

but gigantic shoots, as they spring from the earth, make a tender and good esculent vegetable. The mature bamboo is employed in an immense variety of ways, in the construction of houses, bridges, boats, agricultural implements, &c. Some varieties grow to such a size as to be, in the largest part, near two feet in circumference, and single knees of these are used as pails or buckets. The Chinese are believed to fabricate their cheap and useful paper of macerated bamboo. The canes used in Europe as walking sticks are not bamboos, but rattans—a totally distinct class of plants. Bamboos are never used for that purpose. — (*Private information.*)

BANDANAS, silk handkerchiefs, generally red spotted with white. They were formerly manufactured only in the East Indies; but they are now manufactured of a very good quality at Glasgow and other places.

BANK.—BANKING. Banks are establishments intended to serve for the safe custody of money; to facilitate its payment by one individual to another; and, sometimes, for the accommodation of the public with loans.

- I. BANKING (GENERAL PRINCIPLES OF).
- II. BANK OF ENGLAND (ACCOUNT OF).
- III. BANKS (ENGLISH PRIVATE AND PROVINCIAL).
- IV. BANKS (SCOTCH).
- V. BANKS (IRISH).
- VI. BANKS (FOREIGN).
- VII. BANKS (SAVINGS).

I. BANKING (GENERAL PRINCIPLES OF).

Banks are commonly divided into two great classes; banks of deposit, and banks of circulation. This division is not, however, a very distinct one; for there is no bank of deposit that is not, at the same time, a bank of circulation, and few or no banks of circulation that are not also banks of deposit. But the term banks of deposit is meant to designate those which keep the money of individuals and circulate it only; while the term banks of circulation is applied to those which do not thus confine their circulation, but issue notes of their own payable on demand. The Bank of England is the principal bank of circulation in the empire; but it, as well as the private banks in England and Scotland that issue notes, is also a bank of deposit. The private banking establishments in London do not issue notes, and there are many similar establishments in Lancashire, and other parts of the country.

(1.) *Utility of Banks. Private banking Companies of London.*—The establishment of banks has contributed, in no ordinary degree, to give security and facility to all sorts of commercial transactions. They afford safe and convenient places of deposit for the money that would otherwise have to be kept, at a considerable risk, in private houses. They also prevent, in a great measure, the necessity of carrying money from place to place to make payments, and enable them to be made in the most convenient and least expensive manner. A merchant or tradesman in London, for example, who employs a banker, keeps but very little money in his own hands, making all his considerable payments by drafts or checks on his banker; and he also sends the various checks, bills, or drafts payable to himself in London, to his bankers before they become due. By this means he saves the trouble and inconvenience of counting sums of money, and avoids the losses he would otherwise be liable to, and would no doubt occasionally incur, from receiving coins or notes not genuine. Perhaps, however, the great advantage derived by the merchant or tradesman from the employment of a banker, consists in its relieving him from all trouble with respect to the presentation for payment of due bills and drafts. The moment these are transferred to the banker, they are at his risk. And if he either neglect to present them when due, or to have them properly noted in the event of their not being paid, he has to answer for the consequences.

“This circumstance alone must cause an immense saving of expense to a mercantile house in the course of a year. Let us suppose that a merchant has only two bills due each day. These bills may be payable in distant parts of the town, so that it may take a clerk half a day to present them; and in large mercantile establishments it would take up the whole time of one or two clerks to present the due bills and the drafts. The salary of these clerks is, therefore, saved by keeping an account at a banker's: besides the saving of expense, it is also reasonable to suppose that losses upon bills would sometimes occur from mistakes, or oversights, from miscalculation as to the time the bill would become due—from errors in marking it up—from forgetfulness to present it—or from presenting it at the wrong place. In these cases the indorsers and drawees are exonerated; and if the acceptor do not pay the bill, the amount is lost. In a banking house such mistakes occur sometimes, though more rarely; but when they do occur,

the loss falls upon the banker, and not upon his customer." — (*Gilbart's Practical Observations on Banking.*)

It is on other grounds particularly desirable for a merchant or tradesman to have an account with a banking house. He can refer to his bankers as vouchers for his respectability: and in the event of his wishing to acquire any information with respect to the circumstances, or credit, of any one with whom he is not acquainted, his bankers will render him all the assistance in their power. In this respect they have great facilities, it being the common practice amongst the bankers in London, and most other trading towns, to communicate information to each other as to the credit and solvency of their customers.

To provide for the public security, the statute 7 & 8 Geo. 4. c. 29. § 49. "for the punishment of embezzlement committed by agents intrusted with property," enacts, "That if any money, or security for the payment of money, shall be intrusted to any banker, merchant, broker, attorney, or other agent, with any direction in writing to apply such money, or any part thereof, or the proceeds, or any part of the proceeds of such security, for any purpose specified in such direction, and he shall, in violation of good faith, and contrary to the purpose so specified, in any wise convert to his own use or benefit such money, security, or proceeds, or any part thereof respectively, every such offender shall be guilty of a misdemeanor, and being convicted thereof, shall be liable, at the discretion of the court, to be transported beyond seas, for any term not exceeding fourteen years, nor less than seven years, or to suffer such punishment by fine or imprisonment, or by both, as the court shall award; and if any chattel or valuable security, or any power of attorney for the sale or transfer of any share or interest in any public stock or fund, whether of this kingdom, or of Great Britain, or of Ireland, or of any foreign state, or in any fund of any body corporate, company or society, shall be intrusted to any banker, merchant, broker, attorney, or other agent, for safe custody, or for any special purpose, without any authority to sell, negotiate, transfer, or pledge, and he shall, in violation of good faith, and contrary to the object or purpose which such chattel or security, or power of attorney, shall have been intrusted to him, sell, negotiate, transfer, pledge, or in any manner convert to his own use or benefit such chattel or security, or the proceeds of the same, or any part thereof, or the share or interest in stock or fund to which such power of attorney shall relate, or any part thereof, every such offender shall be guilty of a misdemeanor, and being convicted thereof, shall be liable, at the discretion of the court, to any of the punishments which the court may award as hereinbefore last mentioned."

This act is not to affect trustees and mortgagees, nor bankers receiving money due upon securities, nor securities upon which they have a lien, claim, or demand, entitling them by law to sell, transfer, or otherwise dispose of them, unless such sale, transfer, or other disposal shall extend to a greater number or part of such securities or effects than shall be requisite for satisfying such lien, claim, &c. — § 50.

Nothing in this act is to prevent, impeach, or lessen any remedy at law or in equity, which any party aggrieved by any such offence might or would have had, had it not been passed. No banker, merchant, &c. shall be convicted as an offender against this act, in respect of any act done by him, if he shall at any time previously to his being indicted for such offence have disclosed such act on oath, in consequence of any compulsory process of any court of law or equity, in any action *bona fide* instituted by any party aggrieved, or if he shall have disclosed the same in any examination or deposition before any commissioner of bankrupt. — § 52.

The Bank of England, and the private banking companies of London, as well as some of the English provincial banks, charge no commission on the payments made and received on account of those who deal with them. But they allow no interest on the sums deposited in their hands; and it is either stipulated or distinctly understood that a person employing a banker should, besides furnishing him with sufficient funds to pay his drafts, keep an average *balance* in the banker's hands, varying, of course, according to the amount of business done on his account; that is, according to the number of his checks or drafts to be paid, and the number of drafts and bills to be received for him. The bankers then calculate, as well as they can, the probable amount of cash that it will be necessary for them to keep in their coffers to meet the ordinary demands of their customers, and employ the balance in discounting mercantile bills, in the purchase of government securities, or in some other sort of profitable adventure; so that their profits result, in the case of their not issuing notes, from the difference between the various expenses attendant on the management of their establishments, and the profits derived from such part of the sums lodged in their hands as they can venture to employ in an advantageous way.

The directors of the Bank of England do not allow any individual to overdraw his account. They answer drafts to the full extent of the funds deposited in their hands; but they will not pay a draft if it exceed their amount. Private bankers are not generally so scrupulous; most of them allow respectable individuals, in whom they have confidence, to overdraw their accounts; those who do so paying interest at the rate of 5 per cent. on whatever sums they overdraw. The possession of this power of overdraw is often a great convenience to merchants, while it is rarely productive of loss to the banker. The money which is overdrawn is usually replaced within a short period; sometimes, indeed, in the course of a day or two. The directors of the Bank of England decline granting this facility from a disinclination on their part to come into competition in a matter of this sort with private bankers, who transact this kind of business better, probably, than it could be done by a great establishment like the Bank.

The facility which banks afford to the public in the negotiation of bills of exchange, or in the making of payments at distant places, is very great. Many of the banking companies established in different districts have a direct intercourse with each other, and they have all correspondents in London. Hence an individual residing in any part of the country, who may wish to make a payment in any other part, however distant, may

effect his object by applying to the bank nearest to him. Thus, suppose A. of Penzance has a payment to make to B. of Inverness: to send the money by post would be hazardous; and if there were fractional parts of a pound in the sum, it would hardly be practicable to make use of the post: how then will A. manage? He will pay the sum to a banker in Penzance, and his debtor in Inverness will receive it from a banker there. The transaction is extremely simple: the Penzance banker orders his correspondent in London to pay to the correspondent of the Inverness banker the sum in question on account of B.; and the Inverness banker, being advised in course of post of what has been done, pays B. A small commission charged by the Penzance banker, and the postages, constitute the whole expense. There is no risk whatever, and the whole affair is transacted in the most commodious and cheapest manner.

By far the largest proportion both of the inland bills in circulation in the country, and also of the foreign bills drawn upon Great Britain, are made payable in London, the grand focus to which all the pecuniary transactions of the empire are ultimately brought to be adjusted. And in order still further to economise the use of money, the principal bankers of the metropolis are in the habit of sending a clerk each day to the *clearing house* in Lombard-street, who carries with him the various bills in the possession of his house that are drawn upon other bankers; and having exchanged them for the bills in the possession of those others that are drawn upon his constituents, the balance on the one side or the other is paid in cash or Bank of England notes. By this contrivance the bankers of London are enabled to settle transactions to the extent of several millions a day, by the employment of not more, at an average, than from 200,000*l.* to 500,000*l.* of cash or Bank notes. — (See *CLEARING HOUSE*.)

In consequence of these and other facilities afforded by the intervention of bankers for the settlement of pecuniary transactions, the money required to conduct the business of an extensive country is reduced to a trifle only, compared with what it would otherwise be. It is not, indeed, possible to form any very accurate estimate of the total saving that is thus effected; but, supposing that 50 or 60 millions of gold and silver and bank notes are at present required, notwithstanding all the devices that have been resorted to for economising money, for the circulation of Great Britain, it may, one should think, be fairly concluded, that 200 millions would, at the very least, have been required to transact an equal extent of business but for those devices. If this statement be nearly accurate, and there are good grounds for thinking that it is rather under than over rated, it strikingly exhibits the vast importance of banking in a public point of view. By its means 50 or 60 millions are rendered capable of performing the same functions, and in an infinitely more commodious manner, that would otherwise have required four times that sum; and supposing that 10 or 20 millions are employed by the bankers as a capital in their establishments, no less than 120 or 130 millions will be altogether disengaged, or cease to be employed as an instrument of circulation, and made available for employment in agriculture, manufactures, and commerce.

(2.) *Substitution of Bank Notes for Coins.* Means by which the Value of Bank Notes may be sustained. — Not only, however, does the formation of banking establishments enable the business of a country to be conducted with a far less amount of money, but it also enables a large portion of that less amount to be fabricated of the least valuable materials, or of paper instead of gold. It would, however, alike exceed the limits and be inconsistent with the objects of this article, to enter into lengthened details with respect to the mode in which this substitution originally took place. It is sufficient to observe, that it naturally grew out of the progress of society. When governments became sufficiently powerful and intelligent to enforce the observance of contracts, individuals possessed of written promises from others that they would pay certain sums at specified periods, began to assign them to those to whom they were indebted; and when those by whom such obligations are subscribed are persons of whose solvency no doubt can be entertained, they are readily accepted in payment of the debts due by one individual to another. But when the circulation of obligations or bills in this way has continued for a while, individuals begin to perceive that they may derive a profit by issuing them in such a form as to fit them for being readily used as a substitute for money in the ordinary transactions of life. Hence the origin of bank notes. An individual in whose wealth and discretion the public have confidence being applied to for a loan, say of 5000*l.*, grants the applicant his bill or note payable on demand for that sum. Now, as this note passes, in consequence of the confidence placed in the issuer, currently from hand to hand as cash, it is quite as useful to the borrower as if he had obtained an equivalent amount of gold; and supposing that the rate of interest is 5 per cent., it will yield, so long as it continues to circulate, a revenue of 250*l.* a year to the issuer. A banker who issues notes, coins as it were his credit. He derives the same revenue from the loan of his written promise to pay a certain sum, that he would derive from the loan of the sum itself; and while he thus increases his own income, he at the same time contributes to increase the wealth of the society. Besides being incomparably cheaper, bank notes are

also incomparably more commodious than a metallic currency. A bank note for 1,000*l.* or 100,000*l.* may be carried about with as much facility as a single sovereign. It is of importance, too, to observe, that its loss or destruction, whether by fire, shipwreck, or otherwise, would be of no greater importance in a public point of view, than the loss or destruction of as much paper. No doubt it might be a serious calamity to the holder; but to whatever extent it injured him, it would proportionally benefit the issuer, whereas the loss of coin is an injury to the holder without being of service to any one else; it is, in fact, so much abstracted from the wealth of the community.

Promissory notes issued by private individuals or associations circulate only because those who accept them have full confidence in the credit and solvency of the issuers, or because they feel assured that they will be paid when they become due. If any circumstances transpired to excite suspicious as to their credit, it would be impossible for them to circulate any additional notes, and those that they had issued would be immediately returned for payment. Such, however, is not the case with paper money properly so called, or with notes that are declared *legal tender*. It is not necessary, in order to sustain the value of such notes, that they should be payable at all; the only thing that is required for that purpose is, that they should be issued in *limited quantities*. Every country has a certain number of exchanges to make; and whether these are effected by the employment of a given number of coins of a particular denomination, or by the employment of the same number of notes of the same denomination, is, in this respect, of no importance whatever. Notes which have been made legal tender, and are not payable on demand, do not circulate because of any confidence placed in the capacity of the issuers to retire them; neither do they circulate because they are of the same real value as the commodities for which they are exchanged; but they circulate because, having been selected to perform the functions of *money*, they are, as such, readily received by all individuals in payment of their debts. Notes of this description may be regarded as a sort of tickets or counters to be used in computing the value of property, and in transferring it from one individual to another. And as they are no wise affected by fluctuations of credit, their value, it is obvious, must depend entirely on the quantity of them in circulation as compared with the payments to be made through their instrumentality, or the business they have to perform. By reducing the supply of notes below the supply of coins that would circulate in their place were they withdrawn, their value is raised above the value of gold; while, by increasing them to a greater extent, it is proportionally lowered.

Hence, supposing it were possible to obtain any security other than immediate convertibility into the precious metals, that notes declared to be legal tender would not be issued in excess, but that their number afloat would be so adjusted as to preserve their value as compared with gold nearly uniform, the obligation to pay them on demand might be done away. But it is needless to say that no such security can be obtained. Wherever the power to issue paper, not immediately convertible, has been conceded to any set of persons, it has been abused, or, which is the same thing, such paper has uniformly been over-issued, or its value depreciated from excess. It is now admitted on all hands to be indispensable, in order to prevent injurious fluctuations in the value of money, that all notes be made payable, at the pleasure of the holder, in an unvarying quantity of gold or silver. This renders it impossible for the issuers of paper to depreciate its value below that of the precious metals. They may, indeed, by over-issuing paper, depress the value of the whole currency, gold as well as paper, in the country in which the over-issue is made; but the moment that they do this, gold begins to be sent abroad; and paper being returned upon the issuers for payment, they are, in order to prevent the exhaustion of their coffers, compelled to lessen their issues; and thus, by raising the value of the currency, stop the drain for bullion.

It does, however, appear to us, that it is not only necessary, in order to prevent the over-issue of paper, to enact that all notes should be payable on demand, but that it is further necessary, in order to insure compliance with this enactment, to prohibit any one from issuing notes until he has satisfied the government of his ability to pay them. The circumstances that excite public confidence in the issuers of paper are often of the most deceitful description; and innumerable instances have occurred, of the population of extensive districts having suffered severely from the insolvency of bankers in whom they placed the utmost confidence. In 1793, in 1814, 1815, and 1816, and again in 1825, a very large proportion of the country banks were destroyed, and produced by their fall an extent of ruin that has hardly been equalled in any other country. And when such disasters have already happened, it is surely the bounden duty of government to hinder, by every means in its power, their recurrence. It is no exaggeration to affirm, that we have sustained ten times more injury from the circulation of worthless paper, or paper issued by persons without the means of retiring it, than from the issue of spurious coin. It is said, indeed, by those who are hostile to interference, that coins are legal tenders, whereas, notes being destitute of that privilege, those who suspect

them are at liberty to refuse them: but, whatever notes may be in law, they are, in very many districts, *practically*, and *in fact*, legal tenders; and could not be rejected without exposing the parties to much inconvenience. It should also be observed, that labourers, women, minors, and every sort of persons, however incapable of judging of the stability of banking establishments, are dealers in money, and consequently liable to be imposed upon. This, then, is clearly a case in which it is absolutely imperative upon government to interfere, to protect the interests of those who cannot protect themselves, either by compelling all individuals applying for stamps for notes, to give security for their payment, or by making sure, in some other way, that they have the means of paying them, and that the circulation of the notes will be a benefit and not an injury to the public.

A security of this sort has been exacted in the case of the Bank of England; and the whole 14,686,000*l.* lent by the Bank to government, must be sacrificed before the holders of her notes can sustain the smallest loss. Her stability has, therefore, been truly said, by Dr. Smith, to be equal to that of the British government. The system of taking securities having been found to answer so well in the case of the Bank of England, is a powerful argument in favour of its extension. Were securities taken from the country banks, their ultimate failure, in the capacity of banks of issue, would be rendered impossible; and a degree of solidity would be given to our money system, which it is idle to expect it can ever attain, so long as it continues on its present footing.

It is exceedingly difficult to prevent the issue of forged notes. Various schemes have been suggested for this purpose; and though it is hardly possible to suppose that an *inimitable* note will ever be produced, it is contended, that by judiciously combining different sorts of engraving, forgery may be rendered so difficult, as to be but rarely attempted. But however this may be, during the period from 1797 to 1819, when the Bank of England issued 1*l.* notes, their forgery was carried on to a great extent. And the desire to check this practice, and to lessen the frequency of capital punishments, appears to have been amongst the most prominent circumstances which led to the return to specie payments in 1821, and the suppression of 1*l.* notes. — (See Table I.)

(3.) *Bank of England Notes legal Tender.* — According to the law as it stood previously to the present year (1834), all descriptions of notes were payable at the pleasure of the holder, in coin of the standard weight and purity. But the policy of such a regulation was very questionable; and we regard the enactment of the late stat. 3 & 4 Will. 4. c. 98., which makes Bank of England notes legal tender, every where except at the Bank and its branches, for all sums above 5*l.*, as a very great improvement. So long as the notes of the Bank are themselves convertible, at the pleasure of the holder, into coin, an arrangement of this sort will, it is obvious, effectually prevent any over-issue of country paper, at the same time that it is free from many very serious disadvantages that attached to the former plan. The unjust liabilities imposed upon the Bank of England by the old system, placed her in a situation of great difficulty and hazard. They obliged her to provide a supply of coin and bullion, not for her own exigencies only, but for those of *all* the country banks; and, what is harder still, they exposed her to be deeply injured by any misconduct on the part of the latter, as well as by the distress in which they might accidentally be involved. In consequence, her free action has been at all times in some degree impeded; and her power to render assistance to the banking and mercantile interests in periods of discredit materially diminished. The country banks kept but a small supply of coin in their coffers. They were all, however, holders, to a greater or less extent, of government securities; and whenever any circumstance occurred, to occasion a demand upon them for coin, they immediately sold or pledged the whole or a portion of their stock, carried the notes to the Bank to be exchanged, and then carried the specie to the country. Hence, when any suspicions were entertained of the credit of the country banks, or when a panic originated amongst the holders of their notes, as was the case in 1793 and 1825, the whole of them retreated upon the Bank of England, and 700 or 800 conduits were opened, to draw off the specie of that establishment, which was thus, it is evident, exposed to the risk of stoppage without having done any thing wrong. It was not the drain for gold from abroad, but the drain for gold from the country, that nearly exhausted the Bank's coffers in 1825, and forced her to issue about a million of 1*l.* and 2*l.* notes. The currency could not possibly be in a sound healthy state, while the Bank of England, and, through her, public credit, were placed in so perilous a situation. But the making of Bank of England notes legal tender at all places except the Bank, will tend materially to protect her from the injurious consequences of panics or runs among the holders of country bank paper; and while it does this, it will not, as it appears to us, in anywise impair the securities against over-issue or depreciation.

It was, no doubt, contended during the discussions on the late act, that the measure now referred to would lead to the depreciation of provincial paper; inasmuch as the expense of sending notes from a distance to London, to be exchanged for gold, would

prevent any one from demanding Bank of England notes from country banks in good credit, till the value of the notes issued by them was so much depreciated below the value of gold, that the difference would more than pay the expense of sending them to London, and bringing gold back. But this notion proceeds on a radical misconception of the nature of the old as well as of the new system of currency. There cannot, in point of fact, be the least difference, as respects value, in the provinces, between Bank of England paper, now that it is legal tender, and gold. London being the place where the exchanges are adjusted, the value of money in every part of the empire must depend on its value in it; and *this*, it is plain, cannot be in any degree affected by the late measure. Formerly the provincial currency, gold as well as paper, might be, and, indeed, frequently was, depreciated. This was brought about either by an over-issue on the part of the country banks, generally, in the first instance, the effect, but always, in the end, the cause of a rise of prices; or by the issues of the Bank of England being, in consequence of an adverse exchange, narrowed sooner or more rapidly than those of the country banks. In either case, the provincial currency being redundant as compared with that of the metropolis, there was a demand on its issuers for bills on London; but it is material to observe, that, unless their credit was suspected, there was not, in such cases, any demand upon them for gold. It is, indeed, obvious that a redundancy of the currency is a defect that cannot be obviated by getting gold from the country banks, unless (as hoarding is out of the question) it be intended to send it abroad; and that may always be done *better and cheaper* by getting from them Bank of England notes, or bills on London. A local redundancy of the currency may take place in future as it has done formerly; and its occurrence cannot be prevented, even though paper were wholly banished from circulation, so long as the whole currency is not supplied from *one* source, and as London is the focus where the exchanges with foreign countries are adjusted. But the statements now made show that it is a radical mistake to suppose that it can take place more readily, or to a greater extent, under the new system than formerly. In this respect no change has been made. But while our ancient security against over-issue is maintained unimpaired, the recent arrangements increase the stability of the Bank of England, and consequently improve our whole pecuniary system.

If any doubt could possibly remain as to the operation of the new system, it would be removed by referring to Scotland. Gold has been practically banished from that country for a long series of years; and yet no one pretends to say that prices are higher in Scotland than in England, or that her currency is depreciated. The Scotch currency is kept at its proper level, not by the check of gold payments, but by the demand for bills on London; and it is as effectually limited in this way as it could be were the banks universally in the habit of exchanging their notes for gold. On what grounds, then, is it to be apprehended that the obligation to give Bank of England notes or bills on London, will be less effectual in restraining over-issue in Yorkshire or Durham than in Scotland?

A banker who issues notes must keep beside him such a stock of cash and bullion, as may be sufficient to answer the demands of the public for their payment. If the value of the cash and bullion in his coffers were equal to the value of his notes in circulation, he would not, it is plain, make any profit; but if he be in good credit, a third, a fourth, or even a fifth part of this sum will probably be sufficient; and his profit consists of the excess of the interest derived from his notes in circulation, over the interest of the sum he is obliged to keep dormant in his strong box, and the expenses of managing his establishment. The Bank of England, as will be afterwards seen, keeps an average stock of coin and bullion equal to a third of her liabilities.

(4.) *Legal Description of Bank Notes.*—Bank notes are merely a species of promissory notes. They are subscribed either by the parties on whose account they are issued, or by some one in their employment, whose signature is binding upon them. A Bank of England note for 5*l.* is as follows:—

Bank of England.

N^o *I promise to pay to Mr. Thomas Rippon, or Bearer,* N^o
 on Demand, the Sum of five Pounds.

1833. *September 9, London, 9 September, 1835.*

For the Gov^r and Comp^y of the

£ Five.

BANK of ENGLAND.

A. B.

No particular form of words is necessary in a bank note. The essential requisites are, that it should be for a definite sum (in England and Wales not less than 5*l.*, and in Scotland and Ireland not less than 1*l.*), that it should be payable to bearer on demand, and that it should be properly stamped. Promissory notes, though issued by bankers, if not payable to bearer on demand, do not come under the denomination of bank notes: they are not, like the latter, taken as cash in all ordinary transactions; nor are they, like them, assignable by mere delivery.

The circulation of notes for less than 5*l.* was restrained by law (stat. 15 Geo. 3. c. 51.) from 1766 to 1797. In 1808, it was enacted by stat. 48 Geo. 3. c. 88., that all bank notes, promissory notes, or other negotiable instruments for less than 20*s.* should be absolutely void: a penalty of from 20*s.* to 5*l.*, at the discretion of the justices, being imposed on their issuers. It was enacted by the 7 Geo. 4. c. 6., that the issue of all bank notes or promissory notes for less than 5*l.* by the Bank of England, or by any licensed English bankers, and stamped on the 5th of February, 1826, or previously (after which period such notes were not stamped), should terminate on the 5th of April, 1829.

The stamp duties on bank notes or promissory notes payable on demand, are —

	£	s.	d.		£	s.	d.		£	s.	d.	
Not exceeding	1	1	0	-	2	2	0	-	-	0	0	5
Exceeding	1	1	0	and not exceeding	5	5	0	-	-	0	0	10
—	2	2	0	—	5	5	0	-	-	0	1	3
—	5	5	0	—	10	0	0	-	-	0	1	9
—	10	0	0	—	20	0	0	-	-	0	2	0
—	20	0	0	—	30	0	0	-	-	0	3	0
—	30	0	0	—	50	0	0	-	-	0	5	0
—	50	0	0	—	100	0	0	-	-	0	8	6

Which notes may be reissued after payment, as often as shall be thought fit, provided they be issued by a banker or person who has taken out a licence, renewable annually, and costing 30*l.*, to issue notes payable to bearer on demand. Any banker or other person issuing such reissuable notes, without being duly licensed, shall forfeit 100*l.* for every offence. — (55 Geo. 3. c. 184. § 27.)

These conditions do not apply to the Bank of England, the stamp duties on the notes of that establishment being compounded for at the rate of 3,500*l.* per million of its notes in circulation.

Notes or bills *not* payable to bearer on demand, are not reissuable, under a penalty of 50*l.* — (For the stamp duties affecting them, see EXCHANGE.)

By the 9 Geo. 4. c. 23., English bankers not in the city of London, or within three miles thereof, are authorised to issue promissory notes, and to draw and issue bills of exchange, on unstamped paper, for any sum of 5*l.* or upwards, expressed to be payable to the bearer on demand, or to order at any period not exceeding 7 days after sight, (*bills* may also be drawn at any period not exceeding 21 days after date,) upon obtaining licences, costing 30*l.*, to that effect, provided such bills of exchange be drawn upon bankers in London, Westminster, or Southwark; or provided such bills be drawn by any banker or bankers at the place where he or they shall be licensed to issue unstamped notes and bills, upon himself or themselves, or his or their copartner or copartners, payable at any other place where such banker or bankers shall be licensed to issue such notes and bills. Bankers having such licences, are to give security by bond, that they will keep a true account of all promissory notes and bills so issued, and account for the duties on them at the rate of 3*s.* 6*d.* for every 100*l.*, and also for the fractional parts of 100*l.* of the average value of such notes and bills in circulation. Persons post-dating unstamped notes or bills shall, for every such offence, forfeit 100*l.*

(5.) *Legal Effect of the Payment of Bank Notes.* — Notes of the Bank of England were not, previously to the act 3 & 4 Will. 4. c. 98., like bills of exchange, mere securities, or documents of debt, but were treated as money or cash in the ordinary course or transactions of business; the receipts given upon their payment being always given as for money. Now, however, they are legal tender, every where except at the Bank, for all sums above 5*l.* All notes payable to bearer are assignable by delivery. The holder of a bank note is *prima facie* entitled to prompt payment of it, and cannot be affected by the previous fraud of any former holder in obtaining it, unless evidence be given to show that he was privy to such fraud. Such privy may, however, be inferred from the circumstances of the case. To use the words of Lord Tenterden, “If a person take a bill, note, or any other kind of security, under circumstances which *ought to excite suspicion* in the mind of any reasonable man acquainted with the ordinary affairs of life, and which ought to put him on his guard to make the necessary inquiries, and he do not, then he loses the right of maintaining possession of the instrument against the lawful owner.” — (*Guillhall*, 25th October, 1826.)

