

The Cycle Share Boom and the Humber Company Promotions of the 1890s

By Christian Wignall, San Francisco, California, USA.

The Cycle Share Boom in England at the end of the nineteenth century was spectacular, scandalous, corrupt and notorious. It left in its wake a trail of failed businesses, lawsuits and personal bankruptcies. The bankruptcy proceedings of its most prominent stock promoter, 'the Napoleon of finance', Ernest Terah Hooley, kept the public enthralled for weeks in 1898 and provided the impetus for the reforms embedded in the (British) Companies Act of 1900.

When the dust had settled, cycle manufacturing had been transformed from a myriad of small enterprises into a recognizably modern industry, with a few dominant players determined to exploit economies of scale and mass production efficiencies which drastically drove down the costs of production. The winner was

passed by the British Parliament from 1825 onward had made the formation of limited liability joint stock companies almost absurdly easy. Thirdly, the British financial markets were flooded with cheap money which fueled the speculation.

Paraphrasing the words of Robert Lowe, Vice-President of the Board of Trade in the middle of the century; Joint stock companies were illegal before 1825, thereafter forming a joint stock company was a privilege, but after 1857 it became a right.¹ The legislation was consolidated into the Companies Act of 1862, which made it easier to form a limited liability joint stock company in Britain than elsewhere in Europe. A newly formed company merely had to have seven members and declare itself to have limited liability by putting the word 'limited'

caveat emptor was often the guiding principle.

As the British Empire and its economic tentacles spread out across the globe, the London Stock Exchange became the world's corporate bazaar. Not only British companies, but foreign enterprises and governments all came to the London market to raise money. In the mid-nineties, investors were feverishly excited about the new gold fields in South Africa and Australia. By 1896 there were 360 Kaffirs (South African) and 260 'Westralian' (Western Australian) securities traded in London.² In the gold standard world of the nineteenth century, gold was money, and from 1894 to 1896 the abundance of new gold flooding the London money market helped to drive down government bond (consol) yields to century lows (2.5%) and the Bank of England cut the Bank Rate (the short-term interest rate) to 2%. Thus, the financial environment was especially favorable for stock market speculation.

The first cycle company to be listed on a stock exchange was the Otto Cycle Company at the end of 1882. It was a tiny issue (paid-up capital of £25,000) and there was very little further activity until 1887 when the Rudge Cycle Company was brought to the market with capital of £190,000 by an enterprising solicitor, George Woodcock.³ The issue was undersubscribed. There was little further activity until the markets recovered from the financial trauma caused by the Baring Crisis in 1890. Following this crisis, there was easing of financial conditions and growing excitement surrounding the prospects for safety cycles with pneumatic tyres, and cycle share listings picked up in 1893. Even so, interest was initially greater in the provinces, particularly in Birmingham and Dublin, than in London. Birmingham was to remain the primary market for cycle shares throughout the boom.

[Figure 1]

The real lift off was in the first half of 1896 when the pace of activity was bewildering and the scale of the financial engineering quite breathtaking. An index of cycle share prices (compiled by William Quinn of Queen's University, Belfast) more than tripled in the first five months of the year.⁴ According to A. E. Harrison,⁵ the total capital of new listings by cycle and tyre companies jumped from £561,000 in 1895 to

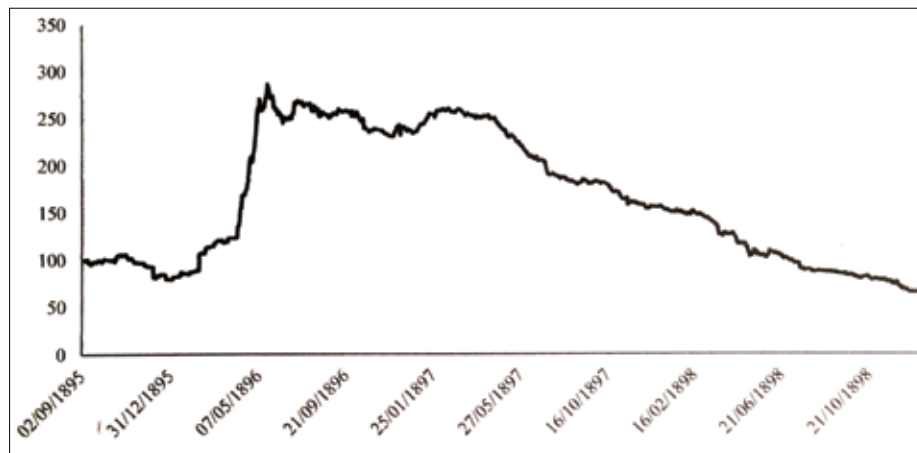


Figure 1. Graph of an index of cycling share prices 1895 to 1900 (Source: William Quinn)

