

The business of religion: lending and the Church of Scotland in the eighteenth century

Following Weber's classic *Protestant Ethic and the Spirit of Capitalism*, the relationship between religion and economic activity has often been cast in terms of belief.¹ This raises considerable problems given the difficulty of inferring belief from theological statements and of assessing the connection between belief and activity. As Christopher Smout has observed, 'few countries were more completely Calvinist than Scotland, yet it is hard to see how any support can be found for Weber's thesis from the situation in this country between 1560 and 1690'.² An alternative approach is to examine religion as a social practice.³ One of the results of such an examination in the eighteenth-century Church of Scotland is the uncovering of extensive practices of lending on bond by local church bodies. This has two implications: light is shed on the debate about Protestantism and lending at interest; and some intriguing connections between church bodies and nascent Scottish enterprises are indicated. The article starts by outlining the structure and governance practices of the Church, with particular emphasis on its corporate form and the extensive record keeping which supplies the evidence base for the discussion. There follows a review of the historiography of Protestantism and lending at interest, which frames the detailed discussion of eighteenth century practice. This discussion outlines the broad framework before examine some detailed cases, with a particular focus on lending to Glasgow businesses by local church bodies.

¹ M. Weber, *The Protestant Ethic and the Spirit of Capitalism* (London, 1976).

² T. C. Smout, *A History of the Scottish People 1560-1830* (London, 1969), p. 88.

³ P. Gorski, *The Disciplinary Revolution: Calvinism and the Rise of the State in Early Modern Europe* (Chicago: 2003); A. Mutch, 'Weber and Church Governance: Religious Practice and Economic Activity', *Sociological Review*, 57 (2009), pp. 586-607.

Structure and records of the Church of Scotland

The administrative body for the local operations of the church was (and is) the kirk session.⁴ Each parish had a session of some six to fifteen elders, with the minister as the moderator (chair). Elders were selected by the session, examined for their religious knowledge and conduct by the minister and presented to the congregation who had a right to raise objections (something rarely done). If acceptable, elders were ordained to office in the presence of the congregation, an office which they retained for life (unless, also rarely, deposed for some infraction of discipline). In some congregations there was also a class of officials known as deacons, who looked after the material but not the spiritual wellbeing of parishioners, but this was a distinction which was often, especially in smaller parishes, not observed, with the two offices being combined. The session had the responsibility of supporting the minister in the exercise of spiritual guidance and discipline. They maintained, with the support of their session clerk (usually the parish schoolmaster), detailed records of their actions and decisions. A key part of their responsibilities was the relief of the poor. This was seen as a moral and spiritual duty, and the church took great pride in supporting the poor from their own resources.⁵ In this case the poor referred to the elderly and infirm; the able bodied poor received no relief, except in times of extreme dearth through adverse harvests. Normally, sessions maintained a roll of those to whom they gave relief. They raised much of the money for poor relief from collections at weekly services, supplemented by other sources, such as donations, fees for various services and fines for breaches of discipline. What is important for our purposes is that the corporate form of the session, that is, its enduring character, meant that it was able to build up balances, balances which then might be invested. It is this ability to lend money out that forms the basis for this article.

⁴ For the church in the eighteenth century in some detail, A. Mutch, *Religion and National Identity: Governing Scottish Presbyterianism in the Eighteenth Century* (Edinburgh, 2015).

⁵ J. McPherson, *The Kirk's Care of the Poor, with Special Reference to the North-East of Scotland* (Aberdeen, 1945).

The detailed records which the church created also give us our evidence base. The evidence is drawn upon the records of five presbyteries, all in the lowlands of Scotland. Presbyteries were groupings of parishes in which the ministers of those parishes, together with selected elders, met on a monthly basis to monitor the activities of the parishes. Attention is limited to Lowland presbyteries because the particular character of the Highlands during the eighteenth century meant that functioning presbyteries (and sessions) were slow to become established. They were selected in part because of links to other material which could shed further light on governance and accounting practices. Linlithgow, on the western outskirts of Edinburgh, for example, was shown from an analysis of separate accounting books to be a forerunner of this practice, connected, perhaps, to the participation there of the key writer on church procedure, Walter Steuart of Pardovan. Two court cases concerning the parishes of Cambuslang in the western presbytery of Hamilton and Humber in the eastern presbytery of Haddington, have been cited as potential influences on accounting practice.⁶ A similar dispute, although not one as widely noticed, occurred in the parish of Monymusk in the presbytery of the Garioch, Aberdeenshire.⁷ Finally, an early historical examination of governance practices in the parish of Mauchline suggested attention to the presbytery of Ayr.⁸ The surviving records for parishes in these presbyteries, ranging in total at the intervals selected for detailed scrutiny from thirty four to thirty nine parishes in total, gave details in which practices of lending money on bond were evident.

These presbyteries were all predominantly rural and agrarian in character in the eighteenth century, although some experienced industrial development towards the

⁶ R. Mitchison, *The Old Poor Law in Scotland: The Experience of Poverty, 1574-1845* (Edinburgh, 2000), pp. 60-6.

⁷ A. Mutch, 'Presbyterian Governance in Practice: Monymusk 1790-1825', *Records of the Scottish Church History Society*, 42 (2013), pp. 1-34.

⁸ A. Edgar, *Old Church Life in Scotland: Lectures on Kirk-Session and Presbytery Records*, Volume 1, (Paisley, 1885); Volume 2, (Paisley, 1886).

end of the period. They were centred on market towns which were the seat of the presbytery (this being Inverurie in the case of the Garioch). Rural rather than urban presbyteries were selected in order to minimise the impact of mercantile practices on the conduct of parish business. Margo Todd has argued, for the late sixteenth century, that in Perth members of the session were 'already experienced in self-government' thanks to their involvement in the governance of guilds.⁹ While such practices might be expected in larger urban areas, if structured practices of administration and accountability were to be found in rural areas, this might suggest a stronger connection with the theological tenets of the church. In addition, the areas examined differed in their connections to urban markets and investment opportunities. The Garioch was the most solidly agrarian of the five presbyteries, so investment opportunities might be expected to have been restricted. Both Hamilton and Haddington had particular connections to the urban centres of Glasgow and Edinburgh respectively, not least because of the propensity of wealthy merchants and lawyers to move to rural estates and take up positions of influence within the local church. These differences gave rise to different investment opportunities, ones which are revealed in the detailed accounting records of kirk sessions.

