, which was 'everywhere apparent.... especially in the past month'.[409] Still, General Steam's directors remained unremittingly gloomy, offering no good news and concerning themselves almost exclusively with the over-valuation of the fleet and steps taken to rectify the situation. No dividend was paid and the directors remained clearly worried.[410]

Admittedly, from 1895 steps *were* taken to improve the Company's situation by reducing debt and the book value of the fleet. There appeared to be a firmer purpose within the Board, influenced, no doubt, by the influx of new directors with broader business and shipping experience, not least of whom was Sir James Mackay, chairman briefly from 1895. The indications were of an attempt to establish the Company on a more secure footing, though, it has to be said, the steps taken had been freely advocated by frustrated shareholders and in the press.

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shareholders' at the meeting on 27 February 1894, unusual but probably not unconstitutional. The Act of 1831 defined most of the governance terms but it does not specify that shareholders *must* be consulted regarding appointments, though it was certainly the normal practice to put such appointment proposals to shareholders for approval. No Company Byelaws have been found that may have altered the terms of the 1831 Act. Howard was a shipowner and broker. It is likely that Robbins' concern related to conflicting interests.

[408] *Shipping Gazette and Lloyd's List*, Tuesday February 26 1895, report on Company year-end meeting. The statement concerning Debenture debt of £180,000 will be considered later in this chapter, see Table Sixteen.

[409] *The Shipping World*, 1 November 1895, p, 222.

[410] GSN 7/6, 142nd Report, 25 February 1896. The Chairman's statement: 'As proposed by the Chairman at the last meeting and approved by the shareholders, the directors have closed the New Boiler and 'Rest' accounts and have written the amounts standing to the credit of those accounts, £54,097, off the Book Value of the steamers. They have also applied £46,000 of the year's profit to the reduction of the book value of the fleet. The value of the fleet now stands at £530,200.....'

A measure of the directors' discomfort was evidenced in the following year when the press was again excluded from the half-year meeting in September 1896. The press had, of course, its sources and *The Shipping World,* noting that the meeting was held 'behind closed doors', reported that the chairman, unable to explain the Accounts, merely moved the adoption of the Report. It continued: 'The chairman refused to state what the actual market value of the company's fleet was, but admitted that a great number of the vessels are old, and that the question of replacing a couple of them was being considered by the directors, but there was no money for this purpose'. The newspaper, highly critical, added that,... 'auditing does not seem at all satisfactory'. [411]

Meantime, and surprisingly in light of the financial situation, nine ships were built in the 1890 to 1902 period and a further 14 bought, costing, at a conservative estimate, in the region of £400,000. Several ships were extended, refitted or re-boilered. Large sums were spent on the major works carried out on the wharves. This expenditure continued unabated through the period from 1895 when the Company's finances were severely stretched, though the Balance Sheet showed assets, investments and cash at bank, of just over £95,000 in 1895, increasing to nearly £150,000 the following year. A number of older ships were sold for amounts unstated but, as a rule, the proceeds from these sales were nominal.

The Company paid no dividends and shareholders had good cause to be unhappy. Some expenditure was applied directly to the Profit and Loss Account and clearly identified, as in the case of the work on the wharves. On a few occasions specific reference was made in the Report stating that purchase costs were included in the accounts, but they were not identified.[412] The accounts were still far from transparent.

The directors remained under very considerable pressure throughout the latter part of the 1890s. Improved performances from 1896 to 1898 resulted in a 2 per cent dividend on ordinary and 5 per cent on preference shares. (No ordinary dividend was paid after 1898.) A positive attempt to reduce debt was begun in 1896 with the redemption of Debentures in the value of £12,750, though the total in issue remained at £160,075. In the following

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[411] *The Shipping World*, 23 September 1896, p.418.

year a further £48,800 of Debentures was redeemed and by early 1901 the debt was reduced to £54,959.[413] Additional cost reductions resulted from the decision in early 1898 to carry the insurance risk on the ships in order to cut costs, a risky procedure, with cash in short supply.[414]

General Steam was still living on borrowed money, but vigorous action was in hand to rectify the situation. The Hull office was sold for £2,000, but an attempt to raise £13,000 by disposing of the drydock and other property at Deptford was aborted. Spending on the fleet continued, though most vessels were acquired second-hand, and improved cargo handling equipment was installed on St Katharine's and Irongate Wharves.

Routes and Trades.

The business environment from 1890 was a source of major concern to labour and to industry in Britain, as the short boom of the late 1880s fell away and import and export figures declined, with increased unemployment. There was some improvement from 1894 but conditions remained uncertain to the end of the decade.[415] Inevitably, the shipping industry suffered as cargo volumes and freight rates fell. As noted earlier General Steam was severely affected by the collapse of its cattle import revenues in 1892. Though anticipated, the trade loss placed the Company in a perilous position with Receipts declining by 5 per cent in the year and recovering only slowly. The directors spoke of increased competition and freight rates so low as to be un-remunerative.[416]

The improvements in living standards that were a beneficial side effect of the depression period for the majority of the population, the poorer and the working classes, continued. Increasing quantities of cheap food, including meat, were brought into the country. Retail chains developed, making products more readily available to the public. Co-operatives and chain and multiple stores spread rapidly, selling general merchandise, footwear and clothing. There were ten branches of multiple butchers in 1880 and 2,000 in 1900:

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[412] GSN 7/6, 149th Report, 26 October 1899: "Two cargo vessels of 1,055 and 2,099 tons have been purchased. Total cost of the former is included in the accounts..."
[413] GSN 7/7, 144th Report, 23 February 1897 to 152nd Report, 25 April, 1901.
[414] GSN 1/37, Board minutes, 26 November 1896. Insurance was effected for £375,375 p.a. at 80/- per cent.
[415] H.L. Beales, *The Great Depression in Industry and Trade*, p.413.
[416] GSN 7/6, 140th Report, 26 February 1895.

twenty-seven branches of grocery firms mushroomed to 3,444.[417] A newspaper article in 1894, under the heading of 'Our Food Supplies' underlined the growing dependency of Britain on imported food, citing that nearly everything 'eatable' was now imported.[418]

General Steam was well-placed to take advantage of the increasing demand for food products from the Continent. Its strength was in the long-standing nature of most of its trades and its well-established business contacts. But, as we have seen, not all of its traditional business was prospering.

The effects of the 1889 dock strike on the London-Continental cargo transit trade continued to be felt. But, as the directors reluctantly recognized, London was no longer the distribution centre for Europe due to the increasing use of oceanic shipping services directly from and to Continental ports as dock facilities improved.

There was another problem. Once a virtual monopoly the passenger traffic on Company near-Continent routes had ceased to be more than a questionable advantage due to the activities of railway companies, both British and foreign. The cross-Channel services had become, according to one Company document, no more than a seasonal excursion service, with the provision of passenger accommodation to the exclusion of cargo revenue earnings an issue.

The mood in the Board Room cannot have been improved when the directors contemplated, in addition to these adverse conditions, rising coal and labour costs, cholera on the Continent in 1893 which affected passenger traffic, especially on the Hamburg to Harwich route, and very low freight rates. Increasingly, in a cost containment exercise, the Company sought to reach agreements with competitors in specific trades, so that sailings would be prior agreed, duplications eliminated and cargo

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[417] E.J. Hobsbawm, 'Industry and Empire From 1750 to the Present day', (London, 1968), pp. 140-141.

[418] *Shipping Gazette and Lloyd's List*, 15 February 1894, page 12. Report on annual meeting of the Chamber of Commerce of the United Kingdom. 'It is noteworthy that in an ordinary British household nearly everything eatable – corn for making bread, sugar, butter, eggs, meat, fruit, vegetables, tea, coffee, etc. – all come into the country by steamers. No country in the history of the world has ever before so absolutely depended for its supply of food as we do upon the security of our maritime commence. How vitally important this is to us as a nation may be seen from the Board of Trade returns to 31 December 1893. Articles designed for food, including beverages, valued at £170,659,000, Raw materials for manufacture, £129,581,000, Total £300,240,000'.

The article does not cite comparable figures for UK production. The reference to 'dependency' is slightly misleading. Without doubt, the imported foodstuffs were an important contribution to total consumption, the great bulk of which was home-produced.

loads maximised. This was the tactic implemented on the Rotterdam service in 1892/3, with resultant economies.

Even so, the route network in 1890 continued largely as before, with increased emphasis on tourist services and increasing competition on all routes. The Bordeaux service with Saloon passengers paying £2.10s one way or £4 return, offered through-bookings to Nice, Barcelona and many other places. The Oporto/Lisbon service carried passengers, sailing every three weeks.[419]

The range of cargo services to the Mediterranean varied according to the time of year. United Kingdom ports outside London not previously included in General Steam schedules were regularly visited as required by shippers, as were ports in France and Spain. The routes were highly competitive, with a number of companies involved and sailings from all around the U.K., including Newcastle, to Spain, Portugal and the Mediterranean ports. Amongst others, McCracken, Fenwick & Co. operated out of London and Cunard out of Liverpool to Italian ports. Palgrave, Murphy & Co. scheduled a service from London direct to Oporto.[420]

Sailings to Edinburgh, Hull and Yarmouth continued.[421] The east coast passenger routes faced much competition: General Steam's direct rival, The London and Edinburgh Company tempted passengers with 'Excursion fares to Scotland' and three sailings weekly, whilst the Dundee, Perth and London Shipping Company offered, 'Cheap Trips to Scotland' with sailings Wednesday and Saturday.[422] Both, clearly, had an eye on the

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[419] The Oporto service was not advertised for Lisbon. On 27th August 1890, at the shareholders' meeting, the Chairman referred to other trades taken up, - 'the Oporto and Lisbon trades, for instance'.

[420] *Lloyds Confidential Index ,1895.* The newly-built *Adjutant* made the following voyages in the course of 1895, a mixture of charter and service work: Barry Dock – Rosario; Rosario – Rotterdam; Middlesborough – Genoa; Naples – Ibrail; Sulina – Hamburg; Cadiz – Sunderland; Middlesborough – Fiume. In the course of the year she ran aground once and was involved in a collision.

Though the Annual Report offers no comment, a measure, presumably, of the success of the Mediterranean trades was the fact that no less than eleven of the Company's larger vessels were noted as making sailings on the route in 1895.

[421] GSN 1/35, Board minutes, 4 May 1893. Consideration was being given to abandoning the Yarmouth service and the general manager was asked to give a detailed report of the prospects.

GSN1/39. Board minutes, 28 November 1901. The Station was again under surveillance. The minutes noted that though the Station showed a loss it contributed a considerable amount of freight to the Mediterranean trades as well to Havre and Ostend and it was decided to retain it.

[422] Speed was important on these services, for both passengers and cargo, as railways offered a much faster transit. The Dundee service offered average passages of 30 hours and rail access to the Highlands and all parts of Scotland.

developing tourist industry, yet General Steam's Board was uncertain about the future of passenger services.[423]

The directors were very well aware of the need to seek additional business, and, as they put it, 'endeavour in more distant Ports to find employment for and fuller development of the Company's resources'.[424] They spoke, persistently, of the need to extend the cargo capacities of existing vessels and to build larger ones, though movement in that direction was slow. The chairman commented at the year-end meeting in early 1892 on the extended scale of charter work during 1891 and acknowledged a slight, and welcome, increase in gross receipts as a result.[425]

In the past General Steam's charter work usually involved making available a ship(s) for transport work for the British or a foreign government. But the Company also saw possibilities in a different arrangement, voyage or time charters to more distant parts. The chairman referred to the 'excessively valuable connection' which the Company possessed, 'such as belonged to no other company in the world', and the need for ships of 'increased tonnage more suitable to do the outside work of general chartering business' most of which involved long sea passages.

Though there are references in subsequent Reports and elsewhere to such voyages being made it does not seem that that tramping voyages became a major part of the Company's business. The directors did concede that the majority of the Company's vessels were too small to be profitable in a highly competitive market with resultant low charter rates.[426]

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[423] The General Steam Navigation Company. Its Capital-How Invested-Business and Future Prospects. The directors described passengers as of, 'questionable advantage'.

[424] GSN 7/6, 131st Report on 26 August 1890.

[425] Year-end meeting report in *Shipping Gazette and Lloyd's List*, 24 February 1892, p.3. This reference was to the several vessels on time charters during 1891, for instance, *Hawk, Falcon* and *Hirondelle* to the Irish Government. The single voyage charter business was the one identified as suited to development.

[426] GSN 7/6, 133rd Report on 18 August 1891. The New *Hirondelle* and *Falcon* and *Hawk* were chartered to the Irish Government, the former as a transport. Later *Hirondelle* spent some time in the Mediterranean, chartered as a private yacht. *Swan, Cygnet, Raven* and *Mallard* were, or were being prepared for, charter work. In 1893, little or no cargo offering for Oporto. *Benbow* was chartered for that port with coal at 6s per ton.

Shipping Gazette and Lloyd's List, 31 August 1893. Report on the shareholders' meeting in August 1893. Chairman Hogg reported that the latest new ship, *Adjutant*, was designed and built especially as a tramp ship.

Nevertheless, they exhibited belief that the new trade could be developed as an additional revenue source. A committee was established under the chairman to explore means of raising capital for the purchase of new 'ocean' steamers, a term not previously noted in the minutes.[427] The initiative was approved by shareholders and during the following year £25,000 of mortgage Debentures at 4.5 per cent were issued for periods of five and ten years, though the sum was entirely inadequate for the purpose when considered against the cost of a new 2,000 ton ship.

At a shareholders' meeting in early 1893 the directors acknowledged that progress in establishing new liner routes was slow. A number of initiatives were announced, including a service from the South of France to Southampton in conjunction with the South Western Railway and the Inman Line. A further service from Bordeaux to Southampton was inaugurated and an office was opened in the latter, a measure of some confidence in the prospects. It was reported that a route from Liverpool to Portugal had been operated by *Ptarmigan* for several months with 'fair results'.

A service from Liverpool to West Africa was opened in 1892 and the following year it was extended to Manchester with access through the newly opened canal.[428] A service to Rotterdam was also inaugurated from these ports. At the outset the prospects for both appeared promising, though freight rates were too low, due to competition, to be profitable.

The wisdom of attempting to develop the Liverpool/Manchester connection with West African ports was questionable. Encouragement came from Henry Tyrer, an ambitious Liverpool shipping agent, who was knowledgeable of the trade and who produced favourable reports on the prospects. Some of the larger, influential, West African shippers were very willing to use the service, but they were already in conflict with Alfred Jones' Elder Dempster Line. Jones' willingness to cut freight rates to the bone in order to eliminate opposition - his objective was that every shipment carried by General Steam should be at a loss - won the day.[429] Tyrer at one stage wrote to the *Journal of*

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[427] GSN 1/35, Board minutes, 16 April 1891.
[428] GSN 7/6, 136th Report, 21 February 1893.
[429] Davies, *The Trade Makers:*, pp .69-70.

Commerce citing the fact that General Steam's *Cygnet* had established a new record by delivering freight to Lagos in only twenty-seven days.[430]

It was to no avail. New trades demand investment and development: the directors' experience was sufficiently broad for them to recognise that in the case of the West Africa service the effort was futile. In 1895 the trade was abandoned owing to continued unsatisfactory results and the small steamer purchased especially for coastal work was sold. The Liverpool office lease was cancelled in June of 1896 and the fixtures disposed of, drawing a line under that endeavour.[431]

The cost to the Company of this abortive exercise was not disclosed but it must have been appreciable.[432] Certainly, recorded Costs increased substantially in the years 1894/5 and it is reasonable to suppose that the West African venture was a cause. The press and shareholders were openly critical, to the considerable discomfiture of the Board.

It is almost inconceivable that the directors did not more diligently research the West African trade before investing in the refurbishment of the three vessels used in the service. They *must* have been aware that this was not the ambitious and experienced Henry Tyrer's first attempt to persuade a shipping company to try to break into the business. In 1890/91 he persuaded James Knott of the Prince Line to send ships to the coast, despite attempts by Jones to discourage him. In 1892, such were the difficulties Knott experienced, not dissimilar to those which General Steam would encounter, that he suspended sailings. Attempting to enter the trade in the circumstances prevailing was foolhardy.[433]

No further comment was made in the Reports to the Liverpool to Portugal service and it must be presumed that this also failed. The South of France to Southampton service

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[430] *Journal of Commerce*, 21 March 1894, cited in Peter N. Davies, *Henry Tyrer: A Liverpool Shipping Agent and his Enterprise, 1879-1979*, (London, 1979), p.41.

[431] GSN 1/37, Board minutes, 4 June 1896.

Henry Tyrer continued to try to interest other companies, including the recently established Furness Withy, in trading to West Africa but Alfred Jones was very well entrenched and he successfully, in the main, repelled all comers.

[432] *The Shipping World,* 1 October 1895, p. 205. Report on the 141st shareholders' meeting on 27 August 1895. The newspaper refers to the loss of 'a considerable amount of money'.

The Times, 27 February 1895, p. 3 is more specific. It attributed a cost of £41,000 to the Manchester-Rotterdam and the West African services.

[433] Davies, *The Trade Makers*, pp.67/8. Elder Dempster's strength was its monopoly of the goods shipments of the Crown Agents. John Holt, a member of the African Association, made an attempt to assist General Steam but to no avail.

struggled. In June 1896, with the intent of closing the service immediately, the company appealed with, it seems, success to the partners for financial help as the losses were too great to contemplate continuing.[434] Rather more successful was the absorption in 1899 of the Bordeaux to Hull service of Messrs. Rawson and Robinson on the retirement of those gentlemen.[435]

The determination of the directors to develop new directions for the business and, in most cases, the notable lack of success in the 1890s is notable. *The Shipping World* commented cynically: 'The directors fall back on the old story of general depression, un-remunerative freights, unusually wet summers and competition for river traffic'. The newspaper summarised: 'The recent launching out in search of remunerative business has been attended with far more expenditure than revenue'.[436] This was, no doubt, a view shared by at least some of shareholders.

The West African plans and the moves towards larger tonnage for tramp service originated in the time of Chairman Tritton. These and other initiatives were planned to soften the blow of the imminent collapse of cattle revenues. Both were so far removed from the Company's experience over many years as to suggest a measure of desperation, and certainly a susceptibility to unsound advice. New Chairman Hogg was burdened with the responsibility and the blame for these extravagances. He and his colleagues introduced an infinitely more careful policy to new ventures. They recognised that the development of new routes demanded investment and that a profitable return took time and they curtailed further expansions..

No detail remains of the profitability of the Company's individual routes up to the 1890s. However, one hand-written document, which was probably a summary prepared by the Accounts Department for management sheds some light on the situation in 1896.[437] There

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[434] GSN 1/35, Board minutes, 4 June 1896.
[435] GSN 7/6, 148th Report, 27 April 1899.
[436] *The Shipping World*, March 1, 1895, p. 377.
[437] GSN 6/6, Comparative Statement of Results, showing estimated weekly Returns, Statistical and yearly Stations' a/cs. for year ending 31 December 1896.

are three headings to the document, as indicated by its title, but only one, the Estimated Weekly Returns is reproduced in Table Fourteen.

Table Fourteen. Estimated Weekly Returns for 1896:

Services ex London unless otherwise indicated.

Station	Earnings	Expenses	Profit	Loss
Mediterranean	£96,300	£78,556	£17,744	
Hamburg	67,017	48,672	16,345	
Hamburg/Harwich	28,996	28,612	384	
Antwerp	17,929	17,730	199	
Ostend	9,341	11,352		£2,011
Harlingen	27,004	20,000	7,004	
Amsterdam	22,658	19,755	2,903	
Rotterdam	21,773	20,601	1,172	
Manchester/Rotter'm	18,048	17,402	646	
Havre	6,935	6,107	828	
Bordeaux	34,143	26,564	7,579	
Bordeaux/South'mtn.	3,300	5,535		2,235
Charente	14,107	11,945	2,162	
Oporto/Lisbon	9,730	8,625	1,105	
Yarmouth	6,027	5,380	647	
Hull	17,818	16,394	1,424	
Edinburgh	31,249	24,289	6,960	
Summer boats			7,116	
	430,375	367,519	-	

Lloyd's Confidential Index. From the 1880s the Mediterranean services made calls at Middlesborough and the Tyne and elsewhere, as cargo offered, though London remained the key port.

The figures under the three headings are broadly similar, though such are the narrow margins of Profit and Loss that, in some instances a profit in one column becomes a loss in another. For instance, Antwerp in the Table shows a profit of £199. In the Statistical Return column of the document that become a loss of £2,606.

These figures can be used only as a guide - but an interesting and very useful one - as they are clearly not complete. There is no reference to charter work, for instance, and the figures may not be the ones ultimately used to produce the management accounts. They suggest an across-the-board weekly trading profit of £62,856, the expenses being, presumably, only those for loading, discharging, agency, etc., as opposed to the heavier Ship, Coal and Head Office Costs. The figures do, however highlight General Steam's strengths and weaknesses at that particular time. The Mediterranean and London/Hamburg routes continued to attract significant freight and passenger earnings, as did London/Bordeaux and London/Edinburgh, three of the four being of relatively recent origin.

Equally, the figures call into question the logic of maintaining regular services, twice weekly passengers and cargo in the case of Antwerp, for a miserable return of £199. Passenger numbers were, no doubt, seasonal and cargo loads may have been similarly affected, but the figures suggest a determination not to give up a long-established trade in the hope of an improving situation. The twice-weekly Hull service, profit £1,424, was ended in 1897.

Another document gives details of the annual returns on the Oporto route over the period of twenty years.[438] The highest figure was £9,662 in 1882 when thirty-two voyages were made, whereas in 1896, the profit was only £1,608. The important point is that the £1,608 profit was the result of fourteen voyages, which averages to a very modest per-voyage return of only £115!

In the matter of the Edinburgh trade there was some frustration within Head Office concerning lost revenue opportunities due to the directors' apparent declining interest in the passenger trade to London. An un-addressed, unsigned and undated four page report on the subject was tactfully critical.[439] The writer contended that opportunities were being

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[438] GSN 6/5, Undated hand-written statement of profits and number of voyages made over 22 year period. Over the entire period the average annual profit was £3,519 from nineteen voyages.

[439] GSN 6/7, In-house report on the east coast passenger trade, probably written in the late 1890s: 'Take for instance the Edinburgh Station, where for many years we interfered with the passenger service by suspending it not only for the winter months, but occasionally for the larger part of the year (and during the season frequently putting on unsuitable boats).....the London & Edinburgh Company, by contrary tactics has been able to increase its goods and passenger traffic so that now it has three sailings a week. The Carron Company, on the same Station and for the same reason, from having one or two small cargo

lost to competitors due to lack of commitment to regular services and the use of unsuitable ships. He added that these failings were also affecting cargo shipments, specifically the long-established trade from Glasgow and the west of Scotland..