the cyclist, who saw the price of a new bicycle plunge from over £20 in the early nineties to £12 by 1898 and to below £5 in the early years of the new century.

The stock market boom in cycle shares in the mid-1890s arose because of a combination of favorable circumstances. Firstly, there was the attraction of the industry itself: cycling was all the rage and bicycle sales were growing rapidly. Secondly, a series of Companies Acts

after its name. Thereafter shareholders were safe in the knowledge that their personal losses would be limited only to the money they put into the venture, regardless of the debts racked up by the enterprise itself. There would inevitably be fraud and abuse, but *laissez-faire* was the prevailing economic philosophy and wronged parties could always look to civil litigation and the lawcourts for redress: but even there,

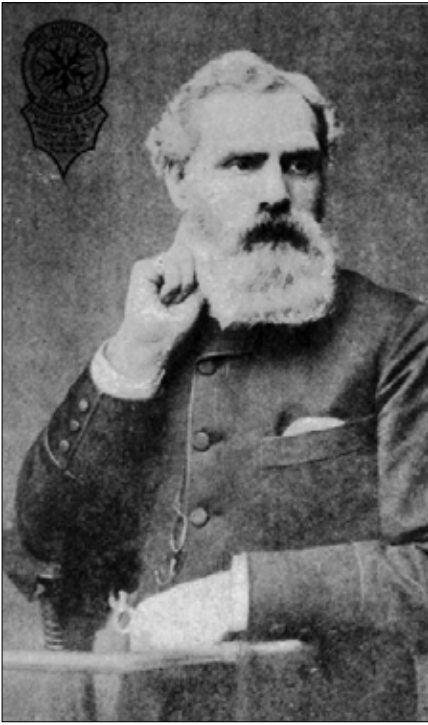


Figure 2. Thomas Humber (Source: Bartlett's Bicycle book, 1931)

£17,383,910 in 1896. The number of listed cycle companies went from no more than 10 at the end of 1895 to 127 by mid-1897 (Quinn 2016).

The vast amount of capital raised in the mid-nineties financed an extravagant expansion of manufacturing capacity. The number of persons employed in the cycle trade doubled in the three-year period 1895-1897 with a commensurate expansion in output.⁶ Supply outstripped demand and a price war broke out in the second half of 1897, exacerbated by a flood of cheap imports from the United States. Profits collapsed, dividends were halted, and stock prices plunged.

Rather than follow the many twists and turns of the numerous cycle companies through this period, I want to follow just one, the Humber company, because in many ways it was at the epicenter of the financial speculation. [Figure 2]

Thomas Humber was born in 1841 in Sheffield, but his family moved to Nottingham when he was thirteen. Trained as a blacksmith, in 1868 he made his first velocipede.⁷ When he was 34 (1875) he went into partnership with Thomas Marriott. Three years later, (1878) they were joined by Fred Cooper and established a bicycle factory in Beeston, a suburb of Nottingham. In 1885 Marriott and Cooper left to form their own bicycle company. Humber immediately took a new partner, T. Harrison Lambert,

a bicycle enthusiast who had probably been Humber's first customer. Lambert introduced Humber to an ambitious young man, Martin Diederich Rucker, who was appointed manager of Humber's sales office in London.

