

## Bank of England Notes.

BY GILBERT GUERDON.



IN the good old times, if the Chancellor of the Exchequer wanted to borrow money of the general public—as he often did—the only acknowledgment he gave was “a tally.”

These tallies were pieces of stick notched to express value, and then split in two, one half being given to the lender, the other retained by the officers of the Exchequer. It was the burning of an accumulation of these old tallies in the vaults of the House of Commons which set fire to and helped to burn down the Houses of Parliament in 1834.

When bankers borrowed money they gave a “note” containing a promise to repay, and the earliest of these bank-notes were given for any amount which a customer liked to lend or deposit, and he could withdraw as much as he wished till the total had been received, and then the Bank claimed the note. Privileged visitors to the Bank of England are shown in a glazed frame the oldest known note, dated “19th Xber, 1699,” for £555, and an inspection of it shows that the bank-notes at that period were printed from engraved

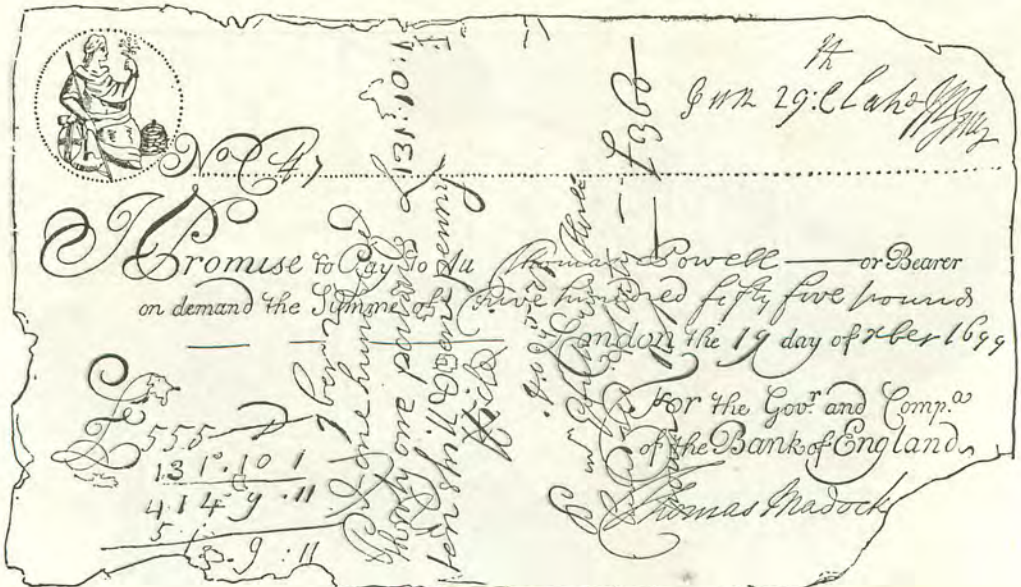
plates, with blanks for the amount, date, number, and signature. In texture and general appearance they were similar to those at present in use, and the water-mark can be distinctly seen. Across the note are written memoranda showing repayment by three instalments.

The signature at the foot of the note is that of the chief cashier. Fifty years ago there were different signatures, according to the values of the notes, but for many years there has been but one for all values, namely, that of the chief cashier, F. May, who has now retired. The signature is imprinted by authority of an Act of Parliament.

The new chief cashier is Mr. Horace G. Bowen, and all notes dated on and after 16th November, 1893, are signed by him with a special autograph. All the notes with the old signature were issued before the new ones were put in circulation.

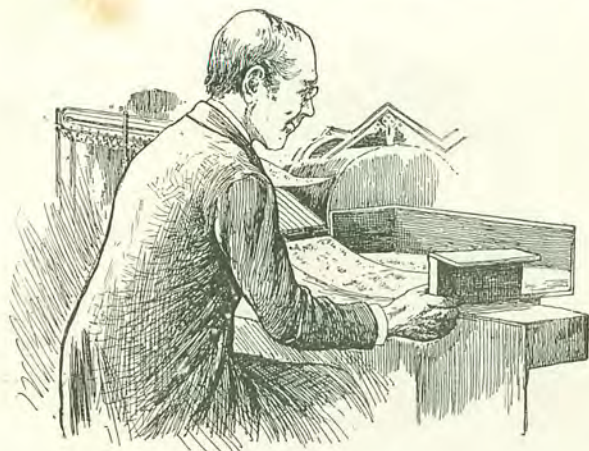
Notes are cancelled by having the corner bearing the signature cut off. There are several sacks full of these corners in the Bank cellars, and they are periodically destroyed by burning.

Amongst other curiosities in the Bank



THE OLDEST BANK-NOTE KNOWN.