Protestantism and lending at interest

Before such practices are examined in detail, let us consider the place of lending at interest in the theological positions of the reformed religions of Europe. Munro provides a very useful summary of the standard tenets, pointing to the importance of Calvin.¹⁰ He draws attention to the way in which medieval formulations, carried forward into many Protestant versions, conflated usury, that is, the charging of excessive rates of interest, with interest *tout court*. This often meant that interest as a stipulation at the outset of contracts was forbidden, leading to the marginalisation of those who sought a return on the money they lent. The events of the Reformation produced three broad forms of Protestant Christianity, formed in opposition to the

⁹ M. Todd, *The Perth Kirk Session books 1577-1590*, Scottish History Society, Sixth Series, vol 2, (Woodbridge, 2012), p. 17.

¹⁰ J. Munro, *Usury, Calvinism and Credit in Protestant England: From the Sixteenth Century to the Industrial Revolution*, University of Toronto: Department of Economics, Working Paper 439 (2011).

theology, polity and practices of Roman Catholicism.¹¹ Each had different positions on the acceptability of lending at interest. Lutheranism, which dominated the Germanic countries and parts of Northern Europe, tended initially to maintain the hostility to lending at interest which characterised official Roman Catholic dogma. This saw such lending pushed out to marginalised groupings, notably Jews, who could then be scapegoated for supplying practices which, nonetheless, were economically desirable. The position of the other two traditions was more ambivalent. Some attention has been paid to Anglicanism, the creed of the Church of England (which became Episcopalianism in other parts of the world). However, this was a very distinctive tradition; rather less attention has been paid to Reformed Protestantism, that form of theology and polity most closely associated with the work of Calvin. Calvin allowed for modest rates of interest, especially when the results were to be used for pious purposes. Munro's discussion is focused on England, where he finds aspects of Calvin's legacy somewhat ambiguous. This leads him to assert that 'Clearly, in the sixteenth and early seventeenth centuries, most followers of Luther and Calvin were more hostile to usury than were contemporary Catholics in continental Europe, and generally more hostile than Calvin himself had been.'¹² So, for example, he cites the jurist Edmund Coke's condemnation of usury in 1620 when as we will see, religious polities which followed Calvin more closely exhibited very different tendencies. His discussion of the role of Calvinism pays particular attention to those dissenters in England who were ultimately unsuccessful in getting Calvinist doctrines accepted in the Church of England. He points to their subsequently disproportionate role in economic development, thus reopening aspects of the Weber debate. Here his discussion is largely in the grounds of belief; it is the contention of this article that a focus on practice can be more fruitful. Munro draws on Ashton's attention to the links between English and Scottish Presbyterians, suggesting that an examination of the other side of these links might be of value. This is important, because Scotland was the site of the most thorough instantiation of

¹¹ D. MacCulloch, (2004) *Reformation: Europe's House Divided 1490-1700* (London, 2004).

¹² Munro, *Usury*, p. 14.

a religious polity founded firmly in the Calvinist tradition in Europe.¹³ In England Calvinism never rose above the status of Dissent; in Scotland it became the national religion. This meant that it could put into place practices based on beliefs that in other locations could only remain at the level of belief. This is of wider significance when associated with long standing ties with the Netherlands. Gorski (2005) has illustrated (and this has echoes in Munro's account) the way in which both ideas and human beings moved in the Reformation with consequences for economic activity.¹⁴ Bookkeeping can be seen to have moved from Italy and the development of double entry bookkeeping to the economically developed Low Countries.¹⁵ Here, the Counter Reformation onslaught of the Spanish Imperial forces prompted a massive exodus of Protestant adherents from Antwerp and Bruges to Amsterdam and the other cities of what was to become the Netherlands. In their number was Stephen Stevin, polymath and translator of Pacioli's work on double entry bookkeeping.¹⁶ From here his ideas were picked up and translated into English. However, England and the Netherlands were commercial and naval rivals, with very different religious polities (albeit both Protestant). There were much closer ties between the Netherlands and Scotland, with the former becoming a temporary home for many presbyterian exiles during the many religious wars that wracked Scotland during the seventeenth century.¹⁷ For example, one of these was the Reverend James Clark, who later became minister of the Tron Kirk in Glasgow. He published a series of

¹³ G. Marshall, *Presbyteries and Profits: Calvinism and the Development of Capitalism in Scotland, 1560-1707* (Oxford, 1980).

¹⁴ P. Gorski, 'The Little Divergence: The Protestant Reformation and Economic Hegemony in Early Modern Europe', in W. Swatos and L. Kaelber (eds) *The Protestant Ethic Turns 100: Essays on the Centenary of the Weber Thesis* (Boulder CO, 2005), pp. 165-191.

¹⁵ J. Aho, *Confession and Bookkeeping: The Religious, Moral and Rhetorical Roots of Modern Accounting* (Albany NY, 2005).

¹⁶ O. ten Have, 'Simon Stevin of Bruges', in A. C. Littleton and B. S. Yamey, (eds) *Studies in the History of Accounting* (Homewood, IL, 1956), pp. 236-246.

¹⁷ G. Gardner, *The Scottish Exile Community in the Netherlands, 1660-1690* (East Linton, 2004).

sermons in 1703 entitled *The Spiritual Merchant: or, the Art of Merchandizing Spiritualized*. He had been inspired to do so, because, before he felt called to the ministry, as the son of a merchant he had been 'bred at Holland in Merchant Accounts, Book-keeping and other parts of the Theorie of Merchandizing'. He had put this into practice during 'the injuries and unsettlement of the late times' and so felt able to apply his practical knowledge to the spiritual sphere.¹⁸ The connections of shared Calvinism (albeit in more tolerant form in the Netherlands than in Scotland) and merchant networks saw the palm in accounting texts move to Scotland, where a series of authors, all of them connected with Presbyterianism in some form, dominated the English speaking markets for accounting texts in the eighteenth century.¹⁹ From this the ideas became an important force in what was to become the United States. Accordingly, what happened in these centres is of more than local interest.