The annual dividends of some of the passenger-carrying companies such as London & Edinburgh, 10 per cent, and the Dundee Company, 15 per cent, were compared with General Steam's 2 per cent. The point was made that some of the competing east coast passenger services were booked up weeks, even months, in advance. The report urged the introduction of suitable steamers and advertising.[440]

As already noted, there was evident uncertainty regarding the future of the Company's passenger services. But then, there was uncertainty about every aspect of the Company's activities. The 1890 comment that the Continental passenger traffic was no more than a seasonal excursion service may well have been accurate within the context of the time.[441] Tourist traffic, the popular development of holidays in distant parts, was, after all, still in its infancy. The 1895 statement, by Chairman Hogg, that he would never spend large sums on new boats for the river services was rash and it came from a new chairman already under severe pressure.[442] The 1896 *Comparative Statement of Results* indicates that profit from the Summer boats, at around £7,000, was one of the better results in the year.

However, these comments do not remotely confirm a determination by the directors to withdraw from passenger services. The report on the Edinburgh services, *probably* written in the mid-1890s, reflects neglect, at least for a period, in that not only were passenger services being, arguably, under-exploited but the irregular service meant lost cargo revenues on one of the Company's more profitable routes.

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steamers, almost for the sole purpose of carrying goods of their own manufacture, has blossomed into a popular passenger-carrying company with a fleet besides cargo boats of several fine passenger vessels with the result that in our Glasgow goods traffic they are most formidable competitors'.

This report was specific to the Edinburgh route, the Company having in recent years built new tonnage with substantial passenger accommodations for the Hamburg and Bordeaux routes.

[440] The Carron Company, was not a public company, so its dividends were unknown. It entered the Edinburgh (Grangemouth) to London cargo/passenger service in 1887 with two newly built steamships.

[441] GSN 9/4, 'The General Steam Navigation Company. Its Capital-How Invested-Business and Future Prospects.', dated 19th August 1890.

The counter case lies in the fact that the Company continued to build larger vessels with passenger accommodation which were used on a number of routes. The 1888-built *Seamew* of 1,505 tons, with accommodation for one hundred and ninety-nine passengers, one hundred of them in 1st Class, was employed on the Edinburgh route in early 1895. Her running mate was *Peregrine*, 1892, 1,664 tons, also with passenger accommodation.[443]

The writer of the report asked for increased advertising expenditure. That may well have been legitimate. General Steam's advertisements in the shipping press in the 1890s had not changed in style since the 1870s. They informed readers of sailings, but unlike other companies, there was little or no *promotion* of services. This was odd, since the Company had been publishing timetables since 1876 which were comprehensive travel guides for most parts of Europe.[444] It is, however, likely that posters were used for the excursion services.

The causes of Head Office concern in the 1890s were arguably merely a reflection of the general uncertainties affecting the Company at that time. However, within a very few years a new tourist department was set up to attract passengers, promoting Highland and European Tours and cruises to the Mediterranean. A memorandum, probably from 1902, makes the point that 'overseas' passenger receipts contributed much more in profit terms than the Thames services, Spring refurbishment costs of the latter absorbing most of the profit.[445]

Competition.

On all routes the Company faced severe competition. No longer was General Steam in a position to dominate and exclude less well resourced opposition: it was now on occasion faced with the choices of withdrawing from some routes or collaborating with its

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[442] GSN 7/6, 140th Report, 26 February 1895. He contended that when there was no competition the Company made a bare living but that there was no return on capital. Now, two companies were spending large sums on their new boats and rates were reduced in order to compete.
[443] *Shipping Gazette and Lloyd's List,* 25 February 1895, advertisement. The service was twice weekly.
[444] GSN 27/1 to 27/10. These items cover Company Timetables from 1876, the first within the archive, to 1902. Whether or not they were published prior to 1876 is not known. They could not be classed as advertising.
[445] GSN 6/8. The memorandum quotes 'overseas' passenger receipts in 1902 of £14,558, less expenses of 25%, plus tourist department profit of £220, for total profit of £11,138. Summer service takings, by comparison, were £25,200, less expenses of £22,680, profit £2,520.

opponents. One of its oldest services, that to Boulogne, was terminated in 1890 due to strong competition from railway steamers sailing out of Dover on the short-sea crossings to Boulogne and Calais. In 1880 four GSN sailings per week were advertised in the *Shipping and Mercantile Gazette* carrying cargo and passengers.[446] By 1888 one cargo only sailing was advertised and, following the dock strike, the service was declared to be unprofitable and closed.[447]

Difficulties arose with the Great Eastern Railway in connection with the service from Harwich to Hamburg commenced in 1888, though it is impossible to be quite certain of the causes from the comments within the archive. The service was promoted within the GER's newspaper advertisements, with three times per week sailings each way.[448] The Board minutes in 1893 indicate that there existed some unease within General Steam concerning Great Eastern's new route to the Continent via Hook of Holland, presumably on the grounds that business to Hamburg must be affected. A minute in March 1893 refers to a notice given to the railway company a year prior which asked that the railway 'further consider the subject of the Harwich-Hamburg service'. [449]

Three weeks later the Great Eastern Railway was asked to let the Company's letter giving notice to determine the Harwich/Hamburg Agreement stand over for two or three months and seeking GER's approval not to resume the passenger service for the present. Subsequently a Board minute records that arrangements were made with the railway company to reopen the service.[450]

The matter was not further referred to, so that it may be assumed that negotiations, on precisely which points is uncertain, took place and were successfully concluded. These exchanges suggest that the arrangement between the company and Great Eastern was more complex than a simple facility-leasing and berthing deal.

The Great Eastern was vigorously developing its Harwich to Hook of Holland service with onward rail connections to main European cities.[451] Three new twin-screw steamers

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[446] *Shipping and Mercantile Gazette*, 25 February 1880, advertisement.
[447] *Shipping Gazette and Lloyd's List*, 1 March 1888, advertisement.
[448] *Shipping Gazette and Lloyd's List*, 27 February 1890, advertisement.
[449] GSN 1/35, Board minutes, 2 March 1893.
[450] GSN 1/35, Board minutes, 13 April 1893.
[451] *Fairplay* magazine, editorial, 9 September 1892, page 562. The press notice commented that Great Eastern's '...express (rail) service from London and the Northern and Eastern counties to Harwich are

of 1,759 tons came into service in 1893/4, capable of 17.5 knots and carrying 200 first-class passengers with passenger numbers on the route increased from 82,666 in 1892 to 94,870 since the advent of the new tonnage.[452]

The future of General Steam's Rotterdam and Amsterdam services was in the balance in 1900 and this was discussed at a meeting in London at which interested parties were present. An attempt was made to reach a 'pool' arrangement with the Holland Steamship Company and this appears to have been successful, as there is a minute recording a payment to the Dutch company from a 'pool' account.[453] Continuation of these services remained under constant scrutiny.

Opposition on the Antwerp Station arose in early 1896 and an attempt was made to reach an accommodation with Furness Withy to withdraw, freight rates having been reduced. The Company withdrew from the Manchester to Rotterdam trade, previously run in conjunction with the Cork Steamship Company, by agreement with that company.[454] The Hull Station was closed down, though it would reopen later.

Thames River Services.

General Steam had made a major investment in the late 1880s with five new steamers for its Thames river services, and these continued to run through the 1890s. However, they were regarded by then as slow and out of date when compared with the newer and larger Thames steamers. None had electric light.[455] Two, *Philomel* and *Halcyon*, were fitted with new boilers during 1899.

By now the Company was facing greater opposition from other operators. The Victoria Steamboat Association (VSA) aggressively set out to challenge General Steam and Belle Steamers, buying the *Lord of the Isles* from a Clyde-based company. Built in 1877, she created a measure of excitement when she entered service in 1891. Of 451 tons, the vessel had two funnels, one forward and one aft of the paddle boxes. She was followed by three other notable vessels, *Koh-I-Noor*, built in 1892, *Royal Sovereign* and

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proverbially punctual' and they have, 'a fleet of fine steamers fitted with electric light and all the latest novelties in shipping appliances which can in any way contribute to the comfort and safety of passengers'.

[452] *The Shipping World*, June 1 1894, page 55, report on launch of s.s. *Berlin*.

[453] GSN 1/35, Board minutes, 21 July 1892.

[454] GSN 1/37, Board minutes, 26 November 1896 and 14 January 1897.

[455] Peter Box, *Belles*, p.49.

La Marguerite, built in 1894, the largest passenger steamer on the Thames, at 2,205 gross tons. She operated throughout the season from Tilbury to Margate and Boulogne.

These three set the new standard for Thames passenger vessels. Nevertheless, the directors were able to report, with regard to the 1893 season, that services were well maintained despite the opposition from the Victoria company, though the following year they would describe the summer service results as unsatisfactory.[456] At this time there seems to have been doubt in the minds of at least some of the directors concerning the viability of the river services. Chairman Hogg told shareholders in 1895 that so long as he was chairman he would never agree to the Company spending large sums on new boats for these services, though *Eagle* was ordered two years later at cost of £23,000.[457]

However, the VSA quickly ran into financial difficulties: In 1894 the Fairfield Shipbuilding and Engineering Company, which had built the three ships and with which VSA had a financing arrangement, foreclosed and took over the steamers, establishing a new company, New Palace Steamers, which seems to have been more interested in cross-channel excursions out of Tilbury.[458]

Eagle, of 647 tons and with a speed of 17 knots, was delivered to GSN in 1898 and added to the fleet which then totalled six vessels, with older Continental ships used on occasion. Running from London Bridge Wharf *Eagle* maintained the service to Margate and Ramsgate with her consorts. She replaced *Hoboken* which was broken up and sold after the 1897 season, having given good service for twenty years.

The Ships.

At the beginning of 1890 the company operated 50 ships, 16 of them built in the 1880s, and four ships recently re-engined. This figure was probably in excess of their requirements, though that fact was strongly disputed by Chairman Tritton at the Annual General Meeting in early 1892 when a shareholder suggested that older ships should have been disposed of or laid-up in order to reduce costs. The chairman argued that the older

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[456] GSN 7/6, 138th Report, 19 February 1894.
[457] GSN 7/6, 140th Report, 26 February 1895.
GSN 1/37, Board minutes, 26 August 1897. *Eagle* was ordered from Messrs. Gourlay, Dundee.
[458] E.C.B. Thornton, *Thames Coast Pleasure Steamers*, (Prescot, 1972), pp.9,10.

vessels must be retained until the company acquired the finances to buy new ones.[459] In fact, the new ships were larger, with greater cargo capacity, much more suited to the Company's longer routes and to its increasing interest in charter work.

The ships that entered service in 1890 affirmed the trend. *Hirondelle* of 1,607 tons, was built by Gourlay Bros. in Dundee, as was the smaller *Heron* of 879 tons.[460] In 1891 *Ptarmigan*, 780 tons, a steel hulled cargo vessel also built in Dundee was delivered and triple-expansion engines built at Deptford were fitted. Two larger ships were ordered, *Peregrine*, 1,660 tons, at cost of £37,975, and *Adjutant*, of 2,600 tons gross, the Company's largest vessel to date, designed and built especially as a tramp ship.[461] If distant trades were in mind she was, however, already small for the purpose, ships of 3,000 and 4,000 tons and larger being already commonplace and, perhaps, more suitable. Two other ships were lengthened by 36 feet increasing their gross tonnages by 400 tons.

Osprey, built in 1877, was fitted with triple-expansion engines and extensively refurbished with increased passenger accommodation and delivered in mid-1891. *Peregrine* was sold at profit before delivery and a replacement order placed immediately. The second *Peregrine*, 1,681 tons, completed trials in June of 1892 and took up station on the Harwich to Hamburg service where her speed of 16 knots reduced the passage time by six hours to 24 hours. She had a dining room seating 70 and a total capacity of nearly 250 passengers.[462]

Whatever financial constraints the Company was experiencing, it continued to invest in larger ships, most of them second-hand and appreciably less expensive than new-built tonnage. The French *Dieppois*, of 1,770 gross tons, and built only in 1890, was purchased

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Another competitor, Belle Steamers, which ran mainly on the Essex routes to Clacton, Great Yarmouth and Ipswich, was reconstructed in 1898 as the Coast Development Company which continued to operate the fleet.

[459] *Shipping Gazette and Lloyd's List*, 24 February 1892, p.3. Year-end meeting Report.

[460] Ambrose Greenway, *A Century of North Sea Passenger Steamers*, (London, 1986). *Hirondelle*, the largest ship built for the Company at that time, was of 1,607 gross tons and had a service speed of 14 knots. She was placed on the London-Bordeaux service and had accommodation for 70 first class, (in staterooms) 50 second and 25 third class.

[461] GSN 1/34, Board minutes, 2 October 1890.

Shipping Gazette and Lloyd's List, 31 August 1893. The chairman, in commenting on *Adjutant's* completion: 'We also have at our command several good tramp ships which have been provided with work at fairly remunerative rates'.

[462] 1/35, Board minutes, 17 September and 1 October indicate that *Peregrine* was sold on the stocks to the builder for £29,300, a profit of £3,000, and an order for a replacement was immediately placed with the same builder, Messrs Thompson & Co.

for £15,250 and renamed *Linnet*.[463] The next purchase was *Guillemot*, built by the Campbeltown Shipbuilding Company and a sister-ship of *Linnet*, which suggests satisfaction with the former. She entered service in March 1894. A number of older vessels were disposed of at this time: one, *Taurus*, no longer required in the Company's cattle trade, was sold at profit to the Corporation of London for £2,500.[464]

The nearly-new *Adjutant* ran aground on the African coast in the Strait of Gibraltar and required heavy repairs which kept her out of action for six months. A subsequent Board of Trade enquiry found the master to be at fault.[465] On her return to service she continued to trade on the Company's Mediterranean routes carrying machinery and general cargo outwards and returning with fruits, vegetables, cheese and olive oil.[466]

Kestrel sank in 1893 en-route from Hamburg to London with a cargo of sugar. *Curlew*, 630 tons, 1875, was lost off Brest in January 1896, striking what may have been wreckage. The master was found to be blameless at the subsequent Board of Trade enquiry. The updating of vessels continued, in the case of *Linnet*, soon after she was purchased. *Albatross* and *Swan* were both extensively altered. Four further vessels were sold and an order placed with Messrs Gourlay for a fast new excursion paddle steamer.[467] A large cargo steamer, the 1894-built *Kelvinside*, of 2,679 gross tons, was purchased in 1898, and renamed *Sheldrake*. She was placed on charter work carrying cargoes to and from ports in North and South America. *Widgeon* and *Teal* were equipped with a cool chamber specifically for the Harlingen trade, carrying Dutch dairy products.[468]

In this period a number of ships were fitted with new engines and/or boilers, including the summer steamers, *Oriole* and *Mavis*. Five cargo ships were purchased in 1899: *Preston*, built 1885, of just over 2,000 tons and *Ardanbhan* of 1,179 tons, built 1880, the latter being lost en route to Sunderland three months later. The others were *Tetuan*, built

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[463] GSN 7/6, 135th Report, 30 August 1892 GSN 1/35, Board minutes on 9 June 1892. Compared with the price of new tonnage, *Linnet* was a bargain.
[464] *Orion, Cologne* and *Sir Walter Raleigh*, all employed in the Thames services, and *Alford* were the vessels sold.
[465] GSN 7/6, 140th Report, 26 February 1895.
[466] Norman L. Middlemiss, *The Navvies. History of the General Steam Navigation Company*, (Gatehead, 1999), pp.36/38.
[467] GSN 7/6, 145th Report, 28 October 1897. The steamers sold were *Hawk, Martin, Stork* and *Hoboken*, the latter two for £2,100. The oldest was *Stork*, of 843 tons, purchased in 1864. *Hoboken* gave valuable service on the Yarmouth route for more than ten years. She was replaced by *Eagle* in 1898.
[468] GSN 1/37, Board minutes, 14 January and 4 February 1897.

1896, which cost £16,850, *Auk*, 1877, and *Halcyon* for the excursion trade. No indication is given of the costs of the other vessels, but *Ardanbhan's* loss may be presumed to be a straight-forward and substantial cost to the company.[469]

Two further cargo steamers of just over 1,000 tons were bought in 1900, *Balgownie* and *Merianno*. *Linnet* was abandoned on fire in the Bay of Biscay and later towed into Santander. She was seriously damaged but the Company was optimistic that she might be recovered from the salvors. In the event, she was sold at auction, the price obtained being higher than anticipated, as was the claim by the salvors.[470]

The accidents reported to shareholders were only the major ones where substantial costs and, on occasion, loss of life were involved. There continued to be a high level of minor incidents, costly nevertheless, including the 1893 collision between two Company ships. Some were recorded as having two or three accidents in one year. In 1896 the Board approved a proposal to award masters running their ships accident-free for twelve consecutive months a bonus of one month's salary.

Most of the cargo ships purchased in the 1898-1902 period were of iron construction, though the Company's new-buildings of the time were invariably of steel. Fourteen second-hand ships were bought of which several were already fifteen to twenty years old and most were of 1,000 tons or less, far from the declared intent of the directors and certainly not meeting the need for larger vessels. It is difficult to identify any sort of coherent policy in this heavy capital outlay, at a time of financial constraint, other than that the vessels were relatively cheap and were needed to replace even older tonnage being sold and scrapped.

The final report of the Company, on 31 October 1901, prior to the re-organisation in 1902, records that a new passenger/cargo steamer was ordered from the Caledon yard in Dundee, that two smaller steamers were purchased and that the long-serving paddle steamers *Swift* and *Swallow* were sold.[471] One of the new purchases, *Calvados*, of 570 tons, was renamed *Alouette* and operated on the Ostend service. She carried 233

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[469] GSN 7/6, 150th Report, 26 April 1900.
[470] GSN 7/6, 153rd Report, 31 October 1901.
[471] GSN 7/6, 153rd Report, 31 October 1901. The new steamers purchased were both cargo passenger vessels. The second one, named *Swift*, replaced her namesake.

passengers in first class and 92 in second class, a remarkable number for such a small vessel, and had a speed of 15 knots. She reputedly carried the nickname of the 'Ostend rabbit boat' due to the large numbers of rabbits she regularly carried in her cargo.[472]

The inconsistent insurance policy of General Steam's Board has already been commented upon. Regardless of the frequent involvement of Company ships in accidents, and the occasional total loss of a vessel, with in some cases no cost recovery from the other party, the Company persevered, establishing its own Insurance Fund to, in theory, meet its commitments.

In 1890 the directors cautiously insured two of the larger and newer vessels, for one-quarter of their respective book values the costs being charged to the fund.[473] The following year a new fire insurance policy on the fleet was arranged in the sum of £50,000. This was undertaken with guidance from an 'electrical expert' on the new electric installations and methods of reducing risks. The Company became increasingly aware of the risk of fire and *Seamew* was insured for £20,000 while under repair at Palmer's yard in Jarrow.

But general hull cover was patchy and inconsistent. Another two large vessels were insured for half their values in 1891/2 and there was no indication in the Board minutes to explain this decision. In 1894, 'in view of recent ship losses' the directors increased collision insurance for the fleet to three-quarters of the fleet value. In mid-1896 it was decided to insure the Summer boats against collision (this had, it seems, been done before) and there was discussion at a Board meeting concerning further insurance cover for the fleet. In November it was agreed that the sea-going steamers be insured to their value of £500,500 at 80s per cent, the Company, as before, taking one-quarter of the risk.[474]

Indecision persisted. The following year the directors advised shareholders that, '…it is deemed advantageous for the company to rather undertake the whole risk than pay the increased premium asked by Underwriters'. 'Thus far', they added, 'the result has been

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[472] Greenway, *A Century of North Sea Passenger Steamers*, p.10.
[473] GSN 1/34, Board minutes, 26 June 1890. The vessels were *Seamew* and *Hirondelle* and insurance was at the rate not exceeding 3.5 guineas per cent.
[474] GSN 1/37, Board minutes, 7 May 1896 and 12 November 1896.

satisfactory'.[475] Assuming the value of the fleet at that time to be approximately £450,000 (it was £500,500 in November 1886) and insurance at 80s per cent, as was quoted the year prior, the premiums asked must have been in the region £18,000-£20,000, an appreciable charge. Nevertheless, there remained a considerable risk with a single vessel costing, new, in excess of £30,000 and the charge was trifling when compared with the fire insurance charge.

Infrastructure.

The ships apart, the two wharves, St Katharine's and the immediately adjacent, upriver, Irongate, were General Steam's greatest asset. They provided 500 feet of river frontage and 28 foot depth at high water, so that vessels remained afloat at low water. This was a considerable advantage in that the loading and discharging of cargo was largely unaffected by tidal conditions. The facilities, both for the handling of passengers and of cargo were consistently improved, hydraulic cranes being fitted in 1899 in a major programme which cost in the region of £100,000.[476] The Company regularly made use of other leased wharf facilities on the Thames, Brewers, Chesters and Galley Quays.

Very little record remains of the activities of the Deptford Factory in the nineteenth century. There are no detailed plans of the layout, even its extent is uncertain. It had quay frontage to Deptford Creek and to the Thames river, both of which were tidal and it included a drydock. There is no doubt that it was a substantial operation employing many men.[477]

A committee of the Board was responsible for its operation. It considered requirements for the replenishment of stores and tenders to supply same, awarding contracts for such items as rope, oils, steel plate and angles and many other things connected with a busy ship repair yard. It also dealt with wages for the various trades and office staff and occasional references were made in the Board minutes to pension arrangements for long-serving workers.

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[475] GSN 7/6, 146th Report, 18 April 1898.

[476] The costs of approximately £25,000 per year were, unusually, deducted directly from the Profit and Loss in the period 1898 to 1902.

[477] Stanford's 1862 map of London confirms the location on the upriver bank of Deptford Creek. Also identified is a 'Marine Boiler Works' with quayside facility, which may well have been part of the Factory

Short of building the Company ships, the yard was well capable of handling most of its requirements, including major hull repairs and refurbishments. It also built replacement engines and boilers and fitted them and, on occasion, it built barges. Ships were dry docked, cleaned and painted. On occasion ships were sent for repairs to the yards around the country in which they were built.

The management was also responsible for ensuring that all of the Company vessels were presented for, and passed, the regular Board of Trade Load Line Certificates and Passenger Certificates. Lloyd's surveyors were required to approve the standards of repairs in order to receive the required sea-worthy certificates.

In 1891, a time of severe financial constraint, in an attempt to reduce working costs, a number of the workshops were closed and men were paid-off. The volume of stores held at the facility was reduced.[478] Tenders were invited for rental of part of the Factory with a frontage of 200 feet to Deptford Creek and buildings and machinery thereon, the tenant to undertake carpentering and shipwright work required by the company at an agreed schedule of prices. The Creek frontage was the essential facility whereby vessels were able to moor alongside the wharf whilst repair work was carried out and rental of part of that implies an intent to withdraw substantially from vessel repair and maintenance, at least for a time, a very surprising development.

