

REPORTS
FROM
COMMITTEES:

(2.)

BREAD; SUPPLY OF WATER TO THE METROPOLIS;
LONDON BRIDGE;
&c.

Session

23 January - - to - - - *11 July,*
1821.

VOL. V.

Have you kept any distinct account in your books of the expense incurred by the removal of pipes or mains at the period of the partition?—That account can be made out; we have not kept any distinct account, but it is very trifling; it cannot exceed £.2,000; not so much I should think as £.1,000.

Mr.
M. K. Knight.

(21 March.)

Veneris, 23^o die Martij, 1821.

WILLIAM HENRY FREMANTLE, ESQUIRE,

IN THE CHAIR.

Mr. Matthias Koops Knight, again called in; and Examined.

I BEG to state, that with regard to the £.40,000 stock, which we technically call parliamentary capital, remaining upon the two first acts, a subscriber of £.100 received in the first instance one share for his £.100, but afterwards, in consequence of the depreciation, he received two shares more without any payment, and a further share on the payment of £.12, so that he received four shares, at £.28 each, for £.112 paid into the treasurer's hands.

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That is £.12 in addition to the £.100 that he originally paid?—Yes.

What do you mean by saying in your last answer that this was allowed in consequence of the depreciation?—When this £.40,000 was called for, the shares had fallen to a discount of £.65 per cent.

That is, they were selling at £.35 in the market?—Yes.

Previous to the passing of the act of 1813, counsel's opinion had been given that the old proprietors were compelled to subscribe to the £.40,000 remaining?—That is my impression; I have never seen the opinion; I will look for it, and see whether it is in existence.

That opinion was given previous to the introduction of the new bill to Parliament?—I apprehend so.

When did the general meeting of the proprietors take place, which entered into those resolutions?—The 1st of September 1812.

Are there any records of the resolutions passed at that meeting?—These are copies of them.

[They were delivered in.]

Was there any communication made, previously to the arrangement which took place at this meeting, to the original subscribers to the 2,000 shares?—None.

They were not consulted previously?—It was the proprietors who did it.

Do you happen to know whether the bill of 1813 was framed in the contemplation of affording this relief to them?—I cannot possibly enter into the motives at that time; I was not then secretary.

Had it any reference to their power of raising money by the former bills?—The preamble of the bill, I apprehend, will state what it was passed for.

Mr. William Matthew Coe, again called in; and Examined.

WHAT number of houses do the Grand Junction serve in Mary-le-bone?—1,387.

Mr.
W. M. Coe.

Can you state what is the capital of the Grand Junction company?—There are two acts of parliament, one of the 51 Geo. 3, and the second bill received the Royal assent the 25th March 1816; and the original Canal act, which first obtained the power of service of water, was the 38th of Geo. 3.

What did the first act empower you to raise?—The first act empowered us to raise £.300,000.

What was raised?—We raised of that £.150,000.

At how much a share?—£.50 for a £.50 share.

At par?—At par; three thousand shares at £.50 a share; and in June 1816, subsequent to our second act, which passed in March 1816, fifteen hundred additional shares were raised at £.25 a share.

Was that £.25 a share expressed at that rate in the act?—The circumstances were these: when we were about to raise further money under the first act, the shares were very much depreciated, and it was a consideration at a general meeting of the proprietors, whether they could raise, under their original act, £.50 shares at £.25; that

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is, whether if the share was sold at £. 25, the person taking the share would not be liable to all the calls upon it to the extent of £. 50, and whether it would be legal for the company at any time hereafter to allow a person taking a share under the first act, interest on £. 50, he only having paid £. 25; and when it was proposed at this general meeting that shares should be taken in that way, there happened to be two or three legal gentlemen at the meeting of our proprietors, who started this objection; they gave an opinion that any persons taking a share of £. 25, the subsequent proprietors might come in and compel them to pay up all the calls to the extent of £. 50, the consequence was that no person would take a share, and the meeting came to a resolution to apply to Parliament to enable them to raise £. 50 shares, and sell them for what they could obtain; that occasioned the application to Parliament for the second act, and after that act had passed, at a subsequent general meeting that was held, 1,500 additional shares were created under that second act; our first act gave us the power of raising £. 50 shares, and the second act enabled us to raise shares at not less than £. 10 nor exceeding £. 50; these additional shares were all taken up by the original proprietors, at £. 25 a share, although they were selling at the time in the market at £. 23.

All by the original proprietors?—Yes; a loan had been raised previous to the passing of this act, and that loan was liquidated by those shares after the act passed.

You had no new subscribers at the £. 25?—No, there were some few persons who had sold their optional loan notes, and I believe that introduced one new subscriber.

What did you raise by those shares?—We raised by those shares £. 37,500.

Giving them a right to an equal interest with those who paid the £. 50?—Yes, which I believe this act directs, making a total of £. 187,500; that is all the money that has been raised.

That is your principal capital?—Yes.