Two years later, in April 1887, Humber and Lambert agreed to sell their company to a William Horton. Horton formed a syndicate to amalgamate Humber with three other companies to create a joint stock company, Humber and Company Ltd, and list it on the London stock exchange with a capital of £125,000, consisting of 25 thousand shares of £5 each. The vendors and their friends took up £30,000 of the issue, offering the rest to the public. Thomas Humber agreed to stay on for five years as General Manager. By combining the manufacturing capacity of the four merged companies, the new company would be able to produce 1,200 machines a month immediately and with a little investment and reorganization could step that up to 1,300, - more than quadruple the output of the old Humber and Lambert company. At a stroke, Humber and Company became the most powerful player in the cycle industry.

It was quite plausible that at that rate of production the company would have well over £200,000 of annual revenue on which the profit would comfortably support a respectable dividend on the £5 shares. All was well and good. Yet

it was still, in the late 1880s, a mildly deflationary environment and the stock languished somewhat below its issue price. It was still trading at about £4 ½ in 1892 when Thomas Humber, having put in his promised five years, retired at the age of 51.

Rucker stepped up to become the General Manager of Humber and Company.

In short order Rucker embarked on a major international expansion. He opened subsidiaries in France, the United States, Portugal, Denmark, Sweden and Russia. One reason for setting up several foreign entities was protectionism. Although Great Britain was a free trade country, its competitors were not. Most notably, the United States had a 35% tariff on imported bicycles, and in 1891 this was raised by the controversial McKinley Tariff Act to 45%. 45% plus ten shillings per bike shipping cost made it all but impossible for British cycles to compete in the rapidly growing US market.⁸ The only way Martin Rucker could sell in the US was to establish local production.

Meanwhile the appetite for cycle shares among investors was improving; by the middle of 1894 Humber's stock had risen to £6 and by the end of the year to £7. The company's profits had more than doubled in the year ending August 31st, 1894. [Figure 3]

The bull market in cycle shares

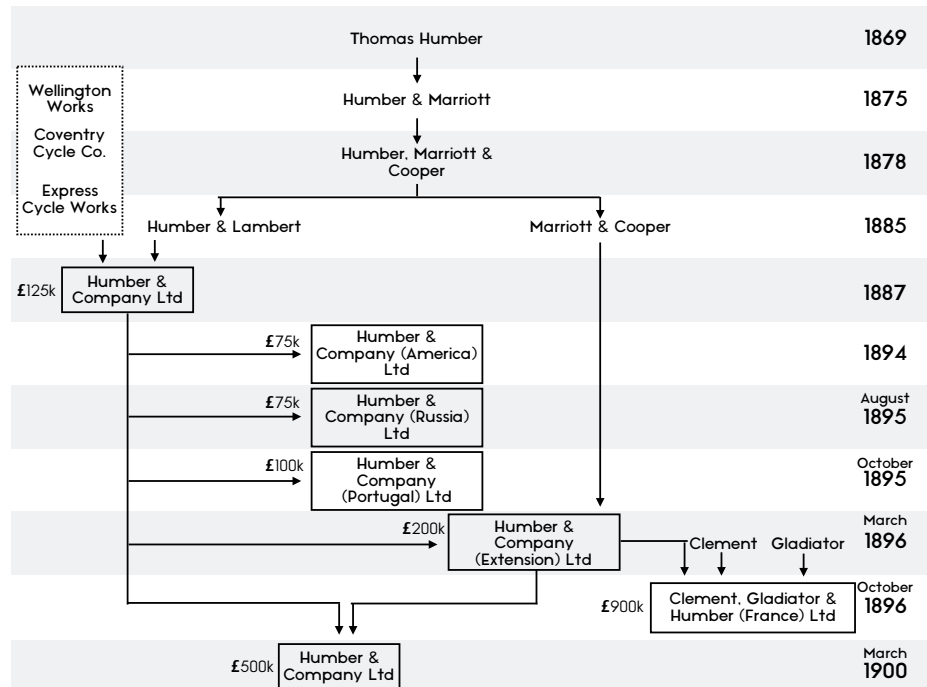


Figure 3. The many Humber corporate entities (Source: author)

attracted the attention of Ernest Terah Hooley. The son of a Nottingham lace maker, he used a comfortable inherited nest egg to set himself up as a local stock broker and through a rapid series of deals had enlarged his fortune to a scale which was outgrowing his Midlands stomping ground. He saw the opportunity of taking the successful local cycle company, Humber, to a higher level, by raising capital to fund its international expansion. His opportunism was perfectly matched to Martin Rucker's ambition. Hooley subsequently recalled, "When I took charge of the Humber Company people rushed in like lunatics to buy the shares..."

