

PEAR MILL, 1907 — 1929: A STOCKPORT COTTON SPINNING COMPANY

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In the early years of the Lancashire cotton industry the major form of organisation was the private company, controlled by a single employer or by partners. The spread of joint stock, limited liability companies was slow until after the 1860s when such concerns became a dominant force in the industry, particularly in the town of Oldham where they were referred to as the Oldham Limiteds. These companies were notable for the fact that their share capital was only partially paid up, the remainder being raised by acceptance of loan deposits at a fixed rate of interest, thus turning them into savings banks for the local populace. The joint stock form of organisation also spread to other towns, although elsewhere it did not become as extensive as in Oldham. In the Stockport district, limited liability companies constructed a significant number of new mills between 1881 and the First World War, coming to be known as the Stockport Limiteds. Several authors, notably Smith, Jones, Tyson and Farnie, have dealt with the history of these companies, mainly before 1900.¹

During the Edwardian period the cotton industry had experienced considerable prosperity, particularly during 1905-7, which resulted in a large amount of new mill building. In 1900 there were 42.6 million cotton spinning spindles in Lancashire, by 1914 this had increased by nearly 40 per cent to 59.4 million. Mill buildings increased in size; before 1900 it was rare for a single mill to hold over 100,000 spindles while many later mills exceeded this figure, some housing up to 140,000 spindles. By this time the spinning mule had achieved the height of its perfection, having completely displaced the hand mule which had survived for very fine yarns up till the early 1880s. But the supremacy of the mule was being challenged by the ring frame, which promised increased productivity but was not so well suited for spinning fine yarn and its adoption in Lancashire was slow. Nevertheless, by 1914 some large ring spinning mills had been constructed. The industry had become geographically specialised, with spinning being concentrated in south-east Lancashire, centred on Manchester, and weaving in east Lancashire, centred on Burnley. Furthermore, in the spinning area the Oldham district had specialised in coarse spinning while Bolton had concentrated on fine spinning. The industry was heavily dependent on the export trade for its survival, three-quarters of its output going for export, amounting to nearly a quarter of Britain's domestic exports.

After 1908 the rate of new mill building slowed down, but some continued until the start of the War in 1914. Initially, the First World War had an adverse effect on the industry, but later as demand exceeded supply the price of yarn and finished cloth rose in relation to raw cotton resulting in exceptionally large profits for the industry. This state of affairs continued until well into 1920.

Previous booms in the industry had resulted in an increase in the rate of new mill building but, in the main, this did not occur on this occasion because the building industry was in no state to respond. Instead a speculative refloating and recapitalization of mill companies was embarked upon. In some cases the directors of a company would increase their share capital but more commonly speculators would purchase the shares of a company at a high price and form a new company with greatly increased capitalization. By the end of July 1920 some 305 spinning companies, representing 46 per cent of the spindles in the industry, had been reconstituted in one of these ways. This process assumed that the exceptional profits would continue, but this was not to be and the boom collapsed suddenly in late 1920. This was largely a result of a loss of export markets, which had been masked by the exceptional conditions prevailing since 1917. The War period had enabled Britain's competitors, notably India, China and Japan, to increase their production so that by 1922 exports of cotton piece goods had fallen by some 38 per cent on their value in 1913. The industry never recovered from this blow and entered a long period of decline, but it was not until 1929 that serious moves began to restructure the industry and close down excess capacity. Independent companies were beginning to be taken over by larger combines, the most notable being the Lancashire Cotton Corporation which closed half the mills it acquired. Another was Combined Egyptian Mills, which was an amalgamation of firms spinning Egyptian cotton into fine yarns which were maintained as going concerns. This occurred under pressure from the banks, which had helped to finance the boom of 1919-20 by debenture loans which companies found they could not pay off as fast as expected, thus putting the banks in a difficult position. Later in the 1930s the Government began to take an increased interest in the affairs of the industry and actively promoted the scrapping of excess capacity. The number of spindles installed in Lancashire reached some 61 million in 1917 and remained at around this level until 1929 but by 1940 the number had dropped to 38.1 million and by 1953 was down to 31.8 million, mule spindles being scrapped at a faster rate than ring spindles.

Stockport had occupied a place of some importance in the early history of the cotton industry but after the 1840s it began to stagnate and, in cotton spinning, came to be greatly overshadowed by Oldham and Bolton. It became noted for its large number of small firms involved in cotton doubling and candlewick spinning but during the last twenty years of the nineteenth century three large mills were built by limited liability companies. Further activity by the Stockport Limiteds greatly expanded the spinning capacity of the town and surrounding area during the Edwardian period. In 1900 Stockport district

contained 1,822,374 spinning and doubling spindles. By 1914 this figure had increased by 46 per cent to 2,654,666 as a result of new mill building by one of the existing companies and five new companies. At least five of the Stockport Limiteds were refloated in 1919-20, three of these were later acquired by the Lancashire Cotton Corporation, which closed two almost immediately, and one by Combined Egyptian Mills. Of the four remaining independent companies, three survived until 1959 when they closed under the Government's Cotton Industry Reorganisation scheme while the Spur Doubling Company remained in operation until 1972.