Is that sum the sum which you exhibit to the Committee as the capital now claimed by the company, or have you any addition to make to it, and in what respect?—We claim interest upon that sum from the periods at which the money was raised.

Have you any account of that interest with you?—Yes, I have; it amounts to £. 52,670. 16s. making the total capital £. 240,170. 16s; the interest is calculated to the 31st March 1819.

Your interest is calculated upon the sums from the date of their subscription and payment into the treasurer's hands?—Yes.

Can you proceed to show the Committee how your proprietors will be effected by the increased rates as to interest upon that capital?—I am not quite prepared upon that point, certainly.

Was that whole sum received and employed in your works?—Wholly.

Was there any sum laid out at interest in the manner Mr. Knight described in the original progress of the concern?—We hardly called for money till it was wanted.

Have you a statement of the yearly receipts?—Yes, that has been delivered in; in the return that has been made I have given also the years in which the money has been raised, and that money has been raised only as it has been wanted.

Have you a detailed expense account of the manner in which that money was applied to your works?—I have that detailed account up to the 31st March 1819, calculated with interest.

Is it in a state to be exhibited to the Committee now?—I can state what it was, I can give the items.

There appears upon the face of your account of expenditure the sum of £. 10,810 incurred for stone pipes, those are not now in use are they?—No, they are not.

Do you introduce them, in point of fact, into your present capital, for which you claim a remuneration?—That is brought into the charge against the capital as appearing like an expenditure, it stands upon our books apparently as a loss sustained, by the arrangement of the stone pipe company; the account between us and the stone pipe company was somewhere about £. 33,000, or between that and £. 34,000; the charge for stone pipes and all the incidental expenses attendant upon them, laying and carting, amounted to £. 33,790; and this was the account as it stood at the period that the stone pipes failed, not having sufficient power to stand the pressure of the works, and finding we could not any longer use them, the company called upon the stone pipe company for a reimbursement of all the sums of money paid to them, and also for the expenses that had been incidental to the stone pipes; various communications took place, and conferences with the stone pipe company and the court

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court of directors upon this subject, and the stone pipe company put it to the body of the proprietors whether, as there had been a material difference in the price of iron pipes at the time the company first contracted for the stone pipes, and the actual cost of iron pipes at the time when the stone pipes failed, they ought not to be allowed that difference? and the board of directors considering all the circumstances of the case, that the company had been induced to use the stone pipes, considering it a purer conduit than any thing before laid down, there being a strong prejudice at that time against the use of iron that they were induced to adopt stone, certainly under very strong evidence of Mr. Rennie, on another bill, that they would stand the pressure required, and that the stone pipe company had incurred very heavy expenses; under these circumstances they did consider that it was very fair to allow the stone pipe company this difference in the account.

What did they allow them?—We received from the stone pipe company £.22,985.

Was that difference more than equivalent to the difference which the fall of iron had made in the actual cost of the iron pipes you subsequently put down, to what they would have cost you if you had bought them in the first instance?—About the time that we were contracting for the stone pipes, iron was from £.12. 10s. to £.13 a ton; when we actually made our contracts for them, they were from about £.9. 15s. to £.10 a ton, but then there were a variety of other articles which we got in exchange, a number of iron pipes which had been connected with the stone pipes where branches could not be made, which were returned to us by the stone pipe company, and which we use in our present works; and therefore the directors considered that they had got a fair sum.

You considered that there was that amount saved to the company in their outlay?—Certainly.

Consequently saved in the amount of your whole expense account?—Certainly; but we could not strike it off the books, because it appeared to stand as a loss.

Are you able to state to the Committee what number of your original proprietors remain proprietors at this day?—I think I can.

And have been so ever since the beginning of the concern?—I think there are named in the first act sixty proprietors; of those sixty, eight-and-twenty have sold their shares and never returned to the company, never purchased in again; twenty-one of those persons are with the company to the present day, and have all of them considerably increased their property in the concern instead of diminishing it, because they have taken the additional shares, and shares which were also selling by the stone pipe company; eight persons of the stone pipe company, who were obliged to sell their shares, and three of the proprietors died; I believe that makes the sixty.

You stated that upon the increase of capital of the shares reduced to £.25, the original proprietors took them all?—Yes, there were some loan optional notes issued before those shares were created, and some few of the holders sold them to others, and I believe one person was new to the company: when the stone pipe company paid us this money, they had, I conclude, no other means of paying it but by shares, and the company found them purchasers; that was the only difference; the stone pipe company instead of selling their shares to any individuals they could find, and paying us the money, the company found them purchasers; the stone-pipe company surrendered 917 shares, and those shares were sold to such of the then existing proprietors as chose to take them, and new proprietors were admitted also by those shares.

At the market rate?—At the market rate.

Did those shares stand in the name of the stone pipe company as a body corporate?—No, of the individuals of that company; they were not a body corporate, only partners.

That was the only way in which you obtained payment of the £.22,000?—Yes; it is just the same as if the stone pipe company had gone into the market and found purchasers, and came to us and paid the money.

