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THE LONDONDERRY TRUST, 1819–54

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A TOPIC of enduring interest for historians of the Victorian age is the hold which the aristocracy retained over much of the land and other real property in England, assets which conferred great power and influence on their owners beyond the end of that age. It is not widely appreciated however, that many aristocratic owners of farms, collieries, railways and harbours did not own these properties outright and did not possess the unfettered power of developing them. Standing behind many heads of aristocratic families were trustees, who were generally appointed in order to run the family estates during a minority, to operate properties that had been allowed to sink near to bankruptcy, or to protect the financial interests of members of the family other than its present head. The income or inheritance which was granted to relatives was jealously guarded and litigation was not uncommonly an expensive outcome of disagreements within a family. Trustees were required to protect the interests of other family members and were thus placed in a position of considerable legal power over the nominal owner. The most common legal document which created trustees was the marriage settlement, which aimed to protect the financial interests of the newly-betrothed wife, the unborn children and other family dependents such as the bride's and the groom's mothers.[1] This essay looks at the powers and activities of trustees appointed at the marriage of Lord Stewart, shortly to become the 3rd Marquess of Londonderry, and Frances Anne Vane Tempest of Wynyard Hall near Stockton, in 1819. They played a leading part in the development of one of the biggest colliery properties in England.

The industrial enterprises in County Durham of the Vane-Tempest-Stewart family, Marquesses of Londonderry, were giants even in the age of Victorian big business. Before he died, the third Marquess (1778–1854) controlled nine active and two dormant pits, a collier ship, two railways, a quarry, a harbour at Seaham and the ground-rents of the new town of Seaham. In addition to landed properties in Counties Down, Donegal, Londonderry and Antrim he administered on behalf of his successors about 12,000 acres of Durham farmland.[2] His collieries in central Durham produced more coal than did all but two others in the North East of England in the eighteen thirties. During the lifetime of the third Marquess a distinct shift of the industrial centre of the English estates took place from the old pits in the middle of County Durham to the new port and ancillary industries established at Seaham. From its previous dependence upon coal revenues estate income was diversified somewhat by the Marquess to include trading and transport undertakings. With a gross annual income of over £60,000 just before he died, Londonderry was nominally one of the richest men in England. He owed this enviable position largely to action taken by his family trustees in the eighteen thirties. We need to unfold the story from his marriage in 1819 in order to understand why the trustees became active estate managers.

In 1819 Charles, Lord Stewart, the second son of the first Marquess of Londonderry married Frances Anne Vane-Tempest, the heiress of landed and mineral properties in England and Ireland. Three years later Stewart became the third Marquess of Londonderry after the death of his father and of his half brother, better known as Lord Castlereagh, the Foreign Secretary. A marriage settlement was drawn up in 1817 and was revised in 1822.[3] It put great stress on the need for Stewart to apply his future wife's income to the improvement of her collieries. The protection it tried to afford the Vane-Tempest estates against the possibility that Stewart might mismanage them was not merely a recognition of the greater value of real property held in trust for her compared to that which Londonderry would bring to the marriage but of a widespread public and private misconception of the size of Stewart's prospective income. This was revealed during the public spectacle of a proceeding in the Court of Chancery, of which Frances Anne was a ward since her father died in 1813, brought by Frances Anne's aunt Mrs. Taylor in 1818 in an attempt to stop the marriage.[4] She opposed the match on the grounds of Stewart's age—he was 40 in 1818 and had a 12 year old son by his deceased first wife and Frances Anne was only 18—of his meagre financial means compared to his future wife's and of his dissipated style of life. The Master dealt severely with Mrs. Taylor's plea. He accepted affidavits showing the respectable size of Stewart's income (£19,300, from an army pension, sinecure offices and an allowance from his father who was the life tenant of many acres of Irish land which would pass to the third Marquess) and pointed to his prospects of inheriting upwards of £15,000 a year from Irish rents when his elderly father died and if his half brother died before him. The Master was not impressed with the reliability of Frances Anne's income, being primarily from a leasehold colliery held of the Dean and Chapter of Durham which might have to be given up if the long-drawn-out dispute over the price of its renewal and mode of working was not quickly resolved. Estate accounts of the eighteen twenties fill in details of Vane-Tempest income omitted at the time of the court case and show Frances Anne's trustees to have received some £10,500 in farm rents and volatile colliery profits of £25–40,000. The Master decided that the public placed a value on the young woman's fortune three times its worth and, dismissing allegations of dissipation and fortune hunting as unworthy, he permitted the marriage to take place.