In addition, much of the limited work on lending on interest in Reformed Protestantism has focused on published writings; a focus on religion as social practice can give us a valuable alternative perspective.²⁰ One problem with the Weber debate is that much of it is based on formal statements of belief. Students of religious ritual warn us that practices cannot be simply assumed from such statements.²¹ On the one hand such statements often only circulated amongst theological adepts; on the other such practices may be inferred from formal statements of belief but are not necessarily spelled out in any detail. In rather overlooked work on the organization of Protestant sects, Weber actually gives some hints as to what might be important. He notes

¹⁸ J. Clark, *The Spiritual Merchant: or, the Art of Merchandizing Spiritualized* (Glasgow, 1703), p. vii.

¹⁹ M. Mephum, *Accounting in Eighteenth Century Scotland* (New York, 1988).

²⁰ M. Foucault, *Security, Territory, Population: Lectures at the Collège de France 1977-1978* (Basingstoke: 2009).

²¹ A. Clark, 'Testing the Two Modes Theory: Christian Practice in the Later Middle Ages', in H. Whitehouse and L. Martin (eds.) *Theorizing Religions Past: Archaeology, History, and Cognition* (Walnut Creek CA, 2004), pp. 125-142.

The tremendous social significance of admission to full enjoyment of the rights of the sectarian congregation, especially the privilege of being admitted to the Lord's Supper, worked among the sects in the direction of breeding that ascetic professional ethic which was adequate to modern capitalism during the period of its origin.²²

Weber goes on to note, although only in passing, some organizational concomitants of this restriction of sacraments, such as the circulation of certificates amongst congregations. Weber was not much concerned with mundane practices in his work, but it is arguable that these need to be a major part of our focus. Gorski, in his examination of the rise of the early modern state in Europe, suggests that it is Foucault who points us towards such practices.²³

In his work on governmentality, that is the governing of conduct in mass populations, Foucault suggested that we look at what he terms 'pastoral power' for the source of some key techniques.²⁴ In particular, he suggests, we need to look at the history of religion not as belief or organization, but as social practice. Foucault recognised that his was a perspective of pastoral power which focused on the social practices of Catholic belief. Indeed, he suggested some hints about Protestant pastoral power and recognised the importance of the Reformation, but he was never able to supply any more detail. As Gorski points out, on, 'the concrete social mechanisms through which this power operated, the central concern of so much of his work, Foucault is strangely silent'.²⁵ Gorski's argument is that this would turn our attention to earlier sites of activity, notably early seventeenth century Netherlands and the impact of Calvinism. As noted above, Scotland is also a useful site for the investigation of the practices associated with a thorough-going instantiation of Reformed Protestantism.

²² H. Gerth and C Mills, *From Max Weber: Essays in Sociology* (London, 1948), p. 312.

²³ Gorski, *Disciplinary Revolution*, pp. 24-5.

²⁴ Foucault, *Security*, p. 123.

²⁵ Gorski, *Disciplinary Revolution*, p. 25.

Lending at interest in the Church of Scotland

What is significant here is that we can examine what sessions actually *did*, as opposed to what laws laid down that they *should* do. While the early session records of the reformed church in Scotland show some cases of discipline for usury (in St Andrews in 1568 and in Edinburgh in 1578) the first Act of the Scottish Parliament in 1587 laid down a legal maximum for interest of 10%, thus accepting the moderate rates of interest advocated by Calvin.²⁶ It is interesting that an English Act of Parliament of 1571 also stipulated the charging of the same interest rate, which came to be regarded as the legal rate.²⁷ In the first separate accounting registers to have survived, those of Edinburgh St Cuthberts, we can find recorded the receipt of 'annual rents' (often written '@rents', the term for interest) in 1608 and Clark observes that, 'Cases of discipline for usury are very infrequent in Session records, and the law seems to have been a dead letter long before Pardovan's [an important writer on church governance in 1709] time. Indeed, it is doubtful if usurers were disciplined at all after 1600, for by the time of the Act of 1633 (C.1, V. 39), we read of "the legal interest of 10 per cent!"²⁸ It is instructive, therefore, to examine how lending at interest for the benefit of the poor operated in the eighteenth century. By this time the practice was not only widely practiced, but indeed was enjoined upon parishes by presbyteries. When, for example, the Presbytery of Hamilton inspected the session registers of Bothwell in 1750 they "recommend it to William Meek to find a sufficient hand & lend out on Interest the 200 Merks now in his hand & not let it lye dead by him as it has done too long already."²⁹ They were also concerned that sessions should not lend money without sufficient security. In 1702, for example, the presbytery of Haddington instructed their clerk to write to the session of Saltpreston

²⁶ I. Clark, *A History of Church Discipline in Scotland* (Aberdeen, 1929), pp. 96-7.

²⁷ Munro, *Usury*, p. 17.

²⁸ Clark, *Church Discipline*, p. 97.

²⁹ National Records of Scotland (NRS), Edinburgh, Records of the Church of Scotland, CH2/ 393/3 1719-1757, Presbytery of Hamilton minutes, 10 April 1750, 497.

recommending them not to “lend any of the poors money, either to Heritors or others, without good and sufficient securitie”.³⁰

Some indication of the importance of interest from loans in the income of kirk sessions can be gleaned from an analysis of income in a sample of parishes in 1790.

Table 1: expenditure categories (%) of twenty four parishes in 1790

	Ayr	Garioch	Haddington	Hamilton	Linlithgow	Total
Collection	59.58	59.16	29.39	42.79	44.16	44.74
Interest	31.69	17.02	35.00	21.71	21.06	25.58
Pews	0.68	10.10	1.16	0.00	0.64	2.22
Discipline	3.88	6.79	0.38	1.57	1.74	2.50
Mortcloth	2.10	2.16	7.86	15.55	13.84	9.12
Misc	2.07	4.77	5.83	4.12	7.55	5.04
Donation	0.00	0.00	5.68	14.25	11.02	7.05
Assessment	0.00	0.00	14.69	0.00	0.00	3.75

Source: Mutch, *Religion and National Identity*, p. 120.