At the end of 1894 they swung into action. On December 13th, 1894 the prospectus of a new company, Humber and Company (America) Ltd., was issued. The intention was to raise £75,000 in 15,000 shares of £5 each. The new company would have the exclusive right to sell 'Humber' cycles in the Americas, excepting British possessions. It was to launch production of 5,000 cycles per year at a new site in Westborough, MA, 32 miles west of Boston. Humber and Company (America) would pay a royalty of \$1 per cycle to Humber in the UK.

In the nineteenth century, the process of floating companies involved three stages.⁹ First, a syndicate of investors was formed that assembled the assets which were to constitute the new enterprise. Second, an explanatory prospectus was issued explaining the purpose of the enterprise, its initial assets and other details; and an invite to the public to buy shares in the new company. Third, the money raised from the public was used to buy the assembled assets from the syndicate, which was then dissolved. The syndicate thus acted as middlemen, buying the assets at one price and selling them to the new company at (usually) a higher price. The syndicate might have a dozen or more members, who often were directors of the old company together with their friends and associates. They often had obvious conflicts of interest because they represented both the sellers and buyers of the assets. Sometimes the members of the syndicate would themselves subscribe to shares in the new company, if they thought the prospects attractive enough, so it was often the case that only a portion of the share capital of a company would be offered

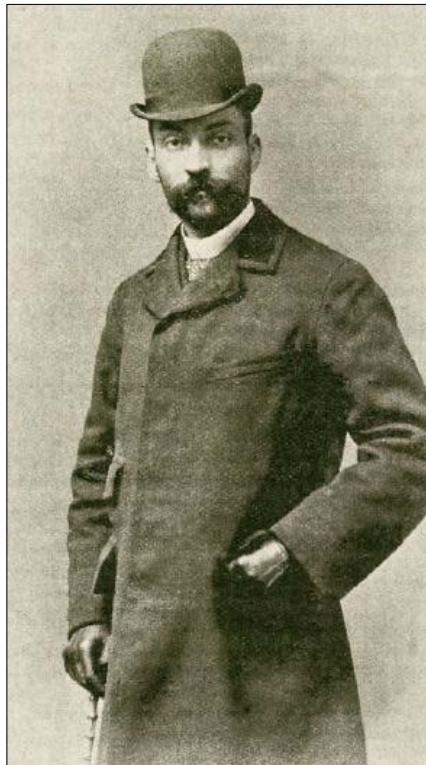


Figure 4. Ernest Terah Hooley (Source: North East Midland Photographic Record accessed via <http://www.Figurethepast.org.uk>)

to the public.

In this particular case, the syndicate had three members, Hooley, Rucker and W.F. Orriss.¹⁰ The syndicate bought the rights to the American market from Humber and Company for £5,000 and spent a further £4,800 on promoting the new company: this would have included advertisements in newspapers, writing the prospectus, legal fees and perhaps payments to journalists for favorable commentary. (In several other Hooley deals his expenses included payments to aristocrats to induce them to become directors and thereby add their lustre to the new enterprises.) For his efforts, Hooley received £30,000 (40% of the total capital), giving him a profit of £20,200.¹¹

[Figure 4]

The association of the ebullient Ernest Terah Hooley with the new enterprise, with his reputation for the Midas touch, together with a rosy prospectus and favorable reviews in the press, would enhance the likelihood of persuading the investing public to subscribe to the new shares. Even so, the Humber (America) issue was undersubscribed. According to Harrison only just over half of the shares were taken up by the public.¹² Hooley took the bulk of the rest - over a third of the total capitalization. But Hooley,

unlike Rucker, was not wedded to the cycle trade, and he unceremoniously unloaded his holding in the early months of 1895 into the rising market, at a profit. So, although the initial subscription was lackluster, the launching of Humber (America) had made money for Hooley.