Those 917 shares stood in the names of eight persons only?—No, those 917 shares stood in the names of twelve persons.

You raised £.150,000, £.50 shares; then you raised £.37,500 by £.25 shares; did your own company produce that?—Yes.

Was that equally partitioned between the whole proprietors?—A loan had been raised in 1814 to the amount of £.18,314, and when these new shares were created, those loan-holders were to have the option of converting this loan into capital if they pleased by the act; a vast number of them did so, by far the greater proportion of

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those loan-holders converted their loan into stock, and the remaining shares were to be divided among the proprietors, in proportion to the number that they then held, and the offer was made, of course, to every proprietor, whether he would take his proportion, and those who took them had them, and if any refused then another division was made among the other proprietors who chose to take more than their proportion, so that the whole were taken by the company.

The whole of this transaction was at the rate of £. 25?—Yes.

Those holders of the loan of £. 18,314 were distinct from the proprietors?—No, they were proprietors; we raised the money among the proprietors.

Then your whole number of shares is what?—4,500. It was stated at the general meeting that £. 25 per share was too high a price to issue them at, because they could get them at £. 23 in the market, but the proprietors had a good opinion of the concern, and they did not choose to let them be hawked about at a reduced price.

What interpretation did the directors put upon the acts of parliament affecting the Grand Junction company, as to raising a capital stock beyond the amount of the real stock mentioned in the act?—I do not think it ever entered into their contemplation, because we had not raised to the amount we had power to raise.

Your second act allowed you to divide your shares, which the first act did not?—Yes, it gave us a power to divide shares into smaller fractions.

In the apportionment of dividends you have considered all those shares as equal shares?—Yes; or we could have got no purchasers.

And have you made any calculation as to the value of those shares, in order to affix a rate of interest upon them?—Divide the capital and the interest by the number of shares, will make it about £. 55 per share.

What is the expense you have been put to in resisting the attempts that have been made for the institution of new companies, or in the apprehension of such attempts?—I think somewhere about £. 1,000; but that does not come into our charge here.

You have been put to an expense?—Yes, by the bill of 1819, I think about £. 1,000.

You do not claim any remuneration for that from the public?—It is not in the account.

In what way have the expenses been paid on account of Mary-le-bone parish in their attempt to obtain the last act of parliament?—I do not know that I can answer that; I imagine it was paid by the Mary-le-bone vestry.

Perhaps on a future day you can ascertain the fact?—I do not know.

(Mr. Weale.)—I was one of the opposing parties, and it cost me about 7 s. out of my own pocket.

Mr. Thomas Nelson Pickering, called in; and Examined.

Mr.
T. N. Pickering.

UNDER what authority does your company rest with regard to the raising money and capital?—The first act of parliament was 47 Geo. 3, c. 72, in 1807.

The only act under which you carry on your proceedings is that act?—And another act of the 48 Geo. 3, c. 8.

Those are the only two acts under which you raise money?—Yes.

Those acts were in 1807 and 1808?—Yes.

What was the amount that those acts authorized you to raise?—£. 380,000, (by the first act, £. 60,000 and £. 40,000; by the second act, £. 130,000 and £. 150,000,) raised in shares of £. 100 each, except on a small part of the shares upon which a loss accrued of about £. 4,841; that was occasioned by some of the proprietors who did not pay up on their shares; these shares became forfeited, and they were sold at a depreciation; there was a loss upon them, so that the sum was diminished by £. 4,841, which makes the return of £. 375,159 actually paid in.

The whole of those were paid at 3,800 shares?—Yes.

You have no power or authority in your act to divide those shares in any way whatever, to raise them upon any other terms, but *bonâ fide* £. 100 for each share?—Certainly not.

There has been no dividend made since February 1820; how is that, when by the statement before the Committee it appears that, deducting the poundage to your collectors, which is £. 1,670, at five per cent. upon the gross, deducting the £. 11,000 current expense, there remains £. 22,591, so that more than five per cent. upon the 3,800 shares might be divided?—From the large expense we have been at in increasing our mains and services we are now in debt, for money borrowed, £. 24,000 besides; there has been a great loss in the collection of the rates; the whole of the rate has not been collected.

Have

Have there been any attempts to institute new waterworks in your district?—
We have heard of something of the sort.

Do you know whether parishes have been put to an expense in consequence of that?—No.

Mr.
T. N. Pickering.

(23 March.)

Lunæ, 26^o die Martij, 1821.

WILLIAM HENRY FREMANTLE, ESQUIRE,

IN THE CHAIR.

Mr. William Matthew Coe, again called in; and Examined.

WITH regard to the state of the direction of our company, there have been of the original directors three in office ten years, one nine years, one eight years, four seven years, and one six years, making the ten directors. There have been but nine other gentlemen in the direction; two were of the stone pipe company, and were obliged to resign; three were supposed to be particular friends of the stone pipe company, and resigned from the feeling that prevailed against them on the part of the proprietors; one resigned from the pressure of his private affairs; one resigned from ill health, and two died.