Table 1 indicates that in this sample of twenty-four parishes across five presbyteries about a quarter of income, the second largest category, came from interest, with significantly higher figures in some parishes. In the Lothian parish of Saltoun, for example, interest accounted for fifty-six per cent of income.

It would be desirable to examine the nature of this investment in more detail in order to determine how and with whom the money was lodged. However, an attempt to do this reveals some of the limitations of the records. The records for the ninety-one parishes covered by the five presbyteries were examined for two years, 1750 and 1775. The first problem is that usable records survive for only twenty-nine and thirty parishes respectively. The standard practice was that sessions met at least once in a year to examine the contents of their poor box and reconcile them to both their accounting records and to the registers of decisions which supported them. Ideally, one would be looking here for a discussion of the full monetary position of the session, but in fifteen parishes in 1750, sixteen in 1775, the reconciliation was limited

³⁰ NRS CH2/185/10 1698-1716, Presbytery of Haddington minutes, 4 February 1702, 93.

to a cash one alone, the records being silent about the longer term investments. Even in the remaining parishes where some note was taken of the bills held in the box the recording was often too fragmentary to enable us to have a full picture. We long for a wider use of the very clear practice in the parish of Kintore in Aberdeenshire which had a table for 1750 showing the principal sum of each investment, the interest owing on each and the number of years on which interest was outstanding. Unfortunately, only two other parishes, Culsalmond and Dalsersf, gave this level of detail for 1750, and none did so in 1775. Accordingly, any figures here, as with any conclusions we can draw, are tentative and partial. However, a comparison of the two years gives some interesting indications which help frame the later discussion. Table 2 contains a summary.

Table 2: summary of loans in two sample years

Year	Number of loans	Average value £sterling	Maximum invested	Number of parishes with investments over £100	Number of bonds
1750	40	15.66	152.88	2	6
1775	22	76.25	300.00	7	9

Source: calculated from twelve parish records in NRS ³¹

One distinction that emerges is that between bills and bonds. Bills were a promise to pay a principal sum with interest at a defined rate at a certain time. In some cases they were supported by cautioners, but they were granted for shorter times and smaller sums. A bond was secured on some valuable consideration of the borrower which could be attached in the case of default. The most desirable form was the heritable bond, secured on landed property. One notes here the increasing

³¹ Parish records examined were: 1750: Dalrymple; Coylton; Blantyre; Dalsersf; East Kilbride; Old Monkland; Carriden; Dalmeny; Chapel of Garioch; Culsalmond; Inverurie; Kintore. 1775: Old Cumnock; Dalrymple; Monkton; Aberlady; Cambuslang; West Calder; Dalmeny; Kirkliston; Torphichen; Culsalmond; Daviot; Meldrum

proportion of bonds in the investments being made, a trend which accompanied the consolidation of loans. Earlier in the century parishes seemed to have a range of smaller, often local investments. In addition, one notes that the minister was often the borrower of last resort, holding some if not all of the session's money in six cases in 1750, but none in 1775. What this indicates is the increasing range of investment opportunities with, as we will see below, more commercial opportunities becoming available as the century wore on.

Another approach, but one which is more demanding of time, is to follow investment decisions longitudinally. This depends on the quality of records, but scrutiny of accounting records can give clues about investments even when formal summaries are missing. Accordingly, three parishes for which reasonable records seemed to be available were examined in more depth. These parishes were Yester in the presbytery of Haddington (from 1721), Dundonald in the presbytery of Ayr (from 1735) and Culsalmond, in the presbytery of Garioch (from 1735). This enables us to examine some of the dynamics behind investment decisions. Some broad themes can be drawn initially, and then the detail is woven together with examples gleaned from the wider examination of accounting in the five presbyteries as outlined above.

One common feature of practice in the early years of each parish was lending to a wide range of borrowers with many at small sums. In Yester, for example, one can reconstruct a rough picture of the investment portfolio in 1725.³² It consisted of five bonds and nine bills. Not all the value of bonds is given (we know of the existence of one, for example, because diligence was being taken to try to recover it). However, both the bonds for which we have a value were over ten pounds sterling. In Culsalmond in 1751 the bulk of the session's capital was in the form of bills owed by

³² Calculated from NRS CH2/377/6 Yester accounts 1723- 1756 supplemented by CH2/377/4 Yester minutes 1727-1759.

the late minister, with a value of over twenty five pounds sterling.³³ The balance, however, was in five bills with an average of seventeen shillings sterling. Here the treasurer also provided a schedule of interest owing, which amounted to eighteen shillings, and the information that three bills had two years interest outstanding, with another having accumulated nine and a half years.³⁴ In Dundonald in 1735 the session's thirteen pounds sterling was spread over three bills and a bond.³⁵ In all three parishes there were trends towards the consolidation of investments, but with rather different trajectories. In Yester, after a period where investments were switched to local merchants, the final period saw the major part of the stock of the session being held in a bond for one hundred pounds of the Marquis of Tweeddale.³⁶ In Culsalmond smaller investments continued alongside investments with varying success with landowners: the key difference here was that there was no dominant resident landowner. By contrast, Dundonald, as discussed below, chose a more commercial home for its accumulated funds.

It is clear, therefore, that in exercising stewardship over the money they collected for the benefit of the poor that sessions were expected to accumulate balances and to invest these balances, against appropriate security, in order to augment their funds. Their challenge, at a time when secure banks were in their infancy, was to find a sufficiently 'good hand' for their funds. One response was direct investment. Some sessions built 'lofts' or galleries in the church which could be let out annually. This, however, was a relatively low yielding investment and one which could involve the

³³ Amounts recorded as pounds Scots were converted first to a decimal equivalent and then to a sterling equivalent. This was to better enable comparisons and to report all figures on a consistent basis. It will be noted that amounts in the earlier years of the century were recorded in a variety of currency in different parishes, including as merks as well as pounds Scots.