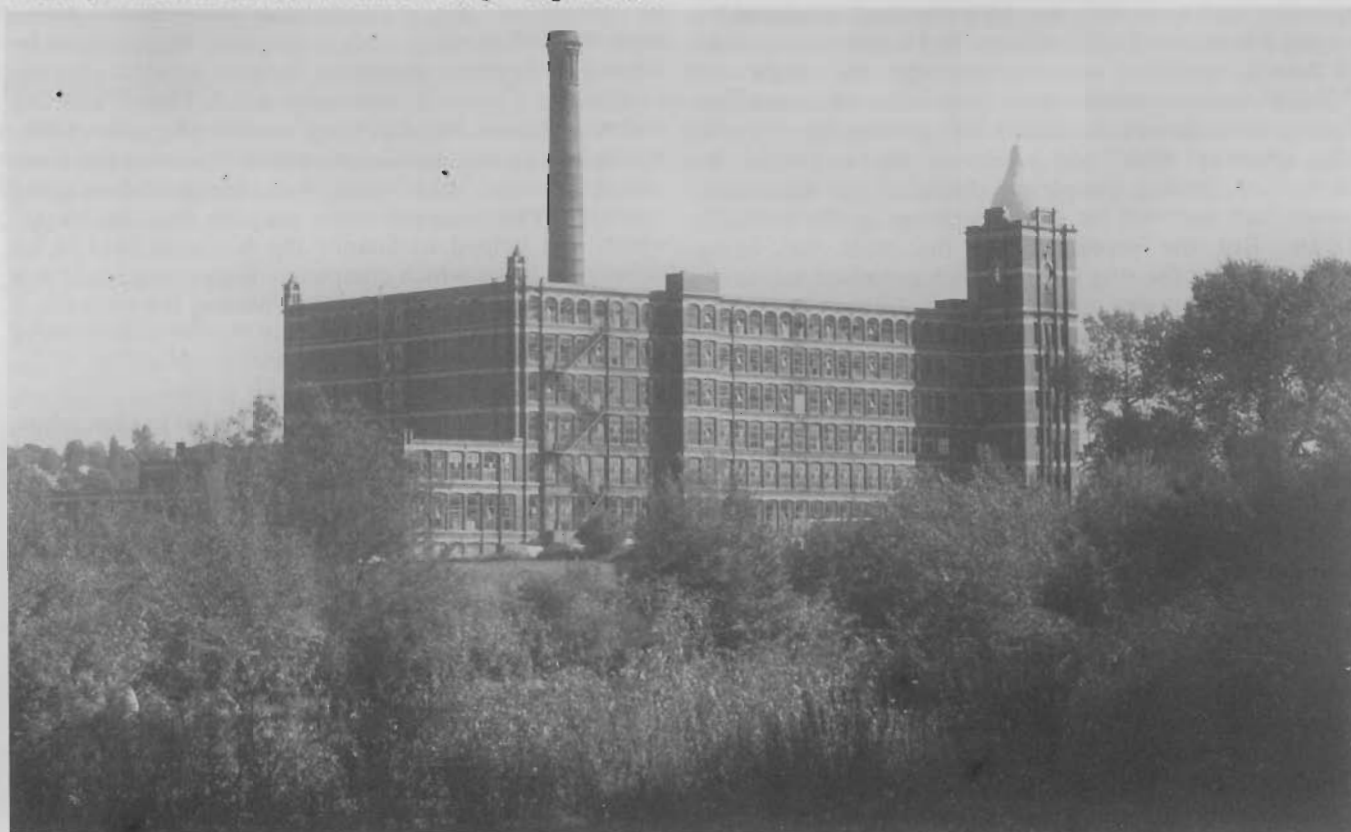
The questions concerning the origins of the capital of the limited liability cotton spinning companies and their relative prosperity have been discussed by the authors referred to above. This paper adds to earlier research by exploring some of these questions as seen through the minute books and balance sheets of a Stockport Limited formed during the later part of the Edwardian mill building boom of 1903-8.² These records cover the inter-war period, as well as the Edwardian and war years, and enable us to study the composition of the Board of Directors and their control of the company. The nature of the capital employed and its geographical origins is discussed and the profitability of the company assessed. Information on the volume of production is lacking, but the nature of the mill's output is known, enabling an investigation of variations in the type of yarn produced over the period.

Pear Mill

The Pear Spinning Company was registered in October 1907, having a capital of £100,000 in £5 shares, with the intention of constructing a mill on the banks of the River Goyt at Lower Bredbury, just outside the County Borough of Stockport.³ Building work commenced early in 1908, but with a slowing down of the boom in the cotton industry it became difficult to raise money. Progress was

slow and eventually the company was put into liquidation in January 1912, when only the shell of the mill had been completed at a cost of £55,000.⁴ A new company was formed to purchase and complete the mill. This company, registered in April 1912 with a capital of £90,000 in £3 shares, was called the Pear New Mill Limited.⁵ The company achieved its goal, the mill going into production during July 1913, although it was not fully equipped until November of that year. It had been intended to construct a double mill but, although plans for construction of the second half were well advanced by the end of 1912, it was never built. In 1912 the company was also involved in a proposal to build a housing estate on some land adjacent to the mill. This was probably a commercial, rather than a paternalistic, venture and seems to have been an unusual venture for a cotton spinning limited.⁶ A separate company, Vernon Park Estates Limited, was floated for this but, in the event, the estate was never built.