The marriage settlement was drawn up in this over-charged atmosphere and it is not surprising that, in ignorance of the true state of Stewart's financial resources, its authors should impose rules of good business behaviour upon the allegedly-impecunious Irish peer. Besides providing for his wife's mother and aunt and his future children Stewart agreed to devote money raised by mortgaging the landed estates in the counties of Durham and Antrim and the equipment at the Durham collieries to the renewal of the colliery leases and to the maintenance of their capital equipment. He promised to liquidate his wife's debts and was entitled to sell land in order to raise money for purchase of collieries or for repayment of debts. All these operations required approval from one or both sets of trustees appointed to watch over the large leasehold colliery at Rainton and the freehold estates. Before long this distinction was lost and power resided with three trustees, Sir John Beckett, an old family friend, Edmund McDonnell, Londonderry's step father-in-law, and Lord Dungannon, a political associate. In order to repay the trustees for the money they provided towards the heavy periodic fines due when the Rainton lease was renewed, Londonderry agreed to transfer sums of between £2,570 and £4,000 (both figures are mentioned in different instances and they might have been augmented by other occasional payments at first) to a Trust fund. In 1820, for instance, the fine for the colliery lease promised to be in the region of £48,000, whilst colliery profits in that extremely prosperous year, amounted only to £46,299.[5]

Londonderry's paternal estates in Counties Londonderry and Donegal (and eventually in County Down, for Lord Castlereagh did, by his own hand, pre-decease him in 1822) were excluded from these arrangements and were to pass to the Marquess' son by his first wife.

These arrangements were not altered until Londonderry's heir came of age in 1842. Nonetheless, it is clear that the Marquess' efforts to improve and expand the capital-hungry collieries were not helped by the financial restraints imposed by the Settlement. Estate and financial accounts for the eighteen twenties corroborate the evidence presented to the Court of Chancery in 1818. Londonderry brought much smaller debts to the marriage than did his wife.[6] His Irish income was augmented by the inheritance of property in Co. Down in 1822 and his private income amounted to about £11,500 in 1830 (some £10,500 from Irish rents and £1,000 from an army pension) even though he had given up the Ambassadorship at Vienna and his sinecure offices by then. His wife's landed income amounted only to £8,500 from the Durham properties and between £1,500 and £2,300 from Antrim rents in the thirties. Colliery profits fluctuated sharply during the eighteen twenties between about £30,000 and £46,000. By comparison with the value of £250,000[7] set upon the greatly expanded and improved colliery at Rainton, and its sister colliery at Pittington in 1833 it is extremely unlikely that the unimproved Rainton mine was worth much above £100,000 in 1819. Colliery equipment was valued at £63,789 in that year, but it was already mortgaged for £38,924 and the coal reserves were acknowledged by outside experts to be small and poor.[8] Apart from her farm rents, which were about equal to Londonderry's private income in 1822, Frances Anne's mineral wealth was precarious and required a great outlay of capital before it could be fully exploited. The only good security that could be offered for this purpose was the modest income from Frances Anne's farms in Durham and Antrim and the already heavily-mortgaged equipment of the collieries.

The provisions of the settlement, when seen in terms of the expenditure Londonderry, as the new head of the family, had to make between 1819 and about 1825, were quite onerous for a family that had, in addition, a proud political tradition and prominent local position to uphold. The Vane-Tempest family provided members of parliament for the City and County of Durham for many years before 1813 and the Stewarts had for long contested power in Co. Down with the Hill family, Lords Downshire; Charles Stewart's half brother Lord Castlereagh was Foreign Secretary after Waterloo and the third Marquess himself was ambassador at Vienna when the Treaty was negotiated. From the total income of the "settled" Londonderry paid the colliery fine (which cost £40,000 in 1820), bought new coal-bearing land (£45,000 in total between 1819 and 1825), increased the stock of equipment at the collieries (£46,000 in all between 1819 and 1824) and gave allowances to members of the family (£4,000 a year until 1834).[9] If we add £2,000 a year for legal and agency expenses, a sum that was exceeded in the early forties, it is clear that the expenditure made necessary by the provisions of the Settlement amounted to about £27,980 annually during the hectic five years of estate development after 1819. In addition, the Settlement required Londonderry to set aside £10,000 for the future security of his second son by Frances Anne born in 1825, although this condition was ignored. These are the only figures we can trace; they serve only to indicate minimum commitments. If we deduct the annualized expenditure for 1820–1825 from the average annual income during those years of £42,000, the sum that remains is just £1,020 more than the Marquess' declared "out of pocket" expenses in 1829.[10] In other words, the Settlement only provided resources for the Marquess to bring the collieries in to good working order—and this had to be done extremely quickly because of their "mangled" condition[11]—to look after family dependents and to spend £14,000 a year on his social life, a scale of private expenditure which many aristocrats with his means would not have considered excessive.[12] Little or nothing was available to pay off the Vane-Tempest debts, to support his political patronage, to acquire a town house or to redesign his country residence.