Country bank notes are usually received as cash. But though taken as such, if they be presented *in due time* and not paid, they do not amount to a payment, and the deliverer of the notes is still liable to the holder. It is not easy to determine what is a

due or reasonable time, inasmuch as it must depend in a great measure on the circumstances of each particular case. On the whole, the safest rule seems to be to present all notes or drafts payable on demand, if received in the place where they are payable, on the day on which they are received, or as soon after as possible. When they have to be transmitted by post for payment, no unnecessary delay should be allowed to intervene. — (*Chitty's Commercial Law*, vol. iii. p. 590., and the art. "CHECK" in this Dictionary.)

II. BANK OF ENGLAND (ACCOUNT OF).

(1.) *Historical Sketch of the Bank.* — This great establishment, which has long been the principal bank of deposit and circulation, not in this country only, but in Europe, was founded in 1694. Its principal projector was Mr. William Paterson, an enterprising and intelligent Scotch gentleman, who was afterwards engaged in the ill-fated colony at Darien. Government being at the time much distressed for want of money, partly from the defects and abuses in the system of taxation, and partly from the difficulty of borrowing, because of the supposed instability of the revolutionary establishment, the Bank grew out of a loan of 1,200,000*l.* for the public service. The subscribers, besides receiving eight per cent. on the sum advanced as interest, and 4,000*l.* a year as the expense of management, in all 100,000*l.* a year, were incorporated into a society denominated the *Governor and Company of the Bank of England*. The charter is dated the 27th of July, 1694. It declares, amongst other things, that they shall "be capable in law, to purchase, enjoy, and retain to them and their successors, any manors, lands, rents, tenements, and possessions whatsoever; and to purchase and acquire all sorts of goods and chattels whatsoever, wherein they are not restrained by act of parliament; and also to grant, demise, and dispose of the same.

"That the management and government of the corporation be committed to the governor, deputy governor, and twenty-four directors, who shall be elected between the 25th day of March and 25th day of April, each year, from among the members of the Company duly qualified.

"That no dividend shall at any time be made by the said Governor and Company, save only out of the interest, profit, or produce arising by or out of the said capital stock or fund, or by such dealing as is allowed by act of parliament.

"They must be natural born subjects of England, or naturalised subjects; they shall have in their own name and for their own use, severally, viz. — the governor, at least 4,000*l.*, the deputy governor 3,000*l.*, and each director 2,000*l.* of the capital stock of the said corporation.

"That thirteen or more of the said governors and directors (of which the governor or deputy governor must be always one) shall constitute a court of directors, for the management of the affairs of the Company, and for the appointment of all agents and servants which may be necessary, paying them such salaries as they may consider reasonable.

"Every elector must have, in his own name and for his own use, 500*l.* or more capital stock, and can only give one vote. He must, if required by any member present, take the oath of stock; or the declaration of stock, in case he be one of the people called Quakers.

"Four general courts to be held in every year; in the months of September, December, April, and July. A general court may be summoned at any time, upon the requisition of nine proprietors, duly qualified as electors.

"The majority of electors in general courts have the power to make and constitute by-laws and ordinances for the government of the corporation, provided that such by-laws and ordinances be not repugnant to the laws of the kingdom, and be confirmed and approved, according to the statutes in such case made and provided."

The corporation is prohibited from engaging in any sort of commercial undertaking other than dealing in bills of exchange, and in gold and silver. It is authorised to advance money upon the security of goods or merchandise pledged to it; and to sell, by public auction, such goods as are not redeemed within a specified time.

It was also enacted, in the same year in which the Bank was established, by statute 6 William and Mary, c. 20., that the Bank "shall not deal in any goods, wares, or merchandise (except bullion), or purchase any lands or revenues belonging to the crown, or advance or lend to their Majesties, their heirs or successors, any sum or sums of money by way of loan or anticipation, or any part or parts, branch or branches, fund or funds of the revenue, now granted or belonging, or hereafter to be granted to their Majesties, their heirs and successors, other than such fund or funds, part or parts, branch or branches of the said revenue only, on which a credit of loan is or shall be granted by parliament." And in 1697 it was enacted, that the "common capital and principal stock, and also the real fund of the Governor and Company, or any profit or produce to

be made thereof, or arising thereby, shall be exempted from any rates, taxes, assessments, or impositions whatsoever, during the continuance of the Bank; and that all the profit, benefit, and advantage, from time to time arising out of the management of the said corporation, shall be applied to the uses of all the members of the said corporation of the Governor and Company of the Bank of England, rateably and in proportion to each member's part, share, and interest in the common capital and principal stock of the said Governor and Company hereby established."

It was further enacted, in 1697, that the forgery of the Company's seal, or of any sealed bill or Bank note, should be felony without benefit of clergy, and that the making of any alteration or erasure in any bill or note should also be felony.

In 1696, during the great recoinage, the Bank was involved in considerable difficulties, and was even compelled to suspend payment of her notes, which were at a heavy discount. Owing, however, to the judicious conduct of the directors, and the assistance of government, the Bank got over the crisis. But it was at the same time judged expedient, in order to place her in a situation the better to withstand any adverse circumstances that might afterwards occur, to increase her capital from 1,200,000*l.* to 2,201,171*l.* In 1708, the directors undertook to pay off and cancel one million and a half of Exchequer bills they had circulated two years before, at $4\frac{1}{2}$ per cent., with the interest on them, amounting in all to 1,775,028*l.*; which increased the permanent debt due by the public to the Bank, including 400,000*l.* then advanced in consideration of the renewal of the charter, to 3,375,028*l.*, for which they were allowed 6 per cent. The Bank capital was then also doubled or increased to 4,402,343*l.* But the year 1708 is chiefly memorable, in the history of the Bank, for the act that was then passed, which declared, that during the continuance of the corporation of the Bank of England, "it should not be lawful for any body politic, erected or to be erected, other than the said Governor and Company of the Bank of England, or for any other persons whatsoever, united or to be united in covenants or partnership, exceeding the number of 6 persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand, or in any less time than 6 months from the borrowing thereof."—This proviso, which has had so powerful an operation on banking in England, is said to have been elicited by the Mine-adventure Company having commenced banking business, and begun to issue notes.

It has been pretty generally imagined, from the private banking companies in the metropolis not issuing notes, that they were legally incapacitated from doing so. But the clause in the act of 1708, which has been the only restriction on the issue of notes, applied generally to all England, and had no peculiar reference to London. The fact that banks with 6 or fewer partners have not issued notes in the metropolis, as well as in the provinces, is, therefore, ascribable either to their being aware that their notes would obtain no considerable circulation concurrently with those of a great association like the Bank of England, or from their believing that their issue would not be profitable.

The charter of the Bank of England, when first granted, was to continue for eleven years certain, or till a year's notice after the 1st of August, 1705. The charter was further prolonged in 1697. In 1708, the Bank having advanced 400,000*l.* for the public service, without interest, the exclusive privileges of the corporation were prolonged till 1733. And in consequence of various advances made at different times, the exclusive privileges of the Bank have been continued by successive renewals, till a year's notice, after the 1st of August, 1855, under the proviso that they may be cancelled on a year's notice to that effect being given on the 1st of August, 1845.

We subjoin

An Account of the successive Renewals of the Charter, of the Conditions under which these Renewals were made, and of the Variations in the Amount and Interest of the Permanent Debt due by Government to the Bank, exclusive of the Dead Weight.

Date of Renewal.	Conditions under which Renewals were made, and Permanent Debt contracted.	Permanent Debt.
		<i>£</i> <i>s.</i> <i>d.</i>
1694.	Charter granted under the act 5 & 6 Will. 3. c. 20., redeemable upon the expiration of 12 months' notice after the 1st of August, 1705, upon payment by the public to the Bank of the demands therein specified.	
	Under this act the Bank advanced to the public 1,200,000 <i>l.</i> , in consideration of their receiving an annuity of 100,000 <i>l.</i> a year, viz. 8 per cent. interest, and 4,000 <i>l.</i> for management	1,200,000 0 0
1697.	Charter continued by the 8 & 9 Will. 3. c. 20. till 12 months' notice after 1st of August, 1710, on payment, &c.	
	Under this act the Bank took up and added to their stock 1,001,171 <i>l.</i> Exchequer bills and tallies.	
	Carried forward - -	1,200,000 0 0

An Account of the successive Renewals of the Charter, &c. — *continued.*

Date of Renewal.	Conditions under which Renewals were made, and Permanent Debt contracted.	Permanent Debt.
		£ s. d.
1708.	Brought forward - - - Charter continued by 7 Anne, c. 7. till 12 months' notice after 1st of August, 1732, on payment, &c. Under this act the Bank advanced 400,000 <i>l.</i> to government without interest; and delivered up to be cancelled 1,775,027 <i>l.</i> 17 <i>s.</i> 10 <i>d.</i> Exchequer bills, in consideration of their receiving an annuity of 106,501 <i>l.</i> 13 <i>s.</i> , being at the rate of 6 per cent. - - -	1,200,000 0 0 2,175,027 17 10
1713.	Charter continued by 12 Anne, stat. 1. c. 11. till 12 months' notice after 1st of August, 1742, on payment, &c. In 1716, by the 3 Geo. 1. c. 8., Bank advanced to government, at 5 per cent. - - - And by the same act, the interest on the Exchequer bills cancelled in 1708 was reduced from 6 to 5 per cent. - - - In 1721, by 8 Geo. 1. c. 21., the South Sea Company were authorised to sell 1,000,000 <i>l.</i> government annuities, and corporations purchasing the same at 26 years' purchase were authorised to add the amount to their capital stock. The Bank purchased the whole of these annuities at 20 years' purchase - - - 5 per cent. interest was payable on this sum to Midsummer, 1727, and thereafter, 4 per cent. - - - At different times between 1727 and 1738, both inclusive, the Bank received from the public, on account of permanent debt, 3,275,027 <i>l.</i> 17 <i>s.</i> 10 <i>d.</i> , and advanced to it on account of ditto, 3,000,000 <i>l.</i> : Difference - - -	2,000,000 0 0 4,000,000 0 0 9,375,027 17 10 275,027 17 10
1742.	Debt due by the public in 1738 - - - Charter continued by 15 Geo. 2. c. 13. till 12 months' notice after 1st of August, 1764, on payment, &c. Under this act the Bank advanced 1,600,000 <i>l.</i> without interest, which being added to the original advance of 1,200,000 <i>l.</i> , and the 400,000 <i>l.</i> advanced in 1710, bearing interest at 6 per cent., reduced the interest on the whole to 3 per cent. - - - In 1745, under authority of 19 Geo. 2. c. 6., the Bank delivered up to be cancelled 986,000 <i>l.</i> of Exchequer bills, in consideration of an annuity of 39,472 <i>l.</i> , being at the rate of 3 per cent. - - - In 1749, the 23 Geo. 2. c. 6. reduced the interest on the 4 per cent. annuities held by the Bank, to 3½ per cent. for 7 years from the 25th of December, 1750, and thereafter to 3 per cent. - - -	9,100,000 0 0 1,600,000 0 0 986,000 0 0
1764.	Charter continued by 4 Geo. 3. c. 25. till 12 months' notice after 1st of August, 1786, on payment, &c. Under this act the Bank paid into the Exchequer 110,000 <i>l.</i> free of all charge. - - -	
1781.	Charter continued by 21 Geo. 3. c. 60. till 12 months' notice after 1st of August, 1812, on payment, &c. Under this act the Bank advanced 3,000,000 <i>l.</i> for the public service for 3 years at 3 per cent. - - -	
1800.	Charter continued by 40 Geo. 3. c. 28. till 12 months' notice after 1st of August, 1833, on payment, &c. Under this act the Bank advanced to government 3,000,000 <i>l.</i> for 6 years without interest; but in pursuance of the recommendation of the committee of 1807, the advance was continued without interest till 6 months after the signature of a definitive treaty of peace. - - - In 1816, the Bank, under authority of the act 56 Geo. 3. c. 96, advanced at 3 per cent., to be repaid on or before 1st of August, 1833, 3,000,000 <i>l.</i> - - -	3,000,000 0 0
1833.	Charter continued by 3 & 4 Will. 4. c. 98. till 12 months' notice after 1st of August, 1855, with a proviso that it may be dissolved on 12 months' notice after 1st of August, 1855, on payment, &c. This act directs that in future the Bank shall deduct 120,000 <i>l.</i> a year from their charge on account of the management of the public debt; and that a fourth part of the debt due by the public to the Bank, or 3,638,250 <i>l.</i> , be paid off - - - Permanent advance by the Bank to the public, bearing interest at 3 per cent., independent of the advances on account of dead weight - - -	1,686,800 0 0 3,638,250 0 0 11,048,550 0 0

For further details as to this subject, see the *Appendix No. 1. of the Report of 1832 on the Renewal of the Bank Charter*, and the acts of parliament referred to in it; see also *James Postlethwayt's History of the Revenue*, pp. 301—310.; and *Fairman on the Funds*, 7th ed. pp. 85—88. &c.

The capital of the Bank on which dividends are paid, has never exactly coincided with, though it has seldom differed very materially from, the permanent advance by the Bank to the public. We have already seen that it amounted, in 1708, to 4,402,343*l.* Between that year and 1727 it was increased to near 9,000,000*l.* In 1746, it amounted to 10,780,000*l.* From this period it underwent no change till 1782, when it was increased 8 per cent., or to 11,642,400*l.* It continued stationary at this sum down to 1816, when it was raised to 14,553,000*l.* by an addition of 25 per cent. from the profits of the Bank, under the provisions of the act 56 Geo. 3. c. 96. The late act for the renewal of the charter, 3 & 4 Will. 4. c. 98., directs that the sum of 3,638,250*l.*, the portion of the debt due to the Bank to be repaid by the public, shall be deducted from the Bank's capital; which will, therefore, be in future 10,914,750*l.* — (*Report on Bank Charter, Appen. No. 33.*)

The Bank of England has been frequently affected by panics amongst the holders of its notes. In 1745, the alarm occasioned by the advance of the Highlanders under the Pretender as far as Derby, led to a run upon the Bank; and in order to gain time to concert measures for averting the run, the directors adopted the device of paying in shillings and sixpences! But they derived a more effectual relief from the retreat of the Highlanders; and from a resolution agreed to at a meeting of the principal merchants and traders of the city, and very numerous signed, declaring the willingness of the subscribers to receive Bank notes in payment of any sum that might be due to them, and pledging themselves to use their utmost endeavours to make all their payments in the same medium.

During the tremendous riots in June, 1780, the Bank incurred considerable danger. Had the mob attacked the establishment at the commencement of the riots, the consequences might have proved fatal. Luckily, however, they delayed their attack till time had been afforded for providing a force sufficient to insure its safety. Since that period a considerable military force is nightly placed in the interior of the Bank, as a protection in any emergency that may occur.

In the latter part of 1792 and beginning of 1793, there was, in consequence of a previous over-issue on their part, a general run on most of the private banks; and about *one third* of these establishments were forced to stop payment. This led to a considerable demand for coin from the Bank.

The year 1797 is, however, the most important epoch in the recent history of the Bank. Owing partly to events connected with the war in which we were then engaged—to loans to the Emperor of Germany—to bills drawn on the treasury at home by the British agents abroad—and partly, and chiefly, perhaps, to the advances most unwillingly made by the Bank to government, which prevented the directors from having a sufficient control over their issues,—the exchanges became unfavourable in 1795, and in that and the following year large sums in specie were drawn from the Bank.* In the latter end of 1796 and beginning of 1797, considerable apprehensions were entertained of invasion, and rumours were propagated of descents having been actually made on the coast. In consequence of the fears that were thus excited, runs were made on the provincial banks in different parts of the country; and some of them having failed, the panic became general, and extended itself to London. Demands for cash poured in upon the Bank from all quarters; and on Saturday, the 25th of February, 1797, she had only 1,272,000*l.* of cash and bullion in her coffers, with every prospect of a violent run taking place on the following Monday. In this emergency an order in council was issued on Sunday, the 26th, prohibiting the directors from paying their notes in cash until the sense of parliament had been taken on the subject. And after parliament met, and the measure had been much discussed, it was agreed to continue the restriction till six months after the signature of a definitive treaty of peace.

As soon as the order in council prohibiting payments in cash appeared, a meeting of the principal bankers, merchants, traders, &c. of the metropolis, was held at the Mansion-house, when a resolution was agreed to, and very numerous signed, pledging, as had been done in 1745, those present to accept, and to use every means in their power to cause Bank notes to be accepted as cash in all transactions. This resolution tended to allay the apprehensions that the restriction had excited.

Parliament being sitting at the time, a committee was immediately appointed to examine into the affairs of the Bank; and their report put to rest whatever doubts might have been entertained with respect to the solvency of the establishment, by showing that at the moment when the order in council appeared, the Bank was possessed of property to the amount of 15,513,690*l.*, after all claims upon it had been deducted.

Much difference of opinion has existed with respect to the policy of the restriction in

* So early as December, 1794, the court of directors represented to government their uneasiness on account of the magnitude of the debt due by the government to the Bank, and anxiously requested a repayment of at least a considerable part of what had been advanced. In January, 1795, they resolved to limit their advances upon treasury bills to 500,000*l.*; and at the same time they informed Mr. Pitt that it was their wish that he would adjust his measures for the year *in such a manner as not to depend on any further assistance from them.* On the 11th of February, 1796, they resolved, "That it is the opinion of this court, founded upon the experience of the late Imperial loan, that if any further loan or advance of money to the emperor, or to any of the foreign states, should in the present state of affairs take place, it will, in all probability, prove fatal to the Bank of England. The court of directors do, therefore, most earnestly deprecate the adoption of any such measure, and they solemnly protest against any responsibility for the calamitous consequences that may follow thereupon." But notwithstanding these, and many other similar remonstrances, fresh advances of money were made to our foreign allies, and fresh demands upon the Bank; the directors reluctantly abandoning their own better judgment to what they truly termed the "*pressing solicitations*" of the Chancellor of the Exchequer, and their desire to avert "the probable distress which a refusal (on their part) might occasion, in the then alarming situation of public affairs." But notwithstanding the difficulties of the Bank were greatly aggravated by that conduct on the part of government against which the directors had so strongly protested, she could hardly, in any state of her affairs, have got safely over the crisis of 1797. The run upon the Bank that then took place, was occasioned by alarms of invasion; and it is clear, as remarked in the text, that while they continued, no paper immediately convertible into gold could remain in circulation.

1797; but, considering the peculiar circumstances under which it took place, its expediency seems abundantly obvious. The run did not originate in any over-issue of Bank paper; but grew entirely out of political causes. So long as the alarms of invasion continued, it was clear that no Bank paper immediately convertible into gold would remain in circulation. And as the Bank, though possessed of ample funds, was without the means of instantly retiring her notes, she might, but for the interference of government, have been obliged to stop payment; an event which, had it occurred, must have produced consequences in the last degree fatal to the public interests.

It had been generally supposed, previously to the passing of the Restriction Act, that Bank notes would not circulate unless they were immediately convertible into cash; but the event showed, conformably to principles that have since been fully explained, that this was not really the case. Though the notes of the Bank of England were not, at the passing of the Restriction Act, publicly declared to be legal tender, they were rendered so in practice, by being received as cash in all transactions on account of government, and of the vast majority of individuals. For the first three years of the restriction, their issues were so moderate, that they not only kept on a par with gold, but actually bore a small premium. In the latter part of 1800, however, their quantity was so much increased that they fell to a discount of about 8 per cent. as compared with gold, but they soon after rose nearly to par; and it was not until 1808 that the decline of their value excited any considerable attention. Early in 1810, they were at a discount of about $13\frac{1}{2}$ per cent.; and this extraordinary fall having attracted the attention of the legislature, the House of Commons appointed a committee to inquire into the circumstances by which it had been occasioned. The committee examined several witnesses; and in their report, which was drawn up with considerable ability, they justly ascribed the fall to the over-issue of Bank paper, and recommended that the Bank should be obliged to resume cash payments within two years. This recommendation was not, however, acted upon; and the value of Bank paper continued to decline, as compared with gold, till 1814.

At the period when the restriction on cash payments took place in 1797, it is supposed that there were about 280 country banks in existence; but so rapidly were these establishments multiplied, that they amounted to above 900 in 1813. The price of corn, influenced partly by the depreciation of the currency, and the facility with which discounts were obtained, but far more by deficient harvests, and the unprecedented difficulties which the war threw in the way of importation, had risen to an extraordinary height during the five years ending with 1813. But the harvest of that year being unusually productive, and the intercourse with the Continent being then also renewed, prices, influenced by both circumstances, sustained a very heavy fall in the latter part of 1813, and the beginning of 1814. And this fall having proved ruinous to a considerable number of farmers, and produced a general want of confidence, such a destruction of provincial paper took place as has rarely been paralleled. In 1814, 1815, and 1816, no fewer than 240 country banks stopped payment; and *eighty-nine* commissions of bankruptcy were issued against these establishments, being at the rate of *one* commission against every *ten and a half* of the total number of banks existing in 1813.

The great reduction that had been thus suddenly and violently brought about in the quantity of country bank paper, by extending the field for the circulation of Bank of England paper, raised its value in 1817 nearly to a par with gold. The return to cash payments being thus facilitated, it was fixed, in 1819, by the act 59 Geo. 3. c. 78., commonly called Mr. Peel's Act, that they should take place in 1823. But to prevent any future over-issue, and at the same time to render the measure as little burdensome as possible, it was enacted, in pursuance of a plan suggested by the late Mr. Ricardo, that the Bank should be obliged, during the interval from the passing of the act till the return to specie payments, to pay her notes, if required, in bars of standard bullion of not less than sixty ounces' weight. This plan was not, however, acted upon during the period allowed by law; for, a large amount of gold having been accumulated at the Bank, the directors preferred recommencing specie payments on the 1st of May, 1821. — (See Table III. for an account of the price of bullion, the depreciation of paper, &c. from 1800 to 1821.)

A great diversity of opinion has been entertained with respect to the policy of the return to the old standard, in 1819. By one party it has been represented as a wise and politic measure: they contend that Mr. Peel's Act not only put an end to those fluctuations in the value of money, which had previously been productive of great mischief, and gave effect to the solemn engagements into which the public had entered with the national creditor, but that it did this without adding any thing material to the national burdens. But another, and, perhaps, a more numerous party, take a totally different view of this measure: they contend that the public was not really bound to return to cash payments at the old standard at the termination of the war; that the return has

very greatly enhanced the value of the currency; and that this enhancement, by adding proportionally to the fixed burdens laid on the industrious classes, has been most injurious to their interests. It will, however, be found in this, as in most cases of the sort, that the statements of both parties are exaggerated; and that if, on the one hand, the measure has not been so advantageous as its apologists represent, neither, on the other, has it been nearly so injurious as its enemies would have us believe.

In discussing this question, it is material to observe that the value of paper, which had been in 1815 and 1816 about $16\frac{3}{4}$ per cent. below that of gold, rose in 1817 and 1818, from the causes already mentioned, without any interference whatever on the part of government, to within little more than $2\frac{1}{2}$ per cent. of the value of gold; and that in 1819 the depreciation only amounted to $4\frac{1}{2}$ per cent.—(See Table III.) It is, therefore, quite ludicrous to ascribe to the act of 1819, as is often done, the whole rise that has taken place in the value of the currency since the peace, seeing that the currency had been for *three years previously to its enactment* from $12\frac{1}{2}$ to $14\frac{1}{2}$ per cent. above its value in 1815, and from 21 to 23 per cent. above its value in 1814! The main object which the promoters of the act of 1819 had in view, was to sustain the value of the currency at the point to which it had recovered itself, without legislative interference. This, however, could not be done without recurring to specie payments; and the difference of $4\frac{1}{2}$ per cent. that obtained in 1819 between the value of gold and paper, was not deemed sufficiently considerable to warrant a departure from the old standard, and from the acts engaging to restore it.

But it is alleged, that those who suppose that the act of 1819 added only $4\frac{1}{2}$ per cent. to the value of the currency, mistake altogether the effect of the measure. It is admitted, indeed, that paper was then only $4\frac{1}{2}$ per cent. less valuable than gold; but by reverting to specie payments, we made an unexpected purchase of *thirty millions* of gold; and it is affirmed, that this novel and large demand, concurring simultaneously with the contraction of paper in several of the continental states, and with a falling off in the supply of bullion from the mines, had the effect of adding very greatly to the value of gold itself, and consequently to that of the currency. It is very difficult, or rather, perhaps, impossible, to determine the precise degree of credit that ought to be attached to this statement; but while we incline to think that it is well founded to a certain extent, we see no grounds for believing that it is so to any thing like the extent that has been stated. The gold imported into Great Britain, to enable the Bank to resume specie payments, was not taken from any particular country or district, but was drawn from the market of the world; and considering the vast extent of the supply whence it was derived, it is against all reason to suppose that its value could be materially influenced by our purchases. We doubt, too, whether the contraction of the paper currency of some of the continental states, and the substitution of specie in its stead, was not more than balanced by the cessation of the demand for specie for the military chests of the different armies, by the stoppage of the practice of hoarding, and the greater security consequent to the return of peace. And with respect to the falling off in the supplies from the mines, it is not a circumstance, supposing it to have had a considerable influence, that parliament could take into account. It could neither determine the extent to which bullion had been raised, nor at what point the rise would stop, nor how soon it might again begin to decline. The diminution in the supply of bullion had then continued for too short a period, and its influence on the value of gold was much too uncertain, to make it a ground for interfering in any degree with the standard.

The decline in the price of most articles that has taken place since the peace, has been often referred to, as a conclusive proof of the great enhancement in the value of bullion. But the inference is by no means so certain as has been represented. The prices of commodities are as much affected by changes in the cost of their production, as by changes in the quantity of money afloat. Now, there is hardly one of the great articles of commerce, the cost of which has not been considerably reduced, or which has not been supplied from new sources, within the last few years. The growth of corn, for example, has been vastly extended in France, Prussia, and generally throughout the Continent, by the splitting of large estates, and the complete subversion of the feudal system; and the reduction of its price in this country is, at least, as much owing to the extraordinary increase of imports from Ireland, as to any other cause. The fall in the price of wool is most satisfactorily accounted for by the introduction and rapid multiplication of Merino sheep in Germany, where they seem to succeed even better than in Spain; and by the growing imports from New Holland and elsewhere. And a very large portion, if not the whole, of the fall in the price of colonial products, is admitted, on all hands, to be owing to the destruction of the monopoly system, and the vast extension of cultivation in Cuba, Brazil, Louisiana, Demerara, &c. Although, therefore, we do not deny that the falling off in the supply of bullion from the mines must have had some influence on prices, we hold it to be the greatest imaginable error to

ascribe to it the entire fall that has taken place since the peace. Were its effect rated at 10 per cent. we believe it would be very considerably overstated. — (See art. *PRECIOUS METALS*.)

On the whole, therefore, we are disposed to approve of the conduct of those who framed the act of 1819. That it added to the burdens of the industrious classes, and has been in so far hostile to the public interests, it seems impossible to doubt; but it has not done this in any thing like the degree which its enemies represent. The period, too, when it was passed, is now so distant, that the existing engagements amongst individuals have almost all been formed with reference to the altered value of the currency; so, that whatever injury it may have occasioned in the first instance, must be nearly gone by. To modify or change the standard at this late period, would not be to repair injustice, but to commit it afresh. At the end of the war, the circumstances were considerably different. The standard had been really abandoned for the previous 18 years; and, perhaps, we may now say, that it would have been better, all things considered, had the mint price of bullion been raised, in 1815, to the market price. But having surmounted all the difficulties attendant upon the restoration of the old standard, and maintained it since 1821, it would be in the last degree impolitic to subject it to new alterations. Should the country become, at any future period, unable to make good its engagements, it will better consult its honour and its interest, by fairly compounding with its creditors, than by endeavouring to slip from its engagements by resorting to the dishonest expedient of enfeebling the standard.