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(*Mr. Knight.*)—In my last examination the Committee will recollect I stated that not expecting to be examined that day, I was not sufficiently prepared to go into so full an explanation of the early proceedings of the company as I wished; that I had not brought my papers, and that what I might then state must be understood as subject to correction. I have since read my evidence over, and I find I was mistaken in two or three dates and sums; I do not know whether they are material: I have stated that Mr. Dodd was dismissed in 1808, that was two years after the bill passed; I find Mr. Dodd was dismissed in December 1806; that he had originally proposed the establishment of the works at Hammersmith, and had formed his estimate for those works; that after the bill passed, he altered his mind, and wanted to have them established at Poole's-Creek, somewhere near Fulham, in a very disadvantageous situation as it was considered by the proprietors, and they therefore questioned Mr. Dodd, and as he was very refractory he was dismissed; Mr. Nicholson was then appointed, and he formed the works at Hammersmith, nearly on the plan Mr. Dodd had laid down. This was the beginning of 1807 when Mr. Nicholson was called in. In the course of 1807 and 1808 the works were in progress; in 1808 Mr. Nicholson suggested a new project, that was the extension of the pipes to the north-west of Mary-le-bone and Paddington, and he gave in his estimate for that particular part, and I have an extract from his report at that particular time, and I wish particularly to call the attention of the Committee to these words, because it will explain what I meant the other day when I stated the company intended to supply Paddington and Mary-le-bone as a matter of right under the first act. I find a question put by the directors to Mr. Nicholson was, "What may be the demand for water in Paddington and its vicinity?" he then reported, "that the mains were laid from the New River company, and from the Chelsea company, in that part of Mary-le-bone which lies in the angle between Oxford-street and the Edgware-road, and that the Chelsea supply went as far into Southampton-row as Chapel-street, the New River supply extending no further along the New-road than Quebec-street; the houses which are not served by either of those companies, namely, at the north-west corner, are upwards of 1,200, which may be taken at the average rent of 30s. making in the whole a rental of £.1,800 annually; the buildings in progress and to be erected to the eastward of Gloucester-place may be stated at 750 large houses with stabling, and 250 smaller, averaging respectively 40s. and 30s. making an additional rental of £.1,875." He then alluded to the Portman estate, which had then been laid out for building, and various other places that he had seen, and which places were wholly unsupplied with water at that time; the estimate for this work was £.11,309; that included the new reservoir at Kensington, and the ten-inch main to London; that reservoir was made, and that main was brought to London in 1809, and upon these pipes being laid, arose the question with the Mary-le-bone vestry as to pavements; the estimate for supplying those 2,200 houses amounted to £.11,309; that the estimated rental from those houses was £.3,675 a year; he put down the

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expenses at £. 1,200 a year, leaving a profit of £. 2,475 a year. I mention this to show to what extent the works in 1808 and 1809 were intended to go; not to go into competition with the old companies, but to supply the houses at the extremity of their works, and to which their plans had not extended. I will just notice here, that I find in the minutes of that period a scale of rating laid down, and as it was entirely upon a new principle, the Committee will at once see they did not begin their works with an idea of underselling the old companies; it is put down so explicitly, the thing explains itself:—