Tenants were found for some of the shops, on a one year lease, and arrangements were made for them to undertake certain of the ship work.[479] In early 1893 a tenant were found for the sawmill and drydock, which arrangement appears to have continued until late 1896 when notice to terminate the lease was received, though the arrangement was extended with a reduction of the rent to £500 per year. Seemingly with a view to restoring at least some of the Factory's activities, an estimate was sought for the widening and deepening of the dock to suit the Company's larger vessels.[480]

At the same time an offer of £3,000 for the freehold of the sawmill and carpenter's shop was accepted, though this was quickly withdrawn and negotiations proceeded for

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[478] GSN 1/35, Board minutes, 11 June 1891.
[479] GSN 1/35, Board minutes, 30 July 1891. The tenant was Messrs. Blythe and Pascoe. The lease was for one year at rental of £300. No detail exists of renewals or termination of this lease.
[480] GSN 1/37, Board minutes, 8 October 1896.

further property leases. A Board minute in 1897 reported that an offer for the drydock of £10,000 had been received and approved, though this again appears to have fallen through.[481] A further attempt was made to sell the drydock in 1897 and an offer, again of £10,000, received.

The information on these various transactions is far from complete and it is impossible to be certain precisely which parts of the Factory remained in the Company's ownership at the end of the decade. Nowhere in the surviving material is there an indication that General Steam contemplated closing the Factory: indeed, major repair and maintenance work continued to be carried out throughout the period. Rather, it suffered cutbacks during a very difficult time, as did other departments of the Company. There is certainly every evidence that major work, the building and fitting of engines and boilers, continued. Six 100 ton lighters and a sheer hulk were built in 1898 which suggests that the drydock and at least some of the shops remained active.[482]

Costs and Receipts

Annual income in the period 1890 to 1901 advanced from £460,733 to £547,162, a gain of 19 per cent, though it was not until 1899 that the £500,000 figure was breached.[483] Trading was extremely difficult, with drastically reduced, sometimes totally uneconomic, freight rates and the complete collapse of cattle trade income, to £600 in 1892. See Table Fifteen for full details. A cholera outbreak on the Continent severely affected both passenger and freight traffic. The development of the chartering business even at a time when freight rates were low was vital in that it contributed a small but unspecified profit whilst the running costs of the vessels were covered.

A major attempt was made to contain overall Costs in the early 1890s, despite increases in three main items of expenditure, labour, stores and coal. Wages of sea and office staff and dock labour costs increased.[484] Bearing in mind these all-round cost increases the

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[481] GSN 1/37. Board minutes, 23 December 1897.
[482] GSN 7/7, 148th Report, 27 April 1899. Three ships were extensively altered in 1894, but whether at Deptford is uncertain. *Tern* was fitted with new engines and boilers at the Factory in 1897.
[483] Full accounts for the year 1902 are not available.
[484] GSN 1/34, Board minutes, 18 December 1890 and 1 January 1891. The minutes record the salaries of 'Clerks' in the Edinburgh Office being increased from £100 to £110 and a more senior grade, from £175 to

directors, by virtue of tight controls, did well to contain expenditure at average £385,000 in the period 1890 -1893, down from £416,422 in 1889. A useful proposal, in 1890, was that the Deptford and the upriver wharves accounts should be kept separately in order to ensure that both were profitable operations.

Additional charges were added to Costs, especially from 1896, when it became the practice to apply directly to the Profit and Loss Account very substantial sums for wharf repairs and a range of sundries, the sums exceeding £50,000 from 1898 to 1901. This had the effect of reducing the amount available to pay dividends and was, no doubt, a deliberate and aggressive management stratagem in order to retain cash within the Company. No explanation for the dramatic reduction in Station Costs from 1897 is found within the archive: the cost was allocated elsewhere, perhaps, included in the Sundries, but why it is impossible to say.[485]

Some cost increases could not be anticipated, whatever management controls were applied. In 1891 substantial charge was incurred when the new Life-Saving Appliance Act required the supply of boat fittings and lifebelts to ships, with initial cost expected of £3,500 and a possible further £1,500.[486] The vital programme of routine maintenance and of re-engining and re-boilering some of the vessels was continued. Two ships were lengthened at cost of about £4,000 each.[487]

£200pa. London staff, described as 'officials', operated on several grades. One received £160 per annum, increased to £170; another, £65, increased to £70. Weekly paid workers wages ranged from 7s 6d per week to 27s. Both received increases.

[485] No record of discussion with shareholders regarding the application of the additional charges to the Profit and Loss, rather than to the Balance Sheet, has been found.

The 'accidental damage to ships' charge probably applied to relatively minor damage, as opposed to collision damage and vessel loss, which may have been the subject of legal action. The charge for wharf disbursements relates to the appreciable costs incurred in the installation of hydraulic generating machinery and cranes. The benefit of the new procedures was that charges were more readily identifiable than in the past.

[486] GSN 7/6, 133rd Report, 18 August 1891.

[487] GSN 1/35, Board minutes , 26 November 1891. The ships were *Cygnet* and *Raven*, both built in 1883, and the work was carried out by Sir Raylton Dixon & Co. in Middlesborough

Table Fifteen. Profit and Loss Account, 1890-1902

	Coal £	Ship Costs £	Ship Repairs £	H/Offce Costs £	Stations £	TOTAL Costs £	TOTAL Rec'pts £	Balance / Profit £	Profit as % of Rec'pts.
1890	74290	240674 * 7389	36472	20316	7556	386697	460733	74036	16%
1891	72916	253945 *7059	24762	20248	7477	386407	456397	69990	15%
1892	75150	253440 *4731	26560	18160	7166	385207	432695	47488	11%
1893	73173	252232 *4517	26323	16976	7144	380368	451416	71048	16%
1894	83695	294208 *4702	28043	14970	7362	433579	478518	44939	9%
1895	74034	286152 *8215	33655	14229	9309	425594	496686	71092	14%
1896	65065	255383 *7777	26180	14219 +15544	5019	389187	463430	74243	16%
1897	60932	248553 *9886	33290	16910 +21276	1275	392122	456499	64377	14%
1898	62730	250488 *3826	30504	17041 +28031 ^23280	1411	417311	482420	65109	13%
1899	74255	266819 *3093	35099	17667 +25961 ^ 23727	1488	448109	506666	58557	12%
1900	91062	277481 *4018	31865	17722 +27846 ^26415	1504	477913	539832	61919	14%
1901	87818	285221 *3820	30052	17841 +26286 ^28108	1678	480824	547162	66338	12%
1902	37157	140838 *1605	13175	8863 +9732 ^13332	971	236172	263798	38126 (10500) 27626	-

Source: Bi-annual Reports to shareholders, various.

* Additional charge identified as 'Damages to ships, barges and cargo. + Charge identified as, 'Sundries, Insurance, debenture interest and tax.' ^ Charge identified as 'Irongate and St Katharine's Wharf for disbursements.'

Exceptionally, in 1902 £10500 'Depreciation' was deducted from Trading Balance to arrive at the figure of £27,626.

Coal continued to be a matter of concern. This was not purely a question of price, quality was also important. Good quality coal gave improved engine performance and speed. Always a major cost, in 1890 fuel was 19 per cent of total expenses, amounting to £74,290. It fluctuated through the decade, peaking at £91,062 in 1900. Vast quantities

were used by the Company steamers, especially those employed on the longer routes, and stocks had to be maintained for ready access to the ships.

A few examples of the contracts made will give an indication of the amounts used and the prices involved. In 1891 the directors contracted for the supply of coal for a twelve month period at 9s.3d per ton or 10s.9d screened, appreciably less that the London ship-side cost of approximately 16s. In 1896 a major purchase was made for the supply over twelve months of 40,000 to 50,000 cwts. of Carr's unscreened best coal at price 6s per ton f.o.b. in Tyne or Blyth or 10s 6d delivered alongside the Company steamers in London.[488] From these figures 10s per ton for screened coal appears to be an average contract price for the decade. These coal-face contract prices confirm that at least one Company vessel was regularly used to move coal to its various stores.

Ship Costs were well contained up to 1894, at which time several ships were bought: they rose from average £250,000 to nearer £290,000 in 1894/5. Towards the end of the decade, as more ships were purchased, Costs again rose. Ship Repairs followed a similar pattern. The Profit for 1902, £27,626, is for the first half-year only, prior to the financial reconstruction in the latter part of the year and in 1903.

The addition to Ship Costs of a charge for 'Damages to ships, barges and cargo', a practice begun in 1885, continued. The figure reached nearly £10,000 in 1897. In 1896 further hefty charges were added for Sundries, Insurance, etc. The costs for the updating of the wharves, averaging £25,000 a year were added to Head Office Costs, as 'disbursements', as well as a large charge, maximum £28,031 in 1898, for 'Sundries, Insurance, Debenture Interest and Tax'.[489]

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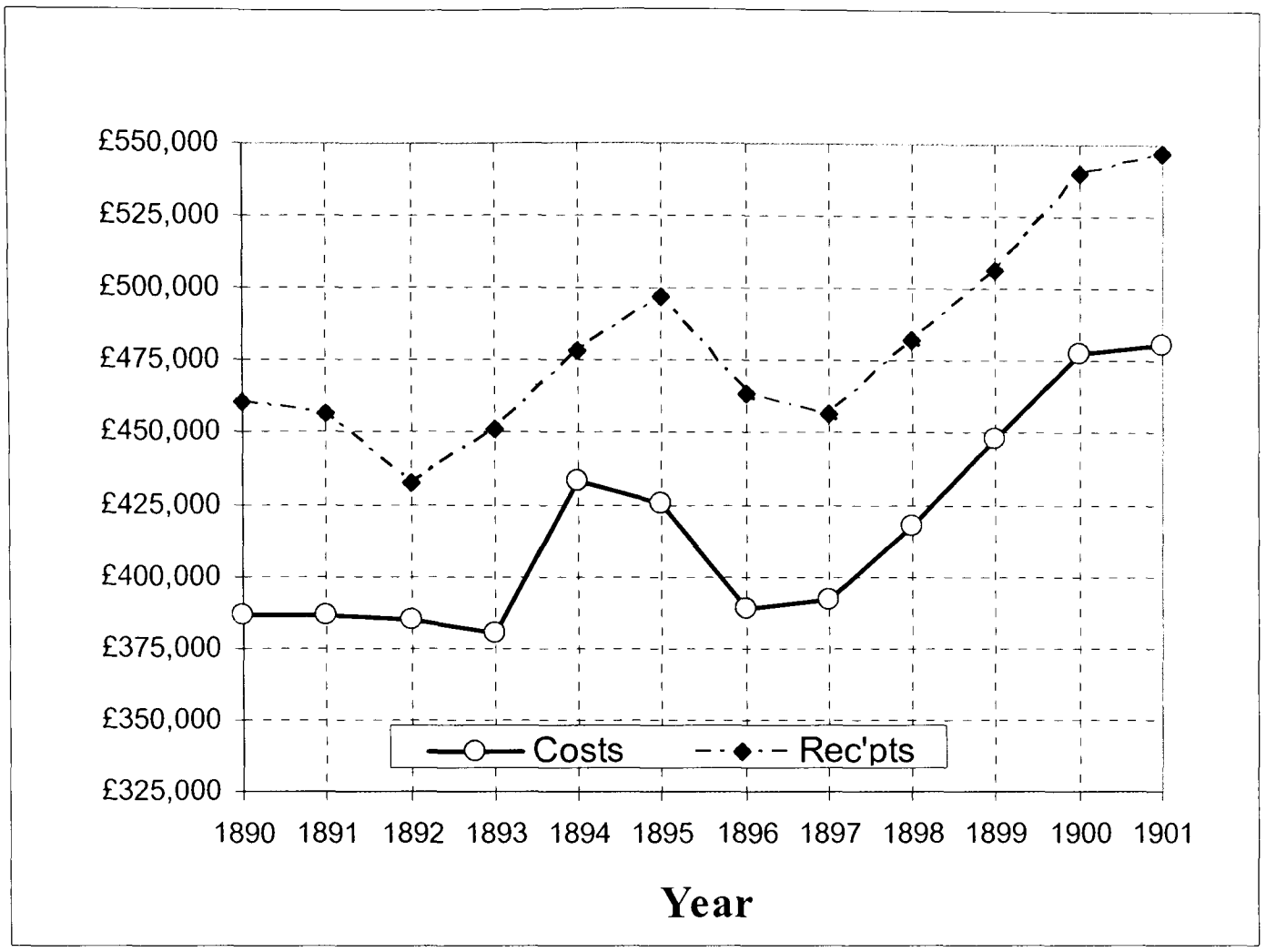
[488] GSN 1/37, Board minutes, 18 June 1891 and 5 November 1896. In the November minutes the directors determined to make *Benbow* 'suitable for carrying coal'. As such she would be equipped to move the Company's stocks as required or to be chartered for a similar purpose.

There is no detail in the archive of precisely where, in the overseas ports, coal stocks were held, but it is highly likely that the coal was shipped from this country, even to the Mediterranean. During 1893 2,500 tons of Pleasley coal was purchased for the Harwich to Hamburg service boats, 5s 5d per cwt. at the pithead.

[489] The 'accidental damage to ships etc' charge may have applied to relatively minor damage, as opposed to collision damage and vessel loss which may have been the subject of legal action. The charge for wharf disbursements relates to the appreciable costs incurred in the installation of hydraulic generating machinery and cranes and other improvements. The benefit of the new accounts presentation, from the shareholders' point of view, was that charges were more readily identifiable than in the past. In general, the presentation of the Accounts from the latter part of the decade was much improved.

Figure Five. Receipts and Costs, 1890-1901.



In better times these additional costs would have been met from Reserves but, by 1896 the directors determined that all available resources be applied to reducing debt. The 'New Boiler' and 'Rest' accounts were closed and the amount accrued, £54,097, was written off the book value of the fleet.[490] The resultant was that although Receipts increased from the 1892 figure of £432,695 to £547,162 in 1901, a very fair 26 per cent, as the graph, Figure Five, shows, the apparent Profit was sufficiently modest to ensure that shareholders were made well aware that the prospect of dividends was remote.

Balance Sheet/Profits.

The revised and much improved Balance Sheets available from 1895, Table Sixteen, gave details of the asset values of ships, property and stores. The accounts presentation and the debt reduction programme were, no doubt, a reflection of the 1893 management changes and an indictment of management prior to that date. At the same time the trading

information given to shareholders in the bi-annual Reports was greatly reduced: it may be that a supplementary sheet was provided to shareholders but none has survived.

Table Sixteen. Sample Balance Sheets, 1895 and 1901.

Assets	**1895**	**1901**	**Liabilities**	**1895**	**1901**
Cash at bank	17,880	4,396	25321 x £15 Ord.	379,815	379,815
Investments/cash	73,328	26,921	*30000 x £10 Pref.	300,000	300,000
Ins./Cont. Acct.^			*6758 x £10 Pref.	67,580	67,580
Cash at bank	-	1,425	Mortgage Debs.	173,500	47,250
Invested	-	38,748	#Deb. Interest	2,993	910
Empl.Liab.Acc't.^			Balances due	25,207	28,255
Cash at bank	-	-	Pref. share div'ds	-	8,653
Invested	-	4,308	Ord.share div'ds	-	-
Shipping	530,210	469,568	+Employer's acct.	-	4,307
Premises/wharves	262,652	263,234	Insurance account	-	39,313
Plant/Machinery	8,036	7,806	Profit & Loss	1,634	2,940
Stores, coal, spares	8,866	14,337			
Debts owed	49,757	48,280			
Total:	**950,729**	**879,,023**	**Total:**	**950,729**	**879,023**

^Insurance and Contingency Account: ^Employer's Liability Account.

* The 30000 preference shares are dated 1874: The 6758 are dated 1877.

+ Employers' Liability account.

Debentures in the period usually paid 4.5 per cent to 5 per cent. In 1880 shareholders agreed the issue of further £75,000 debentures to replace the mortgage on the wharves. It is not certain what value of Debentures was in issue at the beginning of the 1890s and the Balance Sheet gives no clue in terms of the interest paid. In 1895, when the form of the Balance Sheet altered, it emerged that the debt totalled £173,500. This, in addition to the payments due on ordinary and preference shares. It remains unclear how the interest on Debentures was dealt with, as the interest payment of £2,993 for 1895 is clearly not the full amount due.

After 1893, and particularly from 1895, the efforts to reduce the Company's Debenture debt and to drastically cut the inflated and much criticised book value of the fleet were

[490] GSN 7/6, 142nd Report, 25 February 1896.

pursued vigorously, as already noted.[491] These endeavours suggest a recognition within the Board that a complete financial reconstruction was essential in the near future in order to revive the commercial health of the Company.

The level of the Company's Debenture debt at any time throughout the period 1850 to 1895 is uncertain: in 1895 the figure was £173,500, reduced to £47,250 in 1901. Only very occasionally was information given in the Reports prior to 1895 regarding the book value of the fleet. The 1895 figure was £630,306, reduced to £469,568 at the end of 1901, despite the addition of a number of new ships.[492]

Profits continued to accrue through the 1890s, despite the heavier than usual Costs allocated, the best figure in the decade being in 1896, £74,243, the lowest, £44,939 in 1894. The 1895 Balance Sheet shows no funds held whatsoever in a 'Contingency Account'.

Shareholders were obliged to suffer reduced dividends but their vigorous criticisms were much reduced, no doubt an appreciation of the difficult situation of the Company.[493] In eight of the twelve years from 1890 to 1902 ordinary shareholders received no dividend and in the others they were paid only 2 per cent. Preference holders fared only marginally better: their due 5 per cent payments were made in only six years, 1896 to 1901.

The stock market reflected the situation, Figure Six, below: the £15 ordinary shares reacted to the lack of confidence in the Company through most of the decade of the 1890s., though there was some recovery from 1897 to 1900. It is small wonder that shareholders were eventually roused from their lethargy to demand action.

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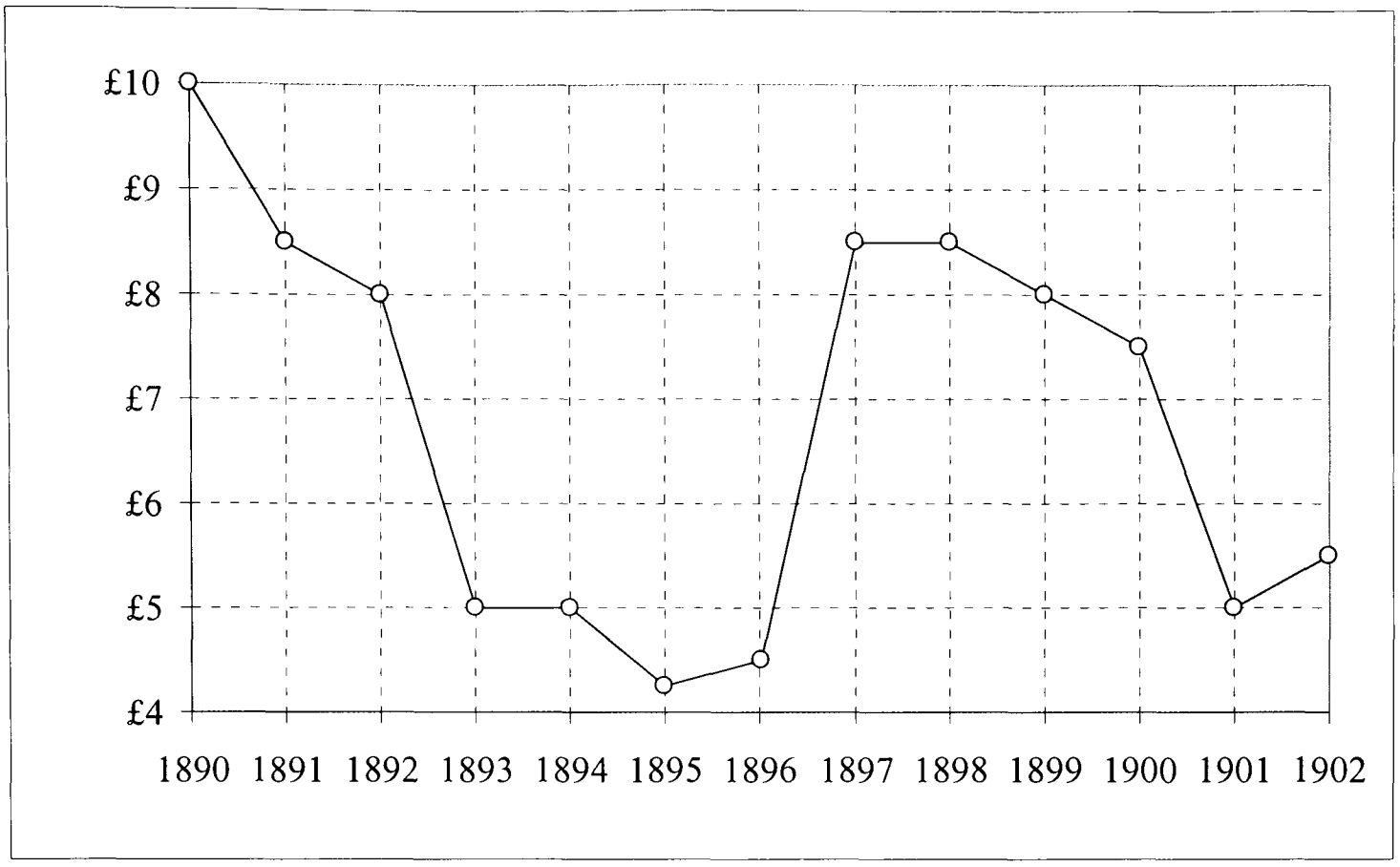
[491] *The Shipping World*, April 1, 1893. Report on Company half-year meeting, p.408. The article commented: 'Non-success continues to attend the working of this company, and the report of the directors for the past half-year is even more unsatisfactory than its predecessors'.

[492] GSN 7/6, 142nd Report, 25 February 1896. The directors acknowledged that the fleet was considerably overvalued because, they said, of abnormal depreciation in shipping property.

[493] The Appendix identifies Debenture interest from 1850. But it is uncertain what is included in that figure. The figure quoted for 1877 is £24,038. That figure includes much more than payment of interest on debentures. The Board minutes for 2 October 1890 state: 'That new Mortgage Debenture Bonds for in all £56,300 for 5, 7 and 10 years bearing interest at 4.5 per cent per annum be prepared and sealed to take the place of other Bonds for a similar amount to be cancelled as from 5th inst.'. No comment is offered on the total Debenture situation.

Figure Six. Ordinary Share Prices, 1890-1902:



Source: *The Stock Exchange Year Book.*. Prices quoted are for early January of each year.

The Restructure.