II

During the first 15 years of his marriage Lord Londonderry introduced an ambitious programme of improvements at the family's collieries. The trustees did not restrain his spending on this important item, especially as he promised to limit his private expenditure and to give financial priority to the needs of the pits. Debts at the collieries were to be eliminated—they were "very bad,"[13] he wrote from Vienna in 1820. Overriding everything else was his desire "to secure as far as depends upon me Lady Stewart's fortunes."[14] The best way to secure this object appeared to be offered by purchasing considerable tracts of coal territory, in order that the future might be free of the expensive and frustrating ties with the Dean and Chapter of Durham Cathedral. The family's dependence upon the Church's leasehold colliery at Rainton was common knowledge. William Cobbett learned of it during a brief stay in 1832. "Londonderry, with all his huffing and strutting, is but a tenant of the Dean and Chapter of Durham, who souse him so often with their *fines* that it is said that he has had to pay them a hundred thousand pounds within the last ten or twelve years",[15] he observed, whilst commenting on the extent of the Chapter's landed wealth.

Despite the Marquess' good intentions, the overall level of family expenditure rose sharply. The purchase of Holdernesse House in Park Lane for £36,000 in 1821 relieved the recently-wed, proud couple of the indignity of having to rent hotel rooms when in the metropolis. The costly refurbishing of their Park Lane residence and of Wynyard Hall near Stockton, their chief northern residence, seemed never to flag during the twenties and early thirties, an unfortunately-timed activity which coincided with a fall of colliery profits. Londonderry complained to his agent, "how we fall off" in profits when commenting on the decline in receipts from £46,299 in 1820 to £22,414 in 1823.[16] Alarmed by the rapid increase of debts he asked vainly for the scale of colliery improvements to be cut back in 1823 in order to give "fair ease and comfort to the present possessor."[17] However, Buddle the agent argued persuasively that the improvements had gained a momentum which should not be slowed.

Indeterminate but probably large sums were spent on elections near the end of the decade in Durham City (1830 and two in 1831) and County Down (1826, 1830, 1831) and on a sparkling social life. Moreover, Londonderry extended the capacity of his mines by leasing and opening a colliery at Pittington near Rainton in 1826–28, and from 1828 set underway the construction of a harbour at nearby Seaham, whence he hoped to ship his coals to London more cheaply than through the current outlet, Sunderland harbour. This great venture was to be his last before the trustees intervened in estate affairs in order to sort out the mess into which family finances had degenerated by the early eighteen thirties. The complicated skein of family finances was difficult to disentangle by then. Seaham harbour was built on land which Londonderry purchased in 1821, using money that might partly have derived from his personal Irish rents. He drew heavily upon his Irish income in order to pay for early harbour building in 1828, but he later financed that venture was loans raised on the promise of profits from the family or "settled" collieries. His own and his "settled" income were now sadly mixed up, and his actions had resulted in an increase of family debt from £123,400 in 1819 to about £233,990 in 1830 and to £285,590 and perhaps higher in 1833,[18] when they were greater than the capital value of the family's two largest collieries from which most of their income derived. A financial account of 1830 conveys a broad idea of the seriousness of the situation.

The last two lines highlight his shortage of ready cash: the large surplus was already committed to the payment of regular business and household outgoings. The true picture was blacker still. Londonderry had failed since 1825 to put aside £10,000 for the future security of Adolphus, the second son born to Frances Anne, and he contracted loans to the value of £52,000 between 1829 and 1833 on the security of future harbour profits. His personal debts were probably much larger than the above account reveals: his tradesman's bills were £48,000 in 1825 and he often exceeded the limits of his bank overdraft with Backhouse. By 1830 his financial relations with the Trust were complex and confused, but he had clearly acted according to the letter and spirit of the Settlement, apart from his failure to make the provision for his younger son. The Trust's solicitor accepted the opinion of the deputy colliery manager that the

Sketch of Marquess of Londonderry's property: debts and income, 1 May 1830[19]

Income		*Outgoings*		
English estates	£9,500	Interest on mortgages say 164,000 at $4\frac{1}{2}$ pc	£7,380	
Irish estates (clear)	£12,000	Interests on personal debts, 32,000 at 5 pc	£1,630	
Collieries fluctuating from 25,000 to 50,000. When the Harbour is brought in to operation may be stated at 40,000. This year say	£35,000	Messrs. Backhouse & Co. floating 22,000 at 5 pc	£1,100	
			£10,110	
	£57,500	*Yearly payments*		
		Lady Londonderry's jointure	£2,000	
		Lady Antrim	£1,500	
		Lord Castlereagh	£2,000	
		Mrs. Taylor	500	
		Trustees	£2,920	
			£8,920	£19,030