“ May 1809 :—The board resolved, that houses should be rated a shilling in the pound if they were rated in the parish books at £. 30 a year or under, and nine pence in the pound if they were larger,” which, in point of fact, is a higher rate than the rates of 1820. It has been stated that the new companies, the West Middlesex especially, was established on a principle of fraud; that the proprietors were a set of speculators, who although they knew the concern could not possibly answer, yet went on raising money and laying pipes, for the sole purpose of raising shares; this has been repeated so often in the course of the late proceedings at public meetings, and in the various publications circulated, that I myself could not altogether divest myself of the belief, that although part of it was certainly untrue, yet that Mr. Weale would not have ventured to express himself so strongly on such points, without some grounds for his assertion. That feeling made me examine the proceedings of the company at the period alluded to, with more than ordinary industry and care (for I was not myself in office till four years afterwards,) and the result of my research has been, that a more unfounded assertion was never thrown on any man or body of men. In addition to what I stated before, I have merely to add, that at the period of 1809 and 1810, the act of parliament which brought the company to London in competition with the old companies, was obtained on most unquestionable evidence, that a great want of water existed in many parts of the town; an evil which the old companies, without a great outlay of capital which be it remembered they had no means of raising) could not remedy, to say nothing of the general insufficiency, or as Mr. Weale has been pleased to say, the “ general economy,” which the use of that necessary article at that time required. To suppose for a moment that these complaints were for the most part groundless, as asserted by Mr. Weale, is, in my opinion, a libel on the legislature, who at that period passed acts of parliament for the establishment of no less than three new water companies, in the preamble of every one of which I believe the evils I have mentioned are stated as the sole ground for their establishment; not one word about cheapness of supply being to be found in either of them; that is my belief; I am sure it is not in ours; this I believe is sufficient to show the “ fraudulent principle” on which, on the authority of Mr. Weale, you are to believe the new companies were formed. Now with regard to the “ knowledge” possessed by the proprietors at that time, that the concern would not possibly succeed, I conceive the charge is too ludicrous to need a serious comment. I stated on a former day what was the engineer’s estimate for the works alleged to be necessary for the establishment of the West Middlesex waterworks in the supply of the several London parishes enumerated in the act of 1810, and also what expectation had been formed of the number of houses which might be obtained; but as I am now upon this particular part of our case, I will shortly state it, as being more in order: by the first act we were enabled to raise £. 80,000, by the second act we were enabled to raise £. 160,000, making the capital £. 240,000. Under the first act the reservoir at Kensington had been formed, and pipes brought to the new buildings at the north-west corner of Mary-le-bone, namely, Gloucester-place, &c. The estimate for the works contemplated in the second act amounted to £. 157,000, and the number of houses to be supplied were computed at 40,000, averaging from 25 s. to 30 s. a house, which gives a gross rental of £. 50,000 or £. 60,000 a year on a capital of £. 240,000. That was the statement made to the proprietors by their engineers; on such a statement, who could doubt that the old companies made immense profits? especially as at that time the New River shares (generally believed to have been originally £. 100 shares) were selling at £. 10,000 and £. 12,000 a-piece. It has been sufficiently in evidence before this Committee, in what gross delusion the public was in this respect in 1810; and how were the unfortunate proprietors of the new companies to escape this delusion more than their neighbours? I have mentioned these circumstances to show that the proprietors were not the deluders on that occasion; they were the deluded; and that therefore they could not possibly know that they could not succeed; on the contrary, they had every expectation of deriving a very considerable

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considerable profit from their works. The fact simply appears to be this; that in 1810 the engineers and proprietors of the new companies were theorists, who laughed at the practical men, the old companies, and suspected them of unfair practices: in 1820 the theorists of 1810, though they have now become the practical men, have found to their cost the difference between reality and illusion; but though they give the most unequivocal testimony of this, Mr. Weale and his party (the theorists of 1820,) ridicule the theorists of 1810, since converted into practical men, and persist in maintaining that the water can be supplied at a cheaper rate. With regard to the shares, I have been particularly circumspect in the examination of the memorials of transfer, (that is the title which we give them,) and have ascertained that the 2,000 shares which were in existence in 1812, and which were all £.100 shares, were held by 224 individuals; of whom have since sold, at very considerable loss, 84 individuals, leaving 140 of the original proprietors still in the concern, holding the same shares; of the 140, 79 have never sold any of their shares, 61 have sold a part; then, of the 140 still in, 105 took their proportion of that £.40,000, and paid upon it; three took their proportion, and paid a part, but afterwards forfeited; 32 did not take their proportion, from death, absence and poverty; there were nine deaths and two bankruptcies; the others refused; and 97 of the 140 proprietors before mentioned, were contributors to the new stock, at £.30 a share. This account is made up to the 10th of December 1820; here are all the names, which the Committee are very welcome to see.

What is the number of proprietors now?—350, within five, more or less; but since the new shares have been created, of course they have been subdivided; there are 350 shareholders now, 140 of whom are original proprietors, at £.100 shares.

Do you know what number of shares are in their hands now?—I do not know the number of shares, but I should think by far the greater proportion. I take the concern now, with regard to the rise and fall of shares, from the commencement. In May 1806, when the first subscription was paid in, till November 1808, the shares uniformly were transferred at par; namely, £.100 a-piece; there had been no fluctuation, consequently there could be no speculation: the first premium that I find is in November 1808, when they began to talk about bringing their pipes to that north-west corner of Mary-le-bone, and that raised them to a premium of £.8; and they rose from £.8 to £.20 premium between November 1808 and September 1809.

Was that whilst you were in progress with the second bill?—No, before the second bill: then came the second bill: notices were given, and application was made to Parliament in the spring of 1810; the shares then gradually rose to the premium of £.45, till March 1810; at this period the whole 800 shares had been raised, which were authorized to be raised by the first act. When the application was made to Parliament for the extended powers, it was intended to appropriate to the old proprietors (the holders of the 800 shares,) all the new shares to be raised under the second act; and as the shares were then selling at a premium in the market of £.45, it evidently became a great object of the proprietors to possess themselves of those shares, which would give them the privilege of taking a proportion of those new shares; hence arose a sudden rise of the stock from April to June; and they rose in those three months, the demand being so great, from £.45 premium to £.125 premium. As that particular period is of course the period which I conceive has been alluded to by all parties as the period of the great advance of shares, I have been particular in taking out the names of the parties who bought and sold during those months; I have ascertained whether they were transferred once or twice, and I can dissect them entirely; I have taken all the transfers from April to June 1810, and the premiums rose to £.60, £.70, £.80, £.90, £.100, £.110, £.120, £.125, and then it stopped; the bill then passed, and the new appropriation was made. Now the transfers of that particular period require explanation, and I give it in this way: there were then about 180 holders of the original 800 shares; of those only 28 were the sellers on this occasion; 15 sold out entirely, and never came into the concern again, and 13 sold out a part; the number of shares actually transferred (for they were transferred in ones, in twos, in threes, and so on) only amounted to 122, which were bought by thirty new individuals; it appears that there were not more than 20 shares, during this great demand in the market, and the consequent great rise in the stock from forty guineas to one hundred and twenty-five, transferred twice; of course in a rising market every body is anxious to get in. At that time there were only three people who bought in at the beginning