There is no specific reference within the archive to an intent to make major changes to the structure of the Company until a Board minute of 5 June 1902 which indicated that a committee of three had been set up, proposed by Director Richard White, to enquire into means of raising new capital.[494] Events moved quickly: in less than two weeks the Board called for an extraordinary meeting of shareholders at the earliest opportunity with a view to obtaining authorisation to 're-borrow such part of the Company's mortgage Debenture bonds recently paid off as thought desirable'.[495]

The extraordinary meeting was held on 23 October, reported by the *Financial Times,* at which detailed proposals were put forward with resolutions to register the Company under the Companies Acts of 1862 and 1900 so as to free it from the constraints of the

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[494] GSN 1/39, Board minutes, 5 June 1902. White was added to the committee (Westray, Lever, Hooper) at the suggestion of Chairman Westray. The objective was to: '.....to consider the whole position with power to obtain legal advice as to the best method of re-organising the Company's capital and bringing the Company under the Limited Liability Acts of 1862 and 1900'.

The final, very brief, Report to shareholders of the Old Company within the archive was dated June 1902 and the next, that for the first meeting of the New Company, 7 April 1904.

existing Acts of Parliament. In order to do this the Company had to go through a form of voluntary liquidation.

Shareholders were reminded of progress made by the new directors since 1896, in terms of improved dividend payments, reduction of debt and of the value of the fleet and advised that in order to resolve existing problems the capital must be reduced from £747,000 to £484,024. A resolution was moved by Mr White for the reconstruction of the Company under the terms of a Scheme of Arrangement submitted to the meeting under which it was proposed to sell and transfer the undertaking and assets of the Company to a new Company bearing the same name.[496]

Proposals were also put forward for the winding-up of the Old Company, Messrs. White, Hooper and Glyn being appointed liquidators, and for the revised share structure. There is no record of shareholders' reactions: 102 were present, and further 309 were represented by proxy. They really had little choice but to accept the proposals. There was some unhappiness about the absence of dividend payments in the year and the share re-allocations.[497] At further meetings in November with the individual groups of shareholders the details of the revised holdings and the interest payable on preference shares were agreed.

On 6 November Chairman Westray announced that he intended to retire and proposed that Richard White be elected in his stead. The proposal was carried unanimously. Within a period of five months, though it is not conceivable that the plan was not on the drawing board for at least a year or two prior, the Company was entirely re-structured and a new Board numbering six only was in place, with a new chairman.[498]

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[495] GSN 1/39, Board minutes, 19 June 1902.

[496] GSN 41/21. *The Financial Times*, 24 October 1902.

The Financial Times, 21 October 1902. Shareholders may well have been surprised by the development. They were not alone. The newspaper, three days prior to the meeting, commented that if the wholesale reduction in the value of the Company was necessary,... 'then for some years past the shareholders have been living in a fool's paradise, and the Directors have failed to warn them'.

[497] GSN 1/39, Board minutes, 23 October 1902.

[498] GSN 1/39, Board minutes, 6 November 1902. Board members were, in addition to Chairman White, Dawes, Hooper, Howard, Levy and Ellis. Captain Ellis, the former Marine Superintendent, was elected to

Conclusion.

By 1890 General Steam was in serious trouble. The steady reduction of receipts from the cattle trade was clearly evident through the 1880s and the Board, whatever their protestations, must have been only too aware in the years immediately prior that the income loss was irreversible At the same time cross-Channel services were being severely affected by competition from the railways and transhipment business continued to decline.

Attempts in the next five years to find alternative and profitable trades, perhaps encouraged by the success of the Mediterranean services, were, broadly, disastrous. This at a time when Britain's economy was passing through yet another difficult period. The West African adventure was acutely embarrassing: the intent to sell the wharves was desperate: the move into tramping was misguided, though it may have been of some temporary benefit. It is very difficult to find record of anything that was successful in the period.

Dividends were much reduced, or passed entirely, much to the discomfort of shareholders, of whom only a small minority was roused to vigorous complaint, or, indeed, to any sort of action at all. The £15 ordinary share price plummeted, halving by 1895, to just over £4. The directors spoke of containing costs across the board, including ship building and repairs, then announced within months that new tonnage, costing in the region of £30,000 per vessel, was on order.

Tritton, as chairman, carried the ultimate responsibility for the debacle and his resignation was inevitable, though, to the end, he believed that he had done all that could be done.[499] And he was probably correct in this: the combination of circumstances *was* exceptional, outside the experience of most in business, and survival by no means certain. He resigned, the honourable move in the circumstances.

But, what of his fellow Board members? T.J. Kent, a director for 29 years, resigned due to ill-health in 1892: George Browne, also a director for many years, resigned at the same time as Tritton, George Brockelbank died in October 1893; Henry Wilkin retired in

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the Board in 1898 on his retirement. Captain H.B. Hooper, retired, Royal Indian Marine, replaced Howden when he retired in 1901.

[499] *Shipping Gazette & Lloyd's List,* 2 March 1893. 'I am charged with having been too sanguine.....I, for my own part, feel perfectly justified in all I have said in this room.'

1894. These were all elderly men. There is a valid argument that Tritton failed to ensure that his fellow-directors brought to the Board the experience, skills and energy needed in a much changed commercial situation.

The others were of more recent vintage and they carried some responsibility for the situation of the Company. There is no record of any expressed dissent by them. Nothing in the archive or the press reports sheds light on these men, their views or their actions, so that it is reasonable to assume that they were party to, and approved, the decisions made. It must be fairly presumed they felt that they were not responsible for the predicament and so they were disinclined to follow Tritton's lead in resigning. Certainly, the reported in the press antipathy of shareholders was directed specifically at Tritton, the spokesman, and at General Manager Richard Cattarns and a certain sympathy for both is not misplaced.

The furore created by the shareholders in the late 1880s and early 1890s was the first occasion in the long history of the Company on which they exercised their powers to demand change and a review of management policy and performance. At the meeting, in August 1893, with fifty-five proprietors present, the Report and Accounts were narrowly rejected, most shareholders declining to vote, though no poll was taken as the directors held sufficient proxy votes to win the day. At the following meeting, in February 1894, with concern kindled by a round-robin letter from a committed shareholder, one hundred and twenty-eight were present, an unprecedented number.[500]

It took the reconstituted Board, which included Messrs Rhodes, White and Levy, men whose input was vital to the revival of the Company, and, briefly, Sir James Mackay, a highly experienced shipping man, some time to determine the course of action needed to secure the Company's future. Progressively, a firm policy of retrenchment was pursued resulting in the 1902/3 re-organisation.

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[500] GSN 9/5. Letter to shareholders from Charles H. Robins. In February 1850 fifty-six proprietors were present at the meeting. The numbers present at subsequent February meetings over the years averaged forty, only forty-five in August 1893, even after a profit slump in 1892. The prevailing mood was one of apathy. It is unlikely that even in the dire situation of the Company in 1893/4 128 shareholders would have turned out without positive inducement from the activist Mr Robins.

CHAPTER SEVEN

Restructured on Modern Lines, 1902-1913.

Capital Re-organisation.

In October of 1902, with negotiations already well in hand for the re-construction of the Company, Director Richard White, one of the moving forces behind the development, assured a special meeting of shareholders of the much improved situation of the Company since 1895: Debenture debt was down, as was the book value of the fleet. Reserves for insurance and employer's liability totalled £43,500. He encouraged them to approve the winding-up of the Company by liquidators and its financial re-organisation.

The stated objective was to free the Company from the limitations of its Parliamentary Acts which were considered incompatible with the operation of a modern company. The alternatives were to seek Parliamentary approval for the abrogation of the Acts or go into liquidation and sell the assets to a new company formed under the Companies Act. The latter course was chosen and it was deemed expedient to then dramatically reduce the capital in order to be able to write down the value of the fleet.[501]

The capital reduction was effected at the expense of shareholders whose situation was already dire. Ordinary £15 shares were valued in the stock market at around of £5 10s in late 1902 and they had been depressed for years. The likelihood of them making a recovery was remote, as was the prospect of a dividend payment. In that light an offer of shares to the value of £7.10s. may have seemed reasonable. Shareholders, with some dissenters, agreed, though they must have been far from happy.

The preference shareholders were more difficult to appease. In 1902 both tranches of the £10 shares had a market value of £7.8s. The offer of new shares of £8 looked less than generous but at least, except in the very worst of trading circumstances, the dividend was fairly certain, though the shares were, as before non-cumulative.[502] The directors

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[501] *The Times*, 13 April, 1917. At the Annual Meeting on 12 April 1917 at which yet another capital re-organisation was under discussion Chairman White reminded shareholders of the circumstances of the 1902 financial changes. This was a more concise explanation of the 1902 changes than found elsewhere. The term 'modern' was used by the chairman at the same meeting to describe the changes.

[502] GSN 41/21. *The Financial Times*, 21 October, 1902. In a lengthy article the newspaper expressed surprise that,'..... the Directors would seize the opportunity for introducing such a drastic scheme of

endeavoured to push through the new shares at dividend of 5 per cent, but yielded to pressure and agreed 6 per cent.

The Company's capital liability was almost halved and its outgoings in annual interest to shareholders, assuming earnings were sufficient to justify payments, were greatly reduced. In due course the ordinary dividend payment recovered to 5 or 6 per cent in the four to five years to 1906/7.

The revised capital situation was:

Holders of 25,328 ordinary shares of £15 received one new share of £7.10s

Holders of 30,000 1874 preference shares of £10 received one new share of £8.

Holders of 6,758 1877 preference shares of £10 received one new share of £8.

Authorised capital for the New Company was:		Previously:
Ordinary shares,	£189,960	£379,920
Preference 6% shares,	£294,064	£367,580
	£484,024[503]	£747,500

(The new authorised and issued capital was fully paid-up. Prior to 1902 the authorised capital was £1.2mn., though only £747,395 was issued. Issue of new Debentures to the value of £200,000 was authorised.)[504]

It is unlikely that the re-structure was conceived and completed within a few months of 1902. The directors had adopted a prudent course from 1895 by containing the value of the fleet with generous allocations to Depreciation and by reducing debt. We have no means of knowing who orchestrated the reorganisation: was the Board unanimous? The

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reconstruction'. It argued the case for the preference shareholders and urged them to press for a dividend increase from the offered 5 per cent to 6 per cent, which they did, successfully. Non-cumulative shares depend on the current year's earnings for their dividend. Shareholders disinclined to accept the new shares were bought out at £5 per ordinary and £7 per preference share.

[503] GSN 7/7, 1st Report of the New Company, 7 April 1904. Ordinary shares were entitled to one vote, preference to two.

Companies House, Cardiff. 'Summary of Capital and Shares of the General Steam Navigation Company' at 31 December 1903. (Prior to this date details of shareholdings are not available.) Chairman White was the largest shareholder with 1,230 preference and 2,060 ordinary shares, a measure, perhaps, of his confidence that General Steam could be profitably operated. J.B. Westray held 971 preference and 1,340 ordinary (as well as a share in a further 1,000 preference.) Messrs Levy, Hooper and Dawes had only nominal holdings. Most shareholdings were modest, 20 to 40 shares, invariably in the hands of private investors.

[504] *The Stock Exchange Year-Book*, 1903.

person who emerged at an early stage, and who was also party to the Board's actions from 1893, was Richard White. He it was who proposed to shareholders that the whole matter of re-financing be explored and he was one of the three liquidators. Later, still a director, he, not the chairman, addressed shareholders, detailing the progress made and the actions required to safeguard the Company's future.[505]

Richard White was appointed chairman by the directors in November of 1902 when Chairman Westray stood down (he remained a director), the move being later approved by shareholders. Soon afterwards White, seemingly disregarding those who had objected to the share proposals, confirmed that the re-organisation had been carried through with, he said, little opposition. Assets of the Company were now £695,619, compared with £936,892 on 21 December 1902 at the time of the takeover by the New Company, the key difference being the reduction in the value of shares. He also, in part, clarified an anomaly in the take-over process which caused some concern for shareholders: the New Company, he explained, did not come into existence until 21 November 1902, so that it was not able to pay ordinary dividends earned prior to that date, a matter of some contention by shareholders.[506]

Also included in the December 1902 Balance Sheet was a still outstanding Debenture debt of £41,150 paying 4 per cent. Holders, in due course, were invited to accept a new issue, also paying 4 per cent.[507] Such was the low esteem of the Company that some press elements discouraged investors, 'from lending financial encouragement to the 'bolstering up' process'.[508] Regardless, the Debentures were readily taken up.

Shareholders were presumably heartened, though hardly overwhelmed, by the announcement at the first meeting of the New Company that, despite continuing very

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[505] The Board minutes for the period 1903/4 are missing from the archive. They may well have shed some light on the happenings of the period.

[506] *The Stock Exchange Year-Book*, 1903. Preference shareholders were paid dividend of 5s per share for the half-year to 30 June 1902.

The details of the transaction are not entirely clear. The Old Company was voluntarily liquidated and was said to be 'sold and transferred' to the New in mid-1902. However, no Profit and Loss account for the second half of 1902 has been traced nor has a Balance Sheet. The final meeting of the liquidators was held in June of 1906.

[507] *The Stock Exchange Year-Book*, various issues. £150,000 of authorised £200,000 was issued in 1903. The mortgage debenture was secured on the freehold land and buildings in London and the freehold office in Great Yarmouth, 'besides being a floating charge on the steamships and undertaking generally'.

adverse trading conditions, dividends would be paid of 3 per cent on the ordinary shares and the due 6 per cent on preference.

White was able to carry with him, through the complex re-organisation of the Company, the majority of shareholders. He was, clearly, persuasive and determined. As the largest shareholder, with an investment in the region of £25,000, his commitment was evident. As chairman, he quickly made his mark. Captain H.B. Hooper was made joint-managing director, with White. The Board numbered seven: later it would be reduced to four.[509] He favoured a small team, perhaps some at least working full-time by now as is implied by use of the term 'managing director', though we cannot be sure.

Two names which may well have been of some reassurance to investors, more particularly, to Debenture holders, were recorded in the Report and Accounts. Sir James L. Mackay, who had been briefly a director and chairman of the Company, and Sir Thomas Sutherland, a former chairman of P.& O., were noted as trustees for Debenture holders. Sir James, later Lord Inchcape, would extend his interest in the Company a few years later when, as chairman of P.& O. he arranged for the acquisition by that company of General Steam in 1920.

A newspaper report of the New Company's registration stated that its objectives were, '.....to carry on the business of shipowners, shipbrokers, warehousemen, wharfingers, carriers by land and sea of passengers, goods, mails, troops and munitions of war, shipbuilders, freight and passenger agents &c.'.[510] These objectives appeared far-reaching for a coastal shipping company, though, in fact, they, broadly speaking, had applied in the past.

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[508] GSN 41/21. Newspaper cutting from *The Financier* of 27 June 1903 in GSN archive.

[509] Captain H.B. Hooper, a retired officer in the Royal Indian Marine, joined the Board in 1901. The retirement was announced of J.B. Westray in 1906, due to ill-health, and the death of Captain Ellis was announced in 1909. Captain Ellis had served for more than 65 years with the Company. Neither was replaced. Secretary Glynn retired with a pension for life of £300 and was appointed to the Board in 1910. He was replaced by W.K. John, former chief cashier.

GSN 1/40, Board minutes, 3 October 1907. Shipping Manager J.H. Nelson was obliged to resign, for reasons unstated, and was required not to engage in any business or occupation antagonistic to the Company's interests. He was awarded three months salary and an annual award of £300 for three years, generous for someone dismissed.

[510] *The Shipping World*, 14 January, 1903, p. 59.

An early move, announced at the first Annual Meeting of the New Company, and indicative of the new management thinking, was to establish a separate company to operate the 42 lighters owned, in order to limit liability on the Company in the event of collision or accident.[511] Further moves towards vertical integration were made at an early stage. On-board catering and passenger and cargo agencies, most of which were still operated by independent companies were brought in-house. All were expanded and became potential profit sources, though the archive gives no indication whatsoever of those profits. These were sound moves and it is difficult to understand why they were not made sooner. [512]

The property portfolio was extended when, in 1905 the Company agreed to rent from the London & India Docks Co. 'A' Jetty in St Katharine's Dock with the use of the quay and shed spaces. In time a company, Navigation Properties Co. Ltd.(NPC), was established to own and manage the freeholds and leaseholds of the Company's wharf assets. The freehold of Brewers Quay was purchased, as was that of the new head office at 15 Trinity Square, with benefit of mortgages.[513] The financial situation of NPC is uncertain, no accounts are available, but it does seem that no 'start-up' capital was invested in the operation, cash being transferred from the Company account as necessary.

Chairman White was energetic in his determination to develop new business. In early 1905 he visited Genoa, Frankfurt, Nuremburg and Munich as well as Havre and Paris meeting shippers and agencies. On his return he was able to confirm the establishment of a Greek Conference Lines Agreement and later in the year a Conference and Arbitration Agreement was reached with three other companies, Messrs France, Fenwick & Co. Ltd.,

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[511] *The Times*, 8 April 1904.

[512] Hancock, *Semper Fidelis*, pp.2-3. With benefit of a near-50 year view of the change of policy the writer commented: 'He (Chairman White) had seen that owning ships without controlling cargo was an unprofitable business, and he had, therefore, proceeded to obtain control of the handling and forwarding of cargoes – operations which in the past had been entirely in the hands of brokers and other middlemen. Through this policy, the Company, from being one that merely owned and managed ships, had become a transport company controlling the cargo from origin to destination, with offices of its own in all the principal Continental ports'.

The important Bordeaux agency was taken over in 1909 on the death of the well-regarded agent. In 1913/14 Company offices were established in Amsterdam and Hamburg.

[513] GSN 1/41, Board minutes, 15 July 1909. Brewers Quay comprised the former Brewers, Chesters and Galley Quays. The quay was situated a little further upriver from St Katharine's, on the north bank.

Sollas & Sons and George R. Haller Ltd., in respect of the shipping business between London and Hull. A further agreement was reached for the pooling of the wool traffic between London and the West Riding of Yorkshire with the Great Central Railway, the Hull and Barnsley Railway and, again, France, Fenwick.[514]

Confirming the developing trend towards 'pooling' agreements, two were made on important routes in 1906/7. The Inveresk Paper Company agreed shipping rates with General Steam, The London & Edinburgh Shipping Co. and The Carron Company and agreement was reached between the three companies as to the division of the traffic on the Edinburgh route.[515] Agreement was also reached to share the trades from Rotterdam and Amsterdam to London with the Holland Steamship Company and the Rotterdam-London Line and, in 1910, a service from London to Delfzyl was tentatively begun.

In 1906, with finances and organisation now on a sounder footing, the Company began to focus on business opportunities rather nearer to home, in the south Yorkshire and East Anglia areas, having extended some of its overseas services to Hull via London. The old-established firm of Messrs John Crisp & Sons, which traded between Lowestoft, Norwich and London, with a river service to Norwich, and owned three steamers and four wherries, craft widely used on the Norfolk Broads, was taken over with the goodwill of the business.[516] Agreements were reached with regard to routes from the Humber to London.

Crisp's Wharf at Lowestoft was leased for twenty-one years, with an option to purchase, as was the Baltic Wharf at Norwich. Land on Yarmouth Quay was leased for storage purposes. All of these developments were clear indications that good business prospects were identified. An office was opened in Grimsby and, in 1909, General Steam established its own office in Hull, having given its existing agency due notice.[517] The

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The new head office was opened in June 1909 with a reception at which guests were former chairman J.H. Tritton and ex-general manager Richard Cattarns.

[514] GSN 1/40, Board minutes on 14 December 1905.

[515] GSN 1/40, Board minutes, 31 May, 1906.

[516] GSN 7/7, 3rd Report, 11 April 1906. The wherries were small flat-bottomed sailing craft, some of them wood-built. They were used for trading on and from the Broads to ports such as Grimsby and Hull. Many years later, in 1914, a contract was agreed for the shipment of 10,000 tons of granite per year for five years between Yarmouth and Norwich, indicating a very positive profit potential.

[517] GSN 1/40, Board minutes, 17 December 1908. A Board minute of 31 December 1908 referring to costs implies that offices were also established in Yarmouth and Lowestoft.

archive does not mention the cargoes moved in these trades but the routes were useful 'feeders' for sailings out of London and Hull.

The Company continued to be politically active in its broader interests. It lobbied vigorously in the matter of the Government's proposal to introduce a Bill for a commission to control and manage the Port of London (PLA) expressing its concerns through the Short Sea Traders' Association. It argued that the plan, which included an increase in port dues, would be a potential disaster pointing out, quite reasonably, that the Company had 26-28 ships arriving and leaving the Thames each week and an increase of one half-penny per ton would represent a sum of £3,000 to the Company.[518]

The matter dragged on for years with continuous pressure from shipowners concerning another proposal to apply a schedule of rates on goods imported and exported, from which General Steam had initially sought to be excluded. In mid-March 1910 a 13-day Board of Trade enquiry was held into the PLA's proposals. The outcome was of some satisfaction to General Steam, with acceptable amendments concerning the working of the Company's ships in the river and reductions in the rates of dues.[519]

Trade

The Company's Timetable for 1903 reflected some of the changes to services, as detailed in Table Seventeen.[520] Most notable were the extensions of services to ports outside London, the attempts to attract business from the hinterlands of those ports and the greater commitment to the tourist trades. An advertisement of the period offered through bookings to holiday destinations and seven week cruises to the Mediterranean.

GSN 22/1. This is a ledger of employee records from around 1900. There are a number of references to a Bradford 'office' where 'canvassers' were employed. They were paid about 30s per week and commission plus 'rail expenses and a Sheffield hotel.' The function was, clearly, canvassing freight, woollens, steel products, in the Yorkshire area.

[518] *The Times,* 8 April 1904. The chair of SSTA was Richard Cattarns, the former general manager of the Company. General Steam professed to welcome a single authority, but indicated it would view with dismay any material addition to the dues payable by ships employed in the coastal and near-Continental trades.

The Times, 11 April 1905. Quite apart from shipowners protecting their own interests, there was great uncertainty concerning which authority would become responsible for administering the Port of London. In 1905 both the London County Council and the Thames Conservancy were promoting Bills to that end.

[519] GSN 1/41, Board minutes, 24 March 1910.

[520] GSN 27/12. Company Timetable for 1903.

Table Seventeen. Route Network, 1903.

London-Bordeaux	Weekly.	Cargo/passengers.
London/Hull-Bordeaux	Fortnightly.	Cargo only.
Southampton-Bordeaux	Weekly.	Cargo only.
Southampton/London/Hull-Tonnay-Charente	Every ten days.	Cargo only.
London/Hull-Oporto	Every three weeks.	Cargo and passengers.
London-Havre	Weekly	Cargo/passengers.
London/Middlesborough/Newcastle-Genoa, Leghorn, Messina, Naples, Palermo.	Every ten days.	Cargo/passengers.
London-Ostend	Four times weekly.	Cargo/passengers.
London-Hamburg	Three times weekly .	Cargo/passengers.
Harwich-Hamburg	Twice weekly.	Cargo/passengers.
London/Harlingen	Twice weekly.	*Cargo/passengers.
London-Rotterdam	Three times weekly	Cargo.
London-Amsterdam	Four times weekly	Cargo.
London-Antwerp	Twice weekly	Cargo.
London-Hull	Twice weekly	Cargo.
London-Edinburgh	Twice weekly	Cargo/passengers.