The 1895 selling season for bicycles was turning out to be a blockbuster and cycle companies could hardly keep up with demand. Excitement on the stock exchange mounted. The original Humber stock more than doubled in price from £7 to £15 during the summer. Martin Rucker, egged on by Hooley and another famous stock promoter, Harry Lawson, struck again. This time it was Humber and Company (Russia) Ltd. Like the American Humber, it was to have capital of £75,000. The prospectus issued in August 1895 explained that it would pay £35,000 for the rights to the Russian market and in addition it would pay a royalty of five shillings per machine to the mother company. A subsequent lawsuit revealed that Hooley and Rucker negotiated to buy the Russian rights from Humber for just £5,000 before selling them on to the new company for £35,000. The lawsuit was brought by some Irish brokers, not because such a deal was a blatant violation of the fiduciary responsibility of Martin Rucker, but because they had been promised a cut of the deal! They were paid off by Hooley and company for an undisclosed sum.

The original Humber was now shorn of its American and Russian businesses, but why stop there? The investing public would surely want a taste of the other lucrative foreign markets. In October 1895, the newly created Humber and Company (Portugal) Ltd. was launched with a capital of £100,000. Apparently, the prospects for the Iberian Peninsula now justified a capitalization larger than either America or Russia. For yielding the rights to the Portuguese market, mother Humber was to be paid £60,000 in shares of the new enterprise, the rest to be offered to the public. In addition, it was to receive royalties of five shillings per machine. Once again, the issue was undersubscribed. (Hooley later observed that perhaps the public found it difficult to believe that the Portuguese would ever take up cycling in a country notorious for its lack of roads.) Hooley stepped into the market to buy the shares aggressively, taking the

brokers short. Caught wrong-footed, the brokers scrambled to buy to cover their positions squeezing the stock higher and higher. Gleelessly, Hooley then dumped his entire position making a profit of £32,000.¹³

Ernest Hooley and Martin Rucker formed a great team, Rucker seemed to know everybody in the cycle industry and Hooley was the fast-moving magician of finance. Together they lunged into several other company promotions unrelated to the Humber group, including the Dunlop Pneumatic Tyre Company and the Grappler Tyre Company. Hooley was involved in non-cycle issues as well, but rather than chase all these rabbits, we'll stick with the Humber story.

The original Humber shares had now quadrupled in price from the original £5 issue value eight years earlier. For the fiscal year ending August 31, 1895, they paid a dividend of 48%, or £2 8s, more than justifying the £20 share price. Nevertheless, the shares were unwieldy, so the capital was reorganized in December.¹⁴ Each old share would be exchanged for ten new one-pound shares and ten £1 debentures (bonds) with a coupon of 6%. The coupon on debentures ranks higher in status than common dividends, so this can be seen as locking in at least a minimum distribution to investors, whereas the dividend paid on the common stock (yielding 12%) was always vulnerable to being cut in a downturn.¹⁵

Not that a downturn was in prospect. The future was still bright in the spring of 1896. The new one-pound Humber shares were buoyant on the stock exchange, trading at £1½ in March, when Hooley unleashed his next creation, the Humber and Company (Extension) Ltd. This was a new way to skin the cat. Rather than peel off rights to market Humber shares in foreign markets, this new vehicle was designed to return some rights to the Humber group. It was a tidying up operation. Oh, and by the way, it cleverly created an opportunity to launch yet another Humber entity on the stock market.

Way back in 1885, Humber's original partners, Marriott and Cooper, had gone off and set up their own company but by agreement they had continued to market their cycles using the 'Humber' name although they subcontracted manufacturing to Rudge. Thus, Marriott and Cooper

'Humber's' competed with the 'Genuine Beeston Humber's', to the irritation of Martin Rucker and his rapidly expanding global enterprise. Hooley stepped in and negotiated to buy the rights to the Humber name back from Marriott and Cooper, but rather than return these rights to Humber and Company, he proposed to sell them to a new creation, the Humber and Company (Extension), which would also take over all the remaining wholesale and retail business of the original Humber. This new company was to be capitalized at £200,000. Mother Humber, shorn of all marketing and distribution, was henceforth to focus purely on manufacturing.

Once again, the issue was not fully taken up by the public and Hooley took over 40% of the shares. It took him a little longer to unload them this time, but nevertheless, they were all gone by the end of the year.