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of the advance, and sold out at the high premium, and left the concern; the first was a man of the name of Wormsley, of whom I never heard before; he bought five shares at £.42, and sold them at £.87; and there are two other individuals, whose names I do not know, who bought in the same way and sold out, and I have never heard of them since; thus, about twenty of the number transferred were transferred twice, which would diminish the number of shares actually transferred to about 100.

Had those three speculating individuals any thing to do with the conduct or management of the concerns of the company?—No, they were quite strangers; of the thirty buyers at that high price, namely, from £.40 to £.125, thirteen are now in our concern as proprietors, our chairman and his partner being two, and there were several other gentlemen who were in at that time, and bought in to get a larger share of the concern; there were two sold at a low price when the advance first began, and afterwards bought in again at a higher price to their great loss; three bought low and sold high, and the remainder of the thirty have since sold out at a loss. Now I have the most complete proof that the reason that I have assigned for this sudden advance of shares is the correct one; the act passed, I believe, in June or July 1810, the act allowing of this additional sum of £.160,000 to be raised; the very instant the act was passed, the shares came down to their level of forty-five per cent. premium. I find from June 1810 to July 1810 there were no transfers at all: immediately the allotment took place, and the 1,200 new shares were issued, the shares stood in the market at £.45 premium, old and new; and in the course of the following year they fell from that £.45 premium to par, namely £.100 a-piece, in a regular gradual descent; from June 1811 to December 1812, the shares continued in a regular depression from par to £.65 discount, which was the price when all the questions arose with regard to the £.40,000 capital discussed the other day, and the optional loan. I have the resolutions on that subject, which being put in, will explain the thing better than I can in my testimony. Then in 1813 came the third act; and to induce the then existing holders to take the whole of the new shares to be raised, some boon was necessarily held out; the proprietors would not give more than they could purchase them for, and £.30 being the price fixed on, £.74,000 was raised in 1813 at £.30 a share, which, as well as the £.100 shares previously raised, in the course of that year down to the years 1815 and 1816 were as regularly depressed as from five to four, three, two and one, till they came down to £.22. 10s. and one individual, who was a director, from some circumstances it is not necessary to mention, sold his sixty shares to one individual in one transfer at £.20 a share, which was the lowest; this sale was some time about 1815; then after they had got to that minimum, they were stationary for some time, I think very nearly a year, and I am speaking now more from memory, it being entirely during my own time in office; about a year, I think, they remained at that depressed state, viz. £.22, till towards the close of the years 1816 or 1817, when they raised a further sum of £.24,000, at £.30 shares, (the shares having in the mean time gradually ascended to that price,) to pay off a debt; that makes the whole raised under that act.

State the sums that were raised under the act of 1813?—£.74,000; £.24,000 in 1816, and the £.40,000 which completed the £.240,000; of this sum £.30,000 was paid in and funded in shares at £.28 a share. I have the resolutions here, which I will put in, and they will show the whole transactions; the company were disappointed in one session of Parliament on a point of form.

Though that resolution was in the year prior to passing your bill, that same bill was pending at the time the resolution was taken, was it not, but was defeated in that session by a formal objection?—It was.

Then the actual transaction of funding them took place when?—In 1813, the resolution having passed the first of September 1812. By the optional loan the sum funded was £.18,496, and £.2,418 is the amount of the fractional sums paid on the funding of that loan and of the £.30,073 parliamentary capital.

What was that funded at?—At £.28.

What is the total raised under all the acts?—£.340,000; that being the sum, after deducting from the money actually subscribed, the £.12,000 dividend and the £.4,000 interest. In the subsequent period, (subsequent to 1816) when the shares were raised at £.30, the shares gradually increased up to £.54, which was their maximum when Mr. Taylor's bill was in Parliament; but they have since been depressed down to £.49. I should state also, that the 140 proprietors have been

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been the largest contributors of the £. 30 stock ; they have been uniformly the great supporters of the concern.

In point of fact, the shares were at a premium before all the instalments were paid up?—No, the first shares were all at par ; so that if £. 50 had been paid on a share, it sold for £. 50 ; and they stood at par two years and a half, without any fluctuation in price.