* Cool chambers available for the carriage of butter.

** Subsequent to 1903 the Reports make no reference to Company vessels being employed as tramp ships.

The weekly Southampton – Bordeaux service continued with advertised through-cargo rates to New York, South America and the Cape. The service was further extended in 1907 when White Star Line moved the terminal for its New York service from Liverpool to Southampton. Hull became increasingly important as an *entrepot* for services to and from the industrial areas of Yorkshire and Lancashire, most operating via London.

A new service was begun between Hull and Yarmouth in 1906, *Falcon*, 675 tons, taking the first sailing, and, in conjunction with the Great Central Railway Company, a connection was begun between Grimsby and London in 1906.[521] A further service was begun between London and Lowestoft and, later, regular sailings were operated to King's Lynn and Grimsby, weekly, and Norwich, daily.

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[521] GSN 1/40, Board minutes, 3 May and 4 October 1906.

A typed memorandum from the Company's assistant secretary to Chairman White and Managing Director Hooper in 1903 sought to focus their attention on the potential earnings of the Oversea (sic) Passenger Service, (Hamburg, Ostend and Bordeaux were mentioned, as well as Edinburgh), as opposed to the Thames summer service. The figures, Table Eighteen, shed an interesting light on the profitability of the Summer boats, a service to which General Steam had been heavily committed since the Company began to operate in 1824. The memorandum reminded the recipients that an annual Guide Book was introduced in 1900 and that a new Tourist Department was recently established to promote Oversea travel, with tours to the Scottish Highlands, the Pyrenees and Algeria. Revenues from Oversea passengers had increased by 18 per cent, from £12,365 in 1900 to £14,558 in 1902, a result described as, 'very encouraging'.

But the more potent argument concerned profitability. The Summer service takings for the season of 1902 were, very roughly, twice those of the Oversea boats, but the expenses of the summer service, at 90 per cent, largely eliminated the profit.[522] Bearing in mind that the season lasted from five to six summer months and the large number of sailings made in that period, the profit level was miserly. Amongst the major expenses of the Summer boats was the lengthy lay-up period over the winter months, frequently moored off Deptford, the need to maintain the craft in a sea-worthy condition and to thoroughly refurbish the interior fittings every Spring. The figures are compelling:

Table Eighteen. Comparison Passenger Receipts, 1902.

	Oversea Passengers 1902	**Summer Service 1902**
Gross Takings	£14,558	£25,200
Expenses	3,640	22,680
Profit	10,918	2,520
Add Tourists Department Profit	220	-
Total Profit	£11,138	£2,520

[522] GSN 7/6, 140th Report on 26 February 1895. Chairman, Sir Stuart Hogg, said in addressing shareholders, that he had never considered the Margate route had been at all profitable to the Company and that, with the increased competition, there was no adequate return on capital.

The assistant secretary wound up his case by urging that all that could be done to promote the Oversea revenues should be done, that 'nothing be done to cripple the service', and reminded his superiors that action was the more necessary in view of the, 'anything but cheerful outlook for the cargo business'.[523] The suggestion that the Board was not entirely committed to passengers as an income source is a trifle surprising, though doubts had been expressed in the past. The passenger traffic on the London to Scotland and Continental routes peaked at the turn of the century, with a number of ships capable of carrying 100 to 200 passengers, despite the still increasing opposition of the railways. In the years immediately ahead new passenger-carrying tonnage came on stream, *Grive* in 1905 and *Woodcock* the following year.

Thames River Services

General Steam continued to be committed to the Kent and east coast services regardless of their marginal profitability and the many other problems faced by management. Pride or prestige may have been the motivation, it certainly was not profit: the Company *did* have a very long history of Thames services.

The services were now maintained using older, and, by now, slower and less economic, vessels. Replacement tonnage was essential. In 1905 a new and innovative steamer was ordered. She was *Kingfisher*, 982 tons, and her triple screws were powered by Parsons compound steam turbines.[524] It is likely that the Board, aware that the turbine steamers operating on the Clyde were proving to be successful, sought to upstage the Thames opposition and enhance General Steam's prestige by introducing the latest engine technology to its service. They had contemplated the move for some time and were cautiously of the view that the turbine was the engine of the future.[525]

Kingfisher's trial trip took place in early 1906, in good time for the summer season, but she was beset with engine problems from the outset which led to a dispute with the builder. The Company agreed with Messrs Denny's, the builders, suggestion that repair

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[523] GSN 6/10, memorandum from assistant secretary to chairman and vice-chairman, 1903.
[524] David Kerr, 'The Clyde Turbine Passenger Steamer', in *Ships Monthly, July, 1995,* pp. 18/19: *The Shipping World*, 16 April 1902: *The Standard*, 11 September 1906, in GSN 41/21. She was built by Denny Brothers of Dumbarton who produced the world's first commercial turbine vessel, *King Edward*, 550 tons, in 1901. In 1902 Denny built the slightly larger *Queen Alexandra*. Both ran successfully on the relatively protected Lower Clyde routes achieving speeds of over 21 knots.

costs be considered by an independent arbitrator, Sir James Mackay, the Company's former chairman being proposed. The decision in favour of General Steam was forthcoming in November.[526]

The archive gives no certain indication of precisely when *Kingfisher* entered service but other sources are in no doubt that she was not unduly delayed by the wrangle over repairs. Peter Box records: 'The new General Steam Navigation Company's turbine steamer, *Kingfisher*, came into service in May 1906. With a speed of over twenty knots, and capable of carrying over one thousand passengers, she was certainly an impressive vessel'.[527]

She was intended for the service from Tilbury, in conjunction with trains from Fenchurch Street and St Pancras, to Southend, Margate, Ramsgate and Dover with a once-a-week run to Boulogne. For 1907 the management planned to run *Kingfisher* three times a week to Boulogne, though she was said to be 'a very bad seaboat', her passengers often arriving in 'very poor condition'.[528] Disappointing passenger numbers caused the Company to attempt to persuade the Boulogne authorities to subsidise the service: despite a visit from Chairman White the approach was unsuccessful.[529]

With *Kingfisher* maintaining the Kent services there was an excess of tonnage on the east coast route to Yarmouth and some of the older boats were disposed of. *Halcyon* was sold for further trading at the end of the 1906 season and *Philomel* and *Laverock*, built in 1889, were sold at the end of 1907, leaving only four Summer vessels. The experiment with *Kingfisher* was not a success: she proved to be difficult to manoeuvre alongside piers and was not suited to the Channel services. In 1908 an order was placed with John Brown & Co. of Clydebank for a paddle steamer slightly larger than its predecessors. *Golden Eagle,* 793 tons, was launched in April of 1909.

In June members of the Port of London Authority, shipowners, other invited guests and representatives of the press made an inaugural trip down the Thames in the Company's new vessel. She was described as capable of carrying 1,400 to 1,500

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[525] *The Times*, 8 April 1904, report of the 1st annual general meeting.
[526] GSN 1/40, Board minutes, 28 June and 1 November 1906.
[527] Box, *Belles*, p.78. Box adds: 'Unfortunately for her owners the impression she caused along the Thames was not altogether what they wanted. ..... *Kingfisher* was followed by a large wash that gave rise to numerous complaints from other river users'.
[528] *Keble's Gazette*, 14 July 1906, cited in Peter Box, *All at Sea*, p.108.

passengers and she was the first of the Company's steamers to have triple expansion three crank engines. She was placed on the important Fresh Wharf, London Bridge, to Margate and Ramsgate service.[530]

Her introduction lifted the excursion fleet to five vessels, the other three paddle-steamers being *Eagle* of 1898 and *Mavis* and *Oriole* of 1888. The Yarmouth excursion service was terminated in 1911 in order to concentrate on the Kent services using *Kingfisher, Golden Eagle* and *Eagle*. The Annual Report for 1909 records that passenger earnings for the year were well maintained despite unfavourable weather.[531]

Opposition on these routes was from the Belle Steamers (The Coast Development Company) which were concerned mainly with the east coast service, and from New Palace Steamers which operated services from Tilbury to the Kent resorts, with rail service connections from St Pancras or Fenchurch Street.[532]

The excursion fleet was further reduced when *Mavis* was sold in August of 1909, for further trading in the Bristol Channel. In 1911 *Kingfisher* was sold and the following year the last of the 1888 vessels, *Oriole*, was dispensed with, leaving only the very popular *Golden Eagle* and *Eagle* to maintain the Kent services.

The Fleet.

The fleet numbered 49 ships in 1903, including six Thames excursion ships, for total of 50,892 tons. The largest vessel was *Sheldrake*, of 2,697 tons and two more were in excess of 2,000 tons.

The chairman expressed concern regarding the age of the fleet: 18 ships were acquired, all but one built to order, between 1903 and 1913, beginning with *Leeuwarden* and *Groningen* in 1903. Five of the new vessels were in excess of 2,000 gross tons, the largest, *Fauvette*, of 2,644 tons; 10 were sold and seven were lost in accidents or in severe weather, a truly alarming figure.

In 1908 the relationship with the Ailsa Shipbuilding Company in Troon on the Clyde coast began with the delivery of *Drake,* 2,267 tons, and a further 10 vessels were built by

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[529] GSN 1/40, Board minutes, 21 February and 25 July 1907.
[530] Thornton, *Thames Coast Pleasure Steamers*, p.16
[531] GSN 7/7, 7th Report, 11 April 1910.
[532] Peter Box, *Belles*, p.72.

that company in the period to 1920.[533] *Drake* distinguished herself shortly after entering service when an earthquake and tidal wave partly demolished the Italian town of Messina where she was berthed. She was undamaged and rescued 317 refugees, many of them injured, and transferred them to Syracuse.

The new passenger/cargo vessel, *Grive*, of 2,037 gross tons, built by Caledon Shipbuilding and Engineering Co., Dundee, completed her trials satisfactorily and was taken over from the builders in May of 1905.[534] She operated on the London-Bordeaux service and at the time of her maiden voyage the agent for that port readily expressed his appreciation of the vessel, for both cargo and passenger purposes, and reassured the Board that he would spare no exertion to make the vessel pay!

A further passenger/cargo ship, *Woodcock*, 1,600 tons, was ordered from Gourlay Bros. of Dundee for the 'Scotch' (sic) Station and she made her maiden voyage to Edinburgh in September of 1906. She was certainly an advance on earlier tonnage, with triple-expansion surface condensing engines capable of 16 knots, electricity, and accommodation for 44 first class passengers and 12 second class. The cabins were described as 'large and well ventilated and fitted with iron beds, which are a great improvement on the old-fashioned bunks', according to a press report. For cargo work her three hatches were each equipped with two steam cranes.

The ships sold were a testament to General Steam's continuous maintenance and up-dating of its fleet. In 1903 two 30-year veterans, *Rainbow*, built in 1872, and *Capulet*, 1874, were disposed of. Even older and still on the fleet register was *Benbow*, built in 1865 and sold for breaking-up in 1912. The likelihood is that none of these vessels, long written-down in value, had been in service for some time: the Company used some of its older tonnage as storeships and workshops moored on the Thames and when disposed of they were only of scrap value.

The printed Reports available from 1903 now included a useful list of ships, their tonnages and major works done. A document from 1910 lists 48 ocean-going ships of

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[533] The new vessels, with gross tonnages, were: 1903, *Groningen*, 987 tons; *Leeuwarden*, 990 tons; 1903 *Bullfinch* and *Goldfinch*, 246 tons; 1904 *Crane*, 2,033 tons and *Stork*, 2,029 tons; 1905 *Grive*, 2,037 tons; 1906 *Kingfisher*, 871 tons and *Woodcock*, 1,673 tons; 1908 *Drake*, 2,267 tons; 1909 Golden Eagle, 793 tons and *Laverock* (II), 1,199 tons; 1910 *Corncrake*, 1,171 tons; 1911 *Swift* (III), 1,141 tons, *Lapwing* (II), 1,192 tons and *Mavis* (II), 1,209 tons; 1913 *Kingfisher* (II), 289 tons.
The practice of reusing the names of vessels no longer in service is noted.

which six had been re-engined and 23 re-boilered. Several vessels were lengthened and two, *Leeuwarden* and *Groningen*, were fitted with refrigeration plant in 1909.[535] The Thames paddle-steamer *Halcyon* was sold to the South of England Steamboat Company for further trading, for the sum of £6,000.[536] In the event, *Halcyon* was returned to the Company following a hitch in the transaction and resumed service before being sold again two years later to German interests.

Casualties

The downside and a considerable cost of the operation of a large fleet was the continuing involvement of vessels in collisions and total losses. Only these latter were recorded in the Reports. Some, though not all, of the losses were, arguably, unavoidable.

Cygnet sank off the Portuguese coast in December 1903, en route to the Mediterranean following a fire in her mixed cargo of 2,000 tons. Her crew and five passengers were rescued after five days in the lifeboats. An Enquiry was unable to determine the cause of the fire.[537] In 1911 *Guillemot* was lost in a severe gale in the Bay of Biscay en route to the Mediterranean, the captain and fifteen crew members being lost and seven picked up by another ship.[538] The other losses were the results of collisions or strandings, with loss of life in some instances.

Apart from a one-line acknowledgement of these casualties in the Reports there is virtually no recorded comment by the directors. 1910/11 was a particularly unfortunate time: two vessels were lost, with some fatalities. *Merlin* ran aground en route to Charente and *Widgeon* sank after a collision in the Thames.

Some vessels were recovered and repaired. *Groningen* was sunk in the Thames in early 1910 following a collision. She was raised and continued in service. *Allouette* was damaged when she stranded in Nieuport Harbour in 1909 and the master was dismissed

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[534] GSN 1/40, Board minutes, 4 May 1905.
[535] GSN 7/7, Accounts June 1910, attached ship list. Other vessels sold were, *Condor, Egret, Halcyon, Philomel, Laverock, Lapwing, Swift, Granton, Mavis, Raven.*
[536] GSN 1/40, Board minutes , 4 May 1905.
[537] GSN 7/7, 1st Report, 7 April 1904 and Norman L. Middlemiss, *The Navvies*, p.43.
[538] GSN 7/7, 9th Report, 18 April 1912.

the service.[539] Many other instances of damage and collision occurred involving, on occasion, Court action.

In January of 1903 the Board determined that the Company would carry vessel insurance at its own risk, excepting in special cases. What the directors had in mind as 'special cases' is uncertain, but in 1905 the minutes refer to the purchase of cover for six of the larger and newer vessels on 75 per cent of their value at 50s per £100. *Grive*, 2,037 tons, built only in that year, was valued at £35,000, with a charge of £641 per annum. The lowest valued of the six were *Groningen* and *Leeuwarden*, at £22,000.[540]

In the following year, 1904, the chairman referred to the partial insurance of the fleet in the past three years and advised shareholders of an increase in damages and insurance costs and it seems clear that the policy of insuring the more valuable vessels was maintained and extended. In 1907 fifteen vessels were covered for a total of £5,694, by now including some of the older and larger vessels.[541] The figures in the Profit and Loss Account confirm that cover continued. It is highly likely that the smaller, older vessels were never insured, their written-down values being an acceptable cost in the event of loss or damage.

Costs

A broad range of additional costs was introduced into the Profit and Loss Account, continuing the practice begun in the 1890s. In 1911, with the addition of Dividends and payments to Reserve funds included, virtually all of the direct costs of the Company operation were applied to the Account.

As a result Total Costs rose very substantially, nearly 50 per cent, from £522,051 in 1903 to £773,209 in 1913. (See Table Nineteen).This was due, in part, to adjustments made to the Profit and Loss Account as well as to, especially from 1910, higher labour

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[539] GSN 1/41, Board minutes, 30 December 1909 and 24 March 1910.
[540] GSN 1/40, Board minutes, 18 May 1905. This was one of the very few occasions when ship values were stipulated.
[541] GSN 1/40, Board minutes, 3 October 1907. The fifteen vessels, valued at £277,000, were insured for 75 per cent of their value at 47/6d per cent, less discounts. The figures quoted are those given in the minutes, though, mathematically, they seem to be inexact. The insurance risk was spread across six companies.

and coal prices with a resultant increase spreading across the board.[542] Head Office costs increased in most years, up by 60 per cent between 1903 and 1913. There was certainly much more than salaries, rent and Debenture interest now included in the figure, though costs of new offices opened contributed to the total. Ship Operating costs rose progressively through the period, from £302,493 to £346,295 in 1910 and £382,527 in 1913. Crew wage increases contributed to that, though the number of vessels in employment reduced in the period to 44 sea-going ships plus two Summer boats.[543]

The Coal cost increased greatly in 1907, by nearly 20 per cent, to £88,311, accounting for a large portion of the general cost increase on the year.[544] It eased again, to around £80,000 in 1910/11 before leaping to approaching £100,000 in 1913.[545]

Ship Depreciation charges were high, £32,000 in 1907, nearer to a 10 per cent allowance at a time when the Balance Sheet value of the fleet was £336,243, but prudent at a time when new vessels were costing in the region of £30-40,000.

The pattern of Insurance charges over the period was irregular: so far as can be established, only the newer and larger vessels were covered at fairly modest cost, as already discussed. It may be that other assets, buildings, etc., were included in the figure. However, we do know that it was the practice to charge the book value of vessels lost in accidents to Insurance.[546]

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[542] Analysis of Costs continued to be complicated by the inclusion at intervals of additional items, not clearly identified, in the Profit and Loss Account. The Depreciation charge was transferred to the Account, as were very substantial charges for insurance and wharf disbursements. (See Table Nineteen). From 1911 the form of the Account changed yet again, Dividends being introduced as Costs, as were Reserve Fund charges.

[543] GSN 1/41, Board minutes, 14 and 27 July 1911. The wages of seamen and firemen were increased to 32/6d. Officers and Engineers were also awarded a pay increase, unspecified.

[544] *The Times*, 14 April 1908. Chairman's Report to shareholders at the 5th Annual meeting.

[545] GSN 1/41, Board minutes, 21 March and 18 April 1912. The average price of coal was 35/- per ton and in short supply due to industrial action. In April it was reported that the strike was nearly over and supplies were improving.

[546] *The Times*, 16 April 1907. The chairman is quoted as saying that the book cost of *Preston* was included in the Insurance charge of £21,135.

Table Nineteen. Profit and Loss Account, 1902-1913. [547]

	Coal	Ship Costs	Ship Repairs	H/Off Costs	Stat'ns	Depr'cn	TOTAL COSTS	TOTAL REC'PTS	Profit £
1902	37157 (6mths. only)	140838 *1605	13175	12437 # 6157 ^13332	971	10500	236172	263798	**27626**
1903	75716	302493 *3310	41941	22700 #17357 ^29692	1842	27000	522051	556076	**34025**
1904	67683	281179 *3955	42434	25627 #10139 ^22822	1761	30000	485600	518360	**32760**
1905	66508	288505 *3849	44771	27451 #15517 ^22731	1869	40000 P 3054	514255	545457	**31202**
1906	74230	307744 *3107	47180	30107 #21135 ^25561	3093	40000	552157	580528	**28371**
1907	88311	314468 *5287	61378	29994 #15937 ^25025	4335	32000	576735	601979	**25244**
1908	89335	300444 *3250	52531	30365 #17999 ^24356	6575	34000 P 200	559075	584467	**25392**
1909	79471	333329 *4698	59629	31843 #13407 ^26753	8134	32000	589264	615086	**25822**
1910	82629	346295 *3321	54997	31801 #21075 ^25153	9072	40000	614343	647013	**32670**
1911	78,981	349540 *4810	49804	32750 #21436 ^25642	9415 +4000 +27347	49000 P2414	655139	657003	**cf 1864**
1912	88787	334674 *6229	71848	34527 # 8001 ^29680	9991 +27347	40000	651084	652870	**cf 1786**
1913	99790	382527 *7259	68264	36214 #30000 ^30265	10119 +10000 +27347	68785 P2639	773209	777834	**cf 4625**

Source: Bi-annual Reports to shareholders, various.

[547] Head Office Costs include salaries, rent, taxes, printing, advertising, retirement allowances, directors' fees, debenture interest and interest account.

Salaries in 1902: Marine Superintendent J.H. Wills was paid £400 per annum, Secretary Glynn and Shipping Manager Nelson received £750. Senior clerks were paid about £270pa, less senior £180. Source GSN 22/2.

* Additional charge identified as 'Damages to ships, barges and cargo.' # Charge for Insurance.

^ Charge for 'Irongate and St Katharine's Wharf for disbursements.' P Depreciation of Plant and Machinery.

+ From 1911 there were further add-ons to Costs and Receipts. For example, the £10,000 in 1913 is Reserve Fund/Employers Liability Fund. The figure of £27,347 in 1912 and in 1913 was made up of ordinary share dividend of £16,614 and preference of £10,733. What was formerly the Profit figure became a Carry Forward in 1911.

On 17 June 1909 the first Board meeting was held in the Company's new headquarters at 15 Trinity Square.[548] This, too, was a Cost: the property was mortgaged, though it may have been in the ownership of Navigational Properties Ltd.. General Steam regularly advanced cash, usually relatively small sums, to NPL so that it seems unlikely that it was sufficiently capitalised to handle the outgoings on this and other mortgaged properties.

Information on the numbers of employees of General Steam was not generally available over the years. An interesting typed document, dated April 1907, sheds some light on those numbers, which, of course, are reflected in the Profit and Loss Account.[549]

	Number of Men employed: (figures are estimates)
Afloat in ships,	1,200
Deptford,	250
Wharf,	450
Labourers afloat,	235
Staff, London,	150
Staff, Outports,	42
	2,327
Outport labour,	222
	2,549

The 'outport' labour included men employed in Edinburgh, Hull, Grimsby (100), Norwich, Lowestoft, and Yarmouth . Employees at Deptford were less than might be anticipated, bearing in mind the scale of the work handled. The large numbers at the Wharf, which no doubt included those employed at St Katharine's and other facilities, are particularly striking, as is the total at Grimsby. The Reports and Accounts, whilst indicating that services to Grimsby were operated, give no hint of the scale of that

[548] GSN 1/41, Board minutes, 17 June 1909. Guests at the opening ceremony included J. Herbert Tritton, former chairman, and Richard Cattarns, former general manager.
[549] The implication of the figures is that those listed as employees were retained and paid by the Company. That was, and is, unusual: most, but not all, dock workers were employed on a 'casual' basis. However, General Steam's consistent need for labour to cope with its regular services may have altered that. There is an indication that at the time of the 1889 dock strike the Company's better paid workers were not involved. Further 140 'contractors' men were estimated to be employed.

activity.[550] Quite what is meant by 'labourers afloat' is uncertain, but this may refer to Company retained dockers employed on vessels when berthed in London and elsewhere.