³⁴ NRS CH2/78/2 Culsalmond minutes and accounts, 30 May 1751, 11

³⁵ CH2/104/3 Yester minutes 1731-1781, 27 January 1735, 183; 18 June 1735, 183.

³⁶ CH2/377/8 Yester accounts 1767-1784, 28 June 1774, 124

session in disputes over seat rents.³⁷ It is interesting to note that such investments, by the end of the eighteenth century, were of significance in only one of the sampled areas, the Garioch in Aberdeenshire. An alternative investment was found in the Lothian parish of Bolton where, in 1723, the session resolved to invest in a hearse. This was charged out at the rate of 2s 6d for the first mile, and at the rate of 7d a mile thereafter (plus 6d to cover washing the hearse). The hearse was also made available for use, at a higher rate, by those in other parishes. This seems to have been a particularly entrepreneurial parish. An analysis in the accounts indicates that by 1783, when a replacement was purchased, income from its use amounted to £1,141 against maintenance expenditure of £271.³⁸

Another approach was to invest in land or houses. In 1721, for example, the kirk session of Abercorn near Edinburgh agreed to buy six acres in Queensferry from the Earl of Roseberry for £1,905 Scots, the purchase money being the money the session had accumulated plus some that the minister managed to borrow.³⁹ They were followed by the neighbouring parish of Dalmeny, which bought an adjoining acre of land in 1721.⁴⁰ The session of Abercorn held their land for nearly fifty years, selling it back to the Earl in 1770.⁴¹ Dalmeny, by contrast, seemed to hold on to their land, granting James Ponton a nineteen year lease in 1780.⁴² In 1710 the session of Yester converted a legacy into a landholding of thirteen acres. Known locally as the 'precious land', this yielded rental for the poor throughout the century.⁴³ Other sessions chose to invest in housing. In 1721 the session of Inverurie in

³⁷ A. Mutch, 'Systemic Accountability and the Governance of the Kirk: the Presbytery of Garioch in the Eighteenth Century', *Northern Scotland*, 3 (2012), pp. 45-65.

³⁸ NRS CH2/37/4 Bolton session minutes 1744-1802; accounts 1744-1801, *passim*.

³⁹ NRS CH2/835/4 Abercorn session minutes 1718-1733, 6 April 1721, 47.

⁴⁰ NRS CH2/86/3 Dalmeny session minutes 1710-1728, 26 February 1721, 103.

⁴¹ NRS CH2/835/5 Abercorn session minutes 1734-1803, 20 December 1770, 170.

⁴² NRS CH2/86/5 Dalmeny session minutes 1757-1816, 8 February 1780, 147.

⁴³ *New Statistical Account*, Yester, County of Haddington (1834-45): volume 2, p. 171.

Aberdeenshire purchased some land in the burgh and had houses built on it.⁴⁴ The aim was to use the rental income for the benefit of the poor, but by 1763 the houses had themselves become part of poor relief, being let free to some on the poor roll.⁴⁵ Yester stumbled into house ownership almost by accident. One of the bonds in 1725 was in the name of John Sutherland. At fifteen pounds sterling it was the biggest single investment, but in 1731 the session started legal process to recover their money. Although the record is not clear, by 1735 the accounts recorded rents received for 'Sutherland's tenement'.⁴⁶ Direct investment also meant a continuing need for expenditure on maintenance and the problem of chasing tenants for arrears, both entries which figure frequently until rentals ceased to be recorded in 1760. This appeared to coincide with the conclusion of legal action involving the granddaughter of Sutherland, after which the session continued to be a landowner only.⁴⁷

Such problems suggest why many sessions looked for secure homes for their money which would guarantee them steady annual interest. This task often fell in the earlier years to the minister, who was frequently enjoined to search for a 'good hand' for monies on hand. One problem was recorded by the minister of Bolton, whose search in 1727 had proved fruitless because 'he found people averse from borrowing the poors money because their name is to be insert in the records'.⁴⁸ In this case he agreed to take on the money himself, thus confirming the importance of the minister that we saw in our cross-sectional analysis for 1750. The problems that ministers faced when put in this situation were indicated when thirteen years later he reported that he had placed 500 merks (£ 333 Scots or about £28 sterling) with an Edinburgh

⁴⁴ NRS CH2/196/2 Inverurie session minutes 1716-1751, 29 January 1721, 35.

⁴⁵ NRS CH2/196/3 Inverurie session minutes 1751-1775, 25 October 1763, 86.

⁴⁶ CH2/377/6, Yester, 25 February 1724, 29; 30 December 1731, 185; CH2/377/4, 11 January 1735, 103.

⁴⁷ CH2/377/7, Yester, 5 April 1760, 231.

⁴⁸ NRS CH2/37/3 Bolton minutes 1683-1745, 21 May 1727, 252.

merchant whose 'affairs were found to be in confusion att his death'.⁴⁹ He turned to the principal landowners in the parish 'to procure a sure hand' and the session agreed to lend £666 Scots to Lewis Gordon Inspector of Highways on security of his house in Ormiston.⁵⁰ Over the course of the century one notes the increasing role of Edinburgh lawyers, often with country houses in the surrounding areas, in acting as intermediaries in matching funds from sessions with those seeking funds.

This, of course, was not available in many areas, where the natural port of call was the local landowner. In some cases, in a poor and under-developed country with only the stirrings of agricultural improvement before about 1760, this was seen as more of a duty by landowners than as an opportunity to secure investment funds. In Chapel of Garioch, Aberdeenshire, in 1758, a parish with a number of heritors, Sir Archibald Grant felt that heritors should take it in turns to hold the Session's money and suggested that they approach Clark of Balquhain.⁵¹ This does suggest that in many cases heritors perhaps saw themselves more as holders of deposit than active investors. Culsalmond lacked resident heritors prepared to take on money and so turned to landowners in neighbouring parishes, sometimes without success. At the outset of the extant records is recorded the legal processes designed to recover £278 5s Scots (£21.40 sterling) from William Thain of Blackhall, in the parish of Inverurie (approximately ten miles away).⁵² Having recovered it through legal process and the intervention of Lord Aberdeen in 1739, the session, having received the money held in the interim by the minister, had more success with George Forbes in the neighbouring parish of Fergie, about eight miles distant. His borrowing of 500 merks in 1752, nearly £27 sterling, was repaid with interest in 1756.⁵³ The session then took an interesting course, joining with four other sessions in compounding some of their capital with a legacy received by the presbytery in a joint investment

⁴⁹ Ibid., 19 April 1741, 305.