The price of corn, which had been very much depressed in 1821 and 1822, rallied in 1823; and this circumstance contributed, along with others peculiar to that period, to promote an extraordinary rage for speculation. The issues of the country banks being in consequence far too much extended, the currency became redundant in the autumn of 1824; and the exchanges having been depressed, a drain for gold began to operate upon the Bank of England. But the directors of the Bank having entered, in the early part of that year, into an engagement with government to pay off such holders of 4 per cent. stock as might dissent from its conversion into a $3\frac{1}{2}$ per cent. stock, they were obliged to advance a considerable sum on this account after the depression of the exchange. This tended to counteract the effect of the drain on the Bank for gold; and, in consequence, the London currency was not very materially diminished till September, 1825. When, however, the continued demand of the public on the Bank for gold had rendered money scarce in the metropolis, the pressure speedily extended to the country. Such of the provincial banks — and they were a numerous class — as had been originally established without sufficient capital, or had conducted their business upon erroneous principles, began to give way the moment they experienced an increased difficulty of obtaining pecuniary accommodations in London. The alarm, once excited, soon became general; and confidence and credit were, for a while, almost wholly suspended. In the short space of 6 weeks, above 70 banking establishments were destroyed, notwithstanding the very large advances made to them by the Bank of England; and the run upon the Bank, for cash to supply the exigencies of the country banks, was so heavy, that she was well nigh drained of all the coin in her coffers, and obliged, as already remarked, to issue about a million of 1*l*. and 2*l*. notes.

In order to guard against a recurrence of the wide-spread mischief and ruin, produced by this and the previous bankruptcies of the country banks, it was resolved, in 1826, with consent of the Bank of England, to make a change in the law of 1708, limiting the number of partners in banking establishments to 6 only. And it was accordingly enacted, that thenceforth any number of partners might form themselves into associations, to carry on the business of banking, including the issue of notes, any where not within *sixty-five miles* of London. The directors of the Bank of England came, at the same time, to the resolution of establishing branches in some of the principal towns; and, at this moment, branch banks are established in Gloucester, Manchester, Birmingham, Leeds, Liverpool, Bristol, Exeter, Newcastle-upon-Tyne, Hull, Norwich, &c.

The branch banks cannot fail of being highly useful; but we believe that the benefit resulting from the formation of joint stock banks will not be nearly so great as has been anticipated. — (See *post*, *BANKS (ENGLISH PROVINCIAL)*.) So long as every one is allowed to issue notes without any sort of check or control, a thousand devices may be fallen upon to insure a certain circulation to those that are most worthless. At best, this measure is but a feeble palliative of inveterate disorders. It is quite illusory to expect to make any real improvement upon the system of country banking in England, by the mere introduction of a plan for *allowing* banking establishments with large capitals to be set on foot. There have always been, and are at this moment, a great number of such establishments in England. What is really wanted, is the adoption of a system, that will exclude the possibility of notes being discredited, by *preventing* all individuals or associations from issuing such as have not been previously guaranteed.

Besides attempting to lessen the frequency of bankruptcy among the country banks, by repealing the law limiting the number of partners, it was further resolved, in 1826, to prohibit the future issue of 1*l.* notes. The policy and effects of this measure have given rise to much dispute. It seems clear, that it has gone far to shut up one of the most convenient channels by which the inferior class of country bankers contrived to get their notes into circulation, and must, in so far, do good. But there are many other channels still open to them; and to imagine that this measure will place the provincial currency on that solid basis on which it ought to be placed, is quite visionary. There were no notes under 5*l.* in circulation in 1792; and yet fully one third of the country banks then in existence became bankrupt! The truth is, as already stated, that it is not possible to guard against loss and fraud, from the proceedings of the country bankers, otherwise than by compelling them to give security for their issues; and, as security may as easily be given for 1*l.* notes as for those of 5*l.*, the suppression of the former does not appear to have been at all essential. No doubt can, however, be entertained, that the representations as to the extreme injury occasioned by the withdrawal of the 1*l.* notes have been very greatly exaggerated; — though it is at the same time obvious, that the means of the bankers to make advances, as well as the profit derived from making them, must both have been diminished by the suppression of the small notes; and it would be foolish to deny that this circumstance must have occasioned some loss and inconvenience to many individuals.

These remarks are meant to apply only to the case of the country banks. The extraordinary extent to which the forgery of the 1*l.* notes of the Bank of England was carried, affords, perhaps, a sufficient vindication of the policy of their suppression. But the comparatively limited circulation of the country banks, and, perhaps we may add, the greater attention paid to the manner in which their notes were engraved, hindered their forgery from becoming injuriously prevalent.

(2.) *Cash kept by the Bank. Regulation of her Issues.* — Of late, the Bank directors have endeavoured, as a general rule, to have as much coin and bullion in their coffers as may together amount, when the exchange is at par, to a third part of the Bank's liabilities, including deposits as well as issues; so that, in the event of the notes afloat, and the public and private deposits in the coffers of the Bank, amounting to 27,000,000*l.* or 30,000,000*l.*, they would not consider the establishment in a perfectly satisfactory state, unless she was, generally speaking, possessed of about 9,000,000*l.* or 10,000,000*l.* of coin and bullion. Such a supply seems to afford every requisite security; and now that the notes of the Bank are made legal tender, and that she must be less exposed than formerly to drains during panics, it may, probably, be found to be unnecessarily large.

The issues of the Bank are wholly governed, at least in all ordinary cases, by what Mr. Horsley Palmer expressively calls "the action of the public:" — that is, they are increased during a favourable exchange, or when bullion is sent to the Bank to be exchanged for notes, and diminished during an unfavourable exchange, or when notes are sent to the Bank to be paid. If the exchange were so favourable that the Bank was accumulating considerably more bullion than was equivalent to the third part of her liabilities, the directors would seem to be justified in adding to the currency by buying a larger amount of government securities, or by increasing their discounts, &c.; and conversely, if the exchange were so unfavourable as to depress the supply of coin and bullion considerably below the average proportion. But the most intelligent directors seem to think that this would be an undue interference; and, in all but extraordinary cases, the rule of the Bank is, to allow the public to regulate the currency for itself through the action of the exchange.*

It is frequently said that the value of money, and, consequently, that the price of all sorts of property, depends on the fiat of the Bank, by which it is capriciously elevated at one time and depressed at another. But the account now given of the mode in which the issues of the Bank are regulated completely disproves such statements; and independently of this, every one who knows that the Bank must pay her notes in coin when presented, and that coin may be at all times obtained from the Mint, without any charge, in exchange for bullion, must know that the very supposition of their being true involves a contradiction.

(3.) *Bank of England in its Connexion with Government and the Public.* — The Bank of England conducts the whole banking business of the British government. "It acts not only," says Dr. Smith, "as an ordinary bank, but as a great engine of state. It receives and pays the greater part of the annuities, which are due to the creditors of the public; it circulates Exchequer bills; and it advances to government the annual

* Mr. Horsley Palmer's evidence before the late committee of the House of Commons on the Bank charter contains by far the best exposition ever given to the public, of the mode in which the business of the Bank of England is conducted. It is also highly deserving of attention, from its general ability, and the strong and steady light which it throws on the principles of banking and currency.

amount of the land and malt taxes, which are frequently not paid till some years there-
after."

(4.) *Advances by the Bank in Discounts, &c.* — The greater part of the paper of the Bank has generally been issued in the way of advances or loans to government, upon security of certain branches of the revenue, and in the purchase of Exchequer bills and bullion; but her issues through the medium of discounts to individuals have, notwithstanding, been at all times considerable, while, during war and in periods of distress, they have been occasionally very great. Generally speaking, however, the directors do not think it advisable to enter into competition with private bankers in the transacting of ordinary banking business, or in the discounting of mercantile paper. Mr. Horsley Palmer is decidedly of opinion, that all banking business, apart from the issue of notes, is better transacted by private bankers than by public bodies. — (*Min. of Evidence*, p. 37.) He also thinks, that were the Bank to come fairly into competition, at all times, with the private bankers and other individuals in discounting, it would be very apt to lead, every now and then, to an excess of the currency, and a fall of the exchange, producing fluctuations that could not fail to be most injurious. At present, therefore, and generally since the peace, the rate of interest charged by the Bank for loans has been somewhat above the market rate. The consequence is, that, in ordinary periods, very few applications are made to her for discounts. But, at the same time, every one who has any reasonable security to offer, knows where they may always be had; while the rate of interest charged by the Bank necessarily forms a *maximum* rate which no other establishment can exceed. When, however, any circumstances occur to occasion a pressure in the money market, or a difficulty of obtaining accommodations in the usual channels, the market rate of interest immediately rises to the rate fixed by the Bank; and on such occasions, the private bankers, and the public generally, resort to the Bank for aid. She then becomes, as it were, a *bank of support*; and has, as such, on many trying occasions, particularly in 1793, 1815 and 1816, and 1825–26, rendered the most essential service to public credit, and to the commercial interests of the country. The usual limited amount of the Bank's discounts does not, therefore, proceed, as has been absurdly enough stated, from any indisposition on the part of the directors to render every assistance in their power to the commercial classes, but is, in fact, the effect of such disposition. They consider, and we believe justly, that, except under peculiar circumstances, the business of discounting and banking is best conducted by private parties; and that, by abstaining from coming into competition with them, they are better able to act as a bank of support — that is, to sustain public and private credit by making extraordinary advances in seasons of distress and difficulty. This is not to neglect the interests of the mercantile classes, but to promote them in the best and most efficient manner, even though it should be at the expense of the Bank.

No. XIV. of the accounts subjoined to this article shows the average annual amount of commercial paper discounted by the Bank in London, from 1795 down to 1831. But the subjoined account will probably be deemed still more interesting, from its exhibiting in detail the variations in the discounts by the Bank during the 17 years ending with 1831. The sudden increase and immense amount of the discounts, in the last quarter of 1825 and the first quarter of 1826, show the vast importance of the assistance then rendered by the Bank to the trading interests. Had this assistance been withheld, or the Bank not been in a situation to render it, it is not easy to estimate the consequences.

Account of the Average Amount of Bills and Notes discounted by the Bank of England, in each Quarter of each of the Seventeen Years ending with 1831. — (*Appen. to Rep. on Bank Charter*, No. 56.)

Years.	1st Quarter, ending 31st of March.	2d Quarter, ending 30th of June.	3d Quarter, ending 30th of September.	4th Quarter, ending 31st of December.
	£	£	£	£
1815	13,611,500	13,846,500	16,613,200	15,717,300
1816	14,315,900	13,380,400	10,503,400	7,399,800
1817	5,823,500	4,148,300	3,323,300	2,541,200
1818	2,776,900	2,847,800	4,610,400	6,865,700
1819	8,363,700	6,632,300	6,021,600	5,042,200
1820	4,810,700	3,605,500	3,987,600	3,130,700
1821	3,238,300	2,715,100	2,294,100	2,459,300
1822	3,157,600	3,216,500	3,388,700	3,724,600
1823	4,107,300	3,252,300	2,801,400	2,334,200
1824	2,426,800	2,553,500	2,443,800	2,348,900
1825	2,496,800	3,973,700	5,486,600	7,839,300
1826	9,586,700	5,037,400	2,950,500	2,164,800
1827	2,198,600	1,226,400	1,107,500	1,233,800
1828	1,298,400	1,165,600	1,170,800	2,157,200
1829	3,492,400	3,283,700	2,611,800	2,152,700
1830	1,860,500	1,414,600	1,275,000	1,560,700
1831	2,549,200	3,240,200	3,422,500	3,771,500

The annual average loss by bad debts on the discounts of the Bank of England in London, from 1791 to 1831, both inclusive, has been 31,698*l.* — (*Appen. to Rep. on Bank Charter*, No. 60.)

(5.) *Advances by the Bank to Government.* — These are made on account of the produce of taxes not yet received, and on the security of Exchequer bills, &c. They varied, from 1792 down to 1810, from about 10,000,000*l.* to about 16,000,000*l.* During the remainder of the war, and down to 1820, they were a good deal larger; they were, at an average of each of the 7 years ending with that last mentioned, as follows: —

1814	-	-	-	£	30,149,000	1818	-	-	-	£	28,061,000
1815	-	-	-	-	26,494,000	1819	-	-	-	-	24,636,975
1816	-	-	-	-	23,544,000	1820	-	-	-	-	21,915,825 *
1817	-	-	-	-	27,347,000						

But in these are included about 1,000,000*l.* a year paid to government out of the sums issued on account of the dividends, but not claimed. This can hardly be regarded as an advance by the Bank.

In 1819, provision was made for reducing the amount of these advances; and they do not at present, excluding the permanent advance on account of the dead weight, exceed a third of their amount in 1820. They are represented by the Exchequer bills and deficiency bills in the hands of the Bank; and the average amount of these in her possession during the 4 years ending with 1831, was as follows: —

1828	-	-	-	£	9,367,630	1830	-	-	-	£	8,783,750
1829	-	-	-	-	8,664,000	1831	-	-	-	-	6,733,400

(*Appen. to Rep. on Bank Charter*, No. 64.)

(6.) *Balances of Public Money.* — In point of fact, however, a very large part of these advances has been nominal only, or has been virtually cancelled by the balances of public money in the hands of the Bank. Thus, from 1806 to 1810, both inclusive, the average advances to government amounted to 14,492,970*l.* But the average balance of public money in possession of the Bank during the same period amounted to about 11,000,000*l.*; so that the real advance was equal only to the difference between these two sums, or to about 3,500,000*l.* This statement completely negatives, as Mr. Tooke has justly stated, the supposition so commonly entertained and reasoned upon as a point beyond doubt, that the Bank was rendered, by the restriction, a mere engine in the hands of government for facilitating its financial operations. — (*First Letter to Lord Grenville*, p. 64.)

The Bank being enabled to employ the greater part of the balances of public money in her hands as capital, they have formed one of the main sources of the profit she has derived from her transactions with the public. This subject was brought very prominently forward in the Second Report of the Committee of the House of Commons on Public Expenditure in 1807. And it was agreed in the same year, that the Bank should, in consideration of the advantages derived from the public balances, continue the loan of 3,000,000*l.* made to government in 1800 for 6 years, without interest, on the same terms, till 6 months after the signature of a definitive treaty of peace. In 1816, this sum was finally incorporated with the debt due by government to the Bank, at an interest of 3 per cent. In 1818, the public balances had fallen to about 7,000,000*l.*; and they have been still further reduced, in consequence of measures that were then adopted. They amounted, at an average of the 3 years ending with 1831, to 4,157,570*l.* — (See Table XII.)

A part of the public balances is formed of the dividends payable at the Bank, but unclaimed. The balance arising from this source has sometimes amounted to above 1,000,000*l.*; but in 1808 and 1811, arrangements were made by which the balances growing out of this fund have been much reduced.

(7.) *Management of Public Debt.* — Previously to 1786, the Bank received an allowance on this account — that is, for trouble in paying the dividends, superintending the transfer of stock, &c. — of 56*l.* 10*s.* a million. In 1786, this allowance was reduced to 450*l.* a million, the Bank being, at the same time, entitled to a considerable allowance for her trouble in receiving contributions on loans, lotteries, &c. This, however, though long regarded as a very improvident arrangement on the part of the public, was acquiesced in till 1808, when the allowance on account of management was reduced to 340*l.* a million on 600,000,000*l.* of the public debt; and to 300*l.* a million on all that it exceeded that sum, exclusive of some separate allowances for annuities, &c. The impression, however, was still entertained, that the allowances for management should be further reduced; and the act 3 & 4 Will. 4. c. 98., for the renewal of the charter, has directed that 120,000*l.* a year shall be deducted from their amount. During the year ended the 5th of April, 1832, the Bank received 251,461*l.* for the management of

* These are the averages of the total advances on the 26th of February, and the 26th of August, each year.

the public debt, and annuities. This item may, therefore, be taken for the future at about 130,000*l.* a year.* — (*Report on Bank Charter, Appen. p. 35.*)

It should be observed, that the responsibility and expense incurred by the Bank in managing the public debt are very great. The temptation to the commission of fraud in transferring stock from one individual to another, and in the payment of the dividends, is well known; and notwithstanding the skilfully devised system of checks adopted by the Bank for its prevention, she has frequently sustained very great losses by forgery and otherwise. In 1803, the Bank lost, through a fraud committed by one of her principal cashiers, Mr. Astlett, no less than 340,000*l.*; and the forgeries of Fautleroy the banker cost her a still larger sum! At an average of the 10 years ending with 1831, the Bank lost, through forgeries on the public funds, 40,204*l.* a year.† — (*Report on Bank Charter, Appen. p. 163.*)

The total sum paid by the public to the Bank on account of the loans raised, Exchequer bills funded, transfer of $3\frac{1}{2}$ per cent. stock, &c. from 1793 to 1820, both included, amounted to 126,795*l.* 1*s.* 11*d.* — (*Parl. Paper, No. 81, Sess. 1822.*)

(8.) *Dead Weight.* — Besides the transactions alluded to, the Bank entered, on the 20th of March, 1823, into an engagement with government with respect to the public pensions and annuities, or, as they have been more commonly termed, the *dead weight*. At the end of the war, the naval and military pensions, superannuated allowances, &c. amounted to above 5,000,000*l.* a year. They would, of course, have been gradually lessened and ultimately extinguished by the death of the parties. But it was resolved, in 1822, to attempt to spread the burden equally over the whole period of *forty-five* years, during which it was calculated the annuities would continue to decrease. To effect this purpose, it was supposed that, upon government offering to pay 2,800,000*l.* a year for 45 years, capitalists would be found who would undertake to pay the entire annuities, according to a graduated scale previously determined upon, making the first year a payment of 4,900,000*l.* and gradually decreasing the payments until the forty-fifth and last year, when they were to amount to only 300,000*l.* This supposition was not, however, realised. No capitalists were found willing to enter into such distant engagements. But in 1823 the Bank agreed, on condition of receiving an annuity of 585,740*l.* for *forty-four* years, commencing on the 5th of April, 1823, to pay, on account of the pensions, &c. at different specified periods, between the years 1823 and 1828, both inclusive, the sum of 13,089,419*l.* — (*4 Geo. 4. c. 22.*)

(9.) *Rate of Discount.* — The Bank discounted private bills at 5 per cent. during nearly the whole period from her establishment till 1824, when the rate was reduced to 4 per cent. In 1825, it was raised to 5 per cent.; but was again reduced to 4 per cent. in 1827, at which it continues. It may well be doubted, however, whether the rate of discount ought not to be more frequently varied, as occasion may require. When the currency happens, from any cause, to become redundant, its contraction, always a matter of some difficulty, is to be effected only by the sale of bullion or public securities by the Bank, or by a diminution of the usual discounts, or all. But were the Bank to throw any considerable amount of public securities upon the market, the circumstance would be apt to excite alarm; and, even though it did not, it would be difficult to dispose of them without a heavy loss. Hence, when a reduction is determined upon, it is most commonly effected partly by a contraction of discounts; and it is plain, that such con-

* See Table VI. for an account of the sums paid by the public to the Bank, for the management of the public debt during the year 1820.

† We subjoin an abstract of the principal provisions in the late statute with respect to the forgery of bank notes, powers of attorney, &c.

It is enacted, 1 Will. 4. c. 66, that if any person shall forge or alter, or shall offer, utter, dispose of, or put off, knowing the same to be forged or altered, any Exchequer bill or Exchequer debenture, or any indorsement on or assignation of any such bill or debenture, or any East India bond, or indorsement upon or assignation of the same, or any note or bill of the Bank of England, or a bank post bill, or any indorsement on or assignation of any bank note, bank bill of exchange, or bank post bill, with intent to defraud, any person whatsoever, he shall be guilty of felony, and shall upon conviction suffer death as a felon — § 3.

Persons making false entries in the books of the Bank of England, or other books in which accounts of public stocks or funds are kept, with intent to defraud, shall suffer death as felons. — § 5.

By the same act, the forging of any transfer of any share of, or interest in, or dividend upon, any public stock, or of a power of attorney to transfer the same, or to receive dividends thereon, is made capital. If any person, falsely personating the owner of any share, interest, or dividend of any of the public funds, thereby transfer such share, &c., and receive the money due to the lawful owner, he shall upon conviction suffer death as a felon. — § 6.

And any person endeavouring by such false personation to procure the transfer of any share, interest, &c. in the public funds, may, upon conviction, be transported beyond seas for life, or for any term not less than seven years, or be imprisoned for any term not more than four, nor less than two years. — § 7.

The forgery of the attestation to any power of attorney for the transfer of stock is to be punished by transportation for seven years, or by imprisonment for not more than two and not less than one year. — § 8.

Clerks or servants of the Bank of England knowingly making out or delivering any dividend warrant for a greater or less amount than the party in whose behalf such warrant is made out is entitled to, may, upon conviction, be transported beyond seas for the term of seven years, or imprisoned for not more than two nor less than one year. — § 9.

traction cannot be made except by rejecting altogether some of the bills sent in for discount, or, which is in effect the same thing, by shortening their dates, or by raising the rate of interest, so that fewer may be sent in. Of these methods, the last seems to be in every respect the most expedient. When bills are rejected for no other reason than that the currency may be contracted, the greatest injury is done to individuals, who, entertaining no doubt of getting their usual accommodations from the Bank, may have entered into transactions which they are thus deprived of the means of completing. Were the reduction made by raising the rate of interest, it would principally affect those who are *best able to bear it*; at the same time that its operation, instead of being, like the rejection of bills, arbitrary and capricious, would be uniform and impartial. It does, therefore, seem that the Bank should never throw out good bills that she may contract her issues; but that when she has resolved upon such a measure, she should, provided the contraction cannot be made by the sale of bullion and public securities, raise the rate of discount. The Bank could not, however, act in the way now suggested, until the usury laws were modified; but the act 3 & 4 Will. 4. cap. 98. has exempted all bills not having more than 3 months to run from their operation; and it is to be hoped that this serious inroad on these antiquated, unjust, and impolitic laws may be followed by their total repeal.

The dividends on Bank stock, from the establishment of the Company to the present time, have been as follows:—

Years.		Dividend.	Years.		Dividend.
	1694	8 per cent.	Michaelmas	- 1732	5½ per cent.
	1697	9 —	Lady-day	- 1747	5 —
	1708	Varied from 9 to 5½ per cent.	Ditto	- 1753	4½ —
	1729		Michaelmas	- 1764	5 —
Lady-day	- 1750	6 —	Ditto	- 1767	5½ —
Michaelmas	- 1750	5½ —	Ditto	- 1781	6 —
Lady-day	- 1781	6 —	Lady-day	- 1788	7 —
Michaelmas	- 1781	5½ —	Ditto	- 1807	10 —
Lady-day	- 1782	6 —	Ditto	- 1823	8 —

Previously to 1759, the Bank of England issued no notes for less than 20*l.* She began to issue 10*l.* notes in 1759; 5*l.* notes in 1793; and 1*l.* and 2*l.* notes in March, 1797. The issue of the latter ceased in 1821.

(10.) *Interest on Deposits.*—The Bank of England does not allow, either in London, or at her branches, any interest on deposits; but it would be exceedingly desirable if she could safely make some alteration in this respect. The want of the power readily to invest small sums productively, and, at the same time, with perfect security, tends to weaken the motives to save and accumulate. Nothing has contributed more to diffuse a spirit of economy, and a desire to save, amongst all classes of the population of Scotland, than the readiness with which deposits of small sums are received by banks of undoubted solidity in that part of the country, and the allowance of interest upon them.—(See *BANKS (SCOTCH).*) This advantage is in some degree, indeed, secured in England, by the institution of savings banks. These, however, are but a very inadequate substitute. They are not open to all classes of depositors; and of those to whom they are open, no one can deposit more than 50*l.* in a year, and 150*l.* in all.—(See *BANKS (SAVINGS).*) But it is desirable that every facility should be given to safe and profitable investments. “Were the English banks, like the Scotch banks, to receive deposits of 10*l.* and upwards, and allow interest upon them at about 1 per cent. less than the market rate, they would confer an immense advantage upon the community, and open a source of profit to themselves. This is, in fact, a part of the proper business of a bank. A banker is a dealer in capital, an intermediate party between the borrower and the lender. He borrows of one party, and lends to another; and the difference between the terms at which he borrows and those at which he lends is the source of his profit. By this means, he draws into active operation those small sums of money which were previously unproductive in the hands of private individuals, and at the same time furnishes accommodation to another class, who have occasion for additional capital to carry on their commercial transactions.”—(See *Gilbart's Practical Observations on Banking*, p. 52.)

In further corroboration of what has now been stated, it may be mentioned that it was estimated by a very well-informed witness (Sir J. G. Craig, before the Lords' Committee on Scotch and Irish Banking, in 1826, that the deposits in the Scotch banks, at that period, amounted to about 24,000,000*l.*, of which more than a half consisted of sums from 10*l.* to 200*l.*! This is a most satisfactory proof of the vast importance of the system. Perhaps it is not going too far to affirm, that but for the receiving of deposits by the banks, and the allowing of interest upon them, not one third of the sums under 200*l.*, and not one half of those above it, would ever have been accumulated.—(See *BANKS (SCOTCH).*)

We are not, however, able to say whether the Bank of England could offer interest on deposits without having so large a sum forced upon her as might endanger her

stability. And it were better that the system should continue as at present, than that any risk of this sort should be incurred.

Since 1826, the private deposits in the hands of the Bank have nearly doubled. Their increase is mainly ascribable to the preceding panic, and the loss that was then occasioned by the failure of private banks.

The composition paid by the Bank at the rate of 3,500*l.* per million, as an equivalent for the stamp duty on her notes, amounts, at an average, to about 70,000*l.* a year.

(11.) *Method of conducting Business at the Bank.* — All accounts kept at the Bank with individuals are termed *drawing accounts*; those with whom they are opened being entitled to draw checks upon them, and to send the bills and drafts in their favour to be presented by the Bank, exactly as if they dealt with private bankers. There is no fixed sum with which an individual must open a drawing account; nor is there any fixed sum which the Bank requires him to keep at his credit to indemnify them for their trouble in answering his drafts, &c. Mr. Horsley Palmer gave in his evidence the following statement as to the facilities granted by the Bank in drawing accounts since 1825:—

1. The Bank receive dividends by power of attorney for all persons having drawing accounts at the Bank.
2. Dividend warrants are received at the Drawing-office for ditto.
3. Exchequer bills and other securities are received for ditto; the bills exchanged, the interest received, and the amount carried to their respective accounts.
4. Checks may be drawn for 5*l.* and upwards, instead of 10*l.* as heretofore.
5. Cash-boxes taken in, contents unknown, for such parties as keep accounts at the Bank.
6. Bank notes are paid at the counter, instead of drawing tickets for them on the pay clerks as heretofore.
7. Checks on city bankers paid in by three o'clock may be drawn for between four and five; and those paid in before four will be received and passed to account the same evening.
8. Checks paid in after four are sent out at nine o'clock the following morning, received and passed to account, and may be drawn for as soon as received.
9. Dividend warrants taken in at the Drawing-office until five in the afternoon, instead of three as heretofore.
10. Credits paid into account are received without the Bank book, and are afterwards entered therein without the party claiming them.
11. Bills of exchange accepted payable at the Bank are paid with or without advice; heretofore with advice only.
12. Notes of country bankers payable in London are sent out the same day for payment.
13. Checks are given out in books, and not in sheets as heretofore.

A person having a drawing account *may* have a *discount account*; but no person can have the latter without, at the same time, having the former. When a discount account is opened, the signatures of the parties are entered in a book kept for the purpose, and powers of attorney are granted, empowering the persons named in them to act for their principals. No bill of exchange drawn in the country is discounted by the Bank in London under 20*l.*, nor London note under 100*l.*, nor for a longer date, under existing regulations, than three months.

The number of holidays formerly kept at the Bank has recently been reduced about a half, in the view, as stated by the directors, of preventing the interruption of business. There are no holidays in the months of March, June, September, and December, excepting Christmas; Easter Monday and Tuesday are no longer kept.

We subjoin an account of the days for transferring stock, and when the dividends are due at the Bank, the South Sea House, and the East India House:—

<i>Transfer Days at the Bank.</i>	<i>Dividends due.</i>	<i>Dividends due.</i>
Bank Stock. — Tues. Thurs. and Frid. — 3 per Cent. Red. — Tues. Wed. Thurs. and Frid.	April 5. Oct. 10.	Life Annuity, if transferred between Jan. 5. and April 4., or between July 5. and Oct. 9. } Jan. 5. July 5.
3½ per Cent. 1818. — Tues. Thurs. and Frid.	Jan. 5. July 5.	Life Annuity, if transferred between April 5. and July 4., or between Oct. 10. and Jan. 4. } April 5. Oct. 10.
3 per Cent. 1726. — Tues. Thurs. and Frid.	April 5. Oct. 10.	
3 per Cent. Cons. — Tues. Wed. Thurs. and Frid.	April 5. Oct. 10.	
3½ per Cent. Red. — Tues. Wed. Thurs. and Frid.	April 5. Oct. 10.	
Long Annuity. to Jan. 1859. — Mond. Wed. and Sat.	April 5. Oct. 10.	
4 per Cent. 1826. — Mond. Wed. and Frid.	Jan. 5. July 5.	
New 3½ per Cent. Annuity. — Tues. Wed. Thurs. and Frid.	Jan. 5. July 5.	
New 5 per Cent. Annuity. — Tues. Wed. and Frid.	April 5. Oct. 10.	
Annuity for Terms of Years, ending 10th of Oct. 1859, pursuant to 10 Geo. 4. — Tues. Thurs. and Sat.	Jan. 5. July 5.	
Annuity for Terms of Years, ending 5th of Jan. 1869, pursuant to 10 Geo. 4. — Tues. Thurs. and Sat.	Jan. 5. July 5.	