Surplus for living and liquidating debts—£38,470
N.B. The suplus for the current year is anticipated by acceptances given to tradesmen, etc.

condition of the mines was equal to that of the best in the region in 1833. However, because the Marquess did not allow for contingencies when building the harbour, such as a strike amongst the pitmen, expensive elections and delays in construction work on the first dock, all of which occurred and proved costly, this project became a financial nightmare. Before the inner dock was opened in 1831 the bankers, Backhouse and Co., demanded and were granted the lease of a colliery as security for their loans. Three years later the trustees decided to assume direct control of estate management. The weakness of the financial structure on which Londonderry placed the burden of his harbour gamble was now clearly revealed. Mortgaging the "small landed property",[20] as Londonderry called the settled estates in Durham and Antrim, had provided funds essential to his plans for estate and residential improvement, but there was little left to mortgage after 1825 and unsecured loans had to pay 5 pc rate of interest compared with 4 pc—$4\frac{3}{4}$ pc on the mortgage of land.[21] It is not possible to establish the net flow of income between his Irish estates and the settled property in England. By 1830 such financial subtleties were irrelevant. The Seaham purchase and the construction of the harbour tied up large sums at a time when creditors were baying loudly. The trustees were no longer willing to allow the Marquess to spend settled estate income on properties which were not clearly under their legal control.

Between 1830 and 1834 the financial situation was touch and go. Informed people explained the problem later as an over-commitment of an irregular current income to large capital projects which were slow to yield profits. The many calculations of the family's net financial position made at this time, which revealed a substantial surplus of income over debts and regular outgoings, bear witness to the puzzlement of their authors. What they almost always omitted from their calculations was the size of periodic outgoings which were concentrated into these years, when estate accounts would have dipped into the red by some thousands of pounds if the family's private spending and obligations to children and dependants had been upheld. It was this feature of business life which the 1817 settlement had forced before Londonderry's eyes by requiring him to subscribe to an investment fund before 1827. The burden of the colliery leases was thus to be lightened, at least during the seven years after 1820. Unfortunately, money which should have been put aside in time for the next renewal in 1826 (which was eventually paid by instalments until 1832 because of shortage of money) was spent on other matters, much of it on the family rather than on their business interests.

The Settlement of 1817 proved to be an imprecise means of clarifying and reinforcing financial priorities. It failed to protect the family's fortune in other ways, too. Its failure to specify that Trust funds could be spent on improvements other than the collieries—and the trustees defined this very narrowly—meant that the document threatened to tie estate policy to obsolete ideas. The direction of mining improvement in these years was towards the more efficient carriage of coals along waggonways and rivers and speedier transfer from quayside to sea-going ships.[22] These measures required large capital investments which the trustees would not release. Being content merely to provide passive help to the Marquess, they did not evolve their own policy of estate development during the years when the ambitious new head of the family was setting about the reorganization and regeneration of the enterprises. Because the trustees would not advance him money for his unorthodox harbour scheme, it was not surprising that he should direct to this object those revenues over which he possessed personal control. By the time the trustees became aware that transport improvements were a vital aspect of new estate policy, harbour construction was well underway. The Marquess brought nine years of colliery improvement to culmination when he laid the foundation stone at Seaham harbour in 1828. However, it is of great significance that his chief agent, John Buddle, gave only qualified support to this speculative venture. Buddle was a "colliery man"; he wanted the pits improved and expanded and he had other, cheaper schemes in mind for transporting coals to sea-going ships along the old waggonway and river route to Sunderland harbour. The Marquess was a "private harbour man" when forced to decide between different ways of enhancing colliery sales and profit in the many discussions over the allocation of money after 1823. Shortage of money made him bide time with the harbour scheme until 1828.