When completed the mill had 52 pairs of spinning mules with a total of 137,312 spindles. This was a high number, reflecting the fact that the mill was laid out for the spinning of medium and fine yarn. The mill was designed for mule spinning and was typical for its age, being constructed on a framework of cast-iron columns and steel girders with concrete floors and walls in red Accrington brick with very large windows.⁷ It was seven storeys high, including the basement, with a two storey extension on the front for the card room and a water tower on one corner. Power for driving the machinery was provided by a steam engine, which also drove an electrical generator for lighting. The architects were A.H. Stott and Sons, of Manchester, and the mill has many of their distinguishing features, particularly in the form of arched window used with a band of yellow bricks above. Mills of this period tended to be more highly decorated than earlier examples and Pear is no exception being distinguished by the pear shaped dome which tops the water tower.



Pear Mill from the South-West, 1986. Note the rather surreal pear at the top of the tower!

It was moved by Mr J. G. Taylor, seconded by Mr G. Collett and resolved that -

We hereby undertake to pass the necessary Resolutions for putting the Pear New Mill Limited into liquidation within twenty-eight days of the date of the undertaking to the new company prepared to be called "Pear New Mill (1919) Limited" and we hereby consent to the use by the proposed Purchasers of the name "Pear New Mill (1919) Limited".

It was further resolved that a copy of this Resolution, having the Seal of the Company attached, addressed to the Registrar of Joint Stock Companies, should be forwarded to Mr J. Kilton, Solicitor for the Purchasers.

Signed

J. G. Taylor Chairman

Directors Meeting held at the Mill 20 August 1919

Present Mr J. G. Taylor (in the Chair) Mr G. Collett, Mr W. Marsland
The Minutes of last Meeting were read and

Extracts from the Directors' Minute Books.

Soon after going into production the company had to face the disruption of the First World War, making a loss in the year 1914-15. However, it participated in the exceptional profits experienced by the industry from 1918-20 and was one of the companies refloated during that period. The Pear New Mill (1919) Limited was registered in August 1919 with a greatly increased capital of £250,000 in £1 shares,⁸ but it did not escape the post-1920 collapse and its independent existence ceased in April 1929 when it passed into the ownership of the newly formed Combined Egyptian Mills Limited.⁹ The mill was working in the Egyptian fine cotton trade and two of its directors, Ernest Hirst and Frederick A. Tomlinson, were amongst those involved in setting up Combined Egyptian Mills. Pear Mill survived in production under Combined Egyptian Mills and their successors until 1978.

The Directors

Pear Mill not only illustrates how the limited liability cotton spinning companies were created and controlled by local men, from the Lancashire textile district, with local finance, but also illustrates the influence of Oldham on a nearby town. The 1907 company was promoted by Abraham Henthorn Stott, junior, who was one of the partners in A.H. Stott & Sons who were to act as architects and consulting engineers to the company. Although by this time their main office was in Manchester, A.H. Stott & Sons had originated in Oldham in 1847 when Abraham Henthorn Stott, senior, established an architectural practice in the town. Later he took two of his sons, Jesse Ainsworth Stott and Abraham Henthorn Stott, junior, into partnership and they continued the business on his retirement in around 1884. A third son, Philip Sidney Stott, set up on his own and became one of the most prolific mill architects. A younger brother of A.H. Stott, senior, Joseph, was also in business as a mill architect and this practice was continued by his son, George, who produced some of the most architecturally outstanding mills. Apart from designing mills, the Stotts, and other architects, were actively involved in the promotion of new mill building companies.¹⁰

It was moved by Mr R. Dixon, seconded by Mr W. Bridge and unanimously resolved

that the Liquidator of the Mill be and he is hereby as from the date of his appointment, authorised, required, and directed pursuant to Sec. 192 of the Companies (Liquidation) Act 1908 to sell to The Pear New Mill (1919) Ltd. the whole of the assets and undertaking (except uncalled capital) of this company on the basis and for the consideration mentioned in the draft Agreement now produced and for the purpose of identification subscribed by Samuel Kilton, Solicitor, of Oldham, and to enter into and adopt such Agreement on behalf of this company with full power nevertheless from time to time to agree to any modification in matters of detail (if any) which he may think expedient in the terms of such agreement and to do all acts and things necessary and proper for carrying the said agreement into effect.