At the South Sea House.

5½ per Cents. — Mond. Wed. and Frid.	Jan. 5. July 5.
3 per Cent. Old Annuity. — Mond. Wed. and Frid.	April 5. Oct. 10.
3 per Cent. New Annuity. — Tues. Thurs. and Sat.	Jan. 5. July 5.
3 per Cent. 1751. — Tues. and Thurs.	Jan. 5. July 5.

At the East India House.

India Stock. — Tues. Thurs. and Sat.	Jan. July.
Interest on India Bonds, due	Mar. 31. Sept. 30.

Tickets for preparing transfer of stock must be given in at each office before one o'clock: at the East India House, before two o'clock. Private transfers may be made at other times than as above, the books not being shut, by paying, at the Bank and India House, 2*s. 6d.* extra for each transfer; at the South Sea House, 3*s. 6d.*

Transfer at the Bank must be made by half-past two o'clock; at the India House, by three; at the South Sea House, by two; on Saturday, by one.

Expense of transfer in Bank Stock, for 25*l.* and under, 9*s.*; above that sum, 12*s.*

India Stock, for 10*l.* 1*l.* 10*s.* 1*l.* 14*s.*

South Sea Stock, if under 100*l.* 9*s.* 6*d.* 12*s.*

Powers of attorney for the sale or transfer of stock to be left at the Bank, &c. for examination, one day before they can be acted upon; if for receiving dividends, present them at the time the first dividend is payable.

The expense of a power of attorney is 1*l.* 1*s.* 6*d.* for each stock; but for Bank, India, and South Sea stock, 1*l.* 11*s.* 6*d.* If wanted for the same day, half-past twelve o'clock is the latest time for receiving orders. The boxes for receiving powers of attorney for sale close at two.

Probates of wills, letters of administration, and other proofs of decease, must be left at the Bank, &c. for registration, from two or three clear days, exclusive of holidays.

Stock cannot be added to any account (whether single or joint in which the decease of the individual, or one or more of a joint party, has taken place; and the decease to be proved as soon as practicable. Powers of attorney, in case of the death of a party or parties granting it, become void.

The unaltered possession of 500*l.* or upwards Bank stock, for six months clear, gives the proprietor a vote.

(12.) *Branch Banks of the Bank of England.*—The Bank of England, as already observed, has within these few years established branch banks at several of the most considerable towns throughout the country. The mode and terms of conducting business at these establishments have been described as follows:—

“The branch bank (of Swansea, and the same is true of those established in other places) is to be a secure place of deposit for persons having occasion to make use of a bank for that purpose; such persons are said to have *drawing accounts*: to facilitate to the mercantile and trading classes the obtaining discounts of good and unexceptionable bills, founded upon real transactions, two approved names being required upon every bill or note discounted; these are called *discount accounts*. The application of parties who desire to open discount accounts at the branch are forwarded every Saturday to the parent establishment for approval, and an answer is generally received in about ten days. When approved, good bills may be discounted at the branch without reference to London. Bills payable at Swansea, London, or any other place where a branch is established, are discounted under this regulation. The dividends on any of the public funds, which are payable at the Bank of England, may be received at the branch, by persons who have opened ‘drawing accounts,’ after signing powers of attorney for that purpose, which the branch will procure from London. No charge is made in this case, except the expense of the power of attorney and the postages. Purchases and sales of every description of government securities are effected by the branch at a charge of $\frac{1}{4}$ per cent., which includes brokerage in London, and all expenses of postage, &c. A charge of $\frac{1}{4}$ per cent. is also made on paying at the Bank of England, bills accepted by persons having drawing accounts at Swansea, such bills to be advised by the branch; also for granting letters of credit on London, or on the other branches. The branch grants bills on London, payable at 21 days’ date, without acceptance, for sums of 10*l.* and upwards. Persons having drawing accounts at Swansea may order money to be paid at the Bank in London to their credit at this place, and *vice versa*, without expense. The branch may be called upon to change any notes issued and dated at Swansea; but they do not change the notes of the Bank in London, nor receive them in payment, unless as a matter of courtesy where the parties are known. Bank post bills, which are accepted and due, are received at the branch from parties having drawing accounts, and taken to account without any charge for postage; but unaccepted Bank post bills, which must be sent to London, are subject to the charge of postage, and taken to account when due. No interest is allowed on deposits. No advance is made by the branch upon any description of landed or other property, nor is any account allowed to be overdrawn. The notes are the same as those issued by the parent establishment, except being dated Swansea, and made payable there and in London. No note issued exceeds the sum of 500*l.*, and none are for a less amount than 5*l.*”

(13.) *Act for the Renewal of the Charter.*—We subjoin a full abstract of the act 3 & 4 Will. 4. c. 98., continuing the charter, and regulating the exclusive privileges of the Bank of England.

The first section, after referring to the acts 39 & 40 Geo. 3. c. 28., and the 7 Geo. 4. c. 46., goes on to declare that it is expedient that certain exclusive privileges of banking be continued to the Governor and Company of the Bank of England, for the period, and upon the terms and conditions herein-after mentioned. — § 1.

No Banking Company of more than 6 Persons to issue Notes payable on Demand within London, or 65 Miles thereof.—That during the continuance of the said privilege, no body politic or corporate, and no society or company, or persons united or to be united in covenants or partnerships, exceeding 6 persons, shall make or issue in London, or within 65 miles thereof, any bill of exchange or promissory note, or engagement for the payment of money on demand, or upon which any person holding the same may obtain payment on demand: provided always, that nothing herein or in the said act of the 7 Geo. 4. c. 46. contained shall be construed to prevent any body politic or corporate, or any society or company, or incorporated company or corporation, or co-partnership, carrying on and transacting banking business at any greater distance than 65 miles from London, and not having any house of business or establishment as bankers in London, or within 65 miles thereof, (except as herein-after mentioned,) to make and issue their bills and notes, payable on demand or otherwise, at the place at which the same shall be issued, being more than 65 miles from London, and also in London, and to have an agent or agents in London, or at any other place at which such bills or notes shall be made payable, for the purpose of payment only, but no such bill or note shall be for any sum less than 5*l.*, or be re-issued in London, or within 65 miles thereof. — § 2.

Companies or Partnerships may carry on Banking in London, or within 65 Miles thereof.—And whereas the intention of this act is, that the Bank of England should, during the period stated in this act subject nevertheless to such redemption as is described in this act, continue to hold and enjoy all the exclusive privileges of banking given by the act 39 & 40 Geo. 3. c. 28, as regulated by the act 7 Geo. 4. c. 46, or any prior or subsequent act or acts of parliament, but no other or further exclusive privilege of banking: and whereas doubts have arisen as to the construction of the said acts, and as to the extent of such exclusive privilege; and it is expedient that all such doubts should be removed, be it therefore declared and enacted, that any body politic or corporate, or society, or company, or partnership, although consisting of more than 6 persons, may carry on the trade or business of banking in London, or within 65 miles thereof, provided that such body politic or corporate, or society, or company, or partnership, do not borrow, owe, or take up in England any sum or sums of money on their bills or notes payable on demand, or at any less time than 6 months from the borrowing thereof, during the continuance of the privileges granted by this act to the said Governor and Company of the Bank of England.—§ 3.

All Bank of England Notes payable on Demand issued out of London payable at the Place where issued, &c.—From and after the 1st of August, 1834, all promissory notes payable on demand of the Governor and Company of the Bank of England issued at any place in England out of London, where the trade and business of banking shall be carried on for and on behalf of the said Governor and Company, shall be made payable at the place where such promissory notes shall be issued; and it shall not be lawful for the said Governor and Company, or any committee, agent, cashier, officer, or servant of the same, to issue at any place out of London, any promissory note payable on demand not made payable at the place where the same shall be issued, any thing in the said act 7 Geo. 4. c. 46, to the contrary notwithstanding.—§ 4.

Exclusive Privileges to end upon One Year's Notice at the end of 10 Years after August, 1834.—Upon one year's notice given within 6 months after the expiration of 10 years from the 1st of August, 1834, and upon repayment by parliament to the said Governor and Company, or their successors, of all principal money, interest, or annuities which may be due from the public to the said Governor and Company at the time of the expiration of such notice, as is herein-after stipulated and provided in the event of such notice being deferred until after the 1st of August, 1855, the exclusive privileges of banking granted by this act shall cease and determine at the expiration of such year's notice; and any vote or resolution of the House of Commons, signified by the Speaker of the said house in writing, and delivered at the public office of the said Governor and Company, or their successors, shall be deemed and adjudged to be a sufficient notice.—§ 5.

Bank Notes to be a legal Tender, except at the Bank and Branch Banks.—From and after the 1st of August, 1834, unless and until parliament shall otherwise direct, a tender of a note or notes of the Governor and Company of the Bank of England, expressed to be payable to bearer on demand, shall be a legal tender, to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount for all sums above £1. on all occasions on which any tender of money may be legally made, so long as the Bank of England shall continue to pay on demand their said notes in legal coin: provided always, that no such note or notes shall be deemed a legal tender of payment by the Governor and Company of the Bank of England, or any branch bank of the said Governor and Company; but the said Governor and Company are not to become liable or be required to pay and satisfy, at any branch bank of the said Governor and Company, any note or notes of the said Governor and Company not made specially payable at such branch bank; but the said Governor and Company shall be liable to pay and satisfy at the Bank of England in London all notes of the said Governor and Company, or of any branch thereof.—§ 6.

Bills not having more than 3 Months to run, not subject to Usury Laws.—No bill of exchange or promissory note made payable at or within 3 months after the date thereof, or not having more than 3 months to run, shall, by reason of any interest taken thereon or secured thereby, or any agreement to pay or receive or allow interest in discounting, negotiating or transferring the same, be void, nor shall the liability of any party to any bill of exchange or promissory note be affected by reason of any statute or law in force for the prevention of usury; nor shall any person or persons drawing, accepting, indorsing, or signing any such bill or note, or lending or advancing any money, or taking more than the present rate of legal interest in Great Britain and Ireland respectively for the loan of money on any such bill or note, be subject to any penalties under any statute or law relating to usury, or any other penalty or forfeiture; any thing in any law or statute relating to usury in any part of the United Kingdom to the contrary notwithstanding.—§ 7.

Accounts of Bullion and of Notes in Circulation to be sent weekly to the Chancellor of the Exchequer.—An account of the amount of bullion and securities in the Bank of England belonging to the said Governor and Company, and of notes in circulation, and of deposits in the said Bank, shall be transmitted weekly to the Chancellor of the Exchequer for the time being, and such accounts shall be consolidated at the end of every month, and an average state of the Bank accounts of the preceding 2 months, made from such consolidated accounts as aforesaid, shall be published every month in the next succeeding London Gazette.—§ 8.

*Public to pay the Bank ¼ Part of 14,686,800*l.**—One fourth part of the debt of 14,686,800*l.*, now due from the public to the Governor and Company of the Bank of England, shall and may be repaid to the said Governor and Company.—§ 9.

Capital Stock of the Bank may be reduced.—A general court of proprietors of the said Governor and Company of the Bank of England shall be held some time between the passing of this act and the 5th of October, 1834, to determine upon the propriety of dividing and appropriating the sum of 3,638,250*l.* out of or by means of the sum to be repaid to the said Governor and Company as before mentioned, or out of or by means of the fund to be provided for that purpose amongst the several persons, bodies politic or corporate, who may be proprietors of the capital stock of the said Governor and Company on the said 5th of October, 1834, and upon the manner and the time for making such division and appropriation, not inconsistent with the provisions for that purpose herein contained; and in case such general court, or any adjourned general court, shall determine that it will be proper to make such division, then, but not otherwise, the capital stock of the said Governor and Company shall be, and the same is hereby declared to be reduced from the sum of 14,553,000*l.*, of which the same now consists, to the sum of 10,914,750*l.*, making a reduction or difference of 3,638,250*l.* capital stock, and such reduction shall take place from and after the 5th of October, 1834; and thereupon, out of or by means of the sum to be repaid to the said Governor and Company as herein-before mentioned, or out of or by means of the fund to be provided for that purpose, the sum of 3,638,250*l.* sterling, or such proportion of the said fund as shall represent the same, shall be appropriated and divided amongst the several persons, bodies politic or corporate, who may be proprietors of the said sum of 14,553,000*l.* Bank stock on the said 5th of October, 1834, at the rate of 2*l.* sterling for every 100*l.* of Bank stock which such persons, bodies politic and corporate, may then be proprietors of, or shall have standing in their respective names in the books kept by the said Governor and Company for the entry and transfer of such stock, and so in proportion for a greater or lesser sum.—§ 10.

Governor, Deputy, or Directors not to be disqualified by Reduction of their Share of the Capital Stock.—The reduction of the share of each proprietor in the capital stock of the said Governor and Company of the Bank of England, by the repayment of such ¼ part thereof, shall not disqualify the present governor, deputy governor, or directors, or any or either of them, or any governor, deputy governor, or director who may be chosen in the room of the present governor, deputy governor, or directors at any time before the general court of the said Governor and Company to be held between the 25th of March and the 25th of April, 1835: provided that at the said general court, and from and after the same, no governor, deputy governor, or director of the said corporation shall be capable of being chosen such governor, deputy

governor, or director, or shall continue in his or their respective offices, unless he or they respectively shall at the time of such choice have, and during such his respective office continue to have, in his and their respective name, in his and their own right, and for his and their own use, the respective sums or shares of and in the capital stock of the said corporation in and by the charter of the said Governor and Company prescribed as the qualification of governor, deputy governor, and directors respectively. — § 11.

Proprietors not to be disqualified. — Provided also, and be it enacted, that no proprietor shall be disqualified from attending and voting at any general court of the said Governor and Company to be held between the said 5th of October, 1834, and the 25th of April, 1835, in consequence of the share of such proprietor of the capital stock of the said Governor and Company having been reduced by such repayment as aforesaid below the sum of 500*l.* of the said capital stock; provided such proprietor had in his own name the full sum of 500*l.* of the said capital stock on the said 5th of October, 1834; nor shall any proprietor be required, between the said 5th of October, 1834, and the 25th of April, 1835, to take the oath of qualification in the said charter. — § 12.

*Bank to deduct 120,000*l.* from Sum allowed for Management of National Debt.* — From and after the 1st of August, 1834, the said Governor and Company, in consideration of the privileges of exclusive banking given by this act, shall, during the continuance of such privileges, but no longer, deduct from the sums now payable to them, for the charges of management of the public unredeemed debt, the annual sum of 120,000*l.*, any thing in any act or acts of parliament or agreement to the contrary notwithstanding; provided always, that such deduction shall in no respect prejudice or affect the right of the said Governor and Company to be paid for the management of the public debt at the rate and according to the terms provided by the act 48 Geo. 3. c. 45, intituled "An Act to authorize the advancing for the public Service, upon certain Conditions, a Proportion of the Balance remaining in the Bank of England for Payment of unclaimed Dividends, Annuities, and Lottery Prizes, and for regulating the Allowances to be made for the Management of the National Debt." — § 13.

Provisions of Act of 39 & 40 Geo. 3. to remain in force, except as altered by this Act. — All the powers, authorities, franchises, privileges, and advantages given or recognised by the said recited act of the 39 & 40 Geo. 3. c. 28, aforesaid, as belonging to or enjoyed by the Governor and Company of the Bank of England, or by any subsequent act or acts of parliament, shall be and the same are hereby declared to be in full force, and continued by this act, except so far as the same are altered by this act, subject nevertheless to such redemption upon the terms and conditions following; (that is to say,) that at any time, upon 12 months' notice to be given after the 1st of August, 1835, and upon repayment by parliament to the said Governor and Company, or their successors, of the sum of 11,015,100*l.*, being the debt which will remain due from the public to the said Governor and Company after the payment of the $\frac{1}{4}$ of the debt of 14,686,804*l.* as herein-before provided, without any deduction, discount, or abatement whatsoever, and upon payment to the said Governor and Company and their successors of all arrears of the sum of 100,000*l.* per annum in the said act of 39 & 40 Geo. 3. aforesaid mentioned, together with the interest or annuities payable upon the said debt or in respect thereof, and also upon repayment of all the principal and interest which shall be owing unto the said Governor and Company and their successors upon all such tallies, exchequer orders, exchequer bills, or parliamentary funds which the said Governor and Company, or their successors, shall have remaining in their hands or be entitled to at the time of such notice to be given as last aforesaid, then and in such case, and not till then, (unless under the proviso herein-before contained,) the said exclusive privileges of banking granted by this act shall cease and determine at the expiration of such notice of 12 months. — § 14.

Tables exhibiting a View of the Circulation, Deposits, &c. of the Bank of England.

No. 1.—A Return of the Number of Persons convicted of Forgery, or passing forged Notes and Post Bills of the Bank of England, in each Year, from 1791 to 1829, inclusive.

Years.	Capital Convictions.	Convictions for having forged Bank Notes in Possession.	Total Number of Convictions each Year.	Years.	Capital Convictions.	Convictions for having forged Bank Notes in Possession.	Total Number of Convictions each Year.
1791—1796	nil.	nil.	nil.	1813	9	49	58
1797	1	-	1	1814	5	39	44
1798	11	-	11	1815	8	51	59
1799	12	-	12	1816	20	84	104
1800	29	-	29	1817	33	95	128
1801	32	1	33	1818	62	165	227
1802	32	12	44	1819	33	160	193
1803	7	1	8	1820	77	275	352
1804	13	8	21	1821	41	93	134
1805	10	14	24	1822	16	-	16
1806	nil.	9	9	1823	6	-	6
1807	16	24	40	1824	5	-	5
1808	9	23	32	1825	2	-	2
1809	23	29	52	1826	18	4	22
1810	10	16	26	1827	24	-	24
1811	5	19	24	1828	10	-	10
1812	26	26	52	1829	13	1	14

The Bank of England does not possess the means of stating or distinguishing the punishments inflicted for the said crimes.

No. 11. — A Return of the Number of Persons convicted of Forgery on the Bank of England connected with the Public Funds, Bills of Exchange, or otherwise, except Bank Notes, &c., in each Year, from 1791 to 1829, inclusive.

Convictions.	Convictions.	Convictions.	Convictions.
1790 - - - 1	1800 - - - 1	1810 - - - nil.	1820 } - - nil.
1791 - - - nil.	1801 - - - nil.	1811 - - - 2	1821 - - - 1
1792 - - - 2	1802 - - - 1	1812 - - - nil.	1822 - - - nil.
1793 } - - - nil.	1803 - - - 1	1813 - - - 2	1823 - - - 1
1794 } - - - nil.	1804 - - - 1	1814 - - - 1	1824 - - - nil.
1795 } - - - nil.	1805 - - - 1	1815 - - - nil.	1825 } - - nil.
1796 - - - 2	1806 - - - nil.	1816 - - - 2	1826 - - - nil.
1797 - - - nil.	1807 - - - 1	1817 - - - 3	1827 } - - nil.
1798 - - - 3	1808 - - - nil.	1818 } - - nil.	1828 - - - 2
1799 - - - nil.	1809 - - - 1	1819 } - - nil.	1829 - - - 2

The Bank of England does not possess the means of stating or distinguishing the punishments inflicted for the said crimes. — (20th of May, 1830.)

No. III.—An Account of the Average Market Price of Bullion in each Year, from 1800 to 1821 (taken from official Documents), of the Average Value per Cent. of the Currency, estimated by the Market Price of Gold for the same Period, and of the Average Depreciation per Cent.

Years.	Average Price of Gold per oz.	Average per Cent. of the Value of the Currency.	Average Depreciation per Cent.	Years.	Average Price of Gold per oz.	Average per Cent. of the Value of the Currency.	Average Depreciation per Cent.
1800	£ s. d. 3 17 10½	100 0 0	Nil.	1811	£ s. d. 4 4 6	92 3 2	7 16 10
1801	4 5 0	91 12 4	8 7 8	1812	4 15 6	79 5 3	20 14 9
1802	4 4 0	92 14 2	7 5 10	1813	5 1 0	77 2 0	22 18 0
1803	4 0 0	97 6 10	2 13 2	1814	5 4 0	74 17 6	25 2 6
1804	4 0 0	97 6 10	2 13 2	1815	4 13 6	83 5 9	16 14 3
1805	4 0 0	97 6 10	2 13 2	1816	4 13 6	83 5 9	16 14 3
1806	4 0 0	97 6 10	2 13 2	1817	4 0 0	97 6 10	2 13 2
1807	4 0 0	97 6 10	2 13 2	1818	4 0 0	97 6 10	2 13 2
1808	4 0 0	97 6 10	2 13 2	1819	4 1 6	95 11 0	4 9 0
1809	4 0 0	97 6 10	2 13 2	1820	5 19 11	97 8 0	2 12 0
1810	4 10 0	86 10 6	13 9 6	1821	5 17 10½	100 0 0	Nil.

No. IV.—Account of the Debts and Assets (exclusive of the Bank Capital of the Bank of England; exhibiting, on the one hand, the Amount of Bank Notes, Post Bills, &c. in Circulation, and of the public and private Deposits in the Hands of the Bank; and, on the other, the Amount of the various public and private Securities, and of the Bullion held by the Bank, on the 31st of August, in each Year, from 1778 to 1831 inclusive. — (From the *Appendix, No. 5. of Report on Bank Charter.*)

31 August, 1778.	£	31 August, 1778.	£	£
Circulation - -	6,758,070	Securities - { Public -	6,540,433 }	9,627,970
Deposits - -	4,715,580	Bullion - { Private -	3,087,537 }	3,128,420
	11,473,650	- - - Rest, 1,282,740l.		19,756,390
31 August, 1779.		31 August, 1779.		
Circulation - -	7,276,540	Securities - { Public -	7,493,649 }	9,849,840
Deposits - -	5,901,640	Bullion - { Private -	2,356,191 }	3,983,300
	12,477,580	- - - Rest, 1,355,560l.		13,833,140
31 August, 1780.		31 August, 1780.		
Circulation - -	6,341,600	Securities - { Public -	6,740,514 }	10,345,540
Deposits - -	6,635,800	Bullion - { Private -	3,605,026 }	4,179,370
	12,997,400	- - - Rest, 1,527,510l.		14,524,910
31 August, 1781.		31 August, 1781.		
Circulation - -	6,369,430	Securities - { Public -	6,609,437 }	11,110,510
Deposits - -	5,921,630	Bullion - { Private -	4,501,053 }	2,862,590
	12,231,060	- - - Rest, 1,742,040l.		13,973,100
31 August, 1782.		31 August, 1782.		
Circulation - -	6,759,310	Securities - { Public -	8,987,573 }	13,483,790
Deposits - -	6,759,450	Bullion - { Private -	4,496,217 }	1,956,550
	13,518,760	- - - Rest, 1,921,580l.		15,440,340
30 August, 1783.		30 August, 1783.		
Circulation - -	6,307,270	Securities - { Public -	9,566,037 }	13,841,800
Deposits - -	6,105,650	Bullion - { Private -	4,275,763 }	590,080
	12,412,920	- - - Rest, 2,018,960l.		14,431,880
31 August, 1784.		31 August, 1784.		
Circulation - -	5,592,510	Securities - { Public -	8,435,777 }	12,524,380
Deposits - -	6,267,130	Bullion - { Private -	4,088,603 }	1,539,830
	11,859,640	- - - Rest, 2,204,570l.		14,064,210
31 August, 1785.		31 August, 1785.		
Circulation - -	6,570,650	Securities - { Public -	6,725,891 }	9,944,570
Deposits - -	6,252,030	Bullion - { Private -	3,218,679 }	5,487,040
	12,822,680	- - - Rest, 2,608,930l.		15,431,610
31 August, 1786.		31 August, 1786.		
Circulation - -	8,184,830	Securities - { Public -	7,988,241 }	10,378,780
Deposits - -	5,867,240	Bullion - { Private -	2,390,539 }	6,311,050
	14,051,570	- - - Rest, 2,638,260l.		16,689,830

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank — *continued.*

31 August, 1787.		£	31 August, 1787.		£	£
Circulation	-	9,685,730	Securities	{ Public	8,066,303 }	11,853,660
Deposits	-	5,631,540	Bullion	{ Private	3,787,357 }	6,293,000
		15,317,260	- - - Rest,	2,829,400.		18,146,660
30 August, 1788.			30 August, 1788.			
Circulation	-	10,002,880	Securities	{ Public	8,840,068 }	11,570,320
Deposits	-	5,528,640	Bullion	{ Private	2,730,252 }	6,899,160
		15,531,520	- - - Rest,	2,937,960.		18,469,480
31 August, 1789			31 August, 1789.			
Circulation	-	11,121,800	Securities	{ Public	9,661,859 }	11,697,760
Deposits	-	6,402,450	Bullion	{ Private	2,035,901 }	8,645,860
		17,524,250	- - - Rest,	2,819,570.		20,543,620
31 August, 1790.			31 August, 1790.			
Circulation	-	11,433,340	Securities	{ Public	10,017,257 }	12,093,520
Deposits	-	6,199,200	Bullion	{ Private	1,956,263 }	8,386,300
		17,632,540	- - - Rest,	2,757,310.		20,389,870
31 August, 1791.			31 August, 1791.			
Circulation	-	11,672,320	Securities	{ Public	10,921,300 }	12,819,940
Deposits	-	6,437,730	Bullion	{ Private	1,898,640 }	8,055,510
		18,110,050	- - - Rest,	2,765,400.		20,875,450
31 August, 1792.			31 August, 1792.			
Circulation	-	11,006,300	Securities	{ Public	10,715,041 }	13,005,910
Deposits	-	5,526,480	Bullion	{ Private	3,190,869 }	5,357,380
		16,532,780	- - - Rest,	2,750,510.		19,563,490
31 August, 1793.			31 August, 1793.			
Circulation	-	10,865,050	Securities	{ Public	10,381,838 }	14,809,680
Deposits	-	6,442,810	Bullion	{ Private	4,427,842 }	5,332,010
		17,307,860	- - - Rest,	2,823,820.		20,131,690
30 August, 1794.			30 August, 1794.			
Circulation	-	10,286,789	Securities	{ Public	8,863,048 }	12,446,460
Deposits	-	5,935,710	Bullion	{ Private	3,583,412 }	6,770,110
		16,222,499	- - - Rest,	2,994,080.		19,216,570
31 August, 1795.			31 August, 1795.			
Circulation	-	10,862,200	Securities	{ Public	10,250,904 }	16,989,920
Deposits	-	8,154,980	Bullion	{ Private	3,739,016 }	5,136,350
		19,017,180	- - - Rest,	3,109,090.		22,126,270
31 August, 1796.			31 August, 1796.			
Circulation	-	9,246,790	Securities	{ Public	10,875,347 }	17,025,470
Deposits	-	6,636,320	Bullion	{ Private	6,150,123 }	2,122,950
		15,903,110	- - - Rest,	3,245,310.		19,148,420
31 August, 1797.			31 August, 1797.			
Circulation	-	11,114,120	Securities	{ Public	8,765,224 }	18,261,170
Deposits	-	7,765,350	Bullion	{ Private	9,495,946 }	4,089,620
		18,879,470	- - - Rest,	3,471,320.		22,350,790
31 August, 1798.			31 August, 1798.			
Circulation	-	12,180,610	Securities	{ Public	10,930,038 }	17,349,640
Deposits	-	8,300,720	Bullion	{ Private	6,419,002 }	6,546,100
		20,481,330	- - - Rest,	3,414,410.		23,895,740
31 August, 1799.			31 August, 1799.			
Circulation	-	13,389,490	Securities	{ Public	9,452,955 }	16,900,440
Deposits	-	7,642,240	Bullion	{ Private	7,477,485 }	7,000,780
		21,031,730	- - - Rest,	2,899,400.		23,931,220

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank — *continued.*

30 August, 1800.		£	30 August, 1800.		£	£
Circulation	-	15,047,180	Securities	{ Public - 13,586,590 }		22,138,420
Deposits	-	8,335,060	Bullion	{ Private - 8,551,830 }		5,150,450
		23,382,240	- - - Rest, 3,906,630 <i>l.</i>			27,288,870
31 August, 1801.			31 August, 1801.			
Circulation	-	14,556,110	Securities	{ Public - 11,926,873 }		22,209,570
Deposits	-	8,133,830	Bullion	{ Private - 10,282,697 }		4,335,260
		22,689,940	- - - Rest, 3,854,890 <i>l.</i>			26,544,830
31 August, 1802.			31 August, 1802.			
Circulation	-	17,097,630	Securities	{ Public - 13,528,599 }		27,113,360
Deposits	-	9,739,140	Bullion	{ Private - 13,584,761 }		3,891,780
		26,836,770	- - - Rest, 4,168,370 <i>l.</i>			31,005,140
31 August, 1803.			31 August, 1803.			
Circulation	-	15,983,330	Securities	{ Public - 13,336,179 }		26,918,840
Deposits	-	9,817,240	Bullion	{ Private - 13,582,661 }		3,592,500
		25,800,570	- - - Rest, 4,710,770 <i>l.</i>			30,511,340
31 August, 1804.			31 August, 1804.			
Circulation	-	17,153,890	Securities	{ Public - 14,993,395 }		25,826,680
Deposits	-	9,715,530	Bullion	{ Private - 10,833,285 }		5,879,190
		26,869,420	- - - Rest, 4,836,450 <i>l.</i>			31,705,870
31 August, 1805.			31 August, 1805.			
Circulation	-	16,388,400	Securities	{ Public - 11,413,266 }		27,772,850
Deposits	-	14,048,080	Bullion	{ Private - 16,359,584 }		7,624,500
		30,436,480	- - - Rest, 4,960,870 <i>l.</i>			35,397,350
31 August, 1806.			31 August, 1806.			
Circulation	-	21,027,470	Securities	{ Public - 14,167,772 }		29,473,100
Deposits	-	9,636,330	Bullion	{ Private - 15,305,328 }		6,215,020
		30,663,800	- - - Rest, 5,024,320 <i>l.</i>			35,688,120
31 August, 1807.			31 August, 1807.			
Circulation	-	19,678,360	Securities	{ Public - 13,410,055 }		29,936,950
Deposits	-	11,789,200	Bullion	{ Private - 16,526,895 }		6,484,350
		31,467,560	- - - Rest, 4,953,740 <i>l.</i>			36,421,300
31 August, 1808.			31 August, 1808.			
Circulation	-	17,111,290	Securities	{ Public - 14,956,394 }		29,244,090
Deposits	-	15,012,510	Bullion	{ Private - 14,287,696 }		6,015,940
		30,123,800	- - - Rest, 5,136,230 <i>l.</i>			35,260,030
31 August, 1809.			31 August, 1809.			
Circulation	-	19,574,180	Securities	{ Public - 15,307,673 }		33,435,270
Deposits	-	12,257,180	Bullion	{ Private - 18,127,597 }		3,652,490
		31,831,360	- - - Rest, 5,256,390 <i>l.</i>			37,087,750
31 August, 1810.			31 August, 1810.			
Circulation	-	24,793,990	Securities	{ Public - 17,198,677 }		40,973,770
Deposits	-	13,617,920	Bullion	{ Private - 23,775,093 }		3,191,850
		38,411,510	- - - Rest, 5,754,110 <i>l.</i>			44,165,620
31 August, 1811.			31 August, 1811.			
Circulation	-	23,286,850	Securities	{ Public - 21,884,248 }		37,083,280
Deposits	-	11,075,660	Bullion	{ Private - 15,199,032 }		3,243,300
		34,362,510	- - - Rest, 5,964,070 <i>l.</i>			40,326,580
31 August, 1812.			31 August, 1812.			
Circulation	-	23,026,880	Securities	{ Public - 21,165,190 }		38,176,120
Deposits	-	11,848,910	Bullion	{ Private - 17,010,930 }		3,099,270
		34,875,790	- - - Rest, 6,399,600 <i>l.</i>			41,275,390

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank — *continued*.