⁵⁰ Ibid., 30 May 1741, 307.

⁵¹ NRS CH2/527/2 Chapel of Garioch session minutes 1741-1766, 7 May 1758, 515.

⁵² CH2/78/1, Culsalmond, 22 June 1739, 54.

⁵³ CH2/78/2, Culsalmond, 6 May 1752, 25; 16 June 1756, 43.

handled by Andrew Thomson, Advocate in Aberdeen.⁵⁴ He received a commission for finding a secure hand for the money.

When the session of Culsalmond next accumulated funds, they invested them with another landowner at some distance, Gordon of Gight in the parish of Fyvie. In 1763 they recorded that 'both the Presbytery and other Heritors had been acquainted of it, and signified their Consent to this Settlement, as they thought the money would be well secured.'⁵⁵ This arrangement continued until 1771, but in 1775 the session looked much closer to home, lending money to Rothmaise of Inch. In this they joined their neighbouring session of Inch who had seven years earlier lent eighty one pounds sterling to John Grant of Rothmaise, 'a Gentleman of undoubted Credit'.⁵⁶ Ten years later, however, he was declared bankrupt and both sessions had to join other creditors in receiving eleven shillings in the pound.⁵⁷ The session of Culsalmond then found a safer home with Leith of Freefield, who took sixteen pounds sterling in 1781.⁵⁸ The experience of Culsalmond shows that landowners were not always a safe home for money, especially in more economically under-developed areas. Aberdeenshire parishes did not have the benefit of the presence of the larger landowners of the Lothians, who were already reaping the benefits of agricultural improvement. So in Yester Lord George Hay, later to become Marquis of Tweeddale, gave his bond of one hundred pounds at five per cent in 1768, an arrangement that persisted for the rest of the century.⁵⁹ It is noticeable that three of the four Lothian parishes for which we have information in 1775 had the majority of their funds in heritable bonds of over one hundred pounds sterling with landowners.

Joining local landowners as common destinations for investment were local farmers and tradesmen. Here the loan of money was even riskier and sometimes seemed to

⁵⁴ *Ibid.*, 8 March 1757, 49.

⁵⁵ *Ibid.*, 19 December 1763, 97.

⁵⁶ NRS CH2/189/3 Inch session minutes 1732-1769, 10 April 1768, 273.

⁵⁷ NRS CH2/189/4 Inch session minutes 1771-1792 and 1814-15, 16 January 1779, 67.

⁵⁸ CH2/78/3, Culsalmond, 22 April 1781, 97

⁵⁹ CH2/377/8, Yester, 14 August 1768, 26.

amount to a form of deferred poor relief. In 1753 for example, the session of Culsalmond, lent 40 merks to William Esslemont in Pulwhile, but two years later, despite having a cautioner, he was unable to repay.⁶⁰ Esslemont, who was a tailor, had an infirm wife and sick children which got him into such circumstances that the session ordered a collection for him at a church service in February 1757.⁶¹ In August of the same year the session wrote the debt off, 'at the same time they notified to him that he was not to expect for a considerable time after this any more supply from them'.⁶² In other cases, loans seemed to be more for the working capital of recipients, but even here their security was precarious. In 1741 the session at Yester 'agreed to lend to Andrew Stanners in Leehouses for a boll of Oats to sow his land' the sum of nine pounds Scots.⁶³ The history of some loans in this parish does tend to suggest that the session was used as a source of short term finance. In June 1729, for example, William Durham (who had already had a bill for twelve pounds Scots from 1724 to 1729) borrowed fourteen pounds Scots from the session which was returned without the payment of interest in September the same year.⁶⁴ Loans could be seen, that is, not just as investments but as forms of poor relief. In the same year, 1729, the Yester session also lent 'to Mary Hardie in distress per Andrew Hardies Bill payable at Martinmass next £12'.⁶⁵ It is not clear whether this was ever repaid. In Culsalmond, a review of outstanding loans in 1770 found that of five small loans with accumulated interest ranging from three to thirteen years

excepting James Mackie alone, the other persons who granted the above Bills are in the most indigent Circumstances, and as for this reason they have no

⁶⁰ CH2/78/2, Culsalmond, June 15 1753, 24; 3 March 1755, 35

⁶¹ Ibid., 22 February 1757, 41.

⁶² Ibid., 6 August 1757, 45.

⁶³ CH2/377/6, Yester, 29 March 1741, 435.

⁶⁴ CH2/377/6, Yester, 2 June 1729, 141; 143 7 September 1729, 143.

⁶⁵ Ibid., 2 June 1729, 141.

ground to expect full Payment without depriving them of the little subject they are presently professed.⁶⁶

That is not to say that such small loans might not have contributed to local economic development. In 1775 the session of Meldrum in the Garioch had a loan of thirty pounds sterling to 'the Merchants of Old Meldrum'.⁶⁷ In Yester a shift in investment strategy in 1737 saw the session invest forty pounds sterling with James Smith, merchant in Haddington, followed by the loan of the same sum in 1739 to David Forrest of Gimmersmiln, Haddington, a major local miller.⁶⁸ These investments ran successfully for thirteen and twenty years respectively. However, the balance sheet of such investments was decidedly mixed.

