



THE OLD LADY OF THREADNEEDLE STREET.

NOW, a sovereign, be it observed, is not pure gold. It is found in practice that a certain mixture of copper renders the coin harder and more durable. Supposing the whole weight of any quantity of gold to be divided into twenty-four parts, twenty-two of these parts must be of pure gold, and two of alloy, and such gold is standard gold, or twenty-two carats fine. Moreover, the privilege of coining money in this country is reserved exclusively to the Crown, and the Mint is always open to buy gold bullion at the fixed price of £3 17s. 10½d. per ounce. In other words, every importer of gold has a legal right to take his bar of gold to the Mint and have it coined into sovereigns at the above rate, without any charge for coining. But in practice this is never done, for the Mint will of course take its own time to do the coining, and during that time the importer is losing interest on his capital. At this point the Bank of England steps in. It is authorised, and indeed constrained by law, to buy with its own notes all legally-assayed gold brought to it at the rate of £3 17s. 9d. per ounce. True, this is 1½d. less than would be offered at the Mint, but then this loss is less than that arising from the delay at the Mint. Well, day by day, this bullion is arriving at the Bank. Very fair to look upon are these bars of bullion; still fairer is the glittering mass of coined metal into which the machinery of the Mint converts them. And so turned at length into good money of the realm—

"Molten, graven, hammered and rolled,
Bright and yellow, hard and cold,
Heavy to get, and hard to hold,
Hoarded, bartered, bought and sold,
Spurned by the young, but hugged by the old
To the very brink of the churchyard mould"—

the gold passes from the strong-rooms of the Bank to its branches, thence to other banks, and through them to the nation at large.

But while in this way a great stream of gold is constantly flowing from the Bank, to discharge all the operations of commercial activity throughout the nation, another stream is as constantly flowing in a contrary direction. Day by day, and indeed hour by hour, the gold coinage of the country travels back to the Bank coffers. Each sovereign, when it comes back, has of course suffered more or less from the wear-and-tear of circulation; in other words, it has lost somewhat of its original weight. It follows that its intrinsic worth is so much less, and that this depreciation of value will steadily increase if the coin be permitted to circulate afresh. Now, a deficiency of a little more than a quarter of a grain is tolerated; that is, as a new sovereign weighs rather over 123 grains, one which does not weigh 122¾ grains is considered light. Accordingly, every coin as received at the Bank is weighed separately, by means of an apparatus which

forms one of the most interesting spectacles in the building. In a room set apart for the purpose, ten weighing machines, moved by machinery, are constantly at work. Each machine is a model of exquisite workmanship. The actual balance, which is adjusted with the nicest exactness, is surmounted by a long brass channel, into which the sovereigns are placed. The coins slide steadily and incessantly down this channel; each one, as it reaches the plate of the balance, rests for a space of time hardly appreciable thereon. Then, if it be of full weight, a hammer on the right tilts it into one receptacle; if deficient, a hammer on the left pushes it into another. Thus, like the spirits of the dead doomed, according to Mahometan teaching, to pace the razor-edge, over which all must be cast headlong who are not good Mussulmans, each coin passes to its final assize. For a moment it rests in the balance, and then an inanimate judge, whose decision is unerring and final, dismisses it either to the purifying fires of the Mint, or relegates it to a renewal of its functions in the world of commerce from whence it has come.

Upwards of 70,000 sovereigns are thus weighed daily, each machine testing thirty per minute. In this way light gold is steadily withdrawn from circulation, and the coinage of the nation is maintained in a thoroughly satisfactory condition. The deficient coins are of course remelted and reminted at the Mint, and again issued as already described.

The arrangement by virtue of which the Bank of England is entrusted with the issue of coined money is quite in keeping with the traditions of the Bank. Indeed, the great recoinage in the reign of William III. formed one of the most signal of the many instances in which the Bank has rendered help to the Government. At that time the state of the coinage was so wretched, clipping and filing had been carried to such an extent, that a large proportion of the coins only weighed one-half of their nominal weight. The complete dislocation of values consequent on this depreciation, and the disturbance of all business relations, produced such consternation as—at that time—actually to threaten the stability of the throne itself. But the decision and prudence of William's Government enabled it to weather the storm, and to replace the old battered money with coins which at once attained the distinction of being the most beautiful coins in Europe. This distinction has happily been always maintained.