31 August, 1813.	£		31 August, 1813.	£	£
Circulation - -	24,838,120	Securities - { Public - 25,591,336 }			40,106,080
Deposits - -	11,159,730	Bullion - { Private - 14,514,744 }			2,712,270
	35,997,850	- - - Rest, 6,830,500 <i>l</i> .			42,818,350
31 August, 1814.			31 August, 1814.		
Circulation - -	28,368,290	Securities - { Public - 34,982,485 }			48,245,960
Deposits - -	14,849,940	Bullion - { Private - 13,363,475 }			2,097,680
	43,218,230	- - - Rest, 7,225,410 <i>l</i> .			50,443,640
31 August, 1815.			31 August, 1815.		
Circulation - -	27,248,670	Securities - { Public - 24,194,086 }			44,854,180
Deposits - -	12,696,000	Bullion - { Private - 20,660,094 }			3,409,040
	39,944,670	- - - Rest, 8,318,550 <i>l</i> .			48,263,220
31 August, 1816.			31 August, 1816.		
Circulation - -	26,758,720	Securities - { Public - 26,097,431 }			37,279,540
Deposits - -	11,856,380	Bullion - { Private - 11,182,109 }			7,562,780
	38,615,100	- - - Rest, 6,227,220 <i>l</i> .			44,842,320
30 August, 1817.			30 August, 1817.		
Circulation - -	29,543,780	Securities - { Public - 27,098,238 }			32,605,630
Deposits - -	9,084,590	Bullion - { Private - 5,507,392 }			11,668,260
	38,628,370	- - - Rest, 5,645,530 <i>l</i> .			44,273,890
31 August, 1818.			31 August, 1818.		
Circulation - -	26,202,150	Securities - { Public - 27,257,012 }			32,570,760
Deposits - -	7,927,730	Bullion - { Private - 5,113,748 }			6,363,160
	34,129,880	- - - Rest, 4,604,040 <i>l</i> .			38,733,920
31 August, 1819.			31 August, 1819.		
Circulation - -	25,252,690	Securities - { Public - 25,419,148 }			31,740,550
Deposits - -	6,304,160	Bullion - { Private - 6,321,402 }			3,593,360
	31,556,850	- - - Rest, 3,779,060 <i>l</i> .			35,335,910
31 August, 1820.			31 August, 1820.		
Circulation - -	24,299,340	Securities - { Public - 19,173,997 }			23,846,120
Deposits - -	4,420,910	Bullion - { Private - 4,672,123 }			8,211,080
	28,720,250	- - - Rest, 3,336,950 <i>l</i> .			32,057,200
31 August, 1821.			31 August, 1821.		
Circulation - -	20,295,300	Securities - { Public - 15,752,953 }			18,475,540
Deposits - -	5,818,450	Bullion - { Private - 2,722,587 }			11,233,590
	26,113,750	- - - Rest, 3,595,380 <i>l</i> .			29,709,130
31 August, 1822.			31 August, 1822.		
Circulation - -	17,464,790	Securities - { Public - 13,668,359 }			17,290,510
Deposits - -	6,399,440	Bullion - { Private - 3,622,151 }			10,097,960
	23,864,230	- - - Rest, 3,524,240 <i>l</i> .			27,388,470
30 August, 1823.			30 August, 1823.		
Circulation - -	19,231,240	Securities - { Public - 11,842,677 }			17,467,370
Deposits - -	7,827,350	Bullion - { Private - 5,624,693 }			12,658,240
	27,058,590	- - - Rest, 3,067,020 <i>l</i> .			30,125,610
31 August, 1824.			31 August, 1824.		
Circulation - -	20,132,120	Securities - { Public - 14,649,187 }			20,904,530
Deposits - -	9,679,810	Bullion - { Private - 6,255,343 }			11,787,430
	29,811,930	- - - Rest, 2,880,030 <i>l</i> .			32,691,960
31 August, 1825.			31 August, 1825.		
Circulation - -	19,398,840	Securities - { Public - 17,414,566 }			25,106,030
Deposits - -	6,410,560	Bullion - { Private - 7,691,464 }			3,634,320
	25,809,400	- - - Rest, 2,930,950 <i>l</i> .			28,740,350

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued.*

31 August, 1826.		£	31 August, 1826.		£	£
Circulation	-	21,563,560	Securities	{ Public	17,713,881	25,083,630
Deposits	-	7,199,860	Bullion	{ Private	7,369,749	6,754,230
		28,763,420	- - - Rest,	3,074,440 <i>l.</i>		31,837,860
31 August, 1827.			31 August, 1827.			
Circulation	-	22,747,600	Securities	{ Public	19,809,595	23,199,320
Deposits	-	8,052,690	Bullion	{ Private	3,389,725	10,463,770
		30,799,690	- - - Rest,	2,863,400 <i>l.</i>		33,663,090
30 August, 1828.			30 August, 1828.			
Circulation	-	21,357,510	Securities	{ Public	20,682,776	23,905,530
Deposits	-	10,291,980	Bullion	{ Private	3,222,754	10,498,880
		31,558,790	- - - Rest,	2,845,620 <i>l.</i>		34,404,410
31 August, 1829.			31 August, 1829.			
Circulation	-	19,547,380	Securities	{ Public	20,072,440	21,661,810
Deposits	-	9,035,070	Bullion	{ Private	4,589,370	6,795,530
		28,582,450	- - - Rest,	2,674,890 <i>l.</i>		31,457,340
30 August, 1830.			30 August, 1830.			
Circulation	-	21,464,700	Securities	{ Public	20,911,616	24,565,690
Deposits	-	11,620,840	Bullion	{ Private	3,654,074	11,150,480
		33,085,540	- - - Rest,	2,630,630 <i>l.</i>		35,716,170
31 August, 1831.			31 August, 1831.			
Circulation	-	18,538,630	Securities	{ Public	18,056,532	23,905,030
Deposits	-	9,069,310	Bullion	{ Private	5,848,478	6,439,760
		27,607,940	- - - Rest,	2,736,850 <i>l.</i>		30,344,790

No. V. — An Account of the total Amount of Outstanding Demands on the Bank of England, and likewise the Funds for discharging the same; 30th of January, 1819.

Dr.	The Bank,	£	30th January, 1819.	Cr.	£
To Bank notes out	-	26,094,430	By advances on government securities; viz.		
To other debts; viz.			On Exchequer bills, on malt, &c. 1818		
Drawing accounts	-		Bank loan, 1808		
Audit roll	-	7,800,150	Supply, 1816, at 4 <i>l.</i> per cent.		8,438,660
Exchequer bills deposited	-		Growing produce of the consolidated fund to 5th of April, 1819, and interest due, and loans to government on unclaimed dividends		
And various other debts	-	33,894,580	By all other credits, viz.		
Balance of surplus in favour of the Bank of England, exclusive of the debt from government, at 3 <i>l.</i> per cent.			Cash and bullion		
£11,686,800			Exchequer bills purchased, and interest		30,658,240
And the advance to government, per 56 Geo. 3. cap. 96. at 3 <i>l.</i> per cent.		5,202,320	Bills and notes discounted		
£3,000,000			Treasury bills for the service of Ireland		
			Money lent, and various other articles		
		£ 39,096,900			£ 39,096,900
			By the permanent debt due from government, for the capital of the Bank, at 3 <i>l.</i> per cent. per annum		£ 11,686,800
			By the advance to government, per act 56 Geo. 3. cap. 96. at 3 <i>l.</i> per cent. per annum		£ 3,000,000

Bank of England,
22d of February, 1819.

WILLIAM DAWES,
Accountant General.

No. VI. — An Account of Money paid or payable at the Bank of England, for the Management of the Public Debt, in the Year 1829, together with an Account of all the Allowances made by the Public to the Bank, or charged by the Bank against the Public, for transacting any Public Service in the Year 1829; describing the Nature of the Service, and the Amount charged thereon in the said Year, and including any Sum under the Denomination of House-money, or House Expenses; and also, any Sum under the Denomination of Charges of Management on South Sea Stock, and stating the aggregate Amount of the whole.

Denomination of Payments.	Amount.
£ s. d.	
Charge for management of the unredeemed public debt for one year, ending the 5th of April, 1830, being the annual period at which the accounts are made up, as directed by the act 48 Geo. 3. c. 4.	248,417 17 2 $\frac{1}{2}$
Ditto, ditto, for one year ending ditto, on sundry annuities, transferred to the Commissioners for the Reduction of the National Debt, for the purchase of life annuities per act 48 Geo. 3. and subsequent acts	2,922 11 9
Charges of management, being part of an entire yearly fund of 100,000 <i>l.</i> enjoyed by the Governor and Company of the Bank of England, originally by the act of the 5th and 6th of William and Mary, c. 20., confirmed to the said Governor and Company by several subsequent acts, and lastly by the Act of the 39th and 40th Geo. 3. c. 28., as per Return made to the Honourable House of Commons, on the 21st of June, 1816	4,000 0 0
Ditto, ditto, on 4,600,000 <i>l.</i> South Sea stock, purchased by the Governor and Company of the Bank of England of the South Sea Company, and transferred by them to the said Governor and Company, in pursuance of the act of the 8th Geo. 1. c. 21., and which charges of management were assigned by the said South Sea Company to the said Governor and Company, out of a sum of 8,397 <i>l.</i> 9 <i>s.</i> 6 <i>d.</i> per annum then paid by the public to the said South Sea Company for charges of management on their funds, as per Return made to the Honourable House of Commons, on the 21st of June, 1816	1,898 3 5
	<u>£257,238 12 4$\frac{1}{2}$</u>

Bank of England, 11th of March, 1830.

T. RIPPON, Chief Cashier.

No. VII. — The following is an Account of all Distributions made by the Bank of England amongst the Proprietors of Bank Stock, whether by Money Payments, Transfer of 5 per Cent. Annuities, or otherwise, under the Heads of Bonus, Increase of Dividend, and Increase of Capital, betwixt the 25th of February, 1797, and 31st of March, 1832, in addition to the ordinary Annual Dividend of 7 per Cent. on the Capital Stock of that Corporation, existing in 1797, including therein the whole Dividend paid since June, 1816, on their increased Capital; stating the Period when such Distributions were made, and the aggregate Amount of the whole. — *Appen. No. 29.*)

Denomination and Periods of Distribution.	Amount.
£	
In June, 1799: 10 <i>l.</i> per cent. bonus in 5 per cents. 1797, on 11,642,400 <i>l.</i> , is	1,164,240
May, 1801: 5 <i>l.</i> per cent. ditto, in Navy 5 per cents. ditto	582,120
November, 1802: 2 <i>l.</i> 10 <i>s.</i> per cent. ditto, ditto	291,060
October, 1804: 5 <i>l.</i> per cent. ditto, cash, ditto	582,120
October, 1805: 5 <i>l.</i> per cent. ditto, ditto, ditto	582,120
October, 1806: 5 <i>l.</i> per cent. ditto, ditto, ditto	582,120
From April, 1807, to Oct. { Increase of dividends at the rate of 3 <i>l.</i> per cent. per 1822, both inclusive { annum on 11,642,400 <i>l.</i> , is, 16 years	5,588,352
From April, 1823, to Oct. { Increase of dividend at the rate of 1 <i>l.</i> per cent. per 1829, both inclusive { annum on 11,642,400 <i>l.</i> , is, 7 years	814,968
In June, 1816 { Increase of capital at 25 per cent., is	2,910,600
From Oct. 1816, to Oct. { Dividend at the rate of 10 <i>l.</i> per cent. per annum on 1822, both inclusive { 2,910,600 <i>l.</i> , increased capital, is, 6 $\frac{1}{2}$ years	1,891,890
From April, 1823, to Oct. { Dividend at the rate of 8 <i>l.</i> per cent. per annum on 1831, both inclusive { 2,910,600 <i>l.</i> , increased capital, is, 9 years	2,695,632
Aggregate amount of the whole	<u>£17,318,070</u>
Annual dividend payable on Bank stock in 1797, on a capital of 11,642,400 <i>l.</i> at the rate of 7 <i>l.</i> per cent. per annum	<u>£ 814,968</u>
Annual dividend payable since June, 1816, on a capital of 14,553,000 <i>l.</i> , to October, 1822, inclusive, at the rate of 10 <i>l.</i> per cent. per annum	<u>£ 1,455,300</u>
Annual dividend payable from April, 1823, to the 31st of March, 1832, both inclusive, on a capital of 14,553,000 <i>l.</i> , at the rate of 8 <i>l.</i> per cent. per annum	<u>£ 1,164,240</u>

Bank of England, 27th of June, 1832.

WILLIAM SNEE, Dep. Acct.

No. VIII. — An Account of the Profits of the Bank of England, in the Year ending 29th of February, 1832; stating the Description of the Securities held by the Bank, and the Sources from which the said Profits have accrued. — *No. 15. Appen. to Report.*)

£	
Interest on commercial bills	130,685
Interest on Exchequer bills	504,109
Annuity for 45 years (the dead-weight account)	451,415
Interest on capital received from government	446,502
Allowance received for management of the public debt	257,896
Interest on loans on mortgages	60,684
Interest on stock in the public funds	15,075
Interest on private loans	56,941
Profit on bullion, commission, rent, receipts on discounted bills unpaid, management of the business of the Banks of Ireland, of Scotland, and Royal Bank of Scotland, and sundry items	71,859
	<u>£1,689,176</u>

No. IX. — Expenses of the Bank of England, for the Year ending 29th of February, 1832.

Dr.	£	Cr.	£
National debt department	164,143	Salaries and pensions	218,003
Bank notes	106,092	House expenses	39,187
Banking department	69,165	Directors' allowance	8,000
		Rent	40,000
		Expenses at eleven branches, arising from the banking department	5,702
		Expenses attending the circulation of 2,500,000 <i>l.</i> of branch Bank of England notes, at eleven branches	28,508
	£ 339,400		£ 339,400

No. X. — An estimated Account of Profit derived by the Bank from Circulation of Promissory Notes, and from Government Business.— (*Appen. No. 23.*)

	£
Circulation	20,000,000
Government deposits	4,000,000
	24,000,000, of which two thirds are estimated to be invested in securities, and one third in bullion.

Securities of 16,000,000 <i>l.</i> ; viz.			
9,000,000 Exchequer bills	at 2½ per cent.	202,500	
800,000 stock	— 3 —	24,000	
1,000,000 advances for circulation on discount	— 3 —	30,000	
500,000 country discount	— 3½ —	17,500	
4,700,000	— 4½ —	193,875	
16,000,000			467,875
Deduct,			
Expense of circulation		106,000	
Expense of government deposits		10,000	
Stamp duty on circulation		70,000	
1 per cent. on capital (held by government at 3 per cent.)		147,000	
			333,000
			134,875
<i>The Public Debt.</i>			
Amount received from government for management of the public debt, for the year ending 5th of April, 1832, including life annuities		251,000	
Management of life annuities, supposed to be transferred		3,000	
Deduct,			
Expenses for management of the national debt		164,000	
Average of forgeries per annum, during the last ten years		40,000	
			204,000
			44,000
			Estimated profit
			£178,875

No. XI. — State of the Affairs of the Bank of England, 29th of February, 1832.

Dr.	£	£	Cr.	£	£
To Bank notes outstanding	-	18,051,710	By advances on government securities; by Exchequer bills on the growing produce of the consolidated fund in the quarter ending 5th of April, 1832	3,428,940	
To public deposits, viz.			Ditto, 5th of July, 1832	697,000	
Drawing accounts	2,034,790		Exchequer bills on supplies, 1825	7,600	
Balance of audit roll	550,550		Ditto for 10,500,000 <i>l.</i> for 1825	2,000	
Life annuities unpaid	85,030	3,198,730	By the advances to the trustees appointed by the act 3 Geo. 4. c. 51. towards the purchase of an annuity of 585,740 <i>l.</i> for 4½ years from 5th of April, 1823		10,897,880
Annuities for terms of years unpaid	58,360		By other credits; viz.		
Exchequer bills deposited	490,000		Exchequer bills purchased	2,700,000	
To private deposits, viz.			Stock purchased	764,600	
Drawing accounts	5,683,870	5,738,430	City bonds	500,000	
Various other debts	54,560		Bills and notes discounted	2,951,970	
To the Bank of England for the capital		14,553,000	Loans on mortgages	1,432,100	
To balance of surplus in favour of the Bank of England		2,637,760	London Dock Company	227,500	
			Advances on security, and various articles	570,690	
			By cash and bullion		5,293,150
			By the permanent debt due from government		14,686,800
		£ 44,179,630			£ 44,179,630
			Rest or surplus brought down		2,637,760
			Bank capital due to proprietors		14,553,000
					£ 17,190,760

No. XII. — An Account of the Average aggregate Amounts of Public Deposits in the Hands of the Bank, from the Year 1800; distinguishing each Year. — (*Appen. No. 24.*)

Year.	Amount.	Year.	Amount.	Year.	Amount.	Year.	Amount.
	£		£		£		£
1807	12,647,551	1814	12,158,227	1820	3,713,442	1826	4,214,271
1808*	11,761,448	1815	11,737,436	1821	3,920,157	1827	4,223,867
1809	11,093,648	1816	10,807,660	1822	4,107,853	1828	3,821,697
1810	11,950,047	1817	8,699,133	1823	5,526,635	1829	3,862,656
1811	10,191,854	1818	7,066,887	1824	7,222,187	1830	4,761,952
1812	10,390,130	1819	4,538,373	1825	5,347,314	1831	3,948,102
1813	10,393,404						

N. B.—The Bank is unable to furnish correctly the aggregate amount of public deposits previous to the year 1807; the public accounts prior to that period not being required generally to be kept at the Bank; and many of the public accounts at that time were in the names of individuals, without reference to that part of the public service to which the accounts applied.

No. XIII. — An Account of the Average aggregate Amounts of Private Deposits in the Hands of the Bank, from the Year 1807; distinguishing each Year. — (*Appen. No. 32.*)

Year.	Amount.	Year.	Amount.	Year.	Amount.	Year.	Amount.
	£		£		£		£
1807	1,582,720	1814	2,374,910	1820	1,325,060	1826†	3,322,070
1808	1,940,630	1815	1,690,490	1821	1,326,020	1827	3,931,370
1809	1,432,190	1816	1,333,120	1822	1,373,370	1828	5,701,280
1810	1,428,720	1817	1,672,800	1823	2,321,920	1829	5,217,210
1811	1,567,920	1818	1,640,210	1824	2,969,910	1830	5,562,250
1812	1,575,950	1819	1,790,860	1825	2,607,960	1831	5,201,370
1813	1,771,310						

N. B.—The Bank is unable to return the average aggregate amounts of private deposits for the years prior to 1807, as the public and private drawing accounts were not kept separately till that period, when distinct offices were established.

No. XIV. — An Account of the annual Average Amount of Commercial Paper under Discount at the Bank, in London, in each Year, from the Year 1795. — (*Appen. No. 59.*)

Year.	Amount.	Year.	Amount.	Year.	Amount.	Year.	Amount.
	£		£		£		£
1795	2,946,500	1805	11,366,500	1814	13,285,800	1823	3,123,800
1796	3,505,000	1806	12,380,100	1815	14,987,100	1824	2,369,800
1797	5,330,000	1807	13,484,600	1816	11,416,400	1825*	4,911,500
1798	4,420,600	1808	12,950,100	1817	3,960,600	1826	4,980,400
1799	5,340,900	1809	15,475,700	1818	4,325,200	1827	1,240,400
1800	6,401,900	1810	20,070,600	1819	6,515,600	1828	1,167,400
1801	7,905,100	1811	14,355,400	1820	3,853,600	1829	2,250,700
1802	7,525,300	1812	14,291,000	1821	2,676,700	1830	919,900
1803	10,747,600	1813	12,350,200	1822	5,366,700	1831	1,533,600
1804	9,882,400						

No. XV. — An Account of the Notes, Post-Bills, &c. of the Bank of England in Circulation, on the 28th of February and 31st of August in each Year, from 1698 to 1792 both included, as near as the same can be made up.

Year	28th Feb.	31st Aug.	Year	28th Feb.	31st Aug.	Year	28th Feb.	31st Aug.	Year	28th Feb.	31st Aug.
	£	£		£	£		£	£		£	£
1698	1,221,200	1,240,400	1722	2,365,640	3,006,420	1746	3,383,720	3,842,500	1770	5,237,210	5,736,780
1699	743,850	519,150	1723	3,516,110	3,482,210	1747	4,107,420	3,652,310	1771	6,822,780	6,014,110
1700	938,240	781,430	1724	3,232,820	3,857,710	1748	3,894,650	3,789,720	1772	5,962,160	5,987,570
1701	298,860	763,890	1725	3,734,480	3,343,400	1749	3,737,110	4,183,390	1773	6,037,060	6,362,220
1702	920,730	1,630,900	1726	3,076,850	3,152,340	1750	3,964,970	4,318,490	1774	7,550,780	9,886,220
1703	933,760	1,214,400	1727	3,888,180	4,677,640	1751	4,022,160	5,105,310	1775	9,135,930	8,298,310
1704	961,090	946,010	1728	4,574,920	5,513,740	1752	4,441,960	4,750,350	1776	8,689,720	8,551,090
1705	556,610	1,043,150	1729	4,152,590	4,199,910	1753	4,401,580	4,420,290	1777	8,712,230	7,753,590
1706	996,840	805,410	1730	3,998,280	4,416,870	1754	4,062,870	4,081,280	1778	7,440,320	6,758,070
1707	959,820	824,860	1731	4,451,720	5,249,880	1755	3,950,650	4,115,250	1779	9,012,610	7,276,540
1708	648,680	598,940	1732	4,251,660	4,592,460	1756	4,106,790	4,516,360	1780	8,410,790	6,341,600
1709	707,470	691,350	1733	3,885,460	4,543,000	1757	5,319,130	5,149,940	1781	7,092,450	6,309,430
1710	601,580	480,920	1734	4,203,070	4,671,930	1758	5,320,590	4,864,110	1782	8,028,880	6,759,310
1711	447,510	573,230	1735	4,627,990	4,738,550	1759	4,586,840	4,809,700	1783	7,675,090	6,307,270
1712	758,920	2,025,200	1736	4,907,750	5,077,570	1760	4,969,250	4,936,380	1784	6,202,760	5,592,510
1713	1,221,880	800,810	1737	5,215,010	4,414,690	1761	5,632,350	5,246,680	1785	5,923,090	6,570,650
1714	923,640	1,651,780	1738	4,669,420	4,609,420	1762	5,741,090	5,886,950	1786	7,581,960	8,341,330
1715	973,160	1,978,840	1739	4,347,270	4,152,450	1763	5,999,910	5,314,600	1787	8,329,840	9,685,720
1716	1,460,660	1,579,730	1740	4,550,980	4,444,060	1764	5,501,800	6,210,680	1788	9,561,120	10,068,880
1717	2,053,150	2,188,030	1741	4,841,840	4,084,450	1765	6,316,670	5,556,490	1789	9,807,210	11,121,800
1718	2,782,420	1,806,640	1742	4,471,510	4,911,380	1766	5,617,570	5,246,410	1790	10,040,540	11,433,340
1719	1,807,010	1,939,550	1743	4,654,890	4,250,180	1767	5,510,990	4,883,440	1791	11,439,290	11,072,320
1720	2,466,880	3,032,440	1744	4,255,610	4,270,350	1768	5,778,990	5,415,530	1792	11,307,380	11,006,300
1721	2,244,280	2,206,360	1745	4,279,610	3,465,350	1769	5,707,190	5,411,450			

N. B.—No previously published table of the circulation of the Bank of England extends further back than 1777: we are indebted to the Court of Directors for being able to supply this striking defect, and to exhibit, for the first time, the circulation of the Bank, from within four years of its establishment down to the present day.

* The Bank advanced, in March, 1808, 3,000,000*l.*, without interest, for the public service, which so continued till April, 1818, on account of public balances.

† The increased amount of deposits in this and the following years, arose from the increase of accounts.

No. XVI. — An Account of the Amount of Bank Notes in Circulation on the undermentioned Days; distinguishing the Bank Post Bills, and the Amount of Notes under Five Pounds, with the Aggregate of the whole.