III

Between 1828 and 1834 Sir John Beckett, the chief Trustee for the Inheritance, was fully occupied searching for money to pay for the renewal of the Rainton lease. Prospective lenders could only be offered the un-enticing security of the partially-mortgaged colliery equipment. Money was found, however, probably by getting Coutts, the family's London bankers, to extend an existing loan. Now attention shifted to the long-term redemption of debt. After some discussion between the trustees and their lawyer it was decided to resist the temptation to solve the short-term financial problem by selling part of the colliery empire. At first they considered whether or not the price of £250,000 which Buddle placed on the collieries should best be used to repay a large mortgage on the Seaham estate and to purchase more farms. In this way the harbour and ancillary enterprises at Seaham could be made to yield a clear £12,000, and recently-purchased coal-bearing land near Durham and possible reserves under Seaham farmland might be worked in order to give the family, with their farm rents, an almost unencumbered income of £20,000—£30,000.[23] The lifting of the burden of debt and release from the clutches of the Dean and Chapter were attractive propositions, but they entailed a diminution of the family's present heavy involvement in the coal trade and of the political power which this conferred on them. Also, future income would become dependent to a worrying extent on the fortunes of the harbour, at a time when new ports at West Hartlepool and Middlesbrough threatened to take trade away. In any case, the coal trade promised greater future income than did land-owning. It was resolved to preserve the status quo and to reduce the debts by other means. This was a courageous decision to reach during the depressing years in the North Eastern coal trade after 1830, when industrial unrest and the disintegration of the coalmasters' monopoly forced profits down and faced some masters with bankruptcy. Before a clear policy of debt redemption could be evolved the trustees needed to establish exactly which property was theirs and which those of the Marquess.

This object was more easily expressed than achieved. The English properties under the separate control of the Marquess and the Trust were closely inter-meshed by 1830. Those properties which were incontestably the Marquess'—his paternal Irish estates, and the farms and harbour at Seaham which he bought with the help of and possibly entirely with his own funds—were originally to pass to the son from his first marriage, Lord Castlereagh. The estates which he inherited from his wife's family or were purchased with monies wholly derived from them were to pass to Frances Anne after his death. It was in the trustees' interest to keep the management and profits of the two properties separate because of the danger that Lord Londonderry's paternal and personal estates might be improved with his wife's money. A small freehold colliery at Penshaw and a large leasehold one at Rainton belonged to the Settlement, as did the 12,000 or so acres of Durham farmland and property in Antrim with a rental of £1,500. The lease of Rainton's sister colliery at Pittington, and equipment there, the Seaham estate and the loading facilities at the harbour (valued at £24,063 in 1833)[24] belonged to Londonderry. The Marquess leased the two railways which joined the pits to Sunderland and to Seaham harbours from respectively Lord Durham and a railway contractor, Shakespear Reed. Title to isolated property above the coal measures near Durham City, which was looked upon as an important future source of coal, rested with the Marquess as the life tenant of the settled estates. Equipment at the Rainton and Penshaw pits (valued at £116,024 in 1832)[25] was owned jointly by the Trust and Londonderry. The Trust pits at Rainton and the Marquess' colliery at Pittington were drained by the same pumps and served by the same railway. They were, to all effects and purposes, a single productive unit and most of the best coals now came from Pittington. Of course, it was growing evidence that Londonderry had over-stretched himself in the harbour gamble and could not afford to renew the Rainton lease that had originally brought the full horror of the family's financial situation before the trustees' eyes.

The process of clarification commenced when financial anxiety was at its height in 1832. Thereafter, virtually all the purchases made by the Marquess since 1819 were transferred into the Settlement. The trustees also purchased those parts of Londonderry's personal property which they considered to be of strategic importance to the Settlement, that is to say the Seaham estate, the lease of Pittington colliery and the Marquess' share of the augmented colliery equipment at Rainton and Penshaw. These might be offered as security for new loans. Londonderry seems to have agreed with these measures without demur. He retained the lease of the railway from Rainton to Seaham (which he later purchased outright), the harbour, 70 acres of urban land surrounding it and the equipment at the Pittington mine. The trustees paid for their acquisitions; Londonderry for example received £125,000 when the Trust purchased the Seaham farms and the Pittington colliery lease. Five years after purchasing the Seaham property the trustees prospected for coal there. They appear to have provided the means for Londonderry to pay his private debts by relieving him of the title to most of the real property of the family. They did not have to sell these assets in order to do this because they took control of all of Londonderry's settled estate income from 1835. Money was found, in addition, by selling two pieces of land to Lord Durham in the late thirties. The size of the financial resources under the trustees' command was ample enough for them to eschew the sale of prestigious assets like Holdernesse House, which might have damaged the family's name.

Although the trustees achieved virtually unfettered control over the estates, they had made only a small dent in the wall of debt by the time they gave up the management of family finances in 1842. Compared to mortgages of about £225,490 on the combined English estates in 1830 the debts on the augmented settled estates were £225,000 in 1841 (including provision for younger children which had been neglected in 1830) and Londonderry's own property still bore debts of £99,200.[26] However, in the latter year, £31,300 was accumulated in the Funds and in railway stock, and equipment at the three working collieries had risen slightly in value since 1830 to £120,104. The leases of the two largest collieries were recently renewed. Matters had certainly improved, and a balance between easily-realizable assets and long-term investment was achieved. By using the life tenant's income and making a small foray into the land market the trustees had simplified the legal title to the estates, set underway a new colliery exploration on their own land which promised a large independent supply of coal, and converted some assets into cash, for use when leases were renewed and for repayment of some of the life tenant's own debts. This was an ideal base on which to build a revivified colliery and harbour empire. They offered this challenge to the Marquess again in 1842 when his son Lord Seaham came of age and the 1817 Settlement was re-drafted. The main body of debt remained however; the burden of reducing it was placed on Londonderry's shoulders.