COUNTING BANK-NOTES.

by Act of Parliament in 1763, and any attempt to imitate it was made punishable with death—now the punishment is penal servitude.

The ink was formerly made from the charred remains of the skins and stones of Rhenish grapes; now it is made from naphtha smoke, and is remarkable for being absolutely black, hard, and dry. It is noticeable in old bank-notes that the printing in some is much darker than in others. This very objectionable lack of uniformity was due to the practice of printing two notes from one inking—the second impression being necessarily lighter than the first. Now, by a very simple but ingenious contrivance, the inking rollers only take up just enough ink for one impression.

All Bank of England notes are printed in the Bank, where there are six machines constantly at work. The notes are printed in pairs, and come off the machines pressed and dried. The number of notes printed is recorded on dials at the side of

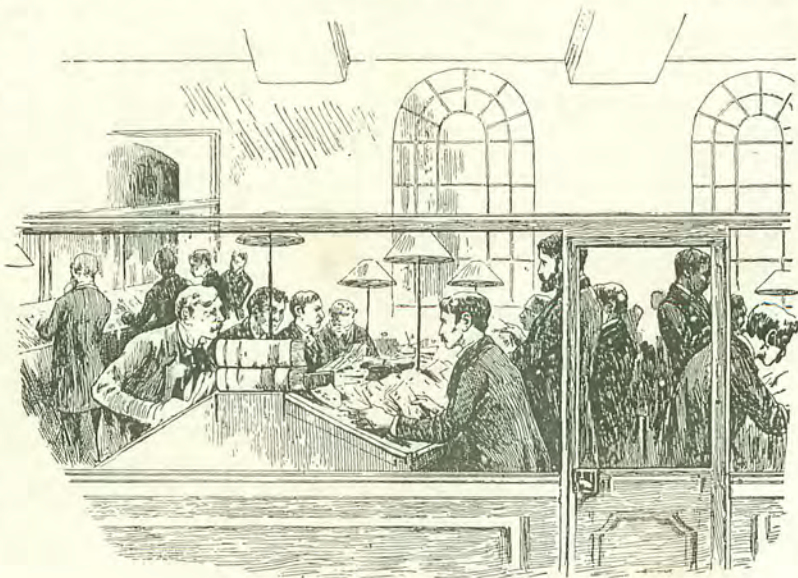
each machine, and, of course, corresponds with the numbers on the notes, as they are automatically delivered to the receiving clerk. It only remains for the twin notes to be cut asunder, and they are ready for issue.

The stock of notes of various values, from £5 to £1,000 each, is kept in iron safes in one large fireproof room, and the average value of the stock is from seventy to eighty million pounds.

Nearly 50,000 notes of different values are paid into the Bank every day, and are immediately sorted, first into values, then into dates, and then into numbers; and as every note has a place of its own in the Bank registers, its return can

be instantly recorded, and anything unusual relating to it is duly noted there. Forged notes are instinctively detected by the examining clerks. The feel is usually enough.

There are very few forgeries now, but a hundred years ago they were rife. The first recorded instance of the forgery of a Bank of England note has a singular touch of romance about it. The forger was a linen-draper at Stafford, named Vaughan, who, in the year 1758, employed several workmen to engrave different parts of a £20 note, and when a dozen had been printed off he deposited them with a young lady to whom he was engaged to be married as a proof of



SORTING BANK-NOTES.



BANK-NOTES LIBRARY.

under greater precautions, was less often counterfeited. A Parliamentary report showed that in the eight years previous to 1797 there was not one prosecution for forgery of bank-notes, but in the eight years following there were 146 capital convictions. In the year 1817 alone there were thirty-two convictions

his wealth; but the imposition was discovered, and Vaughan was hanged.

"All is fair in love and war," says the proverb, but that would hardly excuse forgery, though used as "an instrument of war"; nevertheless, note forgeries were justified by the judges in the early part of the present century, and when the English found that the French had forged English bank-notes, they retaliated by forging French *assignats*. Anyhow, the number of forgeries was astounding, for between 1801 and 1810 the Bank clerks detected £101,651 worth of forged notes.

One of the cleverest imitations of a bank-note was the work of a poor schoolmaster, who forged an entire note with pen and ink, and, sad to say, was hanged.

John Mathieson, who was convicted for forging the water-mark, offered to show the Directors how it was done if he were pardoned, but they would not withdraw the prosecution.

Singularly enough, forgeries first began to be frequent soon after the introduction of the one-pound note, and in April, 1802, Mr. Addington told the House of Commons that the forgeries had increased so alarmingly that seventy extra clerks were required at the Bank merely to detect them.