		Notes of 5 <i>l</i> . and upwards.	Bank Post Bills.	Bank Notes under 5 <i>l</i> .	Total.
		£	£	£	£
1792	February 25	10,394,106	755,703	- - -	11,149,809
	August 25	10,281,071	725,898	- - -	11,006,969
1793	February 25	10,780,643	647,738	- - -	11,428,381
	August 26	10,163,839	674,375	- - -	10,838,214
1794	February 26	10,079,165	618,759	- - -	10,697,924
	August 26	10,060,248	567,972	- - -	10,628,220
1795	February 26	12,998,707	570,456	- - -	13,569,163
	August 25	10,939,880	518,502	- - -	11,458,382
1796	February 25	10,366,561	645,153	- - -	10,999,694
	August 26	8,991,645	549,690	- - -	9,531,335
1797	February 25	8,167,949	474,615	- - -	8,601,964
	August 26	9,109,614	524,587	934,015	10,568,216
1798	February 26	10,856,188	551,549	1,442,348	12,850,085
	August 25	9,997,953	553,256	1,639,831	12,191,025
1799	February 26	10,576,510	607,907	1,451,728	12,636,145
	August 26	11,290,675	653,766	1,545,432	13,489,873
1800	February 25	13,103,368	723,600	1,406,708	15,236,676
	August 26	12,221,451	823,366	1,690,361	14,735,378
1801	February 26	12,975,006	954,982	2,647,526	16,577,514
	August 26	11,715,655	759,270	2,495,386	14,970,321
1802	February 26	12,038,970	803,499	2,616,407	15,458,876
	August 26	12,801,746	772,577	3,312,790	16,887,113
1803	February 26	11,796,424	820,039	2,960,469	15,576,932
	August 26	12,413,924	776,030	3,846,005	17,035,959
1804	February 25	12,054,943	848,894	4,673,515	17,577,352
	August 25	11,766,628	743,841	4,814,525	17,323,994
1805	February 26	11,403,290	1,029,380	4,801,596	17,231,466
	August 26	11,182,188	718,510	4,365,480	16,266,178
1806	February 25	11,994,350	725,736	4,428,360	17,148,446
	August 26	11,141,510	702,425	4,228,058	19,079,893
1807	February 26	12,274,629	734,485	4,209,390	17,208,504
	August 26	15,077,913	725,262	4,231,837	20,034,112
1808	February 26	13,746,598	742,671	4,107,785	18,593,054
	August 26	12,440,930	795,102	4,129,234	17,365,266
1809	February 25	12,730,999	944,727	4,338,951	18,014,677
	August 26	13,255,999	880,104	5,221,338	19,357,241
1810	February 26	13,650,592	907,620	5,871,069	20,429,281
	August 25	16,078,390	1,145,832	7,221,953	24,446,175
1811	February 26	15,110,688	1,133,419	7,140,726	23,384,833
	August 26	15,203,611	1,016,303	7,573,201	23,793,115
1812	February 26	14,523,049	1,059,854	7,415,294	22,998,197
	August 26	14,873,705	987,880	7,621,325	23,482,910
1813	February 26	14,567,267	1,034,882	7,763,322	23,365,471
	August 26	14,975,479	1,015,616	8,033,774	24,024,869
1814	February 26	15,632,250	1,091,242	8,371,923	25,095,415
	August 26	18,066,180	1,246,479	9,667,217	28,979,876
1815	February 25	16,394,359	1,144,459	9,094,352	26,633,170
	August 26	16,332,275	1,115,079	9,576,095	27,023,449
1816	February 26	15,307,228	1,336,167	9,036,374	25,680,069
	August 26	16,686,987	1,286,429	9,193,338	27,166,754
1817	February 26	17,538,656	1,376,416	8,143,566	27,058,638
	August 26	20,388,502	1,712,807	7,998,399	30,099,608
1818	February 26	19,077,951	1,828,600	7,622,492	28,529,043
	August 26	17,465,628	1,627,427	7,569,782	26,662,837
1819	February 26	16,307,000	1,622,330	7,117,360	25,046,690
	August 26	16,972,140	1,468,920	7,216,530	25,657,590
1820	February 26	15,402,830	1,421,160	6,745,160	23,569,150
	August 26	16,047,390	1,633,720	6,772,230	24,453,380
1821	February 26	14,372,840	1,615,600	6,183,010	22,171,450
	August 26	16,095,030	1,634,260	2,398,460	20,127,750
1822	February 26	15,178,490	1,609,620	1,384,360	18,172,470
	August 26	15,295,090	1,610,600	862,650	17,768,340
1823	February 25	15,751,120	1,742,190	683,160	18,176,470
	August 26	17,332,260	1,763,650	550,910	19,706,820
1824	February 26	17,244,940	2,198,260	486,600	19,930,800
	August 26	18,409,220	2,122,760	443,970	20,975,950
1825	February 26	18,308,990	2,314,260	416,880	21,060,130
	August 26	17,091,120	2,061,010	395,670	19,548,800
1826	February 26	21,100,400	2,487,080	1,567,560	24,955,040
	August 26	18,172,160	2,040,400	1,175,450	21,388,010
1827	February 25	18,787,330	2,052,310	688,910	21,508,550
	August 26	19,253,890	2,270,110	483,060	22,007,060
1828	February 25	19,428,010	2,329,880	416,890	22,174,780
	August 26	19,016,980	2,447,440	382,860	21,847,280
1829	February 26	17,402,470	2,444,660	337,170	20,204,300
	August 26	17,164,940	2,020,280	334,190	19,520,410
1830	February 26	17,862,990	2,284,520	330,550	20,478,060
	August 26	19,401,610	2,277,870	313,430	21,992,910
1831	February 26	17,566,140	1,777,790	306,960	19,650,890
	August 26	16,774,890	1,621,370	302,480	18,698,720
1832	February 25	16,201,890	1,611,990	299,190	18,113,070
	August 25	16,068,370	1,533,970	294,940	17,897,280
1833	February 26	17,507,320	1,601,710	292,450	19,401,480
	August 26	17,827,150	1,604,590	289,730	19,721,470

No. XVII. — An Account of the aggregate Circulation of the Branch Banks of the Bank of England, from their first Establishment, on the 25th of February and 31st of August in each Year.

	£		£		£
1827 February	- 322,150	1830 February	- 1,482,160	1832 February	- 2,748,280
August	- 559,870	August	- 2,019,770	August	- 2,800,650
1828 February	- 585,820	1831 February	- 2,272,360	1833 February	- 3,088,670
August	- 649,740	August	- 2,433,860	August	- 3,313,850
1829 February	- 807,450				
August	- 1,165,390				

III. BANKS (ENGLISH PRIVATE AND PROVINCIAL).

Besides charging the usual rate of interest on bills discounted, the provincial bankers are mostly in the habit of charging 5s. or 6s. per cent. as commission. They also charge a commission on all payments; and derive a profit from charges for the transmission of money, &c. They usually allow from 2 to 3 per cent. on money deposited; but the numerous failures that have taken place amongst them have, by generating a feeling of insecurity in the minds of the depositors, confined this branch of their business within comparatively narrow limits. When their customers overdraw their accounts, they are charged with interest at the rate of 5 per cent.

Country banks established by individuals possessed of adequate funds, and managed with due discretion, are productive of the greatest service. They form commodious reservoirs, where the floating and unemployed capital of the surrounding districts is collected, and from which it is again distributed, by way of loan, to those who will employ it to the best advantage. It is, therefore, of the utmost importance, in a public point of view, that these establishments should be based upon solid foundations. But in England, unfortunately, this has been but little attended to; and the destruction of country banks has, upon three different occasions, — in 1792, in 1814, 1815, and 1816, and in 1825 and 1826, — produced an extent of bankruptcy and misery that has never, perhaps, been equalled, except by the breaking up of the Mississippi scheme in France. Government is bound to interfere to hinder the recurrence of such disastrous results. The repeal of the act of 1708, preventing the association of more than six persons for carrying on the trade of banking, has already led to the formation of joint stock banking companies in a few of the large towns; but it remains to be seen in how far this should be regarded as an improvement. It is, indeed, quite visionary to suppose that the power to establish such banks is *all* that is required to establish the provincial currency on a secure foundation. What is really wanted, is not a regulation to *allow* banks with large capitals to be set on foot, (for there have, at all times, been many such banks in England,) but a regulation to *prevent* any bank, be its partners few or many, from issuing notes without previously giving security for their payment. This would render the bankruptcy of such banks impossible, and would give a degree of security to the money system of the country that it can never otherwise attain. — (The reader is referred, for a full discussion of this important question, to the *Note on Money*, in my edition of the *Wealth of Nations*, vol. iv. pp. 280—292.)

The following is an account of the number of commissions of bankruptcy issued against country bankers in England, from 1809 to 1830, both inclusive: —

Years.	Commissions.	Years.	Commissions.	Years.	Commissions.	Years.	Commissions.
1809	4	1815	25	1821	10	1826	43
1810	20	1816	37	1822	9	1827	8
1811	4	1817	3	1823	9	1828	3
1812	17	1818	5	1824	10	1829	3
1813	8	1819	13	1825	37	1830	14
1814	27	1820	4				

(*Appen. to Report on Bank Charter*, p. 116.)

Exclusive of the above, many banks stopped payments, to the great injury of their creditors and the public, that afterwards resumed them; at the same time that the affairs of some bankrupt concerns were arranged without a commission. During the whole of this period, not a single Scotch bank gave way.

The stamp duties on country bank notes have been already specified (p. 69.).

Besides the stamp duties payable on notes, each individual or company issuing them must take out a licence, renewable annually, which costs 30*l*. This licence specifies the names and places of abode of the body corporate, person, or persons, in the firm to whom it is granted, the name of such firm, the place where the business is carried on, &c.; and a separate licence is to be taken out for every town or place where any notes shall be issued by or on account of any banker, &c. Unless the licence granted to persons in partnership set forth the names and places of abode of all persons concerned in the partnership, whether their names appear on the notes issued by them or not, such licence shall be absolutely void. — (55 *Geo. 3. c. 184. s. 24.*) For the regulations as to the issue of unstamped notes, see *ante*, p. 69.

The issue of notes for less than 5*l.* was prohibited in England, as previously shown, from 1777 to 1797; but they continued to be issued from the latter period down to the 5th of April, 1829, when their further issue ceased in consequence of an act passed in 1826. This act did not extend to Scotland or Ireland, and was intended to give greater stability to the system of country banking in England, by shutting up one of the principal channels through which the inferior class of bankers had been in the habit of getting their notes into circulation. But notwithstanding it will certainly have this effect, the policy of the measure seems very doubtful. It is idle, indeed, to imagine that it can give that stability to the banking system which is so desirable; and in proof of this, it is sufficient to state, that though none of the country banks existing in 1793 had any notes for less than 5*l.* in circulation, upwards of *one third* of their entire number stopped payment during the revulsion that then took place. The truth is, that nothing but the exacting of security for payment of notes can ever place the country issue of notes on that solid foundation on which it ought to stand; and as security may be taken for 1*l.* notes as easily as for those of 5*l.*, there would, were such a system adopted, be no ground for suppressing the former.

Metropolitan Joint Stock Banks. — It was for a lengthened period generally understood, that the act of 1708, and the other acts conveying exclusive privileges to the Bank of England, not only prevented any company with more than 6 partners from issuing notes payable on demand; but that they also prevented such companies from undertaking ordinary banking business, — that is, from receiving the money of individuals and paying their drafts, &c. Recently, however, strong doubts began to be entertained whether companies with numerous bodies of partners, established for the mere business of banking, and without issuing notes, were really prohibited by the acts in question. During the discussions on the late renewal of the charter of the Bank of England, the point was submitted for the consideration of the Attorney and Solicitor Generals, who gave it as their decided opinion, that such banks might be legally established within the limits to which the exclusive privileges of the Bank of England were restricted by the act 7 & 8 Geo. 4. c. 46. But as the opinion of other eminent lawyers differed from theirs, a clause has been inserted in the act 3 & 4 Will. 4. c. 98., which removes all doubts on the subject, by expressly authorising the establishment of banks not issuing notes, with any number of partners, any where within the district to which the exclusive privileges of the Bank of England, as a bank of issue, are now restricted. — (See *anti*, p. 84.)

Down to this period (September, 1833), no advantage has been taken of this declaratory enactment, by the formation of a joint stock bank in the metropolis; but several projects of the kind have been made public, and it seems most likely that some of them will be matured. It is not easy to form beforehand any certain conclusions as to the probable working of such establishments. Provided, however, that they possess large paid up capitals, and numerous bodies of partners, individually liable, as at present, for the debts of the company, it may, one should think, be fairly concluded, that they will afford comparatively safe places for the deposit of money; and in so far their institution will be advantageous. But it is not easy to discover in what other respects they will have any superiority over the present banks. There is great weight in the following statement made by Mr. Jones Loyd before the committee on the Bank of England charter: — “I think that joint stock banks are deficient in every thing requisite for the conduct of banking business, except extended responsibility; the banking business requires peculiarly persons attentive to all its details, constantly, daily, and hourly watchful of every transaction, much more than mercantile or trading businesses. It also requires immediate, prompt decisions upon circumstances when they arise, — in many cases a decision that does not admit of delay for consultation; it also requires a discretion to be exercised with reference to the special circumstances of each case. Joint stock banks being, of course, obliged to act through agents, and not by a principal, and, therefore, under the restraint of general rules, cannot be guided by so nice a reference to degrees of difference in the character or responsibility of parties; nor can they undertake to regulate the assistance to be granted to concerns under temporary embarrassment by so accurate a reference to the circumstances, favourable or unfavourable, of each case.” — (*Min. of Erid.* p. 236.)

We confess, too, that we have great doubts whether the competition of such banks with each other, and with the private banks, may not be productive of much inconvenience. It will be very apt, at times, to occasion an artificial reduction of the rate of interest, and a redundancy of the currency, which must, of course, be followed by a fall of the exchange, and a period of more or less difficulty. It is stated, that the metropolitan joint stock banks are to give interest on deposits; and if they can do so without endangering their stability, it will be an important advantage. But we have yet to learn how it is possible that a joint stock bank should be able to do what would seem to exceed the power of the wealthiest and best managed private establishments.

As already remarked, the only circumstance in which joint stock banks seem to have any decided superiority over private companies, consists in their greater responsibility. But this is not a necessary attribute of *all* joint stock companies. Associations of this sort may, and indeed do, exist, that are in all respects inferior to respectable private companies. And it seems indispensable, in order to the prevention of fraud, that such regulations should be adopted as may make the public fully aware of the real nature of all joint stock associations, and of their claims to credit and confidence.

Proposed Measures as to Joint Stock Banks. — The future intentions of government as to the regulation of private banking companies in England were supposed to be partially developed by the Chancellor of the Exchequer in his speech introducing the bill for the renewal of the charter of the Bank of England. According to the statement then made, it appears to have been intended that half the subscribed capital of all banks for the issue of notes should be paid up and vested in such securities as parliament should direct; that the responsibility of the partners in such banks should be unlimited; and that their accounts should be periodically published. In the case of banks not issuing notes, only a fourth part of their subscribed capital was to be paid up, and *the responsibility of their shareholders was to be limited.*

But with the exception of that part of the above plan which relates to the publication of the accounts of banks of issue, the consideration of the remainder was deferred to a more convenient opportunity; and notwithstanding our respect for the quarter whence it proceeded, we hope it may never be revived. The adoption of the proposed regulations would not have amended any one of the principal defects in the present system of English country banking, while there are not a few which it would have materially aggravated. There is not so much as the shadow of a ground for interfering with the concerns of such banks as do not issue notes, further than to let the public know with whom they are dealing, and the real amount of their *paid up* capital; and the proposed interference in the case of banks that do issue notes, could have been productive of nothing but mischief. On this point we shall take leave to quote a conclusive paragraph from a Memorial drawn up by the directors of the Manchester and Liverpool District Banking Company: — “ We contend, first, that, except in so far as the issue of notes is concerned, banking is essentially a *private business*, with which the state has no more title to interfere than it has to interfere with any other description of mercantile agency. If A. choose to deposit money in the hands of B., who lends it to others, why is the interference of government more necessary than if A. had deposited it in the hands of C., who employs it in manufactures or agriculture? It is the duty of parliament to take care that coins, and the paper notes issued as substitutes for them, be always of their professed value; but assuredly it is no part of its duty to inquire into the solvency of those into whose hands coins or paper may come. We contend, secondly, that, admitting it to be right to exact security from banks of issue, that should not be done by the compulsory investment of a portion of their capital. The issues of one bank may be more than twice or three times the amount of its capital; while those of another, placed in a different situation, or conducted in a different way, may be under a third or a fourth part of its capital. What, then, could be more unequal as respects the banks, and more illusory as respects the public, than to oblige both these establishments to give security for their issues by vesting *half their capital* in government stock? Were the first bank to stop payment, the security in the hands of government would not afford the holders of its notes more than from 3s. 4d. to 5s. in the pound; while, were the latter in the same predicament, the holders of its notes would be paid in full out of the government securities, and there would be a large surplus over. It is clear, therefore, that the security to be given by a bank of issue ought to be *proportioned to its issues*, and not to its capital. The former mode will effectually protect the public from loss; the latter gives little, or rather no protection whatever.” It is, in fact, quite ludicrous to tamper with a subject of this sort. Nothing short of the obligation to give security for their issues can ever give the public that effectual guarantee for the integrity of the currency that is so essential; nor is there any other plan at once fair and equal as respects different banks.

Distinction between subscribed and paid up Capital. Expediency of suppressing all Reference to the former. — An immediate stop ought, we think, to be put to the practice now so prevalent among joint stock banking companies, of representing their capitals as consisting, not of what has been *actually paid up by the shareholders*, but of what they have subscribed for. Not a few institutions have recently been set on foot in England, professing to have capitals of 1,000,000*l.*, 2,000,000*l.*, or more, when, in point of fact, their capital does not really consist of a tenth part of that sum. The practice is to organise a company with some 5,000 or 10,000 shares of 100*l.* each; but it is perfectly understood that not more than 5 or at most 10 per cent. of each share is to be called up; and if more were demanded, it is most probable it could not be paid, at least without much difficulty. This practice is pregnant with mischief. In the first place, it tends

to deceive the public, who imagine there can be no risk in dealing with a bank professing to possess 1,000,000*l.* of capital, who yet might hesitate about having any thing to do with it, were they aware that the capital paid into its coffers, and on which it carries on business, does not really exceed 50,000*l.* or 100,000*l.* In the second place, this system tends to deceive the mass of the partners. These are tempted to embark in such hazardous concerns, imagining that they are to be large shareholders with but little outlay, and that they will derive a considerable dividend upon the nominal amount of their shares! We mistake if a good many such persons be not in the end grievously disappointed. Banking, in an ordinary state of things, is not a business in which large profits can be expected. It is true that many banking houses made immense sums during the war, but they did this more as dealers in the funds, and particularly by their rise on the return of peace, than as bankers. But it is needless to say that no prudently conducted banking establishment will now count much upon this source of emolument. At present, the dividend on the stock of the best established Scotch banks varies, we believe, from about 5 to 6 per cent.; and as they might invest their capital at $3\frac{1}{2}$ or 4 per cent., it appears that the real profits of banking, even in the best managed concerns, can hardly be estimated at more than from $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent.

It is, besides, a radical mistake to suppose that any banking concern can ever be established on a solid foundation, that is not possessed of a pretty large amount of paid up and available capital. We believe, however, that several of the joint stock companies recently established in England take a different view of this matter; and that they trust more to deposits and credit, than to their command of capital of their own. There can be no objection to these, or, indeed, to any associations whatever, being allowed to issue notes, provided they give full security for their payment; but government and parliament will be alike neglectful of their duty to the public if they do not take immediate steps to compel this being done; and to secure the currency of the country from being disturbed by the fraud, mismanagement, or insufficient capital of its issuers. The system of advertising subscribed instead of paid up capitals ought also to be put an end to; nor ought any association to be allowed to say that its capital exceeds what has actually been paid into its coffers.

Responsibility ought not, in any Case, to be limited. — We protest against the proposal for allowing the partners in banks not issuing notes to limit their responsibility. Such a measure would be good for nothing, except to serve as a premium on every species of fraud. What check would there be, under such a system, to hinder the partners of a bank going on for a series of years dividing large profits, when, perhaps, they were really incurring a loss, until every farthing of its capital and deposits was absorbed? To talk of subjecting such persons to punishment as fraudulent bankrupts, on evidence derived from their books, is absurd; for, supposing that it was the intention of the parties to defraud, they might easily keep their books so that they could afford no information that was not false or misleading. The annexed list of joint stock banking companies shows that there is no disinclination on the part of individuals to engage in such concerns even with the present unlimited responsibility. And the way in which some of them are conducted, proves sufficiently, if any such proof were wanted, that the serious liabilities incurred by the partners are not more than enough for the protection of the public. To lessen them would be an act of gratuitous folly. If we are to interfere, let them be increased, not diminished. But in the case of banks not issuing notes, enough is done if measures be taken to prevent deception, by letting the public know the partners in them, and making sure that they shall have no means of evading the responsibility attaching to their engagements. The first object may be secured by compelling all banking associations whatever to publish annually a list of the names and addresses of their partners, with the amount of their paid up capital; and to accomplish the latter object, we have merely to abstain from interference, and to let the law take its natural course.

Accounts of Issues. — The act 3 & 4 Will. 4. c. 83. directs that all persons or associations carrying on banking business, and issuing promissory notes payable on demand, shall keep weekly accounts of their issues; and shall, within a month of each of the quarters ending with the 1st of April, 1st of July, 1st of October, and 1st of January, make up, from the weekly accounts, an *average* account, verified on oath, of their issues during the preceding quarter, which shall be transmitted to the Stamp-office in London. Penalty for neglecting or refusing to make and transmit such account, 500*l.* on the corporation, company, persons, &c. issuing the notes, and 100*l.* on the secretary so offending. The wilful sending a false return to be punished as perjury.

Drawing on London. — The act 3 & 4 Will. 4. c. 83. repeals the regulation in the 7 Geo. 4. c. 46., prohibiting banks with more than 6 partners from drawing on London on demand, or otherwise, for sums of less than 50*l.* — § 2.

BANKS (ENGLISH PRIVATE AND PROVINCIAL). 99

No. I. — An Account of the Number of Licences taken out by Country Bankers in England and Wales, in each Year since 1809.

Years.	Licences.	Years.	Licences.	Years.	Licences.	Years.	Licences.
1809	702	1815	916	1821	781	1827	668
1810	782	1816	831	1822	776	1828	672
1811	779	1817	752	1823	779	1829	677
1812	825	1818	765	1824	788	1830	671
1813	922	1819	787	1825	797	1831	641
1814	940	1820	769	1826	809	1832	636

N. B. — The years in this account end on the 10th of October. The account for 1832 only comes down to the 26th of June.

Stamp Office, 26th of June, 1832.

No. II. — An Account of all Places where United or Joint Stock Banks have been established under the Act 7 Geo. 4. c. 46., together with the Number of Partners therein; also, the Nominal Capital* of each such Bank, and the Amount of Capital paid up. — (*Parl. Paper*, No. 504. Sess. 1833.)

Places.	Banks.	Number of Partners.
Birmingham	The Bank of Birmingham	203
Liverpool	The Bank of Liverpool	427
Manchester and Bolton in Lancashire, and Stockport in Cheshire.	The Bank of Manchester	578
Kendal	The Bank of Westmorland	129
Barnsley	The Barnsley Banking Company	119
Birmingham	The Birmingham Banking Company	295
Bradford, Yorkshire	The Bradford Banking Company	173
Bradford, Yorkshire	The Bradford Commercial Joint Stock Banking Company.	131
Bristol	The Bristol Old Bank	8
Workington, Cockermouth, Maryport, Wigton, Carlisle and Penrith.	The Cumberland Union Banking Company	158
Darlington, Stockton and Barnard Castle, in Durham; Northallerton and Stokesley in Yorkshire.	The Darlington District Joint Stock Banking Company.	274
Gloucester	The Gloucestershire Banking Company	130
Halifax	The Halifax Joint Stock Banking Company	172
Huddersfield	The Huddersfield Banking Company	285
Knaresborough, Wetherby, Ripon, Easingwold, Helmsley, Thirsk, Boroughbridge, Masham, Pately Bridge, Otley and Harrogate.	The Knaresborough and Claro Banking Company.	160
Lancaster, Ulverston and Preston	The Lancaster Banking Company	81
Leeds	The Leeds Banking Company	496
Leicester and Hinckley	The Leicestershire Banking Company	53
Carlisle	The Leith Banking Company	14
Liverpool	The Liverpool Commercial Banking Company.	104
Manchester, Liverpool, Oldham, Ashton, Warrington, Bury, Preston, Blackburn and Wigan, in Lancashire; Stockport and Nantwich in Cheshire; Hanley, Stafford, Cheadle, Lane End and Rugeley, in Staffordshire; Market Drayton in Shropshire, and Glossop in Derbyshire.	The Manchester and Liverpool District Banking Company.	857
Mirfield, Huddersfield, Wakefield, Dewsbury and Dobcross.	The Mirfield and Huddersfield District Banking Company.	213
Norwich, Swaffham, Foulsham, East Dereham, Fakenham, Lynn, Harleston and Watton, in Norfolk; and Bungay in Suffolk.	The Norfolk and Norwich Joint Stock Banking Company.	131
Newcastle-upon-Tyne in Northumberland, and Sunderland in Durham.	North of England Joint Stock Banking Company.	505
Plymouth, Devonport and Kingsbridge	Plymouth and Devonport Banking Company	132
Saddleworth, Ashton and Oldham	The Saddleworth Banking Company	113
Sheffield	The Sheffield Banking Company	154
Stamford, Spalding, Market Deeping, Boston, Bourn and Grantham, in Lincolnshire; Oundle, Kettering, Thrapstone and Peterborough, in Northamptonshire; Oakham and Uppingham, in Rutlandshire; Melton Mowbray and Market Harborough, in Leicestershire; Huntingdon in Hunts, and Wisbeach in Cambridgeshire.	The Stamford and Spalding Joint Stock Banking Company.	74
Bristol, Bridgewater, Taunton, Chard, Crewkerne, Ilminster, Langport, Wells, Bruton and Shepton Mallet.	Stuckey's Banking Company	12
Wakefield	The Wakefield Banking Company	217
Whitehaven and Penrith	The Whitehaven Joint Stock Banking Company.	225
Wolverhampton	The Wolverhampton and Staffordshire Banking Company.	259
York, Malton, Selby, Howden, Scarborough and Goole.	The York City and County Banking Company.	286
York, Bridlington and Great Driffield	The York Union Banking Company	200

* This department is not in possession of any information which enables a statement to be made as to the nominal capital of each such Bank, and the amount of capital paid up.

Stamps and Taxes, Somerset Place, 4th of July, 1833.

It is not possible to obtain any accurate account of the number of country notes in circulation at different periods. But the following table, drawn up by the late Mr. Mushet, of the Mint, founded partly on official returns, and partly on the estimates of Mr. Sedgwick, late chairman of the Board of Stamps, is, so far as it goes, the most complete and comprehensive hitherto published.

No. 11L — An Account of the Number of Country Bank Notes, of all Denominations, stamped in each Year, ending Oct. 10, from 1804 to 1825 inclusive, with the Percentage of Increase and Decrease, comparing each Year with the Year preceding; together with an Estimate of the total Amount in Circulation, according to Mr. Sedgwick's Tables, in each Year, from 1804 to 1825 inclusive; with the Percentage of Increase and Decrease, comparing each Year with the Year preceding.

Years.	The Amount of Country Bank Notes of all Denominations stamped in each year, ending Oct. 10, from 1804 to 1825.	The Percentage of Increase, comparing each year with the year preceding.	The Percentage of Decrease, comparing each year with the year preceding.	The Amount of Country Bank Notes in Circulation, according to Mr. Sedgwick's Tables, in each year, ending Oct. 10, from 1804 to 1825 inclusive.	The Percentage of Increase, comparing each year with the year preceding.	The Percentage of Decrease, comparing each year with the year preceding.
1805	11,342,413					
1806	11,480,547	1.2				
1807	6,587,398	-	42.6	18,021,900		
1808	8,653,077	23.8	-	16,871,524	-	6.3
1809	15,737,986*	81.8	-	23,702,493	40.5	-
1810	10,517,519	-	33.1	23,493,868	8	-
1811	8,792,433	-	16.4	21,453,000	-	-
1812	10,577,134	20.3	-	19,944,040	-	1.6
1813	12,615,509	19.2	-	22,597,000	13.3	7.
1814	10,773,375	-	14.6	22,709,000	5	-
1815	7,624,949	-	29.2	19,011,000	-	16.3
1816	6,423,466	-	15.7	15,096,000	-	20.6
1817	9,075,958	41.1	-	15,898,000	5.3	-
1818	12,316,868	35.7	-	20,507,000	29.	-
1819	6,130,313	-	50.2	17,366,875	-	15.3
1820	3,574,894	-	41.7	11,767,291	-	32.2
1821	3,987,582	11.5	-	8,414,281	-	28.5
1822	4,217,241	5.7	-	8,067,260	-	4.1
1823	4,637,589	10.4	-	8,798,277	-	-
1824	6,093,367	30.8	-	10,604,172	20.5	-
1825	8,532,438	40.	-	14,147,211	23.4	-

No. IV. — An Account of the Value of Country Bank Notes, of all Denominations, stamped in each Year from 1826 to 1832, both inclusive.