Receipts

The economic climate at the beginning of the new century was not greatly improved on that which prevailed through most of the 1890s. Receipts in 1904, £518,350, were affected by depressed trading conditions made worse by prolonged drought in Europe which caused navigation to be suspended on the German rivers and much affected cargo carried. There was some improvement in subsequent years, though freight rates were under constant pressure.

Extra Mediterranean voyages were credited with the improved figures in 1905, additional 64,000 tons of freight being carried in the year. In the following year the introduction of the new Summer boat, *Kingfisher*, and income from the recently inaugurated services from London to Grimsby and Lowestoft were credited with an increase in Receipts of £35,000.

Following some improvement in 1906/7, the following year Receipts dipped, to £584,467 due to adverse conditions, and attempts were made to reduce Costs, including a reduction in the number of voyages made. Things were no better in 1909, which was described as 'the worst in recent times for shipping'.[551] Strikes of miners and seamen caused chaos during 1911, with a proportion of the fleet laid-up for a time.[552] Conditions improved appreciably from 1912 with the result that income for 1913 reached a record £777,843, a 20 per cent increase on 1912.

Noticeable in the period is the complete absence of information on the profitability of the Company's extensive range of European agencies which are not referred-to in the Balance Sheet. The Profit and Loss Account shows only one figure for Revenue, so that, presumably, any profit from the agencies was included in that figure.

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[550] GSN 22/3, Unattributed document in Company archive.
[551] *The Times*, 12 April 1910. Report on the AGM. Chairman's statement.
[552] *The Times*, 19 April 1912. Report of AGM. The chairman reported that most of the Company's fleet was laid up for three weeks.

Figure Seven. Receipts and Costs, 1903-1913.

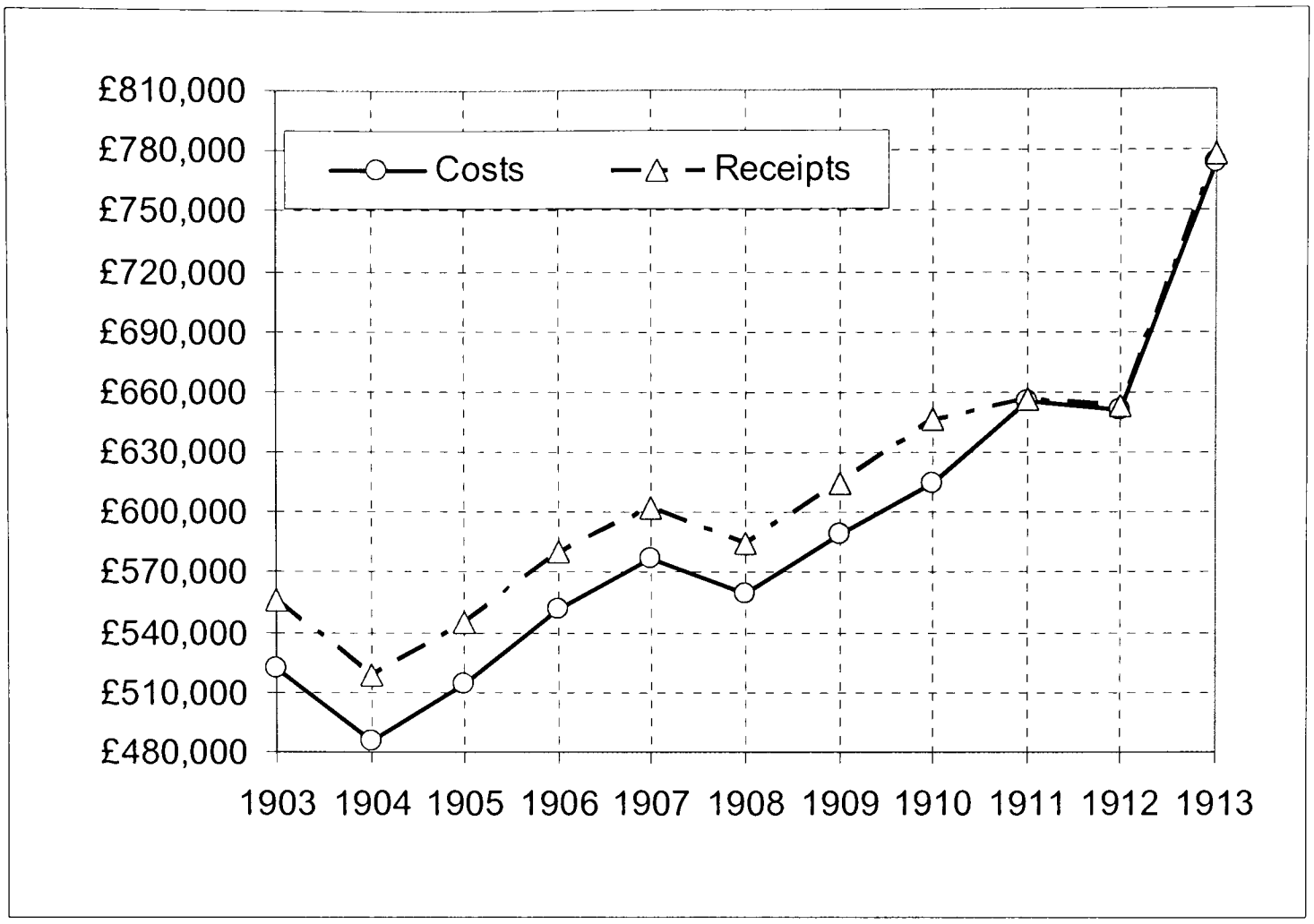

Figure Seven illustrates the steady progression of income from 1903, commendable in the uncertain trading conditions which prevailed. It also shows how Costs tracked Receipts until, by 1911, they were nearly equal. This resulted from the switch of all operating charges, including Dividends, to the Profit and Loss Account from the Balance Sheet. In 1911 there was only a 'carry forward' (formerly Profit) of £1,864. The Annual Reports make no comment on these changes, nor do press reports, despite the fact that one effect was to disguise the true profit of the company, no doubt a deliberate policy.

The sample Balance Sheet, Table Twenty, reflects the changes made from 1903. As illustrated, reconciliation with the Profit and Loss Account was now difficult.[553] Missing still, as they always had been, are indications of totals held in funds to which regular allocations were made, £15,000 in 1908.

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[553] Profit for 1907 in the Profit and Loss Account was £25,244.

Table Twenty. Balance Sheet for 1908

Liabilities:		
Capital. 25,328 ordinary shares		£189,960
36,758 preference shares		294,064
First mortgage deb' stock, 1903 issue (part of authorised £200,000)		150,000
Reserve and Insurance Fund		15,000
Employer's Liability Fund		3,836
Debts due to Company and sundry balances		42,852
Dividend on preference shares at 6% less tax	£16,762	
Less paid for first half	(8,381)	8,381
Dividend on ordinary shares at 5% free of tax		9,498
Profit and Loss carry-over		1,325
		£714,916
Assets:		
Cash in hand at bank and on deposit	£35,944	
Investments	55,991	£91,935
Shipping, value as per Balance Sheet 1907	£307,732	
Additions, less ships sold	28,511	
Less amount written-off for Depreciation 1908	(34,000)	£302,243
Freehold buildings, wharves, premises		226,547
Leasehold premises and sundry premises		10,010
Plant, machinery		6,001
Stores, stocks of coal		13,843
Debts owing to the Company and sundry balances		64,337
		£714,916

The maintenance of such undeclared funds was entirely legitimate and a sound business practice, though its effect was that no-one apart from the small team of directors really knew what the value of the Company was. The term *dividend smoothing* has been used to describe a secondary function of these Reserve funds. They reduced substantially the apparent funds available to pay dividends to shareholders so that the directors were able to maintain a consistent level of dividend, or reduce it.[554] Though more information was

[554] Napier, 'Fixed asset accounting in the shipping industry', pp. 42-44.

now seemingly given in the accounts, they had, in fact, became more obscure by 1911, Receipts nearly equalling Costs and still only modest dividends being paid.

Conclusion

The New Company's recovery from 1903's low point was remarkable. Management clearly recognised a potential, given the revised financial structure, and devised a strategy to exploit it. The challenge was pursued with energy. Though the financial benefits to the Company are unquantifiable, the extension of the business into cargo handling and forwarding and owned-agencies was a logical step and potentially profitable. New services and trading agreements on several routes acknowledged that opportunity still existed in the coastal and near-Continent trades, despite the adverse effects on freight rates of increasing competition

Especially of interest was the development of the Hull, Grimsby and Yarmouth connections with involvements in trades on the Norfolk Broads, a very considerable departure, with a fleet of wherries carrying cargoes to the larger ports. In 1903 the fleet numbered 43 sea-going plus six summer vessels of 50,892 tons and in 1913 the comparisons were 44 and two, of 54,430 tons.

Chairman White deserves great credit for the turn-around of the business. Nothing is known of his commercial interests prior to his appointment to the Board in 1893 at age thirty.[555] He was assertive and ambitious, as indicated by his handling of those shareholders unhappy with the financial terms offered at the time of the re-structure. He had his own style of management: the number of Board members was reduced and H.B. Hooper was appointed joint managing director. Effectively, the White/Hooper combination controlled the Company with, through most of the period, only two others, Messrs. Levy and Glyn.

The structure is of interest, as is also White's shareholding. He was the largest shareholder in 1903 with holdings valued at approximately £25,000. By 1911, still the largest shareholder, he owned 2,000 ordinary shares and 3,400 preference shares to the

[555] Hancock, *Semper Fidelis*, p.3. He is described as 'a man of finance'.

value of about £36,000. He was clearly prepared to display confidence by investing in the Company and he was by now in a very powerful situation.[556]

In addition to revenues and profit there are two measures of the success, or otherwise, of a company. Dividends prior to 1902 were dire and the prospect held out to shareholders in 1903 was the resumption of payments. Ordinary shares paid an initial 3 per cent in 1903, rising to 6 per cent by 1913. Preference holders were paid their due 6 per cent throughout. This was at least some small compensation to shareholders for the dramatic reduction in the value of their shares in 1903.

However, the value of those shares, of both categories, disappointed throughout the period. The £7 10s ordinary shares did not achieve their nominal value in the stock market through the decade, only breaking £6 in 1912, as indicated in Table Twenty-One.

Table Twenty-one. Dividend Payments and Share Prices, 1903–1913.

	Ordinary £7.10		Preference £8			Ordinary £7.10		Preference £8	
	Divd.	Share	Divd.	Share		Divd.	Share	Divd.	Share
1903	3%	£5	6%	*£-	1909	5%	£4.75	£6	£7.5
1904	4%	£4.5	6%	*£-	1910	6%	£4.5	£6	£7.5
1905	5%	£4.25	6%	£7.25	1911	6%	£5	£6	£7.75
1906	5%	£5	6%	£8.75	1912	6%	£6.75	£6	£7.9
1907	5%	£5.75	6%	£8.75	1913	6%	£6	£6	£7.4
1908	5%	£5.25	6%	£8					

Source: Bi-annual Reports to shareholders, various and publications including *The Times*, *The Shipping World*. *No preference share price is quoted for 1903/4. Shares were frequently quoted as a fraction of a £. All have been decimalised.

The £8 preference shares performed somewhat better. Stock market dealers were clearly exercising caution in respect of General Steam's performance, something of which Chairman White and his fellow directors were only too conscious. The Company was not alone in suffering share price depression. A press article in 1909 commented that whilst General Steam's shareholders received a dividend in 1908, Cunard paid none.[557]

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[556] 'Summary of Capital and Shares', at 3 May 1911.
[557] *The Syren and Shipping*, 21 April 1909.

CONCLUSION

In the Introduction to this thesis the view was advanced that, despite the vast amount of written material devoted to the histories of oceanic shipping companies, too little attention had been paid to the coastal trades. This study has sought to, in a small way, redress the balance. It has demonstrated that many of the difficulties experienced in the early days of the introduction of new shipbuilding techniques were common to both and that in some instances the smaller coastal vessels played an important role in advancing the practical application of the new developments.

Similarly, the profitable development and operation of trades and services on coastal and near-Continent routes demanded no less skill and application. The distances were less and communication relatively easier but the organisation and maintenance of agencies servicing multiple destinations and introducing regular and profitable volumes of cargo and passengers on frequent services was no less demanding.

The changes wrought in the shipping business in the latter years of the nineteenth century were revolutionary. Nothing, even by 1900, was the same: gone, effectively, was the sailing ship, steam was all powerful. Thanks to the genius of British engineers and businessmen vessels were larger and able to cross oceans with hundreds of passengers or a heavy cargo load. They were built, as a rule, of steel and their propellers were driven by engines only dreamed of in 1850.

International trade by sea was similarly altered. Increasing populations world-wide demanded more manufactured goods, more machinery, more food products, dairy produce, chilled and frozen meat, fruit and wine. Major shipping lines employed vessels largely built in British yards, in an increasingly competitive environment as new companies, British and foreign, fought for a share of the huge overseas market.

It was no different in the Home Trades. In order to maintain a commercial edge and assure profitability the companies involved were obliged to expensively keep pace with the constant improvements in ship design and propulsion machinery. Competition was, if anything, more fierce than on oceanic routes as established sailing ship owners and

entrepreneurs noted the potential for profit in the short-sea routes which were relatively less expensive to break into.

This study of General Steam over a sixty-three year period has considered in depth the operation of an important British shipping company through this period of constant change. It has highlighted the Company's vigorous response to intensified competition from other shipowners and from the railways as they extended their services into Europe, against the turbulent economic background of, especially, the period of the 1870s to the end of the century. Great difficulties were faced in retaining most of its routes and moving profitably into new services. These developments have been explored, as have changes in the volume and nature of cargoes as larger vessels were employed and market demands altered.

The economic uncertainties of the latter part of the nineteenth century continue to excite historians, with argument and counter argument advanced concerning cause and effect. Were the years from 1850 to 1873 a 'boom' period, and is it appropriate to refer to the uncertain economic conditions experienced from 1873 to 1896 as years of 'depression'? There is a strong case to be made, as does Saul in his conclusion, that neither adjective is applicable and that the troubled period from 1870, affected, as it was, by many factors, was part of a longer economic cycle.[558] Without doubt, there was a collapse of business confidence from 1870 with constant uncertainty regarding future prospects: yet Britain's economy continued to expand through the period.

General Steam certainly benefited from the relatively stable conditions prior to 1870, due, at least in part, to established and experienced management. The years to the end of the century were very difficult: directors were required to constantly expend capital updating the fleet at a time when business planning, even in the short term, was impossible. They did not, could not, anticipate the sharp business cycles from 1870 with their effects on import/export freights and ship operating and building costs. By the 1880s the decline of the lucrative cross-Channel live cattle and trans-shipment trades, neither of them the result of the economic climate, added still further to their difficulties.

Regardless, the Board failed to exercise caution, persisting with a programme of heavy expenditure on tonnage and infrastructure with little regard to the setting aside of sufficient sums to reserves. The Company barely survived the period.

A historian, writing of the unregulated accounting procedures from 1850 through to the early 1900s, notes that managements chose practices best suited to their purposes, one of which was the requirement to persuade shareholders and creditors to believe the published statements without necessarily presenting a complete picture.[559] The presentation of opaque sets of figures was far from uncommon. Given that some accounting detail is lost from General Steam's archive, the Company did make available to shareholders a very considerable amount of information, rather more than was generally available in the period, as is evidenced by the tables within these pages. Nevertheless, there is no doubt that management manipulated the accounts for its own purposes, usually to contain dividend payments.

A particular frustration through the period of this study is the absence of information on funds held, making proper assessment of the financial situation of the Company difficult or impossible. From 1895 the Balance Sheet presentation much improved with details of asset values including Cash and Investments. However, the figures throughout must be treated with caution, the existence of undeclared funds, not uncommon then or later, being highly likely.

The nature of a business history demands that the effectiveness of management in dealing with change, technical, commercial and economic, over an extended period must be critically assessed. In the case of a publicly-owned company this must be done in light of the success, or otherwise, of the directors in meeting their commitment to profitably use capital placed at their disposal by shareholders. For their part, the shareholders must measure the performance of their appointed directors by the return obtained on their investments. Those measures are two: dividend return and share price.

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[558] Saul, *The Myth of the Great Depression*, p. 54. In his conclusion he writes: 'As regards the 'Great Depression' itself, surely the major outcome of modern research has been to destroy once and for all the idea of the existence of such a period in any unified sense.

Assessment of the performance of General Steam's directors falls into three distinct phases. From 1850 to 1874 what may be termed 'the old guard' controlled events, no chairman apparently dominating though there were two or three directors of great experience. Most were long-serving, some with direct connections to men associated with the Company from its earliest days. These were men of experience and ambition, visionaries almost, who developed a profitable and successful steamship company at a time when steam propulsion was in its infancy and success was by no means certain. They were pioneers, not likely to be overwhelmed by change.

This was management by committee, by family, almost, in the style common in the period. And, by and large, it worked. It is highly likely that many shares were held by directors, their families and other contacts, enabling management to control policy, whilst lesser shareholders remained passive. However, by the 1870s the directors were beginning to be somewhat out of their depth as the business climate altered. Regardless, these men had done a first rate job over a lengthy period of time and the Company continued to be the dominant force in short-sea shipping.

The route network was vigorously maintained and changes in ship building techniques smoothly embraced: of the 31 ships built or bought in the 1860s, 20 were screw-propelled and only one was wood-built. Company finances were maintained on a sound footing and shareholders were kept happy with regular dividends. The 1867 decision to buy the two upriver wharves at cost of £155,000, a sum well beyond the Company's financial capability, was a turning point. Additional financial expertise in the shape of J. Herbert Tritton was introduced to the Board and it is highly likely that he was instrumental in the move to extend the capital base of the Company.

The next phase of this study provides ample evidence of the importance of individual managers in the fortunes of a company. It also demonstrates that shareholders, even if only a minority, were well able to apply pressure on managers. Tritton was elected chairman in 1874, still only 30 years of age and with little experience of the shipping

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[559] Edwards, *A History of Financial Accounting*, p.109. From 1900 legal obligations were progressively imposed to improve the presentation of accounts.

business. He presided in the period of dramatic increases in the Company's capital base in 1874 and 1877.

It may well be that not all of the directors were comfortable with this development. Two elderly and very experienced directors left the Board: Benjamin Attwood resigned in 1874 as he was, most exceptionally, about to be voted off the Board and John Wilkin resigned in early 1875. There was evidence of a power shift. The impression persists that Tritton was able to dominate his fellow directors.

He began well and from the outset exhibited a strong personality. The boldness of his early moves speaks of support and guidance from at least some of his fellow directors. Solid performance in the 1870s was followed by severe downturn in profits and dividends and the collapse of the share price through the 1880s. The warning signs were evident but not nearly enough was done to conserve resources against what was close to a financial collapse by 1892. Shareholders demanded action and it was they who in the end brought about the chairman's demise.

The final phase covers the period of the chairmanship of Richard White, one of the shareholders present at Tritton's final meeting in 1893. He proposed then that further tonnage purchases be suspended for a time, that costs be cut and that Debenture debt and fleet valuation be reduced. Shortly thereafter he was appointed to the Board and his proposals became Company policy in the next ten years. Recovery was slow and painful, but effective.

In 1903 he took over as chairman at the time of the difficult exercise of liquidating the Old Company and establishing a New General Steam with capital reduced by nearly half. He argued that the move was necessary in order to put the Company on a sound footing and restore dividend payments to shareholders.

Though White's business background is uncertain he, from the outset, imposed himself on the Board and on the Company. He favoured a small management team: the number of directors was progressively reduced to four or five and one, H.B. Hooper, was appointed joint-managing director. The new management husbanded the revived Company through a still difficult period up to 1913, extending profit potential with new services.

Was the Company successful from 1850? The evidence, so far as shareholders were concerned supports a negative view. The steady dividend payments of 10 per cent (30s) per year made from 1850 until 1880 were followed by a rocky ride through to the end of the century, with ordinary dividends uncertain, and frequently passed, and only modest when payments were made. From 1903 dividends resumed, but they averaged only 5 per cent on shares halved in nominal value. (This was equivalent to 2.5 per cent on the original shares.)

Share performance in the stock market was disappointing, for some, disastrous. The heady values of near-to £30 (per £15 ordinary share) in 1877 were never again achieved. Most often values barely exceeded the nominal value. Preference holders fared only marginally better.[560]

Applying a broader view it can be argued that General Steam was a successful and profitable company through the period, the years 1885 to 1902 apart. It was greatly changed: its 1850s reliance on passenger revenues was long gone and it responded vigorously to ever increasing competition. It continued to operate a fleet of forty to fifty ships, constantly updated, well maintained and progressively enlarged. The trade and route networks were much altered. London remained its important home base though services were extended to other mainly east coast ports to meet the changed demands of cargo shippers using the Mediterranean services. The successful development of these routes, mainly to Italy, later to Greece and Turkey, fundamentally altered the nature of General Steam. It was no longer a Home Trade business.

Earlier in this study reference was made to the often-stated view that Britain's decline as a trading nation in the late nineteenth century was attributable to a failure of entrepreneurship: in this context, how should the performances of Tritton and White be assessed? As chairmen of the Board of a public company they were certainly in a

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[560] Summary of Capital and Shares, 1903. It is acknowledged that patterns of investment in the nineteenth century, founding family holdings apart, were distinctly different from those of today. Few, frequently ladies, held more than a dozen shares. Investment by other companies was unusual. Most shareholders were

situation to exercise initiative and take risks in order to enhance profit, one definition of the term, and both men did just that. But entrepreneurship is *personal*. Motivation is a large part of the exercise.

It is impossible to judge with certainty the motivations of Tritton and White. The former was the director of a major bank within which, subsequent to his departure from General Steam, he became a respected figure in the City of London. We cannot know the level of his commitment to General Steam, part-time at best. He certainly exercised initiative and took risks: but, in the end, he was a *failed* entrepreneur.

White, on the other hand, was a *successful* entrepreneur. From the time he became chairman, in 1903, he was the Company's largest shareholder, a very considerable motivation for success. He managed the Company *his* way, operating with a small team of directors and extending the range of activities, resurrecting its fortunes whilst, importantly, through his shareholdings virtually controlling the Company and making himself a wealthy man.[561]

A further hint of White's motivations lies in his shipping connections, specifically to Sir James Mackay, later Lord Inchcape. Both were on General Steam's Board in 1894/5. Thereafter connections with India and Inchcape were continuous, culminating in 1920 when Inchcape purchased the Company through his Gray, Dawes business. It may be that White was a protégé of Mackay/Inchcape, perhaps financially supported throughout.[562]

An endnote to conclude. The years 1914 to 1920 have not been covered in this study as they encompass a period when conditions were abnormal in the sense that management

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entirely passive: the dividends were welcome but price movements in the market appeared to pass unnoticed.