In the year 1817 the nominal value of the forged paper presented at the Bank of England was £37,180, and the greater part of this large sum was in one-pound notes. Paper of higher value, which necessarily circulated

for forgery, and ninety-five for possession of forged notes. These prosecutions excited a strong feeling in the public mind against the Bank Directors, which was increased when it was found that the sad sacrifice of human life did not lessen the forgeries. Parliament, the Society of Arts, the Bank Directors, and a host of philanthropists turned their attention to the task of discovering, if possible, a means for preventing forgeries of bank-notes.

The report made in 1819 by the Royal Commissioners stated that 108 schemes had been submitted to them, but that every one of the specimen notes had been successfully imitated by the Bank engravers, and all the schemes were therefore condemned as useless. There were also submitted seventy varieties of bank-note paper, but only a few of the proposed improvements turned out to be practically useful.

The typographic note was a wonderful piece of ingenious industry, comprising as it did over 6,000 letters of diamond type. But the counterfeiting of it was, after all, only a question of money, and the so-called "private marks" were but typographical blunders purposely made, which would soon have been discovered, and, being known and imitated, would then have further facilitated deception. At the time that it was set up, in 1819, Mr. Hansard, the printer, estimated that, with specially made new founts of type, the first note would have cost more than



£15,000, and would have taken twelve months to complete.

The caricature bank-note by George Cruikshank, called "The Bank Restriction Note," speaks for itself. It was considered to be a very keen satire, and it no doubt helped in a small degree to put a stop to hanging for note forging.

Country one-pound notes were not so frequently forged, partly because they were usually more artistic in design, and therefore more difficult to counterfeit; and partly from their having imprinted on the back the revenue stamp in red and black, which was not easily imitated. This tax was first imposed in 1800, and was then only twopence, but it was increased to threepence in 1805, to fourpence in 1808, and to fivepence in 1815. There is still a tax on Scotch and Irish bank-notes, but, being compounded for, the stamp is not impressed.

But though the Bank lost considerably through forgeries, they recouped themselves in a great measure by the profit accruing on lost or accidentally destroyed notes. One of the earliest cases which raised the question of the liability of the Bank was that of a note which had been eaten by a goat. Thieves, to avoid detection, have often eaten bank-notes, drunken sailors have made sandwiches of them, many are lost by flood and fire, and all to the profit of the Bank. The Directors, however, are

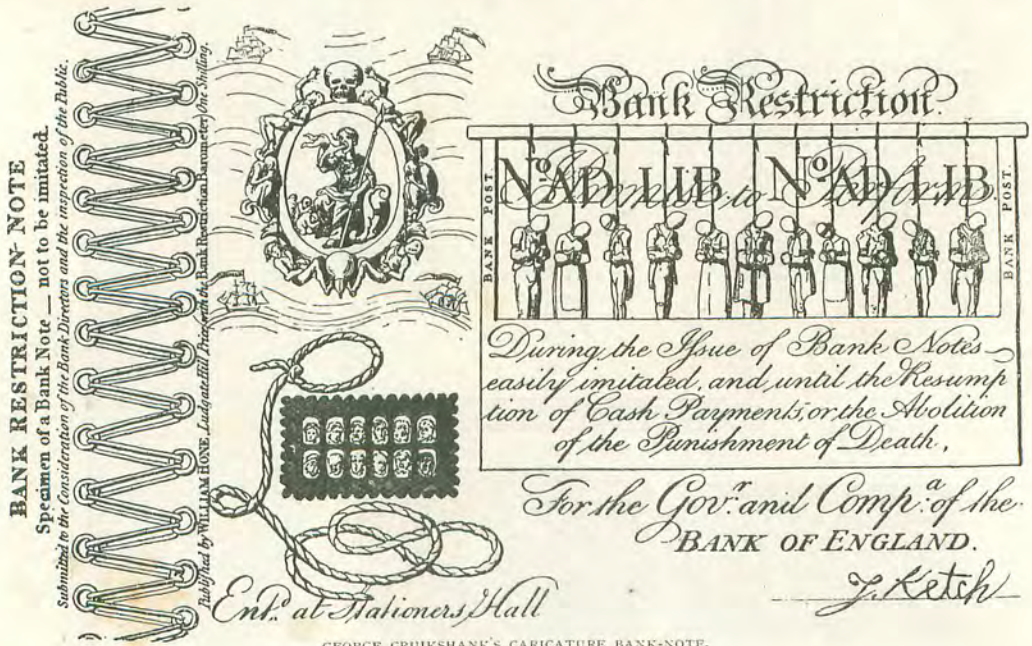
always ready to pay on good evidence of accidental destruction.

There are to be seen at the Bank the remains of a £50 note burned in the big fire at Chicago. The date and number and amount can be traced on the cinder, and that was sufficient for the Bank. A somewhat similar case is that of the Irishman who hid some bank-notes in a box in his back garden, but forgetting the spot, failed to find them for some months, and then when found they were so dilapidated with damp that they had no appearance of bank-notes. The Bank clerks, however, took the remains and deciphered enough printing to enable them to give Pat an equivalent value in new notes.