Years.	Value.	Years.	Value.
	£		£
1826	1,239,755	1830	1,955,430
1827	1,970,595	1831	2,217,915
1828	2,842,130	1832	1,751,685
1829	2,403,700		

(*Parl. Paper, No. 456. Sess. 1833.*)

N. B. — No 1L and 2L notes were stamped after the 3d of February, 1826.

IV. BANKS (SCOTCH).

The act of 1708, preventing more than 6 individuals from entering into a partnership for carrying on the business of banking, did not extend to Scotland. In consequence of this exemption, several banking companies, with numerous bodies of partners, have always existed in that part of the empire.

Bank of Scotland. — This institution was projected by Mr. John Holland, merchant of London, and was established by act of the Scotch parliament (Will. 3. Parl. 1. § 5.) in 1695, by the name of the Governor and Company of the Bank of Scotland. Its original capital was 1,200,000*l.* Scotch, or 100,000*l.* sterling, distributed in shares of 1,000*l.* Scotch, or 83*l.* 6*s.* 8*d.* sterling, each. The act exempted the capital of the bank from all public burdens; and gave it the exclusive privilege of banking in Scotland for 21 years. The objects for which the bank was instituted, and its mode of management, were intended to be, and have been, in most respects, similar to those of the Bank of England. The responsibility of the shareholders is limited to the amount of their shares.

The capital of the bank was increased to 200,000*l.* in 1744; and was enlarged by subsequent acts of parliament, the last of which (44 Geo. 3. c. 23.) was passed in 1804, to 1,500,000*l.*, its present amount. Of this sum, 1,000,000*l.* has been paid up. The last mentioned act directed that all sums relating to the affairs of the bank should henceforth be rated in sterling money, that the former mode of dividing bank stock by shares should be discontinued, and that, for the future, it should be transferred in any sums or parcels. On the union of the two kingdoms in 1707, the Bank of Scotland undertook the recoinage, and effected the exchange of the currency in Scotland: it was also the organ of government, in the issue of the new silver coinage in 1817.

* In 1809, the duty on 1L notes was increased from 3*d.* to 4*d.*, and may account for the great increase in this year, the notes bearing a 3*d.* stamp being no longer issuable.

The Bank of Scotland is the only Scotch bank constituted by act of parliament. It began to establish branches in 1696; and issued notes for 1*l.* so early as 1704. The bank also began, at a very early period, to receive deposits on interest, and to grant credit on cash accounts; a minute of the directors with respect to the mode of keeping the latter, being dated so far back as 1729. It is, therefore, entitled to the credit of having introduced and established the distinctive principles of the Scotch banking system, which, whatever may be its defects, is probably superior to every other system hitherto established. Generally speaking, the Bank of Scotland has always been conducted on sound and liberal principles; nor can there be a doubt that it has been productive, both directly and as an example to other banking establishments, of much public utility and advantage.

It may be worth mentioning, that the act of Will. 3., establishing the Bank of Scotland, declared that all foreigners who became partners in the bank, should, by doing so, become, to all intents and purposes, naturalised Scotchmen. After being for a long time forgotten, this clause was taken advantage of in 1818, when several aliens acquired property in the bank in order to secure the benefit of naturalisation. But after being suspended, the privilege was finally cancelled in 1822.

We subjoin an *official* abstract of the constitution and objects of the Bank of Scotland, printed for the use of the proprietors in 1818;—the terms and mode of transacting business are, of course, sometimes altered, according to circumstances.

I. The Bank of Scotland is a public national establishment; erected and regulated by the legislature alone: and expressly as a public Bank in this kingdom; for the benefit of the nation, and for the advancement of agriculture, commerce, and manufactures; and for other objects of public policy.—(*Will. Parl. l. § 5.*; 14 *Geo. 3. c. 32.*; 24 *Geo. 3. c. 8.*; 32 *Geo. 3. c. 25.*; 34 *Geo. 3. c. 19.*; 44 *Geo. 3. c. 23.*)

II. The statutory capital is at present 1,500,000*l.* sterling. It is raised by voluntary subscription; and has been subscribed for. 1,000,000*l.* has been called for, and paid in.—(44 *Geo. 3. c. 23.*)

III. Subscribers, if not under obligation to the Bank, may, at pleasure, transfer their right. If under obligation to the Bank, the obligation must be previously liquidated; or, the proceeds of the sale, at a price to the satisfaction of the directors, must be applied towards such liquidation. Transfers are made by a short assignment and acceptance thereof, both in a register appointed for that purpose. The expense, beside the government stamp, is 1*ls.*—(*Will. Parl. l. § 5.*)

IV. Bank of Scotland stock may be acquired, in any portions, by any person, community, or other lawful party whatsoever; without selection, exclusion, or limitation of numbers.—(*Will. Parl. l. § 5.*; 44 *Geo. 3. c. 23.*)

V. Bank of Scotland stock may be conveyed by latter will, and, if specially mentioned, without expense of confirmation. It cannot be arrested: the holder's right may be adjudged. Dividends may be arrested.—(*Will. Parl. l. § 5.*)

VI. The Bank of Scotland is a public corporation by act of parliament. The Bank's transactions are distinct from those of the stockholders; and theirs from those of the Bank.—(*Will. Parl. l. § 5.*)

VII. The establishment is expressly debarred from any other business than that of banking.—(*Will. Parl. l. § 5.*)

VIII. The management is vested, by statute, in a governor, deputy governor, twelve ordinary, and twelve extraordinary directors. They are chosen annually, on the last Tuesday of March, by the stockholders having 250*l.* of stock or upwards. Those above 250*l.* have a vote for every 250*l.*; to 5,000*l.*, or 20 votes. No person can have more than 20 votes. The governor must hold, at least, 2,000*l.* of stock; the deputy governor 1,500*l.*; and each director 750*l.* They swear to be equal to all persons; and cannot hold any inferior office in the Bank.—(*Will. Parl. l. § 5.*; 14 *Geo. 3. c. 32.*; 44 *Geo. 3. c. 23.*)

IX. The executive part is conducted by a treasurer, secretary, and other public officers, all sworn. Those having the official charge of cash find due security.—(*Will. Parl. l. § 5.*)

X. The Board of directors sits for the general administration of the Bank, at the Bank's Public Head Office in Edinburgh. The local business of that district is also conducted at that office. For the local business in the other parts of the kingdom, the Bank has its regular public offices in the principal towns. At each of these offices, there is the Bank agent or cashier, who gives due security, and conducts the Bank's business for that district, in the manner after mentioned. There is also the Bank's accountant for that office; who is appointed by the directors.—(*Will. Parl. l. § 5.*)

XI. The Bank takes in money, at all its public offices, on deposit receipts or promissory notes, or on current deposit account.* At the Head Office, draughts on London, or on any of the agencies, are given: at each agency, draughts on London, or on the Head Office, are given. All these documents are on the *Bank's check* (and sealed with the *Bank's seal*†). They bear, in words, to be "For the Bank of Scotland;" or, "For the Governor and Company of the Bank of Scotland." These documents are signed, if at Edinburgh, by the treasurer, and countersigned by the principal accountant; if at an agency, they must be signed by the Bank's agent as *agent*, and countersigned by the *Bank's accountant* for that agency; otherwise they infer no obligation on the Bank.—(*Resolution of Court*, 28th Feb. 1793.)

XII. Bills on London, Edinburgh, or any town where the Bank has its official correspondents, are discounted and purchased at all the Bank's public offices. The Bank's agents judge, in ordinary cases, of the bills presented; so that parties meet with no delay. The Bank does not sell, at any of its offices, the bills which it has discounted and purchased. Its agents cannot indorse its bills, unless officially to the treasurer.—(*Resolution of Court*, 23d Feb. 1789.)

XIII. Government stock and other public funds, transferable in London, may be purchased or sold, and dividends thereon may be received, through the Bank.

XIV. The Bank gives credit on cash accounts at any of its offices, on bond, with security. The security may be personal co-obligants, conjunctly and severally; or Bank of Scotland stock; or both: or such other security as may be specially agreed on. Applications for cash accounts are given in to the office where the cash account is wanted, and must specify the credit desired, and the security proposed; and the individual partners, where copartnerships are proposed. Cash accounts are granted by the directors only; and are not recalled unless by their special authority. It is understood that these credits are not used as dead loans, to produce interest only. In the fair course of business, the advantage of the Bank

* The Bank has always allowed interest on deposits. The rate allowed varies, of course, with the variations in the market rate. During the greater part of the late war it was as high as 4 per cent.; but at present it is only 2 per cent.

† The seal is now dispensed with, except on the Bank's notes.

is consulted by an active circulation of its notes, and by frequent repayments to it in a way least affecting that circulation. — (*Resolution of Court*, 6th Nov. 1729, and 23d Feb. 1789.)

XV. The Bank's dividend of profits has for some time been 9½ per cent. per annum (at present, 1833, it is 6 per cent.) on that part of its capital stock, or 1,000,000*l.* sterling, paid in. The dividends are paid regularly twice a year, without expense. They may be drawn either at the Bank's Head Office, or at any of its other offices, as most agreeable to the stockholder.

By Order of the Court of Directors.
6th Nov. 1818.

Most of the other Scotch banks are conducted on the same principles and in the same way as the Bank of Scotland, so that the details as to its management will nearly apply to them all.

The *Royal Bank of Scotland* was established in 1727. Its original capital was 151,000*l.* At present it amounts to 2,000,000*l.*

The *British Linen Company* was incorporated in 1746, for the purpose, as its name implies, of undertaking the manufacture of linen. But the views in which it originated were speedily abandoned; and it became a banking company only. Its capital amounts to 500,000*l.*

None of the other banking companies established in Scotland are chartered associations, with limited responsibility; the partners being jointly and individually liable, to the whole extent of their fortunes, for the debts of the firms. Some of them, such as the National Bank, the Commercial Banking Company, the Dundee Commercial Bank, the Perth Banking Company, &c., have very numerous bodies of partners. Their affairs are uniformly conducted by a Board of directors, annually chosen by the shareholders.

The Bank of Scotland began, as already stated, to issue 1*l.* notes so early as 1704; and their issue has since been continued without interruption. "In Scotland," to use the statement given in the Report of the Committee of the House of Commons of 1826, on the Promissory Notes of Scotland and Ireland, "the issue of promissory notes payable to the bearer on demand, for a sum of not less than 20*s.* has been at all times permitted by law; nor has any act been passed, limiting the period for which such issue shall continue legal in that country. In *England*, the issue of promissory notes for a less sum than 5*l.* was prohibited by law from the year 1777 to the period of the Bank Restriction in 1797. It has been permitted since 1797; and the permission will cease, as the law at present stands, in April, 1829."

There have been comparatively few bankruptcies among the Scotch banks. In 1793 and 1825, when so many of the English provincial banks were swept off, there was not a single establishment in Scotland that gave way. This superior stability seems to be ascribable partly to the formation of so many banks with numerous bodies of partners, which tends to prevent any company with only a few partners, unless they are known to possess considerable fortunes, from getting paper into circulation; partly to the less risk attending the business of banking in Scotland; and partly to the facility afforded by the law of Scotland of attaching a debtor's property, whether it consist of land or moveables, and making it available to the payment of his debts.

In the Report already quoted, the last-mentioned topic is touched upon as follows: — "The general provisions of the law of Scotland bearing upon this subject are calculated to promote the solidity of banking establishments, by affording to the creditor great facilities of ascertaining the pecuniary circumstances of individual partners, and by making the private fortunes of those partners available for the discharge of the obligations of the bank with which they are connected. There is no limitation upon the number of partners of which a banking company in Scotland may consist; and, excepting in the case of the Bank of Scotland and the two chartered banks, which have very considerable capitals, the partners of all banking companies are bound jointly and severally, so that each partner is liable, to the whole extent of his fortune, for the whole debts of the company. A creditor in Scotland is empowered to attach the real and heritable, as well as the personal estate of his debtor, for payment of personal debts, among which may be classed debts due by bills and promissory notes; and recourse may be had, for the purpose of procuring payment, to each description of property at the same time. Execution is not confined to the real property of a debtor merely during his life, but proceeds with equal effect upon that property after his decease.

"The law relating to the establishment of records gives ready means of procuring information with respect to the real and heritable estate of which any person in Scotland may be possessed. No purchase of an estate in that country is secure until the seisin (that is, the instrument certifying that actual delivery has been given) is put on record, nor is any mortgage effectual until the deed is in like manner recorded.

"In the case of conflicting pecuniary claims upon real property, the preference is not regulated by the date of the transaction, but by the date of its record. These records are accessible to all persons; and thus the public can with ease ascertain the effective means which a banking company possesses of discharging its obligations; and the partners in that company are enabled to determine, with tolerable accuracy, the degree of risk and responsibility to which the private property of each is exposed."

Deposits.—As was previously observed, all the Scotch banks receive deposits of so low a value as 10*l.*, and sometimes lower, and allow interest upon them.

"The interest," say the committee, "allowed by the Bank upon deposits varies from time to time according to the current rate of interest which money generally bears. At present (1826) the interest allowed upon deposits is 4 per cent." (At this moment (1833) the interest allowed on deposits is only 2 or 2½ per cent.) "It has been calculated that the aggregate amount of the sums deposited with the Scotch banks amounts to about 20,000,000*l.* or 21,000,000*l.*" (It is believed to be now, (1833,) little if any thing under 24,000,000*l.*) "The precise accuracy of such an estimate cannot of course be relied on. The witness by whom it was made thought that the amount of deposits could not be less than 16,000,000*l.*, nor exceed 25,000,000*l.*, and took an intermediate sum as the *probable amount*. Another witness, who had been connected for many years with different banks in Scotland, and has had experience of their concerns at Stirling, Edinburgh, Perth, Aberdeen, and Glasgow, stated that *more than one half of the deposits in the banks with which he had been connected were in sums from ten pounds to two hundred pounds*. Being asked what class of the community it is that makes the small deposits, he gave the following answer, from which it appears that the mode of conducting this branch of the banking business in Scotland has long given to that country many of the benefits derivable from the establishment of savings banks.

Question. What class of the community is it that makes the smallest deposits?—*Answer.* They are generally the labouring classes in towns like Glasgow: in country places, like Perth and Aberdeen, it is from servants and fishermen, and that class of the community, who save small sums from their earnings, till they come to be a bank deposit. There is now a facility for their placing money in the Provident Banks, which receive money till the deposit amounts to 10*l.* When it comes to 10*l.*, it is equal to the minimum of a bank deposit. The system of banking in Scotland is an extension of the Provident Bank system. Half-yearly or yearly those depositors come to the bank, and add the savings of their labour, with the interest that has accrued upon the deposits from the previous half year or year, to the principal; and in this way it goes on without being at all reduced, accumulating (at compound interest) till the depositor is able either to buy or build a house, when it comes to be 100*l.*, or 200*l.*, or 300*l.*, or till he is able to commence business as a master in the line in which he has hitherto been a servant. A great part of the depositors of the bank are of that description, and *a great part of the most thriving of our farmers and manufacturers have arisen from such beginnings*."

Cash Accounts, or Credits.—The loans or advances made by the Scotch banks are either in the shape of discounts, or upon cash credits, or, as they are more commonly termed, *cash accounts*.

This species of account does not differ in principle from an over-drawing account at a private banker's in England. A cash credit is a credit given to an individual by a banking company for a limited sum, seldom under 100*l.* or 200*l.*, upon his own security, and that of two or three individuals approved by the bank, who become sureties for its payment. The individual who has obtained such a credit is enabled to draw the whole sum, or any part of it, when he pleases; replacing it, or portions of it, according as he finds it convenient; interest being charged upon such part only as he draws out. "If a man borrows 5,000*l.* from a private hand, besides that it is not always to be found when required, he pays interest for it whether he be using it or not. His bank credit costs him nothing, except during the moment it is of service to him; and this circumstance is of equal advantage as if he had borrowed money at a much lower rate of interest."—(*Hume's Essay on the Balance of Trade*.) This, then, is plainly one of the most commodious forms in which advances can be made. Cash credits are not, however, intended to be a *dead loan*; the main object of the banks in granting them is to get their notes circulated, and they do not grant them except to persons in business, or to those who are frequently drawing out and paying in money.

The system of cash credits has been very well described in the Report of the Lords' Committee of 1826, on Scotch and Irish Banking. "There is also," say their lordships, "one part of their system, which is stated by all the witnesses (and, in the opinion of the committee, very justly stated) to have had the best effects upon the people of *Scotland*, and particularly upon the middling and poorer classes of society, in producing and encouraging habits of frugality and industry. The practice referred to is that of cash credits. Any person who applies to a bank for a cash credit, is called upon to produce two or more competent sureties, who are jointly bound; and after a full inquiry into the character of the applicant, the nature of his business, and the sufficiency of his securities, he is allowed to open a credit, and to draw upon the bank for the whole of its amount, or for such part as his daily transactions may require. To the credit of the account he pays in such sums as he may not have occasion to use, and interest is charged or credited

upon the daily balance, as the case may be. From the facility which these cash credits give to all the small transactions of the country, and from the opportunities which they afford to persons, who begin business with little or no capital but their character, to employ profitably the minutest products of their industry, it cannot be doubted that the most important advantages are derived to the whole community. The advantage to the banks who give these cash credits arises from the call which they continually produce for the issue of their paper, and from the opportunity which they afford for the profitable employment of part of their deposits. The banks are indeed so sensible, that in order to make this part of their business advantageous and secure, it is necessary that their cash credits should (as they express it) be frequently operated upon, that they refuse to continue them unless this implied condition be fulfilled. The total amount of their cash credits is stated by one witness to be 5,000,000*l.*, of which the average amount advanced by the banks may be one third."

The expense of a bond for a cash credit of 500*l.* is 4*l.* stamp duty, and a charge of from 5*s.* to 10*s.* 6*d.* per cent. for filling it up.

Circulation, &c.—According to a demi-official return given in the Commons' Report already referred to, the total number of notes in circulation in Scotland, in the early part of 1826, amounted to 3,309,082; of which 2,079,344 were under 5*l.*, and 1,229,838, 5*l.* and upwards.

The Scotch banks draw on London at 20 days' date. This is denominated the par of exchange between London and Edinburgh.

Most of the great Scotch banks, such as the Bank of Scotland, the Royal Bank, &c., have established branches in other towns besides that where the head office is kept.

By the act 9 Geo. 4. c. 65., to restrain the negotiation in England of Scotch or Irish promissory notes and bills under 5*l.*, it is enacted, that if any body politic or corporate, or person, shall, after the 5th of April, 1829, publish, utter, negotiate, or transfer, in any part of England, any promissory or other note, draft, engagement, or undertaking, payable on demand to the bearer, for any sum less than 5*l.*, purporting to have been made or issued in Scotland or Ireland, every such body politic or corporate, or person, shall forfeit for every such offence not more than 20*l.* nor less than 5*l.*

Nothing contained in this act applies to any draft or order drawn by any person on his or her banker, or on any person acting as such banker, for the payment of money held by such banker or person for the use of the person by whom such draft or order shall be drawn.

No. 1.—The following Table contains an Account of the Number of Banks in Scotland; the Names of the Firms or Banks; Dates of their Establishment; Places of the Head Offices; Number of Branches; Number of Partners; and the Names of their London Agents.—(Extracted principally from the *Appendix*, p. 19. to the Commons' Report of 1826, on Scotch and Irish Banking.)

	Names of Firms or Banks.	Date.	Head Office.	No. of Branches.	No. of Partners.	London Agents.
1	Bank of Scotland - -	1695	Edinburgh	16	Act of P.	Coutts and Co.
2	Royal Bank of Scotland -	1727	Ditto	1	Charter	Bank of England, and ditto.
3	British Linen Company -	1746	Ditto	27	Ditto	Smith, Payne, and Co.
4	Aberdeen Banking Company	1767	Aberdeen	6	80	Glyn and Co.
5	Aberdeen Town and Coun. Bk.	1825	Ditto	4	446	Jones, Loyd, and Co.
6	Arbroath Banking Company	1825	Arbroath	2	112	Glyn and Co.
7	Carriack and Co. or Ship Bank	1746	Glasgow	None	3	Smith, Payne, and Co.
8	Com. Bank. Comp. of Scotland	1810	Edinburgh	31	521	Jones, Loyd, and Co.
9	Commercial Banking Comp.	1778	Aberdeen	None	15	Kinloch and Sons.
10	Dundee Banking Company -	1777	Dundee	None	61	Kinloch and Sons.
11	Dundee New Bank - -	1802	Ditto	1	6	Ransom and Co.
12	Dundee Commercial Bank -	1825	Ditto	None	202	Glyn and Co.
13	Dundee Union Bank - -	1809	Ditto	4	85	Glyn and Co.
14	Falkirk Banking Company -	1787	Falkirk	1	5	Remington and Co.
15	Greenock Banking Company	1785	Greenock	3	14	Kay and Co.
16	Glasgow Banking Company -	1809	Glasgow	1	19	Ransom and Co., Glyn and Co.
17	Hunters and Co. - -	1773	Ayr	3	8	Herries and Co.
18	Leith Banking Company -	1792	Leith	4	15	Barnet and Co.
19	National Bank of Scotland -	1825	Edinburgh	8	1,238	Glyn and Co.
20	Montrose Bank - -	1814	Montrose	2	97	Barclay and Co.
21	Paisley Banking Company -	1783	Paisley	4	6	Smith, Payne, and Co.
22	Paisley Union Bank - -	1788	Ditto	3	4	Glyn and Co.
23	Perth Banking Company -	1766	Perth	5	147	Barclay and Co.
24	Perth Union Bank - -	—	Ditto	—	69	Remington and Co.
25	Ramsay's, Bonar's, and Co.	1738	Edinburgh	None	8	Coutts and Co.
26	Renfrewshire Banking Comp.	1802	Greenock	5	6	Kay and Co.
27	Shetland Bank - -	—	Perth	—	4	Barclay and Co.
28	Sir Wm. Forbes and Co.	—	Edinburgh	—	7	Barclay & Co., Coutts & Co.
29	Stirling Banking Company -	1777	Stirling	2	7	Kinloch and Sons.
30	Thistle Bank - -	1761	Glasgow	None	6	Smith, Payne, and Co.

Private Banking Companies in Edinburgh who do not issue Notes.

	Names of Firms or Banks.	Date.	Head Office.	No. of Branches.	No. of Partners.	London Agents.
1	Messrs. Kinnear, Smith, & Co.	1830	Edinburgh	None	—	Smith, Payne, and Co.
2	Robert Allan and Son - -	1776	Ditto	None	—	Bosanquet and Co.
3	James Inglis and Co. - -	—	Ditto	None	—	Bosanquet and Co.

No. II. — An Account of the Number of Licences taken out by Country Bankers in Scotland for the Years ending the 10th of October, 1824, 1825, 1826, and 1827; specifying such as have been given to Firms carrying on Business in more Places than one.

	1824.	1825.	1826.	1827.
Number of licences issued to bankers who issue notes at one place only	10	13	9	9
Ditto to bankers who issue notes at two different places	10	12	12	6
Ditto to bankers who issue notes at three different places	6	6	10	6
Ditto to bankers who issue notes at four or more places	52	52	56	60
	78	83	89	81

Certified.

Stamp Office, Edinburgh, 4th of March, 1828.

THOMAS PENDER, Compt.

No. III. — Statement of the Number of Persons convicted of Forgery of all Instruments connected with the Chartered and other Banks of Scotland; whether of Bank Notes, of Post Bills, Bills of Exchange, or otherwise, from 1791 to 1829, both inclusive; particularising the Capital Convictions upon which Execution took place, and the Cases of mitigated Punishment.

For Forgery.	For Uttering.	Total Number Convicted.	Number were Pains of Law restricted, and Sentence short of Death pronounced.	Number on whom Capital Sentence pro- nounced.	Number whose Sentences were miti- gated by His Majesty.		Number Executed
					Pardoned.	Committed.	
49	150	199	172	27	2	11	16

Edinburgh,
18th of June, 1830.

Certified by

JA. ANDERSON,
Depute Clerk of Justiciary.

V. BANKS (IRISH).

“In no country, perhaps,” says Sir Henry Parnell, “has the issuing of paper money been carried to such an injurious excess as in Ireland. A national bank was established in 1783, with similar privileges to those of the Bank of England, in respect to the restriction of more than 6 partners in a bank; and the injury that Ireland has sustained from the repeated failure of banks may be mainly attributed to this defective regulation. Had the trade of banking been left as free in Ireland as it is in Scotland, the want of paper money that would have arisen with the progress of trade would, in all probability, have been supplied by joint stock companies, supported with large capitals, and governed by wise and effectual rules.

“In 1797, when the Bank of England suspended its payments, the same privilege was extended to Ireland; and after this period the issues of the Bank of Ireland were rapidly increased. In 1797, the amount of the notes of the Bank of Ireland in circulation was 621,917*l.*; in 1810, 2,266,471*l.*; and in 1814, 2,986,999*l.*

“These increased issues led to corresponding increased issues by the private banks, of which the number was 50 in the year 1804. The consequence of this increase of paper was a great depreciation of it; the price of bullion and guineas rose to 10 per cent. above the mint price; and the exchange with London became as high as 18 per cent., the par being 8½. This unfavourable exchange was afterwards corrected; not by any reduction in the issues of the Bank of Ireland, but by the depreciation of the British currency in the year 1810, when the exchange between London and Dublin settled again at about par.

“The loss that Ireland has sustained by the failure of banks may be described in a few words. It appears by the Report of the Committee on Irish Exchanges in 1804, that there were at that time in Ireland 50 registered banks. Since that year, a great many more have been established; but the *whole have failed*, one after the other, involving the country from time to time in immense distress, with the following exceptions: — first, a few that withdrew from business; secondly, four banks in Dublin; thirdly, three at Belfast; and, lastly, one at Mallow. These eight banks, with the new Provincial Bank, and the Bank of Ireland, are the only banks now existing in Ireland.

“In 1821, in consequence of 11 banks having failed nearly at the same time, in the preceding year, in the south of Ireland, government succeeded in making an arrangement with the Bank of Ireland, by which joint stock companies were allowed to be established at a distance of 50 miles (Irish) from Dublin, and the bank was permitted to increase its capital 500,000*l.* The act of 1 & 2 Geo. 4. c. 72. was founded on this agreement.

“But ministers having omitted to repeal in this act various restrictions on the trade of banking that had been imposed by 33 Geo. 2. c. 14., no new company was formed. In 1824, a party of merchants of Belfast, wishing to establish a joint stock company, petitioned parliament for the repeal of this act of Geo. 2.; and an act was accordingly passed in that session, repealing some of the most objectionable restrictions of it (the 5 Geo. 4. c. 73.).

“In consequence of this act, the Northern Bank of Belfast was converted into a joint stock company, with a capital of 500,000*l.*, and commenced business on the 1st of

January, 1825. But the remaining restrictions of 33 Geo. 2., and certain provisions contained in the new acts of 1 & 2 Geo. 3. and 5 Geo. 4., obstructed the progress of this company, and they found it necessary to apply to government to remove them; and a bill was accordingly introduced, which would have repealed all the obnoxious clauses of the 33 Geo. 2., had it not been so altered in the committee as to leave several of them in force. In 1825, the Provincial Bank of Ireland commenced business, with a capital of 2,000,000*l.*; and the Bank of Ireland has of late established branches in all the principal towns in Ireland.

"The losses that have been sustained in Ireland by abusing the power of issuing paper have been so great, that much more is necessary to be done, by way of protecting the public from future loss, than the measure proposed last session (1826) by ministers, of abolishing small notes; and the measure already adopted, of allowing joint stock companies to be established in the interior of the country. As the main source of the evil consists in the interference of the law in creating a national bank with exclusive privileges, the first step that ought to be taken for introducing a good system into Ireland is the getting rid of such a bank, and opening the trade of banking in Dublin. The next measure should be the requiring of each bank to give security for the amount of paper that is issued; for after the experience of the ignorance with which the Irish banks have conducted their business, and the derangement of the natural course of the trade by the long existence of the Bank of Ireland, it would be unwise to calculate upon a sound system of banking speedily supplanting that which has been established.

"Under the circumstances in which Ireland is placed, nothing would so much contribute to her rapid improvement in wealth, as the introducing of the Scotch plan of cash credits, and of paying interest on deposits. By cash credits, the capital which now exists would be rendered more efficient, and the paying of interest on small deposits would lead to habits of economy, and to the more rapid accumulation of new capital.

"The charter of the Bank of Ireland has still to run till the year 1838." — (*Observations on Paper Money, &c.*, by Sir Henry Parnell, pp. 171—177.)

The capital of the Bank of Ireland at its establishment in 1783 amounted to 600,000*l.*; but it has been increased at various periods; and has, since 1821, amounted to 3,000,000*l.* At present, no bank having more than 6 partners can be established any where within 50 Irish miles of Dublin; nor is any such bank allowed to draw bills upon Dublin for less than 50*l.*, or at a shorter date than 6 months. This enactment seems to amount to a virtual prohibition of the drawing of such bills. The Bank of Ireland draws on London at 20 days' date. She neither grants cash credits, nor allows any interest on deposits. She discounts at the rate of 5*l.* per cent.