Were they at par in the market before the instalments were paid up?—Yes ; because on the passing of the act, as soon as the allotment was made, and the original proprietor had paid his ten per cent. on the new, he could go into the market, if he thought it necessary, and sell his share.

At what period was the whole subscription paid up?—In the course of a year and a half, I suppose.

In point of fact, were not the first 800 shares at a premium before the instalments were paid up?—Those 800 shares were raised at three different periods ; and to the first period I should say no, but the second period might include the £. 8 premium.

Notwithstanding any premiums, were the instalments all paid up ultimately?—Certainly, every shilling ; as well for the 800 as the 1,200, except in the instance of a broker, who speculated and was ruined.

In point of fact, before the shares obtained their maximum, dividends had been paid out of the capital?—No, the dividends were paid afterwards ; I do not know their motives that induced them to declare a dividend ; but when they brought their pipes to London, it appears to me they went on the principle of the West India docks, and declared a dividend in the first instance, in order that they should not have an interest account opened with the proprietors, to be afterwards liquidated when profits were realized.

Did your company support or oppose Mr. Taylor's bill?—The companies acceded to it ; it was forced upon us.

Ultimately, did they or did they not wish it to be passed?—Yes, though merely for peace sake.

In point of fact, they did wish it?—I should say not ; no farther than it was likely to calm the disputes.

They did wish it, in point of fact?—Yes.

Do you know the expense the company have been put to in consequence of the opposition made to them?—I apprehend about £. 2,000.

Was any management or contrivance ever resorted to by the companies to raise or fall the stock for the purpose of jobbing?—I can most unequivocally assert, in my time nothing of the sort, but precisely the reverse conduct.

Have your directors practised any jobbing in shares for themselves?—Never.

Have those who have subscribed for original shares or purchased them, or purchased stock, gained or lost very considerably?—Lost very considerably ; many proprietors were buyers at £. 125, shares which will not produce them now £. 50 in the market ; there is a gentleman who has been in the board eleven years, holds six-and-thirty shares, which he bought at £. 100 and upwards.

Calculating the loss on one side, and the dividends on the other, what is the loss up to the present day, deducting only a dividend?—£. 80,000 or £. 90,000.

Is it your opinion that the attacks of the new companies have arisen from speculating gentlemen supposing your profits very great in order to obtain to themselves some of those profits?—I cannot answer the question ; if such projectors be, I know their expectations will not be realized.

Have you had any notices from the parish of Mary-le-bone, or any other parish, of an intention to institute proceedings against you in any way or form?—Two bills were introduced into Parliament in two successive sessions to establish parochial waterworks.

Could parochial waterworks be instituted to underwork the present waterworks, or to be useful to the parishioners?—I should think it would be most injurious to the public, because the individuals would have no option ; they must pay whether they took water or not.

Is it within your knowledge that Mr. Weale has opposed both the parochial and other projected companies?—I have heard Mr. Weale state that he has opposed the parochial scheme, and I believe he has given in evidence that he is inimical to any new company being established.

You have said that in 1809 there was an intention of raising a rate at 1s. on the rental below £. 30, and 9d. above?—To charge at that price ; they were new houses that had not been served by any company.

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Previous to that calculation had an estimate been made of the expense of the undertaking?—Yes.

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And it was found such a rate would be a fair remuneration to the proprietors?—Yes, on the calculation which their engineers had informed them would be sufficient; almost every estimate I have seen, however, has been just one third or one fourth of the cost.

Previous to your being secretary, Mr. Sloper was secretary, was not he?—He was chief clerk; I hold both offices now.

Did he act as secretary?—No.

What distinction do you make between chief clerk and secretary?—There is a distinction in the act.

Was Mr. Sloper chief clerk?—Yes.

From the first origin of the company?—Yes.

Was he a considerable proprietor?—I should say not a considerable proprietor; he held shares certainly; the index will show how many shares he has ever held.

Are you a shareholder?—No.

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(Mr. Lynde.)—The company, in the year 1810 were in possession of £.40,000 three per cent. consols, a saving from the interest which was yielded by the water rents; all that has been expended lately upon new works, since the year 1810, the whole of it at Chelsea; the large engine house there erected, and the engine in it (and there is another erecting,) and the iron main which has been laid, have cost altogether £.30,000 cash.

Were those expenses incurred in amplifying the powers of your works and improving them, or merely in restoring old works?—In improving them: those works would cost £.120,000 or £.130,000 to make again, though if broke up they would not sell for more than £.50,000 or £.60,000: since the first expenditure of the capital there have been at least £.30,000 worth of iron pipes laid down, which are now in use in the district we now supply.

And the expenses of the iron pipes began even from 1735?—No; the first main we laid in iron was in 1746, which cost us £.2,740, and is now in use.

What is the diameter of that main?—I think twelve inches.

What has been the condition of that main from 1746?—The engineer is the proper person to ask on that subject; I am not capable of giving any information upon it. I have made out a capital of £.120,000 and upwards, the interest of which is £.6,000 a year at five per cent; our gross water rents amount to £.13,700.