While superficially plausible, there was no real justification for creating the Extension company. Humber and Company could simply have bought the rights directly from Marriott and Cooper, and if it needed more working capital, it would have been straightforward to issue more share capital on the stock exchange: a new corporate entity was not necessary. As we will see later, the Humber Extension affair was to come back and haunt Hooley and all those involved.

Meanwhile, Thomas Humber's son William decided to capitalize on the magic of the Humber name. Back in 1892 he had gone into partnership with J. Goddard, former manager of the Humber Beeston factory, to produce 'Nelson' brand cycles in Nottingham. In June 1896, they attempted to raise £85,000 on the stock exchange for their joint stock company 'Humber and Goddard', but the issue was undersubscribed and the company resorted to trade creditors and a bank overdraft to make up the shortfall: The company was wound up two years later.¹⁶

Hooley was still not finished with Humber. The *pièce de résistance* of the Humber flotation orgy was the floating of the French business. In agreements dated July and August 1896, Hooley purchased two French cycle companies, Clément and Gladiator. Martin Rucker added the French agency of Humber and the three businesses were bundled

together and launched on the London stock market on October 12th, 1896, as Clément, Gladiator, and Humber (France) Ltd. with capitalization of an astounding £900,000 in the form of £700,000 in ordinary shares and £200,000 in 6% cumulative preference shares (essentially low-quality bonds). One of the excuses for forming this enterprise was the threat of an increase in the French import duty on bicycles which made securing local production as well as sales desirable. The prospectus also makes clear the intention to develop the motor car business in France. (Incidentally, the new company agreed to install solely Dunlop tyres, a cozy arrangement which would benefit another of Hooley's projects, the massive flotation of the Dunlop Pneumatic Tyre Company.)

Perhaps because of the sheer scale of the French deal and the fact that it came in the wake of several other large stock flotations in that year, Hooley had to make many side deals and promises to get the thing floated off successfully, and his expenses ballooned as a result. Overall, he made a loss.

The vast supply of new cycle related shares (over £17 million worth in 1896) drew increasingly skeptical comment in the financial press, particularly in *The Economist*, and effectively put a lid on further price appreciation.¹⁷ Remember, despite the brouhaha, many of the issues had in fact been undersubscribed. There were also a few straws in the wind in the summer of 1896 suggesting that the demand for bicycles was not, after all, limitless. As early as June 13, 1896, *The Statist Magazine* observed that "There are signs happily that the Cycle Company 'boom' is wearing itself out. Ladies no longer ride bicycles in the park, and fashion is getting tired of cycling. There are too many cycle companies already, and the paper capital created for them has been out of all proportion to their earning powers."

The pace of cycle innovation was slowing down: the diamond frame and the pneumatic tyre had become the standard pattern for all bicycles by 1894, so the product offered in 1897 had few advantages over the machines of three years earlier. Replacement demand shriveled, and first-time buyers were drying up. Humber's biggest wholesale customer, the John Griffith's Cycle Cor-

poration, declined to renew its annual order for the 1897/8 season, failed to pay its bill, and focused on working down its stock of unsold bicycles, even resorting to selling them at auction. Rival manufacturer Rudge-Whitworth, was the first major producer to discount its bicycles in July 1897 precipitating a price war. Profit margins evaporated. To add to the pain, in the second half of 1897 the British market was flooded with cheap American imports. Machines which were priced at £20 at the beginning of the year were to be had for just £12 by the end. Stock prices rolled over and began falling in the summer of 1897 as it became apparent that the selling season had been disappointing. The original Humber shares halved in price to only 15 shillings by the end of 1897.

Companies continued to raise money on the stock market in the first half of 1897, before the downturn was widely perceived, but little business was done towards the end of the year. There was no recovery in 1898. Compared with the £17.4 million worth of cycle industry companies launched in 1896 and the £7.3 million in 1897, only £91,000 debuted in 1898.

Firms which had held on to high prices for their bicycles touting their premium quality capitulated and introduced cheaper, lower quality bicycles in 1898. The industry focused not on innovation but on driving down the costs of production to restore profitability. The trading profits of mother Humber fell from £62,760 in the year to August 31st, 1897, to £25,462 the following year and to a loss of £12,504 in 1899.