Turning now from coined money to paper-money, we meet the Bank of England note. Was it not Charles Lamb—dear old Elia—who called a bill of lading an epic poem? And so is a bank-note. True, the bill of lading, telling of foreign climes whence the cargo has been brought, of happy voyages under sunny skies, or of storm and peril and shipwreck, impresses the imagination more than the homely bank-note. And yet, though the latter tells a story of less dramatic power, it appeals to a larger audience. In itself it is

homely enough. Mr. So-and-so, chief cashier, promises to pay the bearer five pounds. Certainly this "promise-to-pay" is attractive to look at, well printed on crisp paper, pleasant to feel, and adorned with a passable portrait of Britannia. Its intrinsic worth is threepence; and yet this bit of paper has for centuries engrossed the attention of statesmen and economists. Some one has said that the crowning achievement of the British Constitution is to get twelve men into a jury-box. He might more truly have said that its chief aim is to insure that this promise-to-pay shall always be redeemed. On the successful solution of this problem depends the entire fabric of our currency, on which in turn reposes our commercial stability. Insure that whenever the bearer chooses to demand his five sovereigns they shall be ready for him, and this piece of paper becomes at once a thing which every one desires to possess. For it is money—that heathen deity, at once man's drudge and man's master, who has altars in every city, priests and worshippers everywhere, and who, like other heathen gods, often turns his votaries into swine. Follow this bit of paper into circulation, and you will find no one so sceptical as not to trust it, no one so ignorant as not to recognise it, none so indifferent as not to desire it; observe its potent influence, "to save, to ruin—to curse, to bless;" see how the love of it "passeth the love of woman," and you will not need the exquisite imagination of Elia to find it the prolific theme for the most cheerful of lyrics or the most doleful of dirges.

Our readers will readily understand that the Bank has spared neither pains nor expense in bringing the manufacture of the note to perfection. All that can be done to prevent forgery has been done, and there is now no document existing so difficult to imitate successfully as a Bank of England note. The paper used is unique in point of colour, thinness, and strength. It is made in pieces large enough for two notes, and a sheet of it, when sized and doubled, will support a weight of fifty-six pounds. The wire-mark is impressed in the manufacture by a process at once costly and laborious. This wire-mark is, of course, the greatest difficulty to a forger. Attempts at imitating it have generally taken the form of embossing paper according to the required pattern. The result, however, is clumsy in the extreme; and the wire-mark, and crisp, peculiar texture of the note, offer at once to eye and to hand a certain guarantee of genuineness.

Very interesting is it to watch the printing of the notes in the Bank Printing Office. From the time when the blank paper is delivered at Threadneedle Street till the completed note is lying ready for use in the Bank till, every successive process is distinguished by precision and caution; the very printing-presses are fitted with self-acting tell-tales, so that not one sheet of paper may be misappropriated or lost; while the registration and counting are elaborate in the extreme. And then, when after a career of greater or less duration the note comes back to the Bank, travel-stained and crumpled, its crispness gone, its cleanliness marred, what pains are taken to cancel it! The cashier who receives it, tears a corner off it; then

holes are penetrated through it; then it is stamped and registered and docketed, and put away for seven years in the vaults of the Bank, whence it will finally emerge to be burnt.

An examination of the various styles of note which the Bank have issued at different times is at once curious and instructive. The present form of note is, as we have indicated, the result of many years of experiment and improvement. Accordingly, each successive kind of note exhibits a great advance on its predecessor in point of beauty of design and excellence of workmanship. But changes in style and texture are not the only ones which may be observed. Here is a note bearing date 1696. It is larger than the present note; contains about six times as much writing; has a reference to, and quotation from, the Charter of the Company; and purports to be paid by ten pounds a time, and to have a penny a day interest. Here again another note, whose date proves it to have been issued at a very early period in the history of the Company, was clearly re-issued for a less sum than its original amount, the difference being paid in currency, and marked on the face of the note. In fact, the note, to the extent of that transaction, served the purpose which would now be performed by a Pass Book.

And now, having explained how a good note is treated, let us turn to the counterfeit—to the imitation of a note. From the 1st of May, 1758, when Richard William Vaughan was executed at Newgate as the first forger of Bank of England notes, down to the present time, the Bank has had to be ceaselessly on the alert to thwart the efforts of the forger. Very large and very curious is the collection of counterfeit notes, including at once attempts so clumsy and so wretched that it is a marvel how any one could be deceived by them, and imitations which bear every mark of taste and dexterity. The care taken with some of the latter, indeed, proves that a knave is but a fool after all, and that one-half the labour and ingenuity spent in an attempted forgery of a bank-note, would have achieved greater results in an honest calling. On the whole, the Bank has had decidedly the best of the encounter, and the great rarity of any really persistent attempt now-a-days to imitate their notes, proves incontestably the excellence of the present style of manufacture.

We conclude with a few statistics. As we have hinted, Bank of England notes are never re-issued, but when paid in for gold are at once cancelled. They are then preserved for seven years, so that inquiries relative to forgeries or frauds on which the notes may throw light may be answered. The stock of paid notes for seven years numbers 94,000,000, and fills 18,000 boxes, which if placed side by side would reach three miles. Pile the notes one on the other, and the pile would be eight miles long. Join them end to end, and you will have a ribbon 15,000 miles long. Arrange them side by side, and you may more than cover Hyde Park with them. Finally, their original value was over £3,000,000,000 sterling, and their weight more than 112 tons.