A vote of thanks to the Chairman closed the Meeting

Signed

W. Howard

Chairman

Pear provides a typical example of an architect acting as company promoter and plans for the mill must have been well advanced before the registration of the company. A.H. Stott seems to have had a group of acquaintances who were willing to finance and direct new companies. The six directors of Pear, E. Clarke J.P., H. Marsden, T. Brigham, S. Pearson, W.W. Collinge and W. Walmsley, were described in the Stockport press¹¹ as "local men" and several were associated with other A.H. Stott projects. Brigham and Pearson were directors of the Ram Spinning Company Limited in Chadderton; Brigham was also a director of the Broadstone Spinning Company at Reddish while Marsden, Pearson and Walmsley became directors of the Ring Mills Limited, a company formed shortly after Pear to build a mill at South Reddish which did not materialise.¹² By November 1909 there had been some changes to the Board and A.H. Stott had himself become a director.¹³

The Pear New Mill Limited of 1912 had a different Board of Directors, but it is not clear how they came to be involved with the mill. Presumably they had purchased the unfinished mill building from the liquidator, possibly at an auction as happened with other companies who found themselves unable to complete their mills around this time.¹⁴ They do not seem to have been acquaintances of A.H. Stott because they dismissed A.H. Stott & Sons as architects, on the grounds of extravagance, and appointed Philip Sidney Stott in their place. A majority of the new directors came from Oldham rather than Stockport itself, and all were men otherwise engaged in the cotton trade, as business partners or mill managers. The original five were: John Leigh, junior, cotton waste merchant of Oldham; George Collett, cotton master of Failsworth; Walter Marsland, cotton mill manager of Oldham; William O'Neill, cotton mill manager of Chadderton; and Stanley Ashworth, cotton master of Stockport. These men were local in the sense that they came from the Lancashire cotton spinning district but only one came from Stockport. The Chairman was John Leigh who was a partner, together with his father, John Leigh, senior, in the business of John Leigh Limited,

cotton waste merchants, of Brook Street, Oldham. There was no connection between this firm and T. & J. Leigh Limited of Stockport. The Leighs appear to have been instrumental in the rescue of Pear Mill, making an initial loan of £100,000 to the company. Together with their wives, they held 62 per cent of the shares and John Leigh senior later became a director as well. Until completion of the mill offices, directors' meetings were held at the offices of John Leigh Limited in Oldham. There is some evidence that the Leighs enjoyed additional benefits from their connection with the mill since the output of cotton waste was sold to John Leigh Limited, but in 1917 the other directors complained that the price being paid was too low. The Leighs may have sought a controlling interest in spinning mills in order to ensure a supply of waste for their business. However, their association with the company was curtailed by the death of John Leigh, senior, in 1916. Thereafter, John Leigh, junior, was an infrequent attender at directors' meetings, although he remained chairman until he resigned in May 1919. He had, in fact, tendered his resignation on two previous occasions, but it was not accepted by the other directors. He was active in public life, being a Justice of the Peace and was knighted in the 1918 New Year's Honours. John G.A. Taylor, of Dukinfield, who had joined the Board in 1915, became Chairman in his place.

The refloating of the company in 1919 resulted in a further complete change of the Board of Directors, although the previous directors, including John Leigh, remained as shareholders. As with other refloating, the displaced directors were paid compensation, in this case amounting to a total of £6,000. The speculators responsible for the refloating were three men from Shaw, near Oldham: William Hopwood, Harry Dixon and William Bridge. Hopwood and Dixon were master cotton spinners, Bridge a cotton mill manager. None of these had any previous association with the company and had gained control of it by purchasing all the shares at a price of £3 7s 6d each. Between them Hopwood, Dixon and Bridge were involved in the refloating of some 22 companies during 1919 and 1920.¹⁵ The Chairman was William Hopwood who received a Knighthood in the 1921 New Year's Honours, but later went bankrupt and ceased to be a director after June 1921. Harry Dixon took his place as Chairman. Dixon had acquired control of a considerable number of companies and maintained an office in Manchester for their administration. At the same time two new directors were co-opted onto the Board, Edward Charles Woolmer, and Ernest Hirst of Todmorden, who later became one of the people responsible for the creation of Combined Egyptian Mills. The other director who was involved with Combined Egyptian Mills, Frederick A. Tomlinson, joined the Board of Pear after 1926 and may have replaced Harry Dixon as Chairman.

Control of the affairs of the mill was exercised via fortnightly directors' meetings. A large proportion of the minutes of these meetings is taken up by approval of accounts for payment, but they also received regular reports from the manager and the salesman and in turn directed the general policy for running the mill. For example, in the 1920s they continually reiterated that yarn should not be sold at a loss, although decisions regarding the nature of yarn to be produced seem to have been normally left to the manager, in consultation with the salesman. The directors also took decisions regarding capital expenditure, such as the purchasing of new equipment and, in the 1920s, the purchase of three

houses, for the manager, secretary, and engineer respectively. The directors appointed people to these posts, but all appointments below this level and the day-to-day running of the mill were left in the hands of the manager. The management structure followed the hierarchical form commonly found in cotton spinning mills.¹⁶