Ernest Terah Hooley declared bankruptcy in June 1898. It is thanks to the consequent court hearings that we have a fascinating and detailed insight into the shenanigans of the bicycle boom. The popular press reported the proceedings with relish, and Hooley seemed to enjoy the limelight, happily revealing the gullibility and cupidity of the aristocracy and the venality of the press, to the acute embarrassment of many establishment figures.

In all, Hooley had promoted fifteen cycle companies. It had cost him £3,311,908 to purchase the relevant assets which were assembled into these new entities, which he went on to sell for £8,655,775 for a gross profit of £5,343,667. He had spent £511,366 on accountants, lawyers, payments to

journalists, inducements to aristocrats to ornament the boards of the companies, etc. leaving a profit of just over £2.8 million. But like so many successful gamblers, Hooley didn't know when to stop. In addition to the fifteen cycle companies, he promoted eleven other businesses and traded aggressively in the shares of existing companies (most notably the Beeston Pneumatic Tyre Company). After expenses, these other activities more than wiped out the profit on the cycle promotions. Moreover, money flowed through his fingers like water, or rather, like a river. In the three years 1896 to 1898, his household and personal expenses ran at £10,000 per annum and his charitable giving £50,000 per annum.¹⁸ Hooley owed his creditors over £450,000, but in typical Hooley style, his bankruptcy was a dishonest affair, perhaps accounting for his cheerful demeanor during the trial. He had made over most of his property to his wife, and life on his country estates went on much as before. Ever the huckster, he subsequently persuaded some of his creditors to take payment in shares of another of his promotions, The Siberian Gold Fields Development Company, which proved to be worthless.¹⁹

With Humber making a loss and alarming revelations coming out of the Hooley bankruptcy hearing, the shareholders of Humber initiated an Enquiry to investigate how the company had come to such a pass.²⁰ The flotation of Humber (Extension) came in for close scrutiny. In essence, The Company Registration Syndicate bought the entire sales and marketing organization of the Humber brand (excepting the already hived-off foreign businesses) plus the Marriott & Cooper rights to the Humber name for a mere £5,000. The Company Registration Syndicate then sold this marketing organization to the newly formed Humber (Extension) for £100,000. The explanation is obscure and complicated. Hooley in his trial asserted that he had bought the Marriott & Cooper rights and sold them to Harry Lawson who had in turn sold them to the Syndicate.

Of course, the rights had some value, but not very much because it was likely that the rights were not assignable.²¹ Marriott and Cooper were merely an irritation, not an existential threat to the Humber empire. Whatever the precise

chain of transactions, something which had cost only a few thousand pounds for Hooley, Lawson, and the Syndicate ended up costing the Humber Extension shareholders £100,000. Where had the difference gone? The Enquiry never found out, the Syndicate having been dissolved, but it pointed out members of the Syndicate were directors of both Humber and Humber (Extension). Moreover, it came out in the Hooley trial that Hooley had written cheques totaling £56,000 to the Humber directors. Despite their protestations that these cheques were for matters unrelated to the Humber affair, it was clear that this money was the directors' share of the profit from the £100,000 transaction. To make matters worse, Martin Rucker and two other directors of Humber paid £1,500 to Mrs. Hooley, ostensibly out of concern for her welfare when Hooley went bankrupt, but obviously it was an attempt to keep Hooley quiet. Hooley cheerfully gave the whole game away in court. Mr. Allbut, secretary of the Humber company, watched the Hooley trial proceedings in alarm and cabled Goddard, a director: "Given away absolutely, including attempt to square." Martin Rucker was fined £200 for contempt of court for bribing a witness.

The board of directors, including Martin Rucker, resigned in disgrace. The loss-making sprawling Humber empire underwent savage pruning, the foreign affiliates were closed down and the two Wolverhampton factories closed, reducing manufacturing to the Coventry and Beeston works. In September 1899, an agreement was reached to amalgamate Humber and Company Ltd. with Humber and Company (Extension) Ltd. To inject much needed cash into the reunified business, there was a call on the much abused and long-suffering shareholders. Thus, Humber sailed into the new century as a single entity once more. It survived and eventually thrived, not only as a maker of bicycles but of motorcycles and automobiles as well.