A mutilated note is paid if the owner gives an indemnity, but if the smallest part be missing an indemnity is always required.

The well-known case of *Gillet v. the Bank of England* demonstrates the risk of carrying bank-notes loose in the pocket. The Bank offered to pay the £1,000 claimed, if the applicants would give a proper indemnity, in case it should turn out that the note had been stolen and not destroyed, but there was too much uncertainty about the disappearance of the note to justify anyone risking an indemnity.

All mutilated notes, and notes for which indemnities have been taken, are permanently preserved; all other notes are



GEORGE CRUIKSHANK'S CARICATURE BANK-NOTE.

kept five years in the Bank cellars, and then destroyed by burning. In 1881, when the last return was made, the stock of paid notes for five years was about 77,745,000 in number, and they filled 13,400 boxes, which, if placed side by side, would reach  $2\frac{1}{2}$  miles; if the notes were placed in a pile, they would reach to a height of  $5\frac{2}{3}$  miles; or, if joined end to end, would form a ribbon 12,455 miles long; their superficial extent is rather less than that of Hyde Park; their original value was over £1,750,626,600, and their weight over  $90\frac{2}{3}$  tons.

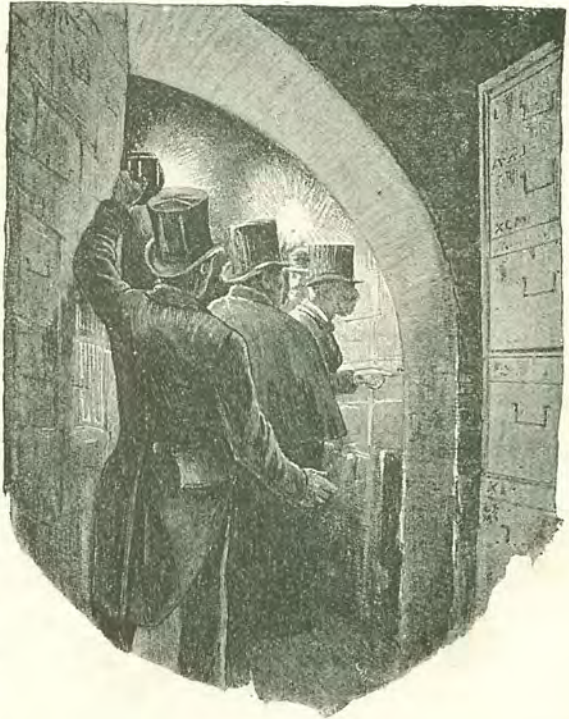
The boxes are all admirably arranged so that any note which is stored in the catacombs can be found in a few minutes.

In these vaults are also stored the registers of the birth, death, and burial of every note.

The first English bank-notes of less value than five pounds were issued by authority of a short Act of Parliament, which had been hastily prepared during a financial crisis, and was passed on the 3rd of March, 1797, to meet the pressing emergencies of the moment. The earliest of the new notes were dated a day before the Act was passed, and it was made retrospective in its operation so as to include them.

It is now penal to imitate a Bank of England note, even in the most innocent way. For example, it has been decided in an action at law that it is unlawful to copy, even in the large mural advertisements, the peculiar engraving of Old English letters in white upon a black ground, which is found on all Bank of England notes. The notes may not be photographed, and microscopic slides, and the well-known miniature toy lenses containing facsimile notes of the size of a pin's head, have been confiscated by the Bank authorities, and the vendors prosecuted. "The Bank of Elegance" notes, at one time so useful to the swell mobsmen, and many similar productions, have all been very properly suppressed.

As to the question of durability, it was estimated that one-pound notes were worn out in three years. Now, a sovereign lasts about nineteen years, and is then worth



THE BANK CELLARS.

within a fraction of twenty shillings. A bank-note costs about threepence, which would be a heavy charge on a paper pound if only issued once. The proposal of Sir Henry Bessemer to issue twenty shilling tokens made of aluminium is not likely to commend itself to any Chancellor of the Exchequer, and, besides, it would not be popular.

On the score of portability, of course notes are much preferable to coin, as about 390 of them weigh only 1lb. We have before now heard of a young lady who was "worth her weight in gold," but it has probably only happened once that two sisters were actually worth their weight in paper pounds. A record of eccentric wills, however, tells us that a testator left his two daughters the money equivalent of their weight in one-pound notes. The elder, whose weight was 9st. 2lb., claimed £51,200, and the younger, who weighed a stone heavier, had for her *dot* £57,300. Notes were then a trifle heavier than those now in circulation, about 400 of them weighing 1lb.