Uncertainties about the prospects of local investments meant that some sessions, especially those closer to developing urban centres, took a more adventurous course of lending money to those developing new investments. Loans to housing developers, because they could be secured on the property, were a popular choice. In 1761 the session of Bolton in Lothian was advised that 'there was one Deacon Brown in Edinburgh who wanted to borrow about eighty pounds sterling to finish some buildings of a considerable Value, which he had been carrying on, and was willing to give Heritable security'. After realising some other loans the session lent eighty pounds to Brown secured on the 'Lands & Houses in Bruntsfield Links'; in this way the session both contributed to and benefitted from the expansion of Edinburgh.⁶⁹ Houses were not, however, always a reliable investment. The session of Gladsmuir, Lothian, had loaned money to Edward Baillie, an Edinburgh merchant, secured on houses in the Canongate. However, in endeavouring to recover their money in 1753 they discovered that the houses were in poor condition. Legal process ensued, with the session deciding three years later that, as the houses were in ruinous condition that they would accept the offer of an Edinburgh merchant to buy

⁶⁶ CH2/78/3, Culsalmond, 4 August 1770, 4.

⁶⁷ CH2/1146/17, Meldrum accounts 1747-1797, 19 February 1776, 207.

⁶⁸ CH2/377/6, Yester, 14 January 1739, 407; CH2/377/6 4 February 1740, 297.

⁶⁹ NRS CH2/37/4 Bolton session minutes 1744-1802; accounts 1744-1801, 14 March 1761, 38; 8 January 1762, 41.

their debt from them, 'The Session being desirous to avoid & get free of a Tedious Law Suit which has already depended for many years'.⁷⁰

Other more industrial enterprises, however, were also homes for funds. In 1753 the session of Bolton lent twenty pounds sterling to William Hamilton, a brewer in Edinburgh. A further ten pounds was added to the loan in 1760. The loan proved a good one, continuing until it was redeemed on Hamilton's death in 1770.⁷¹ In 1782 the same session lent ninety pounds to 'John Blair, Merchant in Edinburgh and William Cheap Linen Manufacturer there at 5%.⁷² Sessions near Edinburgh were able to take advantage of the legal infrastructure in which advocates and Writers to the Signet acted as brokers for clients in search of funds. In 1761 the session at Dirleton lent £200 sterling to 'James Campbell of Arkinglass Esq, John Livingston Merchant in Edinburgh and Adam Cleghorn Merchant in London.'⁷³ In similar fashion, through the mediation of David Anderson WS, Edinburgh, the session of Saltoun lent £400 sterling in 1769 to James Wilkie esq and Mr William Tod junior 'merchant in Edinburgh'.⁷⁴

On the other side of the country, meanwhile, the session at Dundonald, Ayrshire lent forty five pounds sterling to the Tannery Company in Kilmarnock in 1760. Run by James Wilson and Company, this enterprise was a recipient of regular sums ranging from one to twenty pounds sterling in the years from 1765 to 1777. It was only in 1778 that they started to record the receipt of interest. However, it appears that the company got into financial difficulty by 1784. In that year the sum of £126 10s was owing to the session and the heritors 'considering themselves as the guardians of the poor deem it their indispensable duty to use every legal means to obtain payment of this debt'. They arranged for a scheme of payment backed up threats of legal action; this was broadly successful but it was not until 1797 that payments were concluded. In the interim, the session continued to invest with the Kilmarnock

⁷⁰ NRS CH2/169/2 Gladsmuir session minutes 1737-1779, February 1753, 58; 30 December 1756, 63.

⁷¹ CH2/37/4 Bolton, 23 April 1753, 24; 4 January 1760, 34; 5 January 1770, 63.

⁷² Ibid., 3 January 1782, 112.

⁷³ NRS CH2/1157/3 Dirleton session minutes 1737-1774, 25 September 1761, 91.

⁷⁴ NRS CH2/322/7 Saltoun session minutes 1760-1795 and accounts 1759-1794, 2 October 1769, 33.

merchants John Parker and Company. This investment appears to have been transferred to the bank of Hunter & Co, in which Parker may have been interested, in 1787.⁷⁵ Another tannery company, that in Glasgow, was also the target of investment by the session of Cambuslang, who had a bond of sixty-eight pounds sterling with them from 1737 until 1743.⁷⁶ For a short period all of the available money was lent secured on land in the conventional way until in 1747 £130 was lent to Messrs Crawford, merchants in Glasgow.⁷⁷ This was followed in 1749 by the loan of £100 to another Glasgow merchant partnership, that of Connell and Campbell, whose loan continued until 1776.⁷⁸ Meanwhile, the Crawfords' loan was redeemed in 1758 and promptly lent out to Glassford and Ingram.⁷⁹ John Glassford and Archibald Ingram were two of Glasgow's most famous 'Tobacco Lords'.⁸⁰ Glassford started trading in tobacco in 1750 and, based on a system which involved the provision of credit and the direct purchase of the crop in America, accumulated a considerable fortune. His loan from the session had increased to £170 by 1762 and was renewed to £200 in 1768. This continued until repaid, by now just in Glassford's name, in 1787. The sum was then lent on a series of notes to Henderson, Gordon, Riddel and Company, another firm of Glasgow merchants whose counting house was behind Glassford's premises. The connection continued when £270 was lent to Glassford and Riddel in November 1797.⁸¹ Thus for the better part of the eighteenth

⁷⁵ NRS CH2/104/3 Dundonald session minutes 1731-1781, 1 December 1760, 230; 19 November 1778, 264; 25 July 1779, 269.

⁷⁶ CH2/415/2 Cambuslang, 2 February 1737, 50; 10 March 1743, 53.

⁷⁷ Ibid. 15 May 1747, 57.

⁷⁸ Ibid. 22 May 1749, 348; 13 February 1776, 246.

⁷⁹ Ibid. 23 May 1758, 362.

⁸⁰ T. Devine, *The Tobacco Lords: A Study of the Tobacco Merchants of Glasgow and Their Trading Activities, c.1740-90* (Edinburgh, 1975).

⁸¹ CH2/415/2 Cambuslang, May 1762, 363; 25 May 1768, 365; CH2/415/40 Cambuslang accounts 1778-1838, 15 May 1787, 226; 15 May 1789, 230; 19 May 1797, 244.

century the session of Cambuslang had significant sums lent out to the elite of Glasgow's merchants.