Dissatisfaction with the state of company law had been growing in the late nineteenth century as seemingly year after year more examples of stock manipulation and fraud came to light. The House of Commons appointed the Davey Committee to review company law in 1894 and in the midst of the speculative mania in bicycle shares

a new stricter bill was passed by the Commons in 1896. It was stalled in committee in the Lords for the following four years - which was not surprising because so many of the Lords held multiple company directorships and were reluctant to make themselves more accountable to shareholders. However, the collapse of the bicycle boom and the scandalous revelations of the Hooley trial provoked public outrage and the new Companies Act was finally passed in 1900 which “represented the most significant alteration in the law since 1862.”²² Among other things, The Act required much more disclosure in the prospectus for new share issues, and made an attempt to ensure directors were fully qualified and aware of their fiduciary responsibilities. ●

Endnotes

¹ John Micklethwait and Andrew Wooldridge, *The Company*. New York: The Modern Library, 2003, p. 51.

² David Kynaston, *The City of London, Volume II: Golden Years 1890-1914*. London: Chatto & Windus, 1995, p. 136.

³ A. E. Harrison, Growth, *Entrepreneurship and Capital Formation in the United Kingdom's Cycle and Related Industries, 1870-1914*. PhD thesis, University of York, 1977. This is a seminal work on the financing of cycle companies. p. 355.

⁴ William Quinn, *Technological Revolutions and Speculative Finance: Evidence from the British Bicycle Mania*, working paper. Queens University Belfast, June 2016. p. 11.

⁵ A. E. Harrison, 1977. Table 19, p. 354.

⁶ Duncans, “The Cycle Industry”, in *The Contemporary Review*, Vol 73, Jan-June 1898. London: Isbister & Co., Ltd., p. 507.

⁷ A. B. Demaus and J. C. Tarring, *The Humber Story 1868-1932*. Stroud: Alan Sutton Publishing, 1989, p. 3.

⁸ The US government subsequently revised the cycle tariff down to 35%, still sufficient to deter imports.

⁹ A. E. Harrison, 1977, see p. 369 for a fuller discussion of the flotation process.

¹⁰ *Ibid*, p. 398.

¹¹ *The Investors Review*, Volume VIII, September 1896. p. 362.

¹² *Ibid*, p. 362.

¹³ Ernest Terah Hooley, *Hooley's Confessions*. London: Simpkin, Marshall, Hamilton, Kent & Co, Ltd., 1925, p. 45.

¹⁴ In terms of today's purchasing power £20 is equivalent to over £2,000.

¹⁵ Such issues of ‘free’ shares are largely meaningless in the capital structure of a company, since they do nothing to enhance its earnings power or ability to pay dividends, but they were taken as a signal of the director's confidence in the future. The lower nominal share price also brought the shares within reach of less affluent speculators, increasing turnover and thereby making the issue more popular with stockbrokers.

¹⁶ Richard Davenport-Hines (ed.), *Capital, Entrepreneurs and Profits*. New York: Routledge, 1990, p. 222.

¹⁷ William Quinn, June 2016. Page 10. The number of listed cycle companies rose from 10 at the end of 1895 to 127 by the summer of 1897.

¹⁸ The summary of Hooley's cycle share activities and expenses etc. in this paragraph come from *The Report of the Official Receiver on the affairs of Mr. Ernest Terah Hooley* as reported in *The Nottingham Journal*, January 23, 1899. It was also reported in many other newspapers.

¹⁹ *Launceston Examiner* (Tasmania), April 29, 1901.

²⁰ *Sheffield Independent*, November 24, 1899.

²¹ It was asserted subsequently that Marriott and Cooper alone could use the Humber name, but the right stayed with them and would die with them, it had no monetary value to anybody else. The Extension shareholders were paying a massive £100,000 merely to persuade Marriott and Cooper to desist from using the Humber name.

²² George Robb, *White Collar Crime in Modern England*. Cambridge: Cambridge University Press, 1992, p. 156.

Conference Extra



Site of house where Drais invented his Laufmaschine.