Deducting your current expenses, what is left?—Deducting the current expenses of £.10,000 a year, we shall have £.3,700 left to pay a dividend on what I have stated to you, £.120,000, and then there is nothing laid by for any exigence that may happen next year or the year after, and we are in expectation of having to lay out £.3,000 or £.4,000; there is an engine now building which will cost £.5,000.

What is the reserve you think will be necessary to meet those exigencies?—I have not made an estimate of that yet, but the engineer can give that; we have but £.3,700 to divide on that capital of £.120,000.

How many shares are there in your company?—Four thousand.

How was it you have stated that this £.40,000 accrued, which existed in 1810; had the company forborne all dividend?—Not all dividend; they were content with two, and two-and-a-half, and three per cent. instead of five per cent; they were receiving from 1797 to 1807, £.2,000 a year.

Was that division independent of that reservation by which you saved this money?—Yes; the accumulation of stock began in the year 1765, so that we were a long time raising that £.40,000.

What was the annual division per share from 1765 down to 1810?—It has been 10s. and 8s. a share.

And then it was progressive to the year 1812, 9s. 10s. 11s. and 12s?—Yes.

From 1765 to 1810 there was a sum of money accruing, and the dividend was paid regularly during that time; what was the amount of dividend from 1765 to 1810, or nearly the amount?—We may call it 8s. a share; it was only 6s. a share some part of that period; but from 1763 to 1771 they divided £.1,200, and that was upon 4,000 shares, that is 6s. a share; it rose progressively from £.1,200 to £.2,000.

What did you divide, subsequently to 1810, amongst those 4,000 shares?—Ten shillings.

From

From 1810 what was the sum annually divided among the subscribers?—Twelve shillings a share; we have never divided more.

Up to what period?—This moment; we are dividing now 12s. a share.

What rise has taken place between 1810 and 1820 in your water rents?—I do not know of any rise.

Have you not added twenty-five per cent?—Yes, we have; but we were reduced to £.10,000 by the competition, and then we put twenty-five per cent. on the rates of 1810, which brought us up to about £.13,700.

By the competition your rental had fallen?—By the division of the town we were left with a rental of about £.10,000.

In 1810, by the competition, you lost some part of your rental?—Yes.

What was the variation in consequence of the competition?—I suppose we lost £.4,000 a year.

From what to what?—From near £.17,000 to £.13,000 or £.14,000, as nearly as I can speak from recollection.

What rise afterwards took place in consequence of the partition?—It brought us back to about the same rent that we had before the partition took place.

To £.17,000?—No, to £.13,000. The tenants that we lost, and the reduction of our rents, reduced us from near £.17,000 to £.14,000; and when the division took place, we were reduced again to £.10,000; we threw up £.3,000 a year.

The reduction which you state to £.10,000 was in consequence of the surrender of a considerable district on your part, and therefore the remaining district left to you only amounted to £.10,000?—Only £.10,000.

What did you add to the £.10,000?—Twenty-five per cent. on the rates of 1810.

Then what did you make altogether?—What I have stated before, £.13,700.

Mercurij, 28^o die Martij, 1821.

WILLIAM HENRY FREMANTLE, ESQUIRE,

IN THE CHAIR.

Mr. *William Chadwell Mylne*, called in; and Examined.

HAVE you ever turned your attention to observing what may have been the probable waste of water during the use of wooden pipes, so as to inform the Committee upon the difference, for instance, between the quantity discharged from the head, and the quantity delivered into the houses, I mean in the proportions?—I have.

State upon what ground you say so, and what is the result of your observations?—There is no accurate mode of ascertaining what the loss is, but I have generally considered it as a fourth part. From the nature of the New River company's works, from being extremely old, the mains were in an indifferent state of repair in their length, so that whenever the turncock by accident shut up all his first services before he opened the next set, the pressure upon the pipes immediately was equal to the difference of level between the ground where the main was situated and the New River head; the main uniformly gave way, so that the first intimation we had of the failure in the main was, a deficiency in the supply of the tenants. The side of the pipe would give way into the sewer. After the mains were put in of iron, from the effect produced at the New River head, I have generally considered the proportion of the water saved to be about one fourth.

By using iron mains and pipes instead of wooden ones?—Yes.

The variations of the level of the head are under your observation, as you live there?—Yes.

You speak of the waste now from the wooden pipes arising not only from leakage but from accidental fracture, arising from the accidental pressure of the water alone?—Certainly. It is supposed that the works ought to be always perfectly tight; if perfectly sound there would be no leakage.

You have had an opportunity of observing pretty extensively the state of the mains and wooden pipes when taken away?—I have.

From what you observed of their state, was you led to conclude that there had been considerable wastage of water in the use of wood?—Very great.

State to the Committee what led you to that conclusion?—I have often found an aperture

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Mr. W. C. Mylne.

(28 March.)