[561] Boyce, *Information, Mediation*, p. 283. The writer brackets Chairman White with Sir Thomas Sutherland of P&O and Lord Inchcape of British India and P&O in terms of his ambitions. They 'took over' their companies from the inside by gaining access to preferential information, though, in the case of White, this may be something of an over-statement. The connection of the three dated from 1894 when Mackay, later Inchcape, became a director of General Steam. Later, Sutherland was a Debenture trustee.

[562] When Mackay resigned from the Board in 1895 to return to India he was replaced by D. M. Dawes, of Gray, Dawes & Co., a company with which Mackay was connected and later owned outright. In 1901 Captain H.B. Hooper, retired from service in India, was appointed to the Board and made joint-managing director two years later. In 1906, Mackay was arbitrator in a dispute between General Steam and the builders of *Kingfisher,* surely an unusual role. Prior to the 1920 takeover of the Company, Inchcape was described as a preferred bidder.

of the Company and its affairs was, to a large extent, no longer in the hands of the directors, though Richard White remained in the chair. From the outbreak of the First World War the fleet was largely under the control of government, no less than 21 of 46 ships being employed as transports, supply ships and minesweepers. Five ships were added to the fleet up to 1918 and 23 were lost to enemy action.

The wartime years were highly profitable for the Company, as they were for most shipowners. High freight rates and large insurance payments for tonnage lost pushed Receipts to in excess of £1mn. in 1916, and vast sums were set aside to Reserves. In 1917 a further re-organisation increased nominal capital to £1mn. and doubled the nominal value of ordinary shareholdings.[563]

In the immediate post-war years shipping enjoyed a short period of recovery and General Steam began the process of re-establishing its services. In 1920 an offer of £5.10s per ordinary £1 share was received from the P&O company and accepted by a majority of shareholders, those who had held their shares over a number of years being handsomely rewarded. General Steam continued to operate as a subsidiary of P&O for many years.

APPENDICES

APPENDIX ONE

VESSELS OWNED AND OPERATED, 1850 TO 1920

This list uses as its first source the Return of the Whole of the Registered Steam Vessels of the United Kingdom at 1st of January, 1851, found in Parliamentary Papers (PP). Forty-four ships are listed at the end of 1850. All were paddle steamers, of which seven were iron-built. The Return lists gross tonnages which, in the main, agree with Company sources and are accepted to be correct. The only other information given is the Date of Registry, the first of which is 1836.

A second Return of Registered Steam vessels has been used, that for January 1860. It credits the Company with operating 43 ships at that date and it appears to be reliable. In a number of cases gross tonnages vary by source. The tonnages quoted in the Return is used.

The PP lists have, where possible, been checked against Company documents of the period and against contemporary newspaper advertisements and articles. It was relatively easy to verify the names of vessels on the Continental routes and on some of the British coastal routes. It was more difficult or impossible to verify the activity of the smaller vessels on the shorter coastal routes and on the Thames services, as vessels were not always identified by name. The Official Returns do not include a number of the smaller vessels of the 1850-70 period of which no other information is available.

Where little or no information is available about a vessel's dismantling and/or sale, in the period 1850 to 1870, and the vessel is not listed in the subsequent Return, it is shown as 'Out of service by 1860 (or 1870)' based on these Returns. This makes it virtually impossible to reconcile the number of ships stated, by the Parliamentary Papers, to be owned in 1860 and 1870 and no attempt has been made in the text to do so.

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[563] The nominal value of ordinary shares was increased from £7.50 to £15, then split into 15 x £1 shares. The preference share value was increased from £8 to £10, then split into £1 shares. 252,500 ordinary

Another key source of ship information is the ledger of ships' registers in the Company archive (GSN 31/1) which commences 1836, the first entry being for *John Bull*.[564] The registers, indicated thus # in the list, proved to be generally helpful, but the record is far from complete, becoming comprehensive only from about 1860, but even then some certificates are not completed. However, information on building dates, where built and tonnages is likely reliable.

A large number of vessels were lengthened or materially altered, particularly in the period from the 1870s, so that tonnage altered with re-measurement. Regardless, I have used only the first gross tonnage allocated. The register certificates are also useful with out-of-service and scrapping dates, though, again, the record is not complete.

A number of writers and other sources were consulted for information.[565] The information in each varies but their contributions were helpful. Lloyds Register of Shipping is not a certain source: the 1850 issue, which covers the period 1 July 1850 to 30 June 1851 contains a small separate supplement titled, Ships Navigated by Steam. This lists 25 ships owned by General Steam, not all of them in the Palmer list. No less than five Company vessels were not listed, including *Rainbow* of 1837, though all five were advertised in the press in the period.[566]

Further to the use of the Official Returns up to 1870, the first timetable within the archive, that for 1876, provides a reliable list of 61ships in service at that date.(Listed thus + in the ship list.) Subsequently, in early 1881, for instance, the directors would, on occasion, note the number of ships owned, 59 vessels at that time. Even then it is still difficult to reconcile the figures and, in the main, I have not attempted to do so. Within

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shares remained un-issued.

[564] It seems likely that the official registration of ships commenced only in 1836, as older ships, such as *Tourist*, built in 1824 and acquired in 1832, are shown as registered in 1836.

[565] Sarah Palmer, 'The most indefatigable activity', pp.4-6; Cope Cornford, *A Century of Sea Trading*, pp. 168-173; *Lloyd's Register of Shipping*, 1850/1.

[566] Not all Company services advertised in 1850 indicated which ship(s) were scheduled for the route. Some listed no specific vessel. *The Shipping and Mercantile Gazette* of 13 August 1850 listed the following vessels, all of which feature in the Parliamentary List used: London to Antwerp, *Soho*; Edinburgh, *Leith, Clarence, Trident*; Boulogne, *Albion, Seine*; Ramsgate, *Little Western*; Margate, *The Prince of Wales, Royal William*; Newhaven-Dieppe, *Magician*.

the text of this work I have avoided being specific about ships built, scrapped or in service unless I have certain verification from within the archive or from another source.

Whilst the directors were always ready, quite properly, to announce the building or purchase of a vessel in the Reports and Accounts for benefit of shareholders, they seldom, at least into the mid-1870s confirmed when vessels were laid-up, scrapped or sold, and, even then, the information was far from reliable. Ships which became casualties through collision or stranding usually warranted mention in the Reports and Accounts. From the early 20th century the Reports and Accounts included a ship list.

Most writers, including Cope Cornford whose centenary history was written in 1924 with benefit of assistance from the Company, list the in-service dates of ships but make no attempt to record the out-of-service dates, because the information, in many cases, was not readily available. This, of course, is a considerable problem with what is, in effect, a business history. A ship and its crew were costs as well as revenue sources. Without reliable information on the number of ships operational, analysis of the financial returns becomes less certain.

The ship list which follows is based on much research of all the information available but it must be recognised that, particularly prior to 1876, the details given cannot be regarded as more than guidance. Where no information is available from any source, as with *City of Hamburg*, below, and this usually applies to the older vessels of the fleet, that is made clear. The list includes vessels acquired to and including 1920 when the Company was acquired by P&O.

No attempt has been made to relate any vessel to a particular trade, as vessels were switched from one to the other, or even, at a later stage, to charter, as the situation demanded. All General Steam's vessels were registered in London and all were steamships. Unless an 'Acquired' (Acqd.) date is shown, the vessel was built to order for the Company, or, in a few cases, bought on the stocks. Tugs and other small craft under 100 tons gross are not included in the list.

Wp = Wooden paddle steamer. Ip = Iron paddle steamer. Isc.=Iron Screw steamer. Ssc= Steel screw steamer. Acqd.=bought from another company. OofS= Out of Service. # Register certificate in Company archive. +Listed in 1876 timetable.

Name of Vessel	Gr.Tons	Built/Place	Acqd.	Comment
Vessels in service 1850				
1.City of Hamburg wp	518	1834 London		In service 1860, OofS 1876
2.John Bull wp	# 591	1835 London		OofS 1875. Coal hulk 1876. Sold 1892
3.Harlequin wp	315	1826 London		Out of service by 1860
4.Tourist wp	257	1821 Perth	1832	Out of service by 1860
5.Caledonia wp	707	1836 London		Total loss, sunk East coast 1864.
6.Ramona wp	356	1828 London	1829	Out of service by 1860
7.Attwood wp	310	1825 London		Out of service by 1860
8.City of London wp	213	1824 London		Out of service by 1860
9. Menai wp	263	1830 Glasgow		Out of service by 1860.
10.Belfast wp	204	1824		Was hulk until 1877.
11.Giraffe wp	410	1836 London		In service 1860, Oof S 1876.
12.Dart wp	247		1836	Out of service about 1851/2.
13.Magnet wp.	296			Out-of-service 1860.
14.Clarence wp.	766	1836 London		In service 1860, Oof S 1876.
15.Fame wp	294	1834 London		Out of service by 1860.
16.Earl of Liverpool wp	262	1822 London		Out of service by 1860.
17.James Watt wp	462	1821 Glasgow	1837	Broken up 1853.
18.Rainbow first ip	407	1837 Liverpool		Out of service by 1870.
19.Leith wp	907			Out of service by 1860.
20.Ocean wp	464	1836 London		Out of service by 1860.
21.Sir Edw'd Banks wp	322	1826 London		In service 1860, Oof S 1876.
22.Vivid wp	429	1835 London		In service 1860, Oof S 1876.
23.Trident wp	# 971	1842 London		Sold/broken up 1887.
24.Colombine wp	393	1826 London		Out of service by 1860.
25.Venezuala wp	308	1840 Greenock	1843	Out of service by 1860.
26.Little Western cp	362	1841 Bristol		In service 1860, Oo S 1876.

27.Magician +	iron p.	#	175	1842 London	Dismantled, sold 1877.
28.Mercury	wp		252	1843 London	Out of service by 1860.
29.William Jolliffe	wp		311	1826 London	In service 1860, Oof S.1876.
30.Triton	wp	#	358	1845 London	Sold £500, broken up 1875.
31.Waterwitch	wp		481	1835 London	In service 1860, Oof S. 1876.
32.Star	wp		231	London 1846	Out of service by 1860.
33.Wilberforce	wp		610	1837 London	Out of service by 1860.
34.Albion +	ip	#	338	1848 London	Dismantled/sold 1887 for £225.10s.
35.London Merchant	wp		476	1831 London 1833	Out of service by 1860.
36.Soho	wp		433	1823 London	In service by 1860, OofS. 1876.
37.Royal William	wp		325	1849	Bt ex Mgate & Ldn Stm.Co. OoS 1860.
38.Prince of Wales+	ip	#	246	1843 London 1849	Ditto. Sold/broken up 1879.
39.Seine +	ip	#	336	1849 London	Dismantled, sold 1889.
40.Rhine +	ip	#	441	1849 London	Dismantled/sold 1887 for £601.
41.Tiger	wp		604	1838 1850	In service 1860. OofS 1876.
42.Princess Royal	wp		748	1841 London	In service 1860. OofS. 1876.
43.Monarch	ip		872	1850	Repurchased. Out of service 1860
44.Neptune	wp		599	1837 London 1850	Repurchased. Out of service 1876.
Vessels purchased post		**1850.**			
Concordia +	ip	#	465	1851 Glasgow	Dismantled/sold 1885.
Panther	ip	#	360	1851 London	Sold 1875.
C'ntess of Lonsdale	wp		616	1836	In service 1860. OofS 1876.
Moselle +	ip	#	516	1852 London	Fire ER in Thames 1886. Dis/sold 1886.
Ravenbourne	ip		606	1851 London	Lost 1857, collision near Flushing.
Belgium (ex Ger.)	wp	#	393	1850 Bristol 1853	Oof S.1875.Hulk/w'shop in Pool, 1877.
Edinburgh (ex Ger.)	wp		741	1853	Lost in fog 1855, Black Sea, on charter.
Denmark (ex Ger.)	wp		501	1853	Out of service by 1860.
Holland (ex Ger.) +	wp	#	383	1849 Bristol 1853	Sold/broken up 1878, £212.
Hanover (ex Ger.)	wp		519	1841 1853	Out of service by 1876.
Newcastle (ex Ger.)	wp		447	1853	Out of service 1860.
Ruby	wp		243	1854	Four ships for Kent St'ns. OoS by 1876.
Diamond	wp		137	1855	Ditto. Out of service by 1860.
Sapphire	ip		238	1854	Ditto. In service 1860. OofS. by 1876.
Topaz	wp		141	1853	Ditto. Out of service by 1860.
Pioneer +	First isc	#	413	1854 Jarrow	Built as collier. Sold, bkn/up 1878

Dragon +	isc	#	475	1854 Jarrow		Colln., sunk en route Charente 1880.
Pilot +	isc	#	449	1854 London		Colln./sunk Thames 1880. Sold 1881.
Dolphin +	ip	#	626	1855 London		Sunk, collision 1885.
Leo +	ip	#	570	1847 Liverpool	1856	OoS 1878. Sunk collision Thames when on hire to City Corpn. Broken up 1880.
Bruiser	isc		597	1854	1857	Sank after collision 1866.
Eagle+	ip	#	325	1853 London	1856	Disabled in Thames 1888.Dism/sold.
Germania	isc	#	630	1856 London		Made coal hulk 1876. Sold 1888.
Wansbeck +	isc	#	597	1857 Newcastle	1858	Dismantled/sold 1886.
Cologne +	ip	#	435	1858 London		Sold/broken up 1890, £580.
Metropolitan +	isc	#	521	1853 Glasgow	1859	Colln.Thames,sunk 1881. Raised/sold.
Cosmopolitan+	isc	#	502	1852 Glasgow	1859	Wrecked Scheldte 1881. Total loss.
Harburg	isc		-	1856	1860	4x vls. Bought Bt Harburg Eng. Nav. Co. Wrecked 1860.
Boreas +	isc	#	412	1856 Stockton	1860	Ditto. Dismantled/sold 1885.
Saxonia	isc		358	1856	1860	Ditto. Out of service 1860.
Leopard +	isc	#	374	1855 Stockton	1860	Ditto. Dismantled/sold 1885,£325.
Berlin	ip	#	740	1857 Glasgow	1860	Was Princess Royal. Dismantled/sold 1875.
Elba	isc	#	660	1855 Jarrow	1861	Lost with all hands in storm 1874.
Arno	isc		621		1861	Collision 1866, sunk.
Perth	wp		600		1861	Out of service 1870.
Waterloo +	ip	#	514	1854 Dumbarton	1861	Colln.1879, sunk/ra'ed. Dism/sold 1879.
Sir Walter Raleigh+	ip	#	239	1858 Renfrew	1862	Isle of Thanet service. Dism/sold 1891.
Velocity +	isc	#	259	1857 Hull	1862	2xvls ex East Eng. s.s. Co. Sold 1877
Vigilant +	isc	#	257	1857 Hull	1862	Ditto. Dism/sold 1878, £175.
Chevy Chase	ip		810	1860 Glasgow	1862	Sunk Elbe 1864. No register certificate.
Hamburg +	isc	#	439	1857 Dundee	1863	Dismantled/sold 1886, £300.
Earl of Aberdeen +	ip	#	820	1847 Govan	1863	Last voyage for Company 1879. Sold for further trading, £2,543.
Forth	isc	#	401	1855 Glasgow	1863	1875 Lost entering Maas, bad weather
Heron +	isc	#	630	1860 Dumbarton	1864	Dismantled/sold 1888, £1,167.
Mermaid	isc	#	745	1864 Newcastle		Sunk/abandoned Gravesend Rch. 1873.
Stork +	isc	#	843	1864 Dundee		Sold 1897.
Maas +	ip	#	692	1864 London		Fitted for cattle. Dismantled/sold 1888.
Alford +	isc	#	771	1863 Newcastle	1865	Dismantled/sold 1891, £580.

Orion +	ip	# 777	1865 Bristol	Dismantled/sold 1890, £975.
Eider +	ip	# 725	1866 Dundee	Cattle ship. Dismantled/sold 1887.
Taurus +	ip	# 838	1866 Preston	Cattle ship. New boilers '86. Sold 1892.
Ostrich +	isc	# 623	1860 Dumbarton 1866	Dismantled/sold 1887, £1,075.
Granton +	isc	# 1162	1867 Dundee	Sold/breaking up, probably 1911
Benbow +	isc	# 894	1865 Newcastle 1866	Sold for breaking up 1912.
Florence +	ip	# 660	1864 Glasgow 1867	Last voy.1877. Dism/sold 1881.
Hilda +	ip	# 428	1862 Hull 1869	Dism'd/hulked 1887. Sold 1889, £530.
Libra +	isc	# 1030	1869 Dundee	Collision/sunk 1889.
Scorpio	isc	# 885	1869 Jarrow	Lost with all hands in storm 1874/5.
Virgo +	isc	# 1016	1870 Dundee	Seized Germans 1914. Returned to service post-war.
Rainbow +	isc	# 1086	1872 Dundee	Sold overseas 1902.
Iris +	isc	# 1033	1872 London	Last entry 1921. Sold, no date.
Nautilus +	isc	# 718	1875 Sunderland	Colln. Scheldte/abandoned 1923.
Princess	isc	# 510	1875	No record in register. Lost at sea, 1875, some loss of life.
Capulet +	isc	# 336	1874 S.Shields 1874	Colln.off Blyth, sunk 1903. Raised, sold.
Merlin +	isc	# 643	1875 Aberdeen	No record in register. Ashore 1910, total loss, en route Charente.
Condor +	isc	# 682	1875 Dundee	Sold 1903.
Swallow +	ip	# 625	1875 Stockton	Sold for breaking up 1901.
Swift +	ip	# 627	1875 Stockton	No record in register. Sold 1910.
Curlew +	isc	# 630	1875 Dundee	Sunk off Brest 1896. Wreck sold.
Martin +	isc	# 960	1875 Newcastle	Sold 1899 to foreigners.
Hollandia +	ip	# 823	1867 Glasgow 1876	Bt ex Malcolmson. Colln., sunk 1887. Raised, sold.
Lion +	ip	# 669	1847 Glasgow 1876	Ditto. No record in register.
Era +	isc	# 566	1861 Jarrow 1876	Ditto. Hulked 1889. Sold 1895 for £350.
Nora +	isc	# 432	1861 Cork 1876	Ditto. Stranded Holland/wrecked 1879.
Plover +	isc	# 949	1875 Sunderland	Sold for breaking-up 1929.
Tern +	isc	# 959	1875 Dundee	Coll'n, sunk off Humber, 1931.
Falcon +	isc	# 651	1876 Newcastle	Fire off Dover, 1926, ashore, wrecked.
Hawk +	isc	# 648	1876 Dundee	Colln Thames, sunk 1897.Raised/sold.
Penguin +	isc	# 906	1876 Dundee	Harwich/Hamb'g. Lost, fire at sea 1890.
Teal +	isc	# 830	1876 Stockton	Sunk submarine off Seaham 1916.

Widgeon +	isc	# 788	1876 Newcastle	Colln/sunk Thames 1911. Raised/sold.

Petrel	isc	# 841	1876 Aberdeen	Sunk/colln./North Sea 1912
Osprey	isc	# 1095	1877 Stockton	Beached after colln.1904. Wreck sold.
Hoboken	ip	# 413	1873 Glasgow 1877	Margate service. Sold 1897.
Kestrel	isc	# 956	1878 Dundee	Colln./sunk Elbe 1890. Abandoned.
Bittern	isc	# 947	1878 Stockton	Dismantled/sold 1900
Lapwing	isc	# 1215	1879 Dundee	Sold Egypt 1910
Gannet	isc	# 1246	1879 Stockton	Sunk/raised 1902. Sunk by mine 1916.
Redstart	isc	# 1192	1880 Stockton	Sold Belgium 1931.
Mallard	isc	# 1296	1882 Dundee	Sold Ireland 1926.
Cormorant	isc	# 927	1882 London	Sold for breaking up 1926.
Swan (First steel)	ssc	# 1231	1880 P.Glasgow 1882	Sold to Russia 1904.
Raven	isc	# 1648 1965	1883 Stockton 1892 Middlesborough	Uncertain. Lengthened 1892. Colln. Ldn. Bdge.1913. Sold/bkn.up.
Cygnet	ssc	# 1156	1883 Dundee	Fire off Spanish Coast 1903. Lost.
Albatross	ssc	# 1450	1884 Jarrow	Sold to Italy 1923.
Egret	ssc	# 723	1883 Newcastle	Sold to Norway 1902.
Starling	ssc	# 791	1887 Jarrow	Sunk after collision in convoy, 1918.
Grebe	ssc	# 814	1887 Dundee	Sold to Italian owners 1925.
Halcyon	ssc	# 553	1887 Kinghorn	Sold 1906 for further trading.
Mavis	sp	# 537	1888 Kinghorn	Sold 1911.
Oriole	sp	# 643	1888 Kinghorn	No comment on register. Sold 1912.
Seamew	ssc	# 1505	1888 Jarrow	No comment on register. Sold 1914.
Laverock	sp	# 544	1889 Kinghorn	Sold overseas 1908.
Philomel	sp	# 662	1889 Kinghorn	Sold 1908.
Heron	isc	# 879	1889 Dundee	Sunk by submarine 1917.
Hirondelle	ssc	# 1607	1890 Dundee	Sunk submarine 1917 off Belle Isle.
Ptarmigan	ssc	# 780	1891 Dundee	Sunk by submarine off N. Shields 1915.
Peregrine	isc	# 1660	1891 Dundee	Sold to builder on completion 1891.
Peregrine	isc	# 1664	1892 Dundee	Wrecked Longsands 1917.
Linnet	isc	# 1728	1890 Campbelt'n 1892	Fire at sea 1900. Abn'd/sold Santander
Adjutant	ssc	# 2392	1893 W. Hartlepool	No comment on register. Sunk, collision, off Downs 1914.
Guillemot	ssc	# 1770	1894 Campbeltown	No comment on register. Lost 1911, storm in Bay of Biscay.