Generally, the directors only took note of the labour force during times of dispute, but they did take an interest in setting wage levels. Mule spinners were paid on piece rates calculated from a wage list which related their earnings to yarn output. The subject of mule spinners wage lists is a complex one and the only satisfactory account is that by Jewkes and Gray.¹⁷ There were different wage lists in different districts, although by the twentieth century the main ones were the Oldham and Bolton lists, which were used outside these areas as well. The theory behind the Oldham list was different from that used by the Bolton list and it was not a pure piece rate system as it contained elements of a time wage system. However, some mills, particularly if their products were unusual would devise their own lists. Pear Mill used its own list, which seems to have been a Bolton style list, from 1913 until 1923. Why this was done is not entirely clear, the products were not particularly unusual so probably the directors simply did not wish to be bound by any standard lists and in any case there seems to have been a variety of lists in use in Stockport. In 1923 a change to the Oldham list was forced resulting in a four month strike of spinners but the change was eventually accepted, although in the following year an attempt was made to reinstate the old list. In this, as in other disputes the directors did not negotiate directly with the spinners but used the negotiating machinery provided by the Federation of Master Cotton Spinners, who paid the mill £900 per week stoppage allowance. The spinners were represented by their union, the Amalgamated Association of Operative Cotton Spinners and Twiners.

Each pair of mules required three men to operate it, normally this meant a spinner or minder, a big piecer and a little piecer. The wage calculated using the wage list was paid to the spinner who then paid his piecers from this, the big piecer getting more than the little piecer. At Pear some use was made of the alternative practice of joiner minding where there were two minders and a little piecer, the wage being divided so that the two minders received less than an ordinary minder but more than a big piecer. Thus the mill required 156 people to operate its 52 mules and altogether would probably have employed around 300 people.

Yarn Production

The Pear Spinning Company of 1907 had intended that the mill should spin Egyptian cotton but when the mill went into production in 1913 it was spinning American, Brazilian and Egyptian cotton and producing yarns of medium counts from 34 to 78. (A count is a measure of the fineness of the yarn, the higher the count the finer the yarn.) However, Brazilian cotton was soon dropped and the tendency was to move production into slightly finer counts; by 1916 counts between 40 and 90 were being spun. As early as 1913 the purchase of combing equipment was considered but it was not until 1917 that any action was taken. (Combing is a process which ensures that cotton fibres are lying parallel before they are spun, this improves the quality of the yarn and is particularly used when spinning fine counts.) Although for a brief period in 1920 the mill was spinning coarse yarns, down to 16, the tendency throughout the 1920s was



Pear Mill letter heading.

to move into finer yarns, with more combing equipment being purchased, and by 1929 counts of 120 were being spun. This was a move to avoid the worst effects of the depression which was most severe in the American and coarse yarn section of the trade. American cotton was dropped completely after 1924 and only Egyptian was spun, particularly Sakel which was a variety of Egyptian cotton suitable for counts up to 150. Also, production was by now concentrated on yarn for doubling and knitted, rather than woven, fabrics and winding machinery had been purchased to enable yarn to be despatched in packages other than mule cops.

Yarn production is normally expressed in pounds weight of yarn produced, but there are no figures available for this at Pear. The value of yarn sales per year is given in Table 1, but the fluctuations here reflect changes in yarn prices more strongly than yarn output. However, the particularly low figures for 1922 and 1924 probably reflect a considerable amount of short-time working over those periods, plus the previously mentioned strike. In the main, the output of yarn was sold for further processing within the country, although ultimately much of this may have gone for export.

TABLE 1.
Value of Yarn Sales, 1914-29

Year Ending	(£)		
May 1914	£160,341	March 1922	£219,847
May 1915	£120,024	March 1923	£317,170
May 1916	£186,736	March 1924	£233,233
May 1917	£280,143	March 1925	£411,312
May 1918	£419,439	March 1926	£376,465
May 1919	£629,625	March 1927	£283,468
March 1920 (a)	£524,924	March 1928	£291,437
March 1921	£662,204	March 1929	£230,875

(a) 10 months ending March 1920

Capital and Profitability

In common with the Oldham Limiteds, the Stockport Limiteds adopted the practice of only partially calling up share capital, the remainder of the capital being raised by accepting loan deposits. While before 1890 it was considered reckless to allow loan capital to exceed share capital, the later Limiteds tended to have higher proportions of loan capital,¹⁸ and Pear Mill provides an extreme example of this tendency as indicated in Table 2.

It should be noted that the total capital employed always exceeded the nominal capital; before 1919 total capital stood at around £200,000, against a nominal capital of £90,000; in March 1920 total capital was £550,000 dropping to £366,000 by 1929 against a nominal capital of £250,000. Before 1918 the £3 shares were only paid up to a value of five shillings; then in June 1918 and again in May 1919 profits were capitalized to increase the paid up value to 15 shillings. During this period the maximum bank overdraft (in 1914) amounted to just over 4 per cent of the

TABLE 2.
Share Capital as a Percentage of Total Capital Employed, 1914-29

1914	4.0%	1922	38.1%
1915	3.8%	1923	38.1%
1916	3.8%	1924	42.2%
1917	3.7%	1925	47.5%
1918	3.6%	1926	47.0%
1919	7.5%	1927	47.4%
1920	22.7%	1928	49.8%
1921	36.6%	1929	51.1%

capital employed: the remainder was loan money. Companies often had more loan money than they needed, and would reinvest it elsewhere, sometimes in loan accounts of other spinning companies,¹⁹ but the only investments Pear Mill had were 2,200 £1 shares in the Mossfield Colliery Company between 1920 and 1929. However, other cotton spinning companies did invest in Pear Mill, for example Kershaw, Leese & Company and the Equitable Spinning Company.

