

Papers of John and Henry Drummond, contractors to the Treasury as paymaster to His Majesty's forces in North America

This document describes a collection of records held by NatWest Group Archives, including details of their background; publications relating to them; summary of the contents of the collection; and information about related records held in other archives.

collection reference DR/464/

background history

After the fall of Quebec in 1759 and with increasing unrest amongst American colonists, the British maintained a considerable force of about 10,000 men in North America. Their supply and payment initially handled by the commander-in-chief drawing bills of exchange directly upon the paymaster general in England. This proved both cumbersome and unviable as it resulted in the depression of the exchange rate. To obviate such losses a contract was entered into in 1767 by the commissioners of the Treasury with John Drummond (1723-74), banker, and Sir Samuel Fludyer (1705-68), deputy governor of the Bank of England, acting jointly as Messrs Fludyer & Drummond.

Under the contract the partners would deliver all monies issued from the Treasury for remittance to America. These monies were converted into Spanish and Portuguese coin and paid over, as called for, to the deputy paymasters in the colonies. The Crown received all interest and profits and paid all charges. Messrs Fludyer & Drummond received a commission of one per cent of all monies delivered to them. It was hoped by this arrangement that the exchange would be stabilised and the necessity for remittance of specie avoided by the contractors' agents raising funds from the sale of bills of exchange drawn on the contractors.

Samuel Fludyer died in 1768, and his share of the contract was taken by Thomas Harley (1730-1804), merchant, banker and Lord Mayor of London. By 1772 John Drummond was in poor health, and his cousin [Henry Drummond](#) became involved in the contract to assist him.

The contractors placed agents in the key base commands in North America: Quebec, Halifax, Boston, New York and the West Indies. An agent was also required to follow the army when it went on major expeditions, or on short-term occupations such as those of Charlestown and Philadelphia. The agents maintained constant communication with the contractors, to whom they were entirely accountable, and kept detailed account books and letterbooks. The contractors themselves held their joint account with our constituent bank [Messrs Drummond](#) from 1767 to 1783.

related publications

- 'Letters from America', *Three Banks Review*, March 1976, vol.109, pp.47-56, and June, 1976, vol.110, pp.40-6
- 'John Cochrane's troubles', *Three Banks Review*, September 1976, vol.111, pp.56-60
- 'Bills of credit scandal, Quebec', *Three Banks Review*, December 1976, vol.112, pp.50-65.

our archive holdings

- copies of Treasury minutes re contract 1765-87
- contractors' letterbooks 1767-90
- correspondence to contractors from agents in North America 1767-93
- lists of bills sent to contractors from agents in North America 1767-83

- contractors' account books 1767-93
- accounts current: agents 1767-83, Treasury 1782-3
- accounts re specie transportation 1763-84
- audit statements c.1784
- bill books 1767-85
- bills of exchange 1768-9
- drafts 1771-84
- receipts: 1771-83, deputy paymasters 1767-84
- bills of lading 1779-83
- postage book 1769-80
- contractors' bank passbooks 1770- 91
- list of warrants paid by Treasury 1771-84
- commander in chiefs' requisitions 1773-82
- copies of Treasury correspondence 1775-83
- papers re court proceedings, General Hallimand v. Harley & Drummond and John Cochrane, Quebec agent 1776-91
- copies of Parliamentary orders 1778-81
- list of contractor's effects 1776
- papers re contractors' involvement in cloth, wool and fur trades 1767-72
- notebook re British army food allowance tables c.1765.

archives held elsewhere

[The National Archives](#): Treasury Solicitor's papers re case of Henry Smith and Thomas Cockan v. Thomas Harley and Henry Drummond, King's Bench, 1784-6 (Ref: TS11/660/2092); letters to Thomas Harley 1780-97 (Ref: PRO30/20).