Sparrow	ssc	# 395	1894 Amsterdam 1894	Service in W. Africa. Sold 1895.
Eagle	sp	# 647	1898 Dundee	Sold for breaking-up 1929.
Sheldrake	ssc	# 2697	1894 Sunderland 1898	Was Kelvingrove. Sunk subm'ne 1916.
Tetuan	ssc	# 1394	1896 Kinghorn 1899	Sold 1900.
Auk	isc	# 1163	1877 Hartlepool 1899	Was Tintern Abbey. Sunk as blockship by Germans, Hamburg 1915.
Preston	isc	# 2099	1885 Stockton 1899	Ashore C. Villano 1906. Total wreck.
Ardanbhan	isc	# 1132	1880 P. Glasgow 1899	Ashore nr. Sunderland. Total wreck 1900.
Kelvinside	ssc	# 219	1893 Bowling 1906	Sold 1923.
Vesuvio	isc	# 1396	1879 Sunderland 1900	Sunk mine 1916.
Merannio	isc	# 1032	1881 W.Hartlep'l 1901	No comment on register. Still in service 1920.
Balgownie	isc	# 1060	1880 Aberdeen 1901	Sunk mine 1916.
Alouette	Twin ssc	# 570	1894 Dumbarton 1901	Was Calvados. Sold, broken-up 1924.
Swift (2)	isc	# 671	1884 Sunderland 1901	Sold 1911.
Ortolan	ssc	# 1717	1902 Dundee	Sunk enemy action 1917.
Gannet	isc	# 1112	1879 Stockton 1902	Sunk mine 1916.
Groningen	ssc	# 987	1902 Middlesborough	Sunk submarine 1915.
Leeuwarden	ssc	# 990	1903 Middlesborough	Sunk submarine 1915.
Bullfinch	ssc	# 246	1903 Selby	No comment on register.In service 1920.
Goldfinch	ssc	# 246	1903 Selby	Sold 1928.
Crane	ssc	# 2033	1904 Stockton	No comment on register.In service 1920.
Stork	ssc	# 2029	1904 Stockton	Sold 1936
Grive	ssc	# 2037	1905 Dundee	Sunk enemy action 1917.
Kingfisher 3xscr turbine		# 871	1906 Dumbarton	Sold 1912 to foreigners.
Woodcock	ssc	# 1673	1906 Dundee	Sold 1925 to Italian owners.
Drake	ssc	# 2267	1908 Troon	Renamed Wildrake by Admiralty 1914. Sunk 1917.
Golden Eagle	sp	# 793	1909 Clydebank	Sold £8,100, broken-up 1951.
Laverock (2)	ssc	# 1199	1909 Troon	Sold 1938.
Corncrake	ssc	# 1171	1910 Troon	Sold 1937.
Swift (3)	ssc	# 1141	1911 Leith	Renamed Dean Swift by Admiralty 1915, resumed Swift in 1919.
Lapwing (2)	ssc	# 1192	1911 Govan	Sunk mine 1917.
Mavis (2)	ssc	# 1209	1911 Troon	Sunk, collision 1913.

Fauvette	ssc	# 2644	1912 Middlesborough	Sunk mine 1916.
Kingfisher (2)	ssc	# 289	1913 Greenock	Sold, broken-up 1932.
Oriole (2)	ssc	# 1489	1914 Troon	Sunk, probably submarine 1915.
Raven (2)	ssc	# 1337	1914 Troon	Sunk, collision N. Sea 1930.
Seamew (2)	ssc	# 1332	1915 Troon	Sold 1938
Halcyon (2)	ssc	# 1320	1915 Troon	Sunk mine 1916.
Philomel (2)	ssc	# 2429	1917 Troon	Sunk submarine 1918.
Ystroom	ssc	# 1027	1898 Sunderland 1918	Was Government war prize. Not in service 1920.
Heron (2)	ssc	# 1313	1920 Troon	Sold 1935.
Starling (2)	ssc	# 1303	1920 Troon	Sold 1930
Lapwing (2)	ssc	# 1449	1920 Paisley	Sunk submarine 1941.
Chow Thi	ssc	# 1811	1896 Govan 1920	Was Government war prize. Not recorded as in service 1920.
Petrel (2)	ssc	# 1457	1920 Ayr	Sunk submarine 1941.

APPENDIX TWO:

BALANCE SHEETS, 1850 – 1920.

The form of the Balance Sheet altered several times in the period of this study.
To illustrate the figures and to assist with understanding of the abbreviations, the details for 1850 are given below in some detail.

Appropriations in 1850		**Unappropriated balance from 1849**	£75,269
Buy £3,000 Exchequor Bills	£ 3,126	Earnings balance 1850	67,380
Deteriorations	40,000		142,649
Divs. X 2 plus bonus	30,497	Interest on Exchequor Bills	442
Income tax	1,021		£143,091
Interest on Debentures	2,772	Less	77,416
Total appropriations:	£77,416	Balance unappropriated for 1850	£65,675

	Unapp.	**Bal.Yr.**	**Inte'st**	**Total**	**Detns.**	**Divs.**	**Inc.tax**	**Deb.Int.**	**Reserve**	**Total**	**C/fwd.**
1850	75269	67380	442	143091	40000	30497	1021	2772	3126	77416	**65675**
1851	65675	66874	552	133101	30000	30497	1021	1659	3136	66313	**66788**
1852	66788	54241	552	121581	33000	30497	1021	1546	3112	69176	**52405**
1853	52405	60446	561	113411	20000	30497	1021	1549	2025	55092	**58319**
1854	58319	61420	963	120702	25000	30497	1034	1518	1895	59944	**60758**
1855	60758	48622	928	110308	28000	30497	2067	1593	1852	64009	**46299**
1856	46299	41911	967	89177	15000	30497	3544	2207	1000	52248	**36929**
1857	36929	48416	1012	86357	6000	30497	1181	2543	1000	41221	**45136**
1858	45136	38273	1071	84480	14000	30497	1034	2583	1000	49114	**35366**
1859	35366	61913	1081	98360	5000	30497	2065	2562	500	40624	**57736**
1860	57736	67133	1111	125980	25000	30497	713	2625	1000	59835	**66145**
1861	66145	77751	1135	145031	35000	30497	1336	2637	1000	70470	**74561**
1862	74561	67221	1171	142953	40000	30497	1265	2552	999	75313	**67640**
1863	67640	68938	1207	137785	35000	30497	1132	2670	1001	70300	**67485**
1864	67485	75730	1248	144463	35000	30497	499	2681	1000	69677	**74786**
1865	74786	82520	1305	158611	40000	30497	867	2680	2000	76044	**82567**
1866	82567	75225	1304	159096	48000	30497	578	2704	2000	83779	**75317**

1867	75317	58954	564	134835	40000	30497	578	3310	3000	77385	**57450**
1868	57450	59052	104	116606	25000	30497	1163	3656	2000	62316	**54290**
1869	54290	85816	198	140304	20000	30497	434	3673	2000	56604	**83700**
1870	83700	99197	309	183206	46000	30497	728	3675	5000	85900	**97306**
1871	97306	115598	547	213451	55000	32996	590	3664	10000	102250	**111201**
1872	111201	51548	706	163455	40000	35496	956	3680	35000*	115132	**48323**
1873	48323	30344	435	79102	-	27997	687	4535	1000	34219	**44883**
1874	44883	41226	190	86299	-	28997	472	5919	500	35888	**50411**
1875	50411	62796	2532	115739	25710	29997	316	13130+	10000	79153	**36586**
1876	36586	107507	1165	145258	35085	29997	327	20562	15000	100971	**44287**
1877	44287	100481	2110	146878	44004	32997	699	24038	10000	111738	**35140**
1878	35140	105104	3238	143482	34181	37012	719	24895	11000	107807	**35675**
1879	35675	94113	2476	132264	36147	37954	1302	24910	11000	111313	**20951**
1880	1968	84079	8453	94500	37498	-	1192	25011	-	63701	**30800**

* NB. This figure includes £30,000 repaid on Attwood loan.

From 1875 the Interest Received included a small sum from the sale of vessels. These were occasionally named, usually just "sundry vessels."

+ From 1875 Debenture Interest figure included the larger sum for dividend paid on Preference shares. In 1875 that figure was £8,561, in 1876 £13,055, in 1877 £16,154. Also included was interest on loan ex Barclay & Co.

From 1875 Deteriorations was renamed Depreciation and it was, in theory, calculated as a percentage of the written-down value of such vessels not already fully written off.

In 1880, the carry-forward figure of £20,951 was reduced by £18,983, the amount of the declared dividend at 30.13.1879, so that only £1,968 was Carried Forward. This meant that the dividend declared at 30 December in any year was accounted for in that year's accounts,.....rather than, as had been the case, in the following year's accounts.

In both 1878 and 1879 the amount placed to Reserve Fund, now Insurance Fund, was £10,000. The additional £1,000 was a write-off figure for buildings.

The latter part of the decade of the 1870s, certainly from 1875, saw a measure of change in the way the accounts had been kept. It may be not be co-incidental that

R.Cattarns was appointed secretary in late 1874/early 1875. In any case, the notions of Depreciation, Write-offs, etc came through to the accounts.

Explanation of abbreviations below.
Left hand column: Balance/carry forward from previous year - Ordinary dividend at half year + earnings balance for year + profits on investments, interest = Total.
Middle column: Deprec'n. total, ships, property + payments made on debentures and preference shares + amount to Reserve accounts + interest income = Total.
Right hand column: Figure brought down is difference between two totals - dividend at year end = Carry forward.

	C/fwd (Div) Income Inv. TOTAL	Depr. Pref. Resve Int't TOTAL	Br.Dn (Div) C/Fwd.
1880	20951 (18983) 84079 8453 94500	37498 22145 - 4057 63700	30800 (18983) 11817
1881	11817 (9492)103915 1712 107952	36304 24604 22000 1788 84696	23256 (9492) 13764
1882	13764 (12655)140293 2624 144026	56734 24446 30000 1027 112207	31819 (12656) 19163
1883	19163 (17718)111574 1984 115003	37557 24598 25000 1528 88683	26320 (12655) 13665
1884	13665 (12655) 96349 192 97551	33974 24501 18500 1028 78003	19548 (9495) 10053
1885	10053 (9495) 38006 2008 40572	25000 13782 - 1103 39885	687 - 687
1886	687 - 55463 2212 58362	25935 24291 6500 1191 57917	445 - 445
1887	445 - 76216 2672 79333	32934 24396 15000 1192 73522	5811 - 5811
1888	5811 (4748) 84377 3575 89015	40934 24501 7000 792 73227	15788 (4748) 11040
1889	11040 Figures not	Completed in Ledger	
1890	4467 (3798) 74036 1747 76452	30577 24466 8000 823 63866	12586 (7596) 4990
1891	4990 (3798) 69990 4223 75405	30560 24466 7500 1675 64201	11204 (3798) 7406
1892	7406 (6330) 47488 2950 51514	31595 7116 9000 1241 48952	2562 - 2562
1893	2562 - 71048 754 74364	36960 7593 28000 550 73103	1261 - 1261
1894	1261 - 44939 735 46935	23338 7542 15000 453 46333	602 - 602

From 1895 the method of book-keeping/accounting was altered and the below/amended format was adopted. There are, however, some accounting anomalies between 1895 and 1896.

Revised Profit and Loss and Balance Sheet, 1895-1901:

Receipts and Disposable Income:

	1895	1896	1897	1898	1899	1900	1901
Receipts on year	496686	463430	456499	482420	506666	539832	547162
Carried forward	602	1634	514	679	826	917	1299
Total Gross receipts	497288	465064	457013	483099	507492	540749	548461
Less Total costs	425594	389187	392122	417311	448109	477913	480824
To be Disbursed	71694	75877	64891	65788	59383	62836	67637
To 5% Pref. shares	*24060	17766	17766	17766	17766	17537	17345
To Ordinary shares	-	7597	7596	7596	-	-	-
Depreciation	46000	50000	38850	39600	49700	44000	47352
Carry forward	1634	514	679	826	917	1299	2940

Liabilities:

	1895	1896	1897	1898	1899	1900	1901
Issued: 25321 Ord.x £15	379815	379815	379815	379815	379815	379815	379815
30000 1874 Pref.x £10	300000	300000	300000	300000	300000	300000	3 00000
6758 1877 Pref.x £10	67580	67580	67580	67580	67580	67580	67580
Mortgage Debentures	173500	160750	111950	82950	66650	54950	47250
Debenture Interest accrued	2993	2787	1939	1437	1202	1026	910
Balances/debts due	25207	30289	22926	26693	27928	23149	28255
Div. Preference shares	-	8884	8883	8883	8883	8730	8653
Div. on Ord'y shares	-	7596	7596	7596	-	-	-
Employers liability acc't.	-	-	-	434	1585	3130	4307
Insurance cont'y account	-	-	12150	31459	45858	48939	39313
Profit and Loss	1634	514	679	826	917	1299	2940
Total:	**950729**	**958215**	**913518**	**907673**	**900418**	**888618**	**879023**

Assets:	**1895**	**1896**	**1897**	**1898**	**1899**	**1900**	**1901**
Cash in hand at bank	17880	13994	12337	13887	7745	10184	4396
Inv'tments/cash on deposit	73328	135010	129924	88771	25936	37921	26921
Insur'ce/conting'y account							
Cash at bank	-	-	12150	697	703	-	1425
Invested	-	-	-	30762	45155	48939	38748
Employers Liability acct.							
Cash at bank	-	-	-	434	438	-	-
Investments	-	-	-	-	1147	3130	4308
Shipping.	530210	481560	439880	454556	497400	462105	469568
Premises/wharves	262652	260575	259455	258227	257527	258825	263234
Plant/machinery	8036	8036	7542	7731	7731	7806	7806
Stores, coal, spares	8866	8958	10874	13382	15049	14908	14337
Debts owed to Company	49757	50082	41356	39225	41586	44800	48280
Total:	**950729**	**958215**	**913518**	**907673**	**900418**	**888618**	**879023**

- In 1895 the Shipping figure was arrived at thus as stated in Balance Sheet: Shipping £630,307 - Amount written-off per P&L, £46,000 - Balance New Boiler Account, £2,373 - Balance Rest Account, £51,724.

Balance Sheet, 1902-1907:

Liabilities:	**1902**	**1903**	**1904**	**1905**	**1906**	**1907**
Ord. shares 25328 x £7.10s		189960	189960	189960	189960	189960
Pref. shares 36758x £8		294064	294064	294064	294064	294064
Debentures 1903		150000	150000	150000	150000	150000
Employer's Liability Fund		178	551	2097	3223	3848
Reserve/Insurance Fund		-	5000	10000	10000	10000
Ordinary share dividend		-	-	9498	9498	9498
6% Preference share		(8844)	-	8381	8381	8381
Debts due to Company		43656	44399	45150	50835	56310
Profit & Loss		34025	17141			
Prior year		(7129)	-			
From Profit & Loss		-	-	1101	3213	2195
Total:		**695910**	**701115**	**710251**	**719174**	**724256**

Assets:	**1902**	**1903**	**1904**	**1905**	**1906**	**1907**
Cash in hand/at bank		47635	21886	43153	22122	45248
Investments		51659	62935	64835	43991	43991
Shipping		314650	351977	337419	375162	339732
Less Depreciation		(27000)	(30000)	(40000)	(40000)	(32000)
Less barges sold Irongate Co.*		-	(11275)	-	-	-
Freehold properties		235490	226547	226547	226547	226547
Leasehold properties		-	8935	8935	9123	10210
Plant		8032	8291	5500	5923	5923
Stock, Stores		13116	12307	12116	15251	14501
Employer's Liability Fund		178	-	-	-	-
Debts owed by Company		45859	49512	51746	61055	69924
First Mortgage Deb. Stock		6000	-		-	-
Total:		**695619**	**701115**	**710251**	**719174**	**724256**

*Irongate Lighterage Company

In 1903 and 1904 a number of unexplained 'adjustments' were made to the Liabilities side of the Balance Sheet. There were Write-offs and, though dividend payments were made in each year from and including 1903, they were not recorded in the usual manner. This may be categorised as a 'tidying-up job'.

Balance Sheet, 1908-1913:

Liabilities	**1908**	**1909**	**1910**	**1911**	**1912**	**1913**
Ord. shares 25328 x £7.10s	189960	189960	189960	189960	189960	189960
Pref. shares 36758 x £8.	294064	294064	294064	294064	294064	294064
Debentures 1903	150000	150000	150000	150000	150000	150000
Employer's Liability Fund	3836	3894	4414	9069	7505	8347
Reserve & Insurance Fund	15000	15000	20000	20000	20000	30000
Ordinary share dividend	9498	9498	10733	10733	10733	10733
Preference share dividend 6%	8381	8307	8307	8307	8307	8307
Debts due to Company	42852	54109	56252	77052	79122	75026
Profit and Loss	1325	997	1317	1864	1786	4625
Total:	**714916**	**725828**	**735045**	**761049**	**761477**	**771062**

Assets:	**1908**	**1909**	**1910**	**1911**	**1912**	**1913**
Cash in hand/ at bank	35944	14632	36843	16101	8982	53717
Investments	55991	61419	61418	80214	61159	67724
Shipping	336243	361926	348893	354192	376688	384755
Depreciation	(34000)	(32000)	(40000)	(49000)	(40000)	(68785)
Freehold properties	226547	226547	226547	225000	225000	225000
Leasehold premises	10010	10161	9535	9535	3343	813
Plant	6001	6001	6001	6001	6001	6001
Stock. Stores	13843	13423	14306	14449	14778	16960
Debts owed to Company	64337	63719	71502	104557	105526	84877
Total:	**714916**	**725828**	**735045**	**761049**	**761477**	**771062**

APPENDIX THREE:

'A Return of the Number and Tonnage of British Steam Vessels which entered the Ports of the United Kingdom from France, Holland and Belgium in the Year 1851, including their repeated Voyages and distinguishing the Name and Tonnage of each such Steam Vessel, with the number of Voyages made by each, and stating the Number of Men by whom the same were manned'.567

The figures illustrate the powerful influence of General Steam on the Continental trades in 1851. Of the 41 ships listed, 21 were Company-owned. Their ships dominated traffic to Rotterdam, Ostend, Antwerp, Havre, Boulogne and Calais, to most of which the Company had two sailings per week.

Company ships made 67 per cent of the sailings from France, 48 per cent from Holland and 95 per cent of those from Belgium. The Company benefited from having been in these trades for twenty years and more and it attempted to jealously guard its predominance.

Inevitably, the Continental countries would develop their own coastal shipping fleets and challenge the British. In 1851 only one coastal ship called into London from France, four from Holland and four from Belgium. No details of trade with Germany were included in this Return.

Port of Entry: London. **General Steam vessels are distinguished with *.**

Ship:	Tons:	No. of Men:	Ex France:	Ex Holland:	Ex Belgium:
City of Paris	280	15	48		
*Menai	136	15	52		
Sir Robert Peel	234	15	10		
*Wilberforce	344	25	1		
*Albion	237	20	49		
*Fame	172	15	43		

567 PP. *1852 XLIX*, mf 56.387, p.31.

City of Rotterdam	157	12	58		
Emerald	191	15	15		
*Tourist	112	15	10		2
*William Jolliffe	197	20	27		2
*Venezuala	202	20	13		
*Seine	262	20	44		
*City of London	158	12	61		
*Columbine	241	20	18		9
Earl of Auckland	201	15	3	45	
*Rhine	378	20	10	12	12
*Neptune	364	30	2		
Ann	154	12	1	1	
City of Boulogne	217	15	37		
Queen	240	15	1	7	4
*Sir Edward Banks	189	15	22		24
Apollo	402	20		13	
Diana	390	20		26	
*Giraffe	232	15		50	
*Magnet	246	20		38	
*Rainbow	263	20		33	
Roscommon	293	20		22	
Lord John Russell	207	14		49	
*Ocean	276	21		34	
Ranger	162	15		25	
*Attwood	189	15		39	
*Concordia	327	22		25	
Lion	375	20		32	
Green Isle	177	20		21	
Citizen	167	15		5	
Adonis	248	20		10	
Director	158	13			4
*Soho	242	22			49
*Triton	204	15			46
Orion	133	13			1
*Panther	295	20			14

APPENDIX FOUR

General Steam's Capital, Authorised and Issued, 1824 – 1920.

	Authorised Capital	Issued shares	Borrowing allowed
1824	£2mn.	Ordinary 20,000 x £100@	Nil
1831	£300,000	Ordinary 20,000 x £15	Nil
	£30,000	-	
1834	£300,000	Ordinary 20,000 x £15	£75,000
	£30,000		
1874	£300,000	Ordinary 20,000 x £15	£150,000
	+£300,000	Preference 30,000 x £10*	
		£600,000	
1877	£600,000	Ordinary 20,000 x £15 (1831)	
	£600,000	Ordinary 5,321 x £15 (1877)	£175,000
	£1,200,000	Preference 30,000 x £10* (1874)	£125,000#
		Preference 6,758 x £10* (1877)	
		£747,395	
1902	£484,024	Ordinary 25,328 x £7.10s	£200,000
		Preference 36,758 x £8*	£150,000 issued
		£484,024	
1917	£1mn.	Ordinary 379,920 x £1	£200,000
		Preference 367,580 x £1*	£150,000 issued
		£747,500 **	
1920	£1mn.	Ordinary 397,920 x £1	£200,000
	(Owned P&O)	Preference 367,580 x £1*	£150,000 issued
		£747,500 **	

The increased borrowing facility of £75,000 in 1874 was permitted by the Act of that year on the basis of maximum £75,000, issued at the rate of £25,000 for each additional £100,000 of capital issued. Additional £300,000 of capital was issued, so that the borrowing facility was increased by £75,000 to £150,000. The Act of 1877 was similarly

couched: the Company was allowed, in respect of the additional permitted £600,000 of nominal capital, to borrow maximum £150,000, again at the rate of £25,000 per issued £100,000 of the new nominal capital. Subsequently issued capital was increased from £600,000 to £747,395 so that, in theory, only £25,000 of additional borrowing was allowed, the balance of £125,000 being held against further capital issues. Up to 1902 it was impossible to be certain of the level of borrowings but the above figures appear to be consistent with the information available.

@ At the time of the enactment of the 1831 Act, only £13 per share was paid-up.

* Preference shares: 1874 paid 5 per cent; 1877 paid 5 per cent; 1902 paid 6 per cent; 1917 paid 5 per cent.

** 252,500 new shares were created, described as 'class not defined'. They were not issued..

The ordinary and preference shares issued in 1877 are those issued and fully paid-up of the totals of 8,000 initially offered.

Status of the Company:

1824. Joint Stock Company. Deed of Settlement 1825.

1831. An Act for granting certain Powers to a Company called 'The General Steam Navigation Company'.
(Limited Liability granted).

1834. An Act to amend and enlarge the Powers of an Act passed in the Second Year of the Reign of His Present Majesty, intituled An Act for granting certain Powers to a Company called 'The General Steam Navigation Company'.
(Company incorporated).

1840. An Act to amend and explain some of the Provisions of the Acts relating to the General Steam Navigation Company.

1874. Act for conferring further powers upon, and for consolidating the Acts relating to, the General Steam Navigation Company.
(Deed of Settlement cancelled and prior Acts repealed).

1877. An Act to enable the General Steam Navigation Company to raise further Capital.

1903. Capital Re-organisation. Registered under Companies Acts, 1862 to 1900.

1917. Capital Re-organisation.

The legal and financial status of General Steam given here covers the period from its establishment in 1824 through to 1920 when the Company was taken over by P&O.

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