After the refloating of 1919, paid-up share capital became proportionally more important; by June 1920, 13 shillings had been called up on each £1 share. During 1920 two calls on shares were made at the same time as a dividend bonus was declared, it being stated that the bonus could be applied to making the call. This amounted to an indirect way of capitalizing profits. But there was a major change in the form of the capital employed, since to finance the refloating a debenture of £200,000 had been raised from William Deacon's Bank. By September 1920 the company had reduced the amount owing to £90,000, but the sudden collapse of the post-war boom meant that thereafter, despite pressure from the bank to reduce it, the company's indebtedness to the bank tended to increase so that by April 1929 it stood at £173,417. The depression in the industry resulted in investors withdrawing their loans: in September 1920 the amount credited to loan accounts was £216,381, but thereafter fell steadily until by April 1929 it was only £11,436. To make good the loss of loan money companies had to increase their bank overdraft or make calls on unpaid share capital. They tried to delay doing the latter as long as possible, but fear of it turned possession of shares into a nightmare and made it almost impossible for shareholders to sell their shares. When calls were made companies often had difficulty in collecting them. Pear Mill avoided having to make a share call until 1929, when a call of two shillings per share was made but some of this was never collected, and £1,240 of calls in arrear were written off on transfer to Combined Egyptian Mills. Some contemporaries, such as Bowker, argued that the refloating boom of 1919-20 made the impact of the depression more severe.²⁰ Undoubtedly, there is some truth in this contention. The interest on the bank debenture was a first charge on the company which had to be met irrespective of profitability. Also, the depression showed up the weakness of the loan system of financing as interest on loans also had to be paid irrespective of profits.

The return on capital employed achieved by the company is shown in Table 3. The company made rather poor returns for the first four years but participated fully in the boom of 1918-20, a fact which is emphasised by the value of yarn sales given in Table 1. The dramatic change in the profitability between 1921 and 1922 illustrates the suddenness and extent of the depression which followed the boom. The company recovered somewhat during the mid-1920s, but made a loss in its last year before being taken over. The company's results in the mid-1920s can be

attributed to the changes in the type of production noted above. But the policy of moving into finer counts was followed by other companies eventually leading to over-production in this area.

TABLE 3.
Return on Capital Employed, 1914-29

YEAR	CAPITAL (a) (£)	PROFIT/LOSS	RETURN (%)
1914	187,710	7,606	4.0
1915	196,874	-1,823	-0.9
1916	198,502	1,578	0.8
1917	204,862	4,886	2.4
1918	208,806	17,099	8.2
1919	201,419	81,507	40.5
1920 (b)	550,877	60,026	10.9
1921	446,983	66,827	15.1
1922	426,569	-31,160	-7.3
1923	426,487	-5,075	-1.2
1924	384,920	9,830	2.6
1925	341,753	25,646	7.5
1926	345,684	18,125	5.2
1927	343,171	9,274	2.7
1928	326,372	27,381	8.4
1929	366,604	-939	-0.3

(a) The figure for capital is that at the May (for 1914-9) or March (for 1920-9) Stocktaking, the profits being for the 12 months prior to that. The profit is gross profit before the deduction of dividends. The return on capital employed is then calculated from these two figures, without making any allowance for fluctuations in capital over the 12 months, thus:

$$\text{return (\%)} = \frac{\text{profit} \times 100}{\text{capital}}$$

(b) 10 months only.

Since dividends were only paid on the paid-up share capital, there was little relation between profits and declared dividends, particularly before 1919. Up to 1919 the company always declared a dividend of 25 per cent, with the exception of May 1918 when it was 50 per cent. The size of the dividend declared may have been simply a way of boosting public confidence in the company, thereby encouraging loan deposits. Twenty-five per cent may have been chosen because of its symbolic importance in the 'mythology' of the Oldham Limiteds: Sun Mill, the first Oldham Limited in the 1860s, had raised the sublime prospect of a never-ending series of 25 per cent dividends.²¹ After 1919, dividends were more closely related to profits. Between December 1919 and March 1921 dividends ranged from 10 per cent to 20 per cent, but, except for March 1922, no dividend was declared between June 1921 and December 1924 nor after December 1927. Between December 1924 and December 1927 dividends of 2d or 2½d per share were paid.

Because of the relatively small amounts of money involved, shareholding in the company was not so much for purposes of investment, but as a way of controlling the company. Control was clearly in the hands of the directors, but before 1919 the interest of the Leigh family dominated, who, as noted earlier, held 62 per cent of the shares. The five directors, including John Leigh, junior, held 41.3 per cent of the shares. Altogether, there were 45 shareholders, of whom 20 held 100 shares or less. The directors held 40 per cent of the shares in the new company of 1919, while a further 18 per cent were held by three directors of the old company and Sir John Leigh. There was now a total of 170 shareholders, but 136 of these held only 100 shares each. Thus the small investor

had little say in the company, in contradiction to the co-operative idealism of some of the early Limiteds.