Once in control of estate and financial management from 1835 the trustees pursued a policy of cooperation with other coalmasters, building on a tradition established by the Marquess in the previous decade. Three years after his marriage to Frances Anne, Londonderry agreed with Lord Durham to regulate the wages of their pitmen. The two peers exchanged land on the margins of their coal royalties whilst they separately waged war in the councils of the Wear Coal Owners Association against new collieries which threatened their hegemony in central Durham.[28] In the early thirties Lords Londonderry and Durham and the Hetton Coal Company collectively purchased a small colliery near Hetton in order to prevent it falling into the hands of a rival. In 1837 the Londonderry trustees agreed with Lord Durham and the Hetton Company to share the costs of opening a mine near Seaham. The trustees owned half the enterprise and their two partners shared the other half.[27] Financial considerations forced the partners together. Buddle talked of £150,000 as the maximum cost of winning a colliery in 1829[29] and the trustees were eventually prepared to devote £185,000 to the Seaham venture. Other considerations carried weight too. All three partners were threatened by the opening of coal royalties to the west by the advance of railways. The Hetton Company, especially in the figure of Nicholas Wood, a shareholder and their chief viewer, possessed expertise in the art of deep mining. Closer links with fellow coalmasters presented an opportunity for the trustees to reduce their present heavy dependence on Dean and Chapter coal and to use money that might otherwise be needed for future leasehold fines to be spent on the winning of collieries on their own land. Coal from Seaham might be carried the short distance to the harbour on the Marquess' waggonway at a much lower cost than from the currently-unworked property near Durham. The albatross of the Rainton lease might one day be lifted. In the meantime however, money had to be paid to the Church with whatever equanimity the trustees could sustain.[30] Church coals were the main source of income before seams were tapped at Seaham in the fifties. Long before then, however, the trustees had retired from management and passed the reins back to Londonderry.

IV

The drafting of the Settlement of 1842 caused much unpleasantness within the family. Londonderry offered to pay £50,000 of family debts by mortgaging his own harbour and railway—a clear admission of his part in creating the financial debacle—and he suggested that the trustees pay off the remainder by selling their holdings in the Funds or by re-mortgaging the settled estates. Moreover, he offered to open a pit at his own expense on one of the undeveloped estates owned by the trustees near

Durham City, and to carry coals from there to Seaham on his own railway at a low charge to the Trust.[31] Unfortunately, his reasoning suffered from the defects which it displayed in the twenties when he used cash-in-hand to invest in long-term projects. McDonnell, now the chief trustee, sensing a dangerous desire in the Marquess to return to the financial practices of the twenties, refused to use the Trust's liquid assets, intended for the renewal of leases, for present needs. Instead, McDonnell wanted Londonderry to repay family debts in instalments. This money could then be used to open a colliery on Trust property at Seaham. There is a possibility that Londonderry tried to get McDonnell removed from the Trust at this time. Lady Londonderry was pulled between allegiance to her husband and a desire to do the best for herself and her son. In bewilderment she appealed to the trustees for advice. The dispute became a legal wrangle and the final version of the new Settlement emerged six months later in a harsher form than that proposed by the Marquess.

His views were scarcely heeded in the final draft, or "later concoction"[32] as he scornfully called it. Although his limited right to make decisions regarding estate management, as laid down in 1817, was reaffirmed, he was required to pay back the mortgage debts on the settled estate of a little under £185,000 within 13 years; this was to be devoted to the expensive Seaham winning, as McDonnell desired. The coal-bearing land near Durham was transferred to the Trust, although Londonderry seems to have continued to pay its dead rents. He promised to set money aside for his younger children (there were now four and their provision had risen to £40,000). Management of the Trust collieries was returned to him, however, and the incentive to make them pay was heightened by his knowledge that every penny of profit they earned above the claims of the schemes for debt redemption was his to spend. These revenues never lived up to his expectations. Trade was badly depressed in the mid-eighteen forties and Londonderry had little enough money to spare for the development of the rich, untapped seams near Durham City—which he alleged were "scrambled and grasped from me by Mr. Gregson's (his lawyer) ingenuity."[33] He therefore retired, reluctantly at first, from colliery exploration whilst the Trust won the Seaham coal. The profit earned by his railway for carrying these coals the short distance to the harbour was disappointing, and he knew that the Trust would show little sympathy should he ask for a re-assessment of freight rates. The Trust held most of the moral and legal authority and they were not going to be embarrassed by Londonderry's financial management again. Perhaps the most important outcome of the deliberations that accompanied the drafting of the new Settlement was the erection of a barrier between the business enterprises of the Marquess and of the Trust. Although Londonderry's own railway from Rainton to Seaham, the harbour itself and the Trust collieries were now operated hand-in-hand, all new ventures were to be kept separate. The 1842 Settlement "put a stop to this"[34] commented Gregson when the opportunity arose for joint operation of the newly-won pit at Seaham a few years later. As something of a sop to Londonderry's pride the Trust agreed to buy land at the Marquess' request with their own surplus funds and he eagerly used this chance to consolidate and beautify the area around his Park at Wynyard in the forties. By requiring Londonderry to pay back a little over £9,690 a year between