However, the most interesting commercial investment was that by Old Monkland session in the developing sugar refining industry of Glasgow. Based on trade with Scottish plantation owners in the Caribbean, the King Street sugar house was founded by Colonel McDowall on his return from St Kitts in 1727. The session invested all its accumulated funds in this new venture in November 1727, adding a further £11 13s 4d Scots in 1735.⁸² In 1743 the accounts record 'Received from United Company of Wester & King Street Sugarhouses the sum of one hundred & three Pounds ten shillings Scots as a year and half's interest (viz from Martinmas 1741 to Whitsunday 1743) of the Principal Sum of 2300 Merks Scots contained in a bond granted by Sd Company'.⁸³ The bond was still extant in 1750, when it had been joined by a bill for £29 sterling to Messrs Coats. The sugarhouse bond appears to have been redeemed in 1755 when a consolidated bond of £200 sterling was invested in Richard and John Coats, merchants in Glasgow.⁸⁴ Although the details are not clear, it would appear that the Coats were later involved in Glasgow's fledgling textile industry. They were certainly part of the city's flourishing trade with North America.

Devine has pointed to the ability of Glasgow businesses to consolidate small investments in order to facilitate commercial development, especially of the tobacco trade which gave such a boost to industrial development. He notes that

The main medium for transmission of credit was the loan secured on bond. The basic advantage of the bonded loan was that it produced a higher return than government stock. Most of the bonded loans studied were for the full legal limit of 5 per cent of interest between 1750 and 1775. If necessary,

⁸² NRS CH2/461/1 Old Monkland session minutes and account 1684-1742, 29 November 1727; November 1735.

⁸³ NRS CH2/461/7 Old Monkland accounts 1743-1751, 17 June 1743.

⁸⁴ NRS CH2/461/8 Old Monkland accounts 1743-1788, 14 November 1755; 15 August 1751; 14 November 1755.

further security for the lender could be obtained by guaranteeing them against heritable property, and although bonds were commonly drawn up for six months or a year, they endured in most cases for much longer periods.⁸⁵

What an examination of church records indicates is how important the practice of lending on bond was to the local bodies of the church. Their corporate form gave the potential to accumulate credit balances which could in turn be lent out, in some cases to new commercial enterprises. A focus on practice suggests an important religious influence on commercial practices which is distinct from what might have been laid down in more formal religious writing.

Conclusion

In 1880 an entrepreneur in the village of Kemnay, Aberdeenshire, George Gellie, used two properties as security for a loan of £650 from the kirk session of Leochel Cushnie.⁸⁶ This suggests the continuing practice of lending on bond by Scottish kirk sessions. That practice, as we have seen, had by then a history of over three hundred years. That history has to be placed in the context of an inter-related set of practices, in particular the involvement of the 'middling sort' in the affairs of the church and the corporate form of the kirk session. This enabled it to engage in long term loans and gave some mechanisms for assuring (although not guaranteeing) the quality of those investments. These practices tend to be rather concealed from view, but they indicate the dangers of seeking to read off practices from published and printed sources. The Church of Scotland was particularly rich in programmatic statements of governance, but they were noticeably unforthcoming about the types of lending that we have reviewed.⁸⁷ However, these practices were not designed to stimulate economic activity, even if that were their consequence. They were framed

⁸⁵ T. Devine, *Scotland's Empire 1600-1815* (London, 2003), p. 87.

⁸⁶ Kirkstyle (2005) 'Gowanbank', <http://www.kirkstyle.org/localhistory/2005.shtml>, [accessed 8 May 2014].

⁸⁷ A. Mutch, "'To Bring the Work to Greater Perfection": Systematising Governance in the Church of Scotland 1696-1800', *Scottish Historical Review*, 93 (2014), pp. 240-261.

to support the poor in the context of particular theological precepts. Those precepts might have been relatively silent, or even hostile, to practices such as the taking of interest, but putting theological commitments into effect meant the fostering of the patterns of lending that we have observed. This suggests the importance of including practice as well as belief when we come to assess the relationship between religion and economic activity.

One line of inquiry to explore the relationship between belief and practice further might be to examine the records of urban sessions. These would both have more direct access to investment opportunities and to have amongst their membership the merchants and entrepreneurs who would have knowledge of them. Another would be to contrast the practice in Scotland with that in England. Here we are somewhat hampered by the lack of evidence of local church governance practices in the latter country. In part the lack of evidence is because of the paucity of the surviving records, something which can be linked in turn to the particular governance practices involved. From the limited investigations which have been carried out for the eighteenth century, we know that local church affairs were handled in a very different way to Scotland.⁸⁸ Two church wardens were selected to serve an annual term of office, with their remit being the oversight of ecclesiastical discipline amongst the congregation and the maintenance of the church fabric. The relief of the poor sometimes also came under their purview, but much here was governed by local custom and practice. What this meant for the monies under their control was that there was no enduring corporate body which could invest accumulated funds. Where churchwardens did control investments this appears to have been largely in the form of lands donated for charitable purposes, in which income was dedicated to the provision of specific items, such as bread for distribution to poorer inhabitants.

We lack the evidence to do more than speculate here, but there is sufficient to point to the consequences of very different forms of church administration. For Scotland this meant the possibility of the accumulation of funds which could be invested in a range of productive activities. The need to account for such funds, together with a range of other practices, contributed to a distinctively Scottish focus on accounting

⁸⁸ A. Mutch, 'Custom and Personal Accountability in Eighteenth Century South Nottinghamshire Church Governance', *Midland History*, 36 (2011), pp. 69-88.

and accountability, manifest in Scottish pre-eminence in the production of accounting texts and, in the nineteenth century, the formation of accountancy as a profession.⁸⁹ It might also have contributed to the distinctive Scottish capability in the management of investment trusts. While religious belief might have been important in animating a distinctive set of governance practices, it is to those practices and their enduring impact that we need to look when considering the relationship between religion and economic activity.

⁸⁹ A. Mutch, 'Religion and Accounting Texts in Eighteenth Century Scotland: Organizational Practices and a Culture of Accountability', *Accounting, Auditing and Accountability Journal*, 29 (2016), pp. 926-946.