There was much contemporary debate as to the sources of finance for the mill building booms of the late nineteenth and early twentieth centuries. Some people feared that the majority of the finance was coming from outside the Lancashire cotton region, which would have meant a loss of local control. However, available evidence suggests that finance was largely local, chiefly from within the Lancashire textile district,²² and what is known about the shareholders and loanholders of Pear supports this view. While in 1912 only two of the 45 shareholders came from Stockport itself, 25 came from Oldham. Of the remainder, all but five, the most distant of whom lived in Colwyn Bay, North Wales, lived in the Manchester area. Eighteen of the 45 were people employed directly in the cotton trade. There is less information on loanholders, but again the available evidence points to the importance of local investors. During the 1920s, there was one loanholder in Dorset and one in the U.S.A., possibly an emigrant from Lancashire, but these were exceptions. After 1924 both the Stockport Districts of the Amalgamated Association of Operative Cotton Spinners and Twiners and the Amalgamated Association of Card, Blowing and Ring Room Operatives had loan accounts. The workforce invested money in the mill via the Pear New Mill Savings Club which made regular loan deposits. The investors with the largest loan accounts seem to have been other companies involved in the cotton trade: for example, the Equitable Spinning Company, Kershaw Leese & Company, W.H. Midwood & Company, cotton merchants, who at one time had £10,000 invested; and Mons Mill Company Limited, Todmorden, which invested £20,000 in 1920. Some of the building contractors were paid, in part, by being given loan accounts. In the period before 1919, the rate of interest on loans was set at 4.5 per cent. Higher rates could be negotiated for larger loans, particularly if it was agreed to leave the money for a given time. In theory all other loans were withdrawable at call but, before 1919, any large loanholder who desired to withdraw his loan would normally get a visit from one of the directors to try to persuade him otherwise. After 1919 interest rates were formally laid down to vary with the size of the loan and were higher than before 1919. In 1921, for example, they were: up to £1,000, 5 per cent; £1,000 to £5,000, 5.5 per cent; £5,000 and over, 6 per cent. But exceptional rates were still sometimes negotiated with people who asked for them.

Later Years

Pear Mill had been run as an independent concern for 16 years, but was to continue as part of a combine for a further 48 years. The head office of Combined Egyptian Mills, which acquired the mill in April 1929, was in Atherton and the majority of its mills were in the Bolton and Leigh areas. The company was renamed Combined English Mills (Spinners) Limited in 1953 and in 1964 was purchased by Viyella International. Pear Mill made a loss from 1929 until 1931 but thereafter made a profit for its new owners until 1952, after which no figures are available. Later in the 1950s the mill was modernised, converting from mule to ring spinning and steam to electric drive, but was closed in 1978 when Viyella concentrated yarn production at a new plant in Atherton. It was the last mill built by a Stockport Limited to remain in production and is still standing, being used as small industrial units.

Conclusion

Study of a single mill provides little basis for generalisation, but some major points which emerge can be summarised. In many respects, Pear Mill seems to have been typical of its age. Finance was raised locally through a combination of shares and loans, the latter predominating. Control was firmly in the hands of the directors, who were local men from Stockport and nearby towns in the Lancashire cotton district, a majority coming from Oldham. The company's fortunes followed those of the cotton industry in general, with exceptional profits after the First World War leading to its reflation. In the depression which followed, the company responded by making changes in production before eventually being absorbed, in 1929, into one of the new combines, as were several of its neighbours in Stockport. Despite being one of the last cotton mills to be completed, it was a traditional steam powered mule spinning mill, the newer technologies of ring spinning and electrical power not being considered.

The survival rate of mill records as detailed as those for Pear Mill is small and this in itself provides a justification for the study presented here, providing a rare opportunity to look more closely at the workings of a limited liability

cotton spinning company. Even so the type of record used means that the study has its limitations since the mill is mainly seen through the eyes of the directors. For the local historian the main justification for a study of this type will be the fact that the livelihoods of a large proportion of the population of the Manchester region depended on companies like Pear Mill, but the records contain little information on the workforce.

A continuation of this research to the study of other Stockport Limiteds would require the use of secondary sources, such as newspapers and the trade press, where detailed primary sources are not available. It is clear from this study that directors often sat on the boards of more than one company, while being employed elsewhere in the industry. These networks of directors and the influence this had on the control of mills warrants further investigation. There is evidence in the Pear Mill minutes of friction between board members arising from their other interests. The Lancashire mill architects were included in these networks and their activities, both as architects and as business men, would be a worthwhile area of study. A.H. Stott & Sons, who promoted and designed Pear Mill, were responsible for the design of over half of the mills built by the Stockport Limiteds and were probably financially involved with several of these companies.