1842 and 1852 and somewhat smaller amounts from then to 1857 the new Settlement made sure that his widow would inherit a virtually unencumbered estate. The Marquess did not live out these years, however, and £50,000 was outstanding when he died in 1854.[35]

Although possessed of comparatively slender means after 1842, Londonderry wished to expand the facilities of his harbour. He found the money to build another dock and a lighthouse in 1844–45, but his plans to enlarge the operations sufficiently to make the collieries independent of other ports and railways were never realized. In the mid-forties he entertained the idea, quickly dismissed by his new agent, Neville Hindhaugh, of opening a colliery near Sunderland and carrying the coals five miles to his own port. This belated attempt by Londonderry to obtain a colliery of his own and incidentally to raise his harbour profits received no more encouragement from Hindhaugh than the initial harbour building scheme had from Buddle. Hindhaugh depicted the original harbour scheme as, "a costly cart and only a dearly hired horse," and harbour accounts endorse this view, showing a return of only 2½ pc on the outlay of £159,525 made during 1828–45.[36] Londonderry told Hindhaugh in 1849 that "were I 10 years younger nothing should arrest me,"[37] from making sweeping extensions to the harbour, but his entrepreneurial spirit was now flagging as old age and legal and financial constraints left their mark. He relied heavily on Hindhaugh's financial skills where his relations with the Trust were concerned, he readily confessed,[38] and he let pass the opportunity to open a pit of his own near the Trust colliery at Seaham in 1849 with the remark,

> "I have no fancy of exploring in the Dark. Much less alone under all our family circumstances the eastern locale (of the Seaham estate)—this may be done during the 20 or 30 years to come, it would be highly imprudent to think of it now."[39]

The great entrepreneur of the eighteen twenties was now a shadow of his former self. His last business decision was a major one, though. Because shipping capacity at Seaham could not cope with all the production of the new pit nearby[40] he built a railway to link Seaham with Sunderland in 1853, a year before he died. The irony of this action, in view of his original desire to lessen his dependence on Sunderland harbour more than thirty years before, must have been painful to contemplate.

V

The remedy administered to the ailing financial affairs of the Marquess was necessary but undignified. It was required because the injection of new life into the industrial concerns, and the new-found splendour of family life, in the twenties threatened to engulf the family fortune with debts. A second phase of colliery improvements could only be introduced at the expense of the Marquess' current income and by sharing the cost and risk with others. The marriage settlement treated the Marquess unfairly at first, but it proved ultimately to be capable of rescuing family finances from the effects of the Marquess' cavalier style of management. The lawyers of the seventeenth and eighteenth centuries who devized marriage settlements and family trusts had the preservation of broad acres in mind, but they bequeathed to the nineteenth century the legal means to preserve aristocratic business enterprises of great magnitude in the colliery districts of England.

NOTES

[1] For a discussion of the evolution of these devices see H. J. Habbakuk, "English Landownership, 1680–1740," *Economic History Review*, First Ser., x (1940), idem, "Marriage Settlements in the Eighteenth Century," *Trans. of the Royal Historical Society*, Fourth Ser., XXXII (1950); L. Bonfield, "Marriage Settlements and the 'Rise of Great Estates': the demographic aspect," *Economic History Review*, Second Ser., XXX (1979) espec. 484–85. For a recent assessment of their impact in the nineteenth century see F. M. L. Thompson, "Land and Politics in the Nineteenth Century," *Trans. of the Royal Historical Society*, Fifth Ser., XV (1965) 23–44.

[2] Durham County Record Office, Londonderry Papers, D/Lo/B12, Reports on the Collieries, 1854; D/Lo/E514, J. Stewart to Lady Londonderry, 5 December 1858. All subsequent references are to these Papers unless otherwise stated.

[3] D/Lo/El, Epitome of the Marriage Settlement, 3 April 1819.