NOTES

1. R. Smith, 'An Oldham Limited Liability Company, 1875-1896', *Business History*, 4 (1961) pp.34-53. F. Jones, 'The Cotton Spinning Industry in the Oldham District from 1896 to 1914' (unpublished M.A. Econ. Thesis, University of Manchester, 1959). R.E. Tyson, 'The Sun Mill Company: A Study in Democratic Investment, 1858-1959' (unpublished M.A. Thesis, University of Manchester, 1962). D.A. Farnie, *The English Cotton Industry and the World Market, 1815-1896* (Oxford, 1979) pp.209-76. In addition, the following have been used for background information on the cotton industry during the period: G.W. Daniels and J. Jewkes, 'The Post-War Depression in the Lancashire Cotton Industry', *Journal of the Royal Statistical Society*, 91 (1928) pp.153-206. M.W. Kirby, 'The Lancashire Cotton Industry in the Inter-War Years: A Study in Organizational Change', *Business History*, 16 (1974) pp.145-59. R.E. Tyson, 'The Cotton Industry' in D.H. Aldcroft (ed.), *The Development of British Industry and Foreign Competition, 1875-1914* (1968) pp.100-27. R. Robson, *The Cotton Industry in Britain* (1957). L.H.C. Tippett, *A Portrait of the Lancashire Textile Industry* (1969).
2. This paper is derived from my unpublished extended essay entitled 'Pear Mill, Stockport, 1907-1978' submitted as part of the examination requirements for the Certificate in Local History, Department of Extra-Mural Studies, University of Manchester, 1986 and acknowledgements are due to Dr. John Wilson of the Department of History, University of Manchester, who supervised this research and made many valuable comments on an earlier draft of this paper. The major primary source for this work was Stockport Central Reference Library, Archives Collection, Pear New Mill Ltd., B/NN/3/1-B/NN/4/9. The most important items in this collection are the Directors Minute Books for 1912-26 and the Balance Sheet Books for 1913-29. Additional information, particularly covering the period from 1907-12, was obtained from the local and trade press, primarily *Stockport Advertiser* and *Textile Manufacturer*. Reference was also made to Worrall's Textile Directories for Lancashire (published from 1884-1930 under the title *The Cotton Spinners' and Manufacturers' Directory for Lancashire* and from 1931-70 under the title *The Lancashire Textile Industry* by John Worrall Ltd., Oldham), which are available on microfilm in Manchester Central Library.
3. 'New Companies', *Textile Manufacturer*, 33 (1907) p.392.
4. *Stockport Advertiser*, 18 Oct. 1907, p.5; 6 Dec. 1907, p.5; 3 Jan. 1908, p.4; 24 Jan. 1908, p.1; 5 Nov. 1909, p.12; 26 Jan. 1912, p.7; 26 April 1912, p.1.
5. 'New Companies', *Textile Manufacturer*, 38 (1912) p.211.
6. A report in the local press described this as 'a garden suburb for the work people'; it would have consisted of some 200 houses plus shops. *Stockport Advertiser*, 30 Dec. 1912, p.11.
7. E. Jones, *Industrial Architecture in Britain, 1750-1939* (1985) pp.183-194. J. & F. Nasmith, *Recent Cotton Mill Construction and Engineering* (Manchester, 1909). D. Gurr and J. Hunt, *The Cotton Mills of Oldham* (Oldham, 1985). For a full account of the industrial archaeology of Pear Mill see R.N. Holden, 'Pear Mill, Stockport: An Edwardian Cotton Spinning Mill', *Industrial Archaeology Review*, 10 (1988) forthcoming.
8. 'New Companies', *Textile Manufacturer*, 45 (1919) p.313.
9. 'An Effective Cotton Merger', *Textile Manufacturer*, 53 (1929) pp.181-182.
10. F. Jones, 'Cotton Spinning Industry in Oldham', p.32 & pp.126-51. E. Jones, *Industrial Architecture*, pp.147-8, 155-6, 185-8. E. Jones, 'Sir Philip Sidney Stott (1858-1937)' in D.J. Jeremy (ed.), *Dictionary of Business Biography, Vol.5* (1986) pp.371-4. Gurr & Hunt, *Cotton Mills of Oldham*, p.20.
11. *Stockport Advertiser*, 18 Oct. 1907, p.5.
12. 'New Companies', *Textile Manufacturer*, 33 (1907) p.105 and 34 (1908) p.31.
13. *Stockport Advertiser*, 5 Nov. 1909, p.12.
14. D. Farnie, 'John Buntin (1839-1923)' in D.J. Jeremy (ed.), *Dictionary of Business Biography, Vol.1* (1986) pp.506-10.
15. The figure is arrived at by examination of the 'New Companies' column of *Textile Manufacturer* over the period, but directors of new companies are not listed after March 1920 so the actual figure may be higher.
16. Jones, 'Cotton Spinning Industry in Oldham', pp.67-8. H. Catling, *The Spinning Mule*, (Newton Abbot, 1970) pp.149-54.
17. J. Jewkes and E.M. Gray, *Wages and Labour in the Lancashire Cotton Spinning Industry* (Manchester, 1935).
18. Smith, 'Oldham Limited Liability Company', p.45.
19. Smith, 'Oldham Limited Liability Company', pp.45-6.
20. B. Bowker, *Lancashire Under the Hammer*, (London, 1928).
21. Farnie, *English Cotton Industry*, p.249.
22. Smith, 'Oldham Limited Liability Company', pp.40-2. Farnie, *English Cotton Industry*, pp.252-6. Jones, 'Cotton Spinning Industry in Oldham', pp.23-54.