[4] D/Lo/F1051, Extract from *The New Times*, 23 June 1818. I am grateful to Mr. A. J. Heesom for bringing this reference to my attention.

[5] D/Lo/C322, Lord Stewart to ?, July 1820; D/Lo/B308, Pensher and Rainton Collieries, Profit and Loss Accounts, 1819–23.

[6] D/Lo/F434, Details connected with Lord Londonderry's Affairs, February 1825, Abstract of Lord Stewart's Debts, etc., 1 May 1822; D/Lo/E818. Rental of land belonging to Frances Anne Vane Tempest, n.d. (1813–19).

[7] D/Lo/E562, Memorandum by R. Groom, 17 September 1834.

[8] D/Lo/El, Epitome of Settlement; D/Lo/B35, Report on Rainton Mine, 5 January 1815.

[9] D/Lo/B308, Pensher and Rainton Colliery, Profit and Loss Accounts, 1819–23; D/Lo/F434, Details connected with Lord Londonderry's Affairs, February 1825.

[10] D/Lo/B310(7), Memorandum 1829.

[11] This was his agent, Buddle's, description of Penshaw Colliery; Buddle's description of Rainton Colliery was equally scathing. D/Lo/C142, John Buddle to Lord Londonderry, 11 August 1821 and 25 November 1821.

[12] For example, his neighbour, the first Lord Durham; see David Spring, "The Earls of Durham and the Great Northern Coalfield, 1830–1880", *The Canadian Historical Review*, XXXIII (1952) 249–51.

[13] D/Lo/C332, Lord Stewart to ? 26 December 1820, probably to one of the trustees.

[14] D/Lo/C332, Lord Stewart to ? July 1820.

[15] W. Cobbett, *Rural Rides* (volume two, 1912 edition) 294.

[16] D/Lo/B308(5) Lord Londonderry to ?, 5 December 1824.

[17] D/Lo/E510, Memorandum by Lord Londonderry, 5 July 1823.

[18] D/Lo/C142 (510) English Estates, 1 May 1830; D/Lo/B310(6), Rough Estimate of Annual Income, 10 February 1835; D/Lo/B241, Charges on the Settled Estates and Collieries, 1835.

[19] D/Lo/C142 (510).

[20] D/Lo/E511, Questions by Lord Londonderry, 4 October 1849.

[21] *Ibid*; D/Lo/E27, Epitome of the Settlement of 29 December 1842.

[22] R. L. Galloway, *Annals of Coalmining and the Coal Trade* (volume One, second edition, 1970), chapter XLI; D/Lo/B301, Memorial of Certain Inhabitants of the Port of Sunderland, 31 October 1821.

[23] D/Lo/E562, memorandum by R. Groom, 17 September 1834; D/Lo/B241, John Buddle to Lord Londonderry, 11 August 1834 (copy).

[24] D/Lo/B241, John Buddle to R. Groom, 23 July 1834.

[25] *Ibid.*

[26] D/Lo/E29(7) Case for the opinion of Counsel n.d. (post 1842); D/Lo/E32, J. V. Stewart to Lady Londonderry, 17 June 1858; D/Lo/C337 (10) The Marquess of Londonderry's Queries, 5 March 1849. A large collection of letters exists in D/Lo/C 337 which details this arrangement and casts light on the operation of the Second Earl of Durham's Trust.

[27] *Ibid.*

[28] D/Lo/E545(3), Agreement between J. G. Lambton and Lord Stewart, 8 May 1822; D/Lo/C142, John Buddle to Lord Londonderry, 5 January 1823, 25 March 1825.

[29] *Report of the Select Committee of House of Lords on the State of the Coal Trade*, P.P. 1830 (VIII) 31.

[30] D/Lo/B305, Memoranda concerning Pittington Colliery, 12 July and 20 September, 1837; D/Lo/B243, Report to the Trustees, 7 September 1841.

[31] D/Lo/E29(7) Case for opinion of Counsel.

[32] D/Lo/E511, Questions by Lord Londonderry, 4 October 1849.

[33] *Ibid.*

[34] D/Lo/C337(21) John Gregson to Edmund McDonnell, 29 November 1847.

[35] D/Lo/E32(1) Lady Londonderry's Answer to Mr. Stewart's Statement, 1858.

[36] D/Lo/E511, Questions by Lord Londonderry, 4 October 1849; D/Lo/E484.

[37] *Ibid.*

[38] *Ibid.* He told Hindhaugh that he was "always afraid of opposing your confessedly far superior judgement, from your experience, information and admirable Financial Head."

[39] D/Lo/C337(10), The Marquess of Londonderry's Queries, 5 March 1849.

[40] D/Lo/E511, Questions by Lord Londonderry, 4 October 1849.