In 1828, the currency of Ireland was assimilated to that of Great Britain. Previously to that period, the currency of the former was 8½ per cent. less valuable than that of the latter.

Account of Bank of Ireland Notes in Circulation, including Bank Post Bills, in each Half Year, commencing with the Half Year ending 1st of January, 1797, to 1st of January, 1819, inclusive.

Years.	January 1.	July 1.	Years.	January 1.	July 1.
	£	£		£	£
1797	733,763	785,101	1809	3,002,699	3,144,677
1798	1,081,512	1,243,214	1810	3,170,064	3,171,607
1799	1,363,710	1,557,737	1811	3,334,892	3,472,781
1800	1,928,381	2,317,235	1812	3,616,476	3,763,229
1801	2,350,133	2,323,901	1813	3,957,920	4,199,474
1802	2,431,152	2,587,187	1814	4,165,905	4,281,419
1803	2,662,405	2,617,114	1815	4,328,041	4,434,455
1804	2,798,767	2,859,977	1816	4,179,549	4,193,853
1805	2,817,697	2,778,635	1817	4,277,018	4,304,040
1806	2,560,271	2,517,581	1818	4,387,155	4,413,463
1807	2,693,756	2,789,544	1819	4,477,019	
1808	2,746,717	2,738,835			

An Account of the Average Amount of Bank of Ireland Notes, including Bank Post Bills, issued during the Six Years ending with 1825.

Years.	Notes and Bills	Irish Currency.		Years.	Notes and Bills	Irish Currency.	
		£	s.			£	s.
1820	of 5 <i>l.</i> and upwards	2,894,777	5	1823	of 5 <i>l.</i> and upwards	3,528,625	7
	under 5 <i>l.</i> - -	1,314,806	15		under 5 <i>l.</i> - -	1,588,764	7
			4,209,584 0				5,117,389 14
1821	of 5 <i>l.</i> and upwards	3,501,119	11	1824	of 5 <i>l.</i> and upwards	3,890,337	8
	under 5 <i>l.</i> - -	1,710,603	3		under 5 <i>l.</i> - -	1,732,118	6
			5,211,792 14				5,622,455 14
1822	of 5 <i>l.</i> and upwards	3,618,111	1	1825	of 5 <i>l.</i> and upwards	4,446,995	0
	under 5 <i>l.</i> - -	1,552,321	2		under 5 <i>l.</i> - -	1,964,354	8
			5,170,432 3				6,411,349 8

(Commons Report of 1826, p. 29.)

There is no later account of the circulation of the Bank of Ireland, or of the other Irish banks. The entire paper circulation of Ireland may now, probably, amount to between 7,000,000*l.* and 8,000,000*l.* sterling.

It appears from the statements given in the Report of the Commons' Committee of 1826, that the average value of the notes and post bills of the Bank of Ireland of 5*l.* and upwards in circulation, during the five years ending with 1825, amounted to 3,646,660*l.* Irish currency; and that the average value of the notes and post bills under 5*l.* in circulation during the same period amounted to 1,643,828*l.* Irish currency. The average value of the notes of all descriptions issued by the other banking establishments in Ireland, in 1825, amounted to 1,192,886*l.*

Provincial Bank of Ireland.—This important establishment was, as already stated, founded in 1825. Its subscribed capital consists of 2,000,000*l.*, divided into 20,000 shares of 100*l.* each, of which 25 per cent., or 500,000*l.*, has been paid up. Its head office is in London; and at present it has subordinate offices in Cork, Limerick, Clonmel, Londonderry, Sligo, Wexford, Waterford, Belfast, Galway, Armagh, Athlone, Coleraine, Kilkenny, Ballina, Tralee, Youghall, Enniskillen, Monaghan, Banbridge, and Ballymena. The last 5 have been opened since 1831. The entire management of the establishment is vested in the court of directors in London. The business of the branch banks is conducted, under the control of the head office, by the managers, with the advice and assistance of 2 or more gentlemen of respectability in the district, each holding 10 shares in the bank. The business consists of discounting bills; granting cash credits, after the manner of the Scotch banks; receiving deposits, on which interest, varying according to circumstances, is allowed; in drawing and giving letters of credit on other places of Ireland, Great Britain, &c.; and of other details incident to banking. It has had several pretty severe runs to sustain. In the course of a single week, in October, 1828, about 1,000,000*l.* in gold was sent from England to Ireland on account of the Provincial Bank! This prompt and ample supply effectually maintained the credit of the establishment, and did much to restore confidence.

The notes of the Provincial Bank have always been payable at the places where they are issued. The Bank of Ireland began to establish branches in 1825; but the notes issued by her branches were not, at first, payable except at the head office in Dublin. This distinction, which tended to throw the principal pressure of runs in the country on the Provincial Bank, and other private companies, was abolished by the act 9 Geo. 4. c. 81., which made it obligatory on *all* banks to pay their notes at the place of issue. Notes of the Provincial Bank are received by the Treasury in payment of taxes, in the same way as those of the Bank of Ireland; and it is the bank of government for the excise, post-office, and stamp revenues for those parts of the country beyond the exclusive privileges of the Bank of Ireland. The dividends have been at the rate of 4, 5, and, since the 25th of December, 1832, of 6 per cent. per annum. Its stock is now at a high premium, the 25*l.* paid up shares fetching 35*l.* or 36*l.*

Northern Banking Company.—This establishment has its head office in Belfast, and its branches are distributed throughout Ulster. Its capital and operations are on a much less extensive scale than those of the Provincial Bank, but in other respects they are conducted nearly in the same way.

There are very few private banking establishments at present existing in Ireland, at least compared with those in this country.

VI. BANKS (FOREIGN).

To attempt giving any detailed account of the principal foreign banks would very far exceed our limits; we shall, therefore, only notice a few of the more celebrated.

The *Bank of Venice* seems to have been the first banking establishment in Europe. It was founded so early as 1171, and subsisted till the subversion of the republic in 1797. It was essentially a deposit bank; and its bills bore at all times a premium or *agio* over the current money of the city.

The *Bank of Amsterdam* was established in 1659. It was a deposit bank; and payments were made by writing off sums from the account of one individual to those of another. According to the principles on which the bank was established, it should have had at all times in its coffers bullion equal to the full amount of the claims upon it. But the directors privately lent about 10,500,000 florins to the states of Holland and Friesland. This circumstance transpired when the French invaded Holland, and caused the ruin of the bank.—(See my edition of the *Wealth of Nations*, vol. ii. p. 333.)

The *Bank of the Netherlands* was established in 1814. It is formed on the model of the Bank of England; and was to enjoy for 25 years the exclusive privilege of issuing notes. The original capital of 5,000,000 florins was doubled in 1819. The king holds *one tenth* of the shares. The affairs of the bank are managed by a president, secretary, and 5 directors, who are chosen every 6 months, but may be indefinitely re-elected. This bank discounts bills of exchange with three responsible signatures; it takes continuations on stock, and sometimes lends on bullion at such a rate of interest and to such an extent as may be agreed upon. It occasionally, also,

makes loans on merchandise, but never at less than 5 per cent. Its notes vary from 1,000 florins to 25 florins, that is, from 83½*l.* to 2½*l.* The dividends have varied from 3 to 7 per cent. The shares are each 1,000 florins, and are at present worth 25 per cent. premium ex dividend. The responsibility of the shareholders is limited to the amount of their stock.—(*Consul's Answer to Circular Queries.*)

The *Bank of Hamburg* is a deposit bank, and its affairs are managed according to a system that insures the fullest publicity. It receives no deposits in coin, but only in bullion of a certain degree of fineness. It charges itself with the bullion at the rate of 442 schillings the mark, and issues it at the rate of 444 schillings; being a charge of ½*ths.*, or nearly ½ per cent. for its retention. It advances money on jewels to ¾*ths.* of their value. The city is answerable for all pledges deposited with the bank; they may be sold by auction, if they remain 1 year and 6 weeks without any interest being paid. If the value be not claimed within 3 years, it is forfeited to the poor. The Bank of Hamburg is universally admitted to be one of the best managed in Europe.

The *Bank of France* was founded in 1803. The exclusive privilege of issuing notes payable to bearer was granted to it for 40 years. The capital of the bank consisted at first of 45,000,000 fr., but it was subsequently increased to 90,000,000 fr., divided into 90,000 shares or *actions* of 1,000 fr. each. Of these shares, 67,900 are in the hands of the public; 22,100, being purchased up by the bank, form part of her capital. The notes issued by the bank are for 1,000 and 500 fr. The dividend varies from 4 to 5 per cent.; and there is, besides, a *reserve* retained from the profits, which is vested in the 5 per cents. A bonus of 200 fr. a share was paid out of this reserve to the shareholders in 1820. The reserve in possession of the bank in 1828, amounted to 6,623,000 fr. No bills are discounted that have more than 3 months to run. The customary rate of discount is 4 per cent., but it varies according to circumstances. The discounts in 1827 amounted to 621,000,000 fr. The bank is obliged to open a *compte courant* for every one who requires it; and performs services for those who have such accounts, similar to those rendered by the private banks of London to their customers. She is not allowed to charge any commission upon current accounts, so that her only remuneration arises out of the use of the money placed in her hands by the individuals whose payments she makes. This branch of the business is said not to be profitable. There are about 1,600 accounts current at the bank; and of the entire expenses of the establishment, amounting to about 900,000 fr. a year, *two thirds* are said to be incurred in this department. The bank advances money on pledges of different kinds, such as foreign coin or bullion, government or other securities, &c. It also undertakes the care of valuable articles, as plate, jewels, bills, title-deeds, &c. The charge is ½ per cent. of the value of each deposit for every period of 6 months or under.

The administration of the bank is vested in a council general of 20 members, viz. 17 regents, and 3 censors, who are nominated by 200 of the principal proprietors. The king appoints the governor and deputy governor. The first must be possessed of 150, and the latter of 50 shares. A *compte rendu* is annually published, and a report by the censors, which together give a very full exposition of the affairs of the bank. The institution is flourishing, and enjoys unlimited credit.—(For further details with respect to the Bank of France, see *Storch, Cours d'Economie Politique*, Paris, 1823, tom. iv. pp. 168—180., and the *Comptes Rendus* of the different years.)

Banks have also been established at Berlin, Copenhagen, Vienna, and Petersburg. Those who wish for detailed information with respect to these establishments, may consult the work of M. Storch, to which we have just referred. In the 4th volume, there is an admirable account of the paper money of the different continental states. The objects we have in view will be accomplished by laying before our readers the following details with respect to the *Commercial Bank of Russia*, established in 1818:—“ This bank receives deposits in gold and silver, foreign as well as Russian coin, and in bars and ingots. It has a department for transferring the sums deposited with it, on the plan of the Hamburg Bank. It discounts bills, and lends money on deposits of merchandise of Russian produce or origin. Its capital consists of 30,000,000 of bank-note rubles. It is administered by a governor and 4 directors appointed by government, and 4 directors elected by the commercial body of Petersburg. The property in the bank is protected against all taxation, sequestration, or attachment; and it is enacted, that subjects of countries with which Russia may be at war shall be entitled at all times to receive back their deposits without any reservation. It is also declared, that at no time shall the bank be called upon for any part of its capital to assist the government. All deposits must be made for 6 months at least, and be repayable at or before that period, and not be less than 500 rubles: sums so deposited to pay ½ per cent. The deposits, if in bars, ingots, or foreign specie, are estimated in Russian silver coin, and so registered in the attestation; and if not demanded back within 15 days of the expiration of 6 months, or the necessary premium paid for the prolongation, the owner loses the right of claiming his original deposit, and must take its estimated value in Russian silver

coin. No bills are discounted that have less than 8 days or more than 6 months to run. The rate of discount is 6 per cent. No interest is allowed on money deposited in the bank, unless notice be given that it will be allowed to lie for a year, and 3 months' notice be given of the intention to draw it out, when *six* per cent. interest is allowed." — (*Kelly's Cambist*, vol. i. p. 303.) This bank has branches at Archangel, Moscow, Odessa, Riga, &c.

The *Bank of the United States* was incorporated in 1816. Its capital is 35,000,000 dollars, divided into 350,000 shares of 100 dollars each. Seven millions were subscribed by the United States, and the remaining 28,000,000 by individuals, companies, corporations, &c. In 1832, 84,000 shares were held by foreigners. The bank issues no note for less than 5 dollars; all its notes are payable in specie on demand. It discounts bills and makes advances on bullion at the rate of 6 per cent. The management is under 25 directors; 5 of whom, being holders of stock, are annually appointed by the President of the United States. Seven directors, including the president, constitute a Board.

The principal office of the bank is in Philadelphia; but in January, 1830, it had *twenty-seven* subordinate offices, or branch banks, established in different parts of the Union. Subjoined is a statement of some of the items in the affairs of the Bank of the United States, on the 1st of April, 1830, and the 2d of November, 1832.

	1830.	1832.
Notes discounted	32,138,970.89 dol.	45,726,924.95 dol.
Domestic bills discounted	10,300,882.54	16,304,428.48
Funded debt held by the bank	11,123,530.90	4,747,696.45
Real estate	2,891,840.75	1,822,721.51
Funds in Europe, equal to specie	2,789,498.54	2,885,016.26
Specie	9,045,748.97	8,026,055.45
Public deposits	8,905,501.87	6,957,621.54
Private deposits	7,704,236.87	7,622,898.84
Circulation	16,083,894.60	17,268,733.36

The total liabilities of the bank to the public on the 1st of November, 1832, including its notes in circulation, deposits, and debts to the holders of public funds, were 37,296,950.20 dollars; and its assets, including specie, cash in Europe, debts from individuals, banking companies, &c. were 79,593,870.97 dollars; leaving a surplus of 42,296,920.77 dollars, showing the stability of the bank to be equal to that of any institution of the sort in the world. — (*Report to Secretary of Treasury on Affairs of the Bank of the United States*, Dec. 4. 1832.) The charter of the bank expires in 1836. A bill for its renewal passed both houses of Congress in 1832, but was rejected by the President. The probability, however, seems to be, that the measure will still pass. Of its expediency no reasonable doubt can be entertained.

The establishment of the Bank of the United States has been of material service, by affording a currency of undoubted solidity, readily accepted in all parts of the Union. At the period when it was organised, nothing could be in a less satisfactory condition than the paper currency of the United States; in fact, with the exception perhaps of England and Ireland, they have suffered more than any other country from the abuse of banking. In 1814, all the banks south and west of New England stopped payment; and it appears, from the official returns, that in all, no fewer than 165 banks were in this predicament between the 1st of January, 1811, and the 1st of January, 1830! It is of importance to observe, that most of these banks were joint stock companies. At present, indeed, there are no strictly private banking companies in the United States. They are *all* incorporated by law, with a fixed capital, the shareholders being only liable in most cases, though not uniformly, to the extent of their shares. They all issue notes of 5 dollars; but the issue of notes of a lower value has been forbidden in Pennsylvania, Maryland, and Virginia. A good deal has been said in this country of the flourishing state of the New England banks, particularly those of Massachusetts, and they have been held up as a model for our imitation. But, bad as our system of country banking undoubtedly is, we should be exceedingly sorry to see any attempt made to improve it, by the adoption of even the best parts of the American system. Among other regulations, an act of the legislature of Massachusetts provides that no bank for the issue of notes can go into operation in any way, until at least half its capital stock shall be paid in gold and silver into the bank, and be actually existing in its coffers; and the cashier of every bank is bound to make specific returns once a year of its debts and assets, on being required to do so by the secretary of state. But such regulations are found, in practice, to be nearly if not wholly worthless. Instances have occurred of banks having borrowed an amount of dollars equal to half their capital, for a single day; and of such dollars having been examined by the commissioners appointed for that purpose, and reported by them, and *sworn by a majority of the directors* to be the first instalment paid by the stockholders of the bank, and intended

to remain in it! — (*Gouge's Paper Money and Banking in the United States*, part ii. p. 157.) We do not, of course, imagine that such disgraceful instances can be of common occurrence; but a system which permits of frauds of this sort being perpetrated under cover of authority, must be altogether vicious. The publicity, too, to which the banks are subject, is injurious rather than otherwise. They know when they are to be called upon to make their returns; and in order to render them as favourable as possible, they are in the habit, for a month or two previously, of narrowing their discounts, to the great inconvenience of those with whom they deal; and endeavour by every means in their power, through temporary loans, and all manner of devices, to swell the amount of bullion in their coffers on the day of examination. If the banks were obliged to make regular weekly or even monthly returns of their situation, they might afford some little useful information; but it is abundantly obvious, that that which is derived from the present returns must be, even when not so intended, misleading and deserving of very little attention. The truth cannot be too often repeated, that it is quite impossible ever to organise secure banks of issue, — and it is with such only that the legislature has any right to interfere, — except by obliging them to give security for their notes. Every other scheme, how carefully soever it may be devised, is sure in the end to prove nugatory and to be defeated. That part of the American system which limits the responsibility of the partners in a bank to the amount of their shares, seems to us to be in the last degree objectionable. It affords a strong temptation to the commission of fraud, and we have yet to learn that it possesses a single countervailing advantage. We have been assured by those well acquainted with the facts, that it has been productive of the most mischievous consequences. Six of the Massachusetts banks, having, or professing to have, a capital of 800,000 dollars, failed between the 1st of January, 1811, and the 1st of July, 1830.

We subjoin an official abstract of the state of the 84 banks existing in Massachusetts, on the first Saturday of August, 1832.

Abstract Account of the Massachusetts Banks.

	Dollars.		Dollars.
Capital stock paid in - - -	24,520,200 00	Bills of banks in this State - -	1,027,362 03
Bills in circulation - - -	7,122,836 00	Bills of banks elsewhere - -	174,568 62
Nett profits on hand - - -	1,031,900 16	Balances due from other banks -	2,307,784 26
Balances due to other banks -	1,993,904 15	Due to the banks, excepting bal-	38,889,727 24
Cash deposited, &c., not bearing interest - - -	2,938,970 33	ances - - -	
Cash deposited, bearing interest -	6,208,584 61	Total resources of the banks -	44,042,006 54
Due from the banks - - -	43,996,900 00	Amount of last dividend - -	689,275 00
Gold, silver, &c. in banks - - -	902,905 73	— reserved profits - - -	436,708 74
Real estate - - -	738,612 64	Debts secured by pledge of stock -	944,761 73
		— due, and considered doubtful	211,914 78

Rate of dividend on amount of capital of the banks, as existing when dividend was made, 3 1/2 per cent.

Mr. Gallatin has given the following account of the number and capital of the banking establishments existing in the United States on the 1st of January, 1830: —

States.	Number of Banks.	Capital.	States.	Number of Banks.	Capital.
		Dollars.			Dollars.
Massachusetts - - -	66	20,420,000	North Carolina - - -	3	3,195,000
Maine - - -	18	2,050,000	South Carolina - - -	5	4,631,000
New Hampshire - - -	18	1,791,670	Georgia - - -	9	4,203,029
Vermont - - -	10	432,625	Louisiana - - -	4	5,665,980
Rhode Island - - -	47	6,118,397	Alabama - - -	2	643,503
Connecticut - - -	13	4,485,177	Mississippi - - -	1	950,600
New York - - -	37	20,083,353	Tennessee - - -	1	737,817
New Jersey - - -	18	2,017,609	Ohio - - -	11	1,454,386
Pennsylvania - - -	33	14,609,963	Michigan - - -	1	10,000
Delaware - - -	4	830,000	Florida - - -	1	75,000
Maryland - - -	13	6,250,495	Delaware - - -	2	
District of Columbia -	9	3,875,794			
Virginia - - -	4	5,571,100	Total - - -	330	110,101,898

For further information with respect to the banks of the United States, see the Report, 12th of February, 1820, of the Secretary of the Treasury (W. H. Crawford, Esq.) to Congress; the pamphlet of Albert Gallatin, Esq. on the Currency and Banking System of the United States, Philadelphia, 1831; *Gouge's Account of Paper Money and Banking in the United States*, &c. And for further details as to foreign banks, see BORDEAUX, CALCUTTA, CHRISTIANIA, COPENHAGEN, NAPLES, &c.

VII. BANKS FOR SAVINGS.

Are banks established for the receipt of small sums deposited by the poorer class of persons, and for the accumulation of such sums at compound interest. They are managed by individuals, who derive no benefit whatever from the deposits. All monies paid into any Savings Bank established according to the provisions of the act 9 Geo. 4. c. 92., are

ordered to be paid into the Banks of England and Ireland, and vested in Bank annuities or Exchequer bills. The interest payable to depositors is not to exceed $2\frac{1}{2}\%$ per cent. *per diem*, or $3\text{ l. } 8\text{ s. } 5\frac{1}{4}\text{ d.}$ per cent. *per annum*. No depositor can contribute more than 30 l. , exclusive of compound interest, to a Savings Bank in any one year; and the total deposits to be received from any one individual are not to exceed 150 l. ; and whenever the deposits, and compound interest accruing upon them, standing in the name of any one individual, shall amount to 200 l. , no interest shall be payable upon such deposit so long as it shall amount to 200 l. Since the establishment of this system in 1817, down to January, 1831, the sums received from depositors, and the interest accruing upon them, amounted to $20,760,228\text{ l.}$, of which the depositors had received, in principal and interest, $5,648,838\text{ l.}$; leaving, at the period in question, a balance due to the depositors of $15,111,890\text{ l.}$ The commissioners for the reduction of the national debt have the disposal of the sums vested in the public funds on account of Savings Banks.

The principle and object of these institutions cannot be too highly commended. In the metropolis, and many other parts of England, public banks do not receive small deposits, and upon none do they pay any interest. And even in Scotland, where the public banks allow interest upon deposits, they do not generally receive less than 10 l. But few poor persons are able to save so large a sum, except by a lengthened course of economy. The truth, therefore, is, that until Savings Banks were established, the poor were every where without the means of securely and profitably investing those small sums they are not unfrequently in a condition to save; and were consequently led, from the difficulty of disposing of them, to neglect opportunities for making savings, or if they did make them, were tempted, by the offer of high interest, to lend them to persons of doubtful characters and desperate fortunes, by whom they were, for the most part, squandered. Under such circumstances, it is plain that nothing could be more important, in the view of diffusing habits of forethought and economy amongst the labouring classes, than the establishment of Savings Banks, where the smallest sums are placed in perfect safety, are accumulated at compound interest, and are paid, with their accumulations, the moment they are demanded by the depositors. The system is yet only in its infancy; but the magnitude of the deposits already received, sets its powerful and salutary operation in a very striking point of view.

We subjoin a copy of the rules of the St. Paneras Savings Bank, which may be taken as a model for similar institutions, inasmuch as they have been drawn up with great care, and closely correspond with the provisions in the act 9 Geo. 4. c. 92.

1. *Management.* — This Bank is under the management of a president, vice-presidents, trustees, and not less than fifty managers, none of whom are permitted to derive any benefit whatsoever, directly or indirectly, from the deposits received, or the produce thereof. One or more of the managers attend when the Bank is open for business.

2. *Superintending Committee.* — A committee of not less than ten managers, three of whom form a quorum, is empowered to superintend, manage, and conduct the general business of this Bank; to add to their number from among the managers; to fill up vacancies in their own body, and to appoint a treasurer or treasurers, agent or agents, auditors, an actuary and clerks, and other officers and servants, and to withdraw any such appointments, and to appoint others, should it be considered necessary so to do. — The proceedings of this committee are regularly laid before the general meetings of the Bank.

3. *Elections.* — The superintending committee is empowered to add to the number of managers, until they amount to one hundred and twenty, exclusively of the president, vice-presidents, and trustees. And any vacancies of president, vice-presidents, and trustees, are to be filled up at a general meeting.

4. *General Meetings.* — A general meeting of the president, vice-presidents, trustees, and managers of this Bank shall be held once a year, in the month of February. The superintending committee shall lay before every such meeting a report of the transactions of the bank, and state of the accounts. The superintending committee for the succeeding year shall be elected at such general meeting; and failing such election, the former committee shall be considered as reappointed.

5. *Special Meetings.* — The superintending committee are authorised to call special general meetings when they think proper; and also, on the requisition of any ten managers, delivered in writing to the actuary, or to the manager in attendance at the Bank; and of such meeting seven days' notice shall be given.

6. *Liability of Trustees, Managers, Officers, &c.* — No trustee or manager shall be personally liable except for his own acts and deeds, nor for any thing done by him in virtue of his office, except where he shall be guilty of wilful neglect or default; but the treasurer or treasurers, the actuary, and every officer intrusted with the receipt or custody of any sum of money deposited for the purposes of this Institution, and every officer, or other person, receiving salary or allowance for their services from the funds thereof, shall give good and sufficient security, by bond or bonds, to the clerk of the peace of the county of Middlesex, for the just and faithful execution of such office or trust.

7. *Investment and Limitation of Deposits.* — Deposits of not less than *one shilling*, and not exceeding *thirty pounds* in the whole, exclusive of compound interest, from any one depositor, or trustee of a depositor, during each and every year ending on the 20th of November, will be received and invested, pursuant to 9 Geo. 4. c. 92. s. 11., until the same shall amount to *one hundred and fifty pounds* in the whole; and when the principal and interest together shall amount to *two hundred pounds*, then no interest will be payable on such deposit, so long as it shall continue to amount to that sum. But depositors, whose accounts amounted to, or exceeded, *two hundred pounds*, at the passing of the said act, on the 25th of July, 1828, will continue to be entitled to interest and compound interest thereon.

8. *Interest to be allowed to Depositors.* — In conformity with the 24th clause of the 9 Geo. 4. c. 92., an interest at the rate of $2\frac{1}{2}\%$ per cent. per day, being $3\text{ l. } 8\text{ s. } 5\frac{1}{4}\text{ d.}$ per cent. per annum (*the full amount authorised by the said act*), will be allowed to depositors, and placed to their accounts as a cash deposit, in the month of November in each year. Depositors demanding payment of the whole amount of their deposits in this Bank, will be allowed the interest due on such deposits up to the day on which notice of withdrawing shall be given, but no interest will be allowed, in any case, on the fractional parts of a pound sterling.

9. *Description and Declaration.* — Every person desirous of making any deposit in this Bank, shall, at

the time of making their first deposit, and at such other times as they shall be required so to do, declare their residence, occupation, profession, or calling, and sign (either by themselves, or, in case of infants under the age of seven years, by some person or persons to be approved of by the trustees or managers, or their officers), a declaration that they are not directly or indirectly entitled to any deposit in, or benefit from, the funds of any other Savings Bank in England or Ireland, nor to any sum or sums standing in the name or names of any other person or persons in the books of this Bank. And in case any such declaration shall not be true, every such person (or the person on whose behalf such declaration may have been signed) shall forfeit and lose all right and title to such deposits, and the trustees and managers shall cause the sum or sums so forfeited to be paid to the commissioners for the reduction of the national debt; but no depositor shall be subject or liable to any such forfeiture, on account of being a trustee on behalf of others, or of being interested in the funds of any Friendly Society legally established.

10. *Trustees on Behalf of others*. — Persons may act as trustees for depositors, whether such persons are themselves depositors in any Savings Bank or not, provided that such trustee or trustees shall make such declaration on behalf of such depositor or depositors, and be subject to the like conditions in every respect, as are required in the case of persons making deposits on their own account, and the receipt and receipts of such trustee or trustees, or the survivor of them, or the executors or administrators of any sole trustee, or surviving trustee, with or without (as may be required by the managers) the receipt of the person on whose account such sum may have been deposited, shall be a good and valid discharge to the trustees and managers of the Institution.

11. *Minors*. — Deposits are received from, or for the benefit of, minors, and are subject to the same regulations as the deposits of persons of 21 years of age and upwards.


12. *Friendly and Charitable Societies*. — Friendly Societies, legally established previous to the 25th of July, 1828, may deposit their funds through their treasurer, steward, or other officer or officers, without any limitation as to the amount. But Friendly Societies formed and enrolled after that date, are not permitted to make deposits exceeding the sum of 300*l.*, principal and interest included; and no interest will be payable thereon, whenever the same shall amount to, or continue at, the said sum of 300*l.* or upwards.

Deposits are received from the trustees or treasurers of Charitable Societies, not exceeding 100*l.* per annum, provided the amount shall not at any time exceed the sum of 300*l.*, exclusive of interest.

13. *Deposits of Persons unable to attend*. — Forms are given at the office, enabling persons to become depositors who are unable to attend personally; and those who have previously made a deposit, may send additional sums, together with their book, by any other person.

14. *Depositors' Book*. — The deposits are entered in the books of the Bank at the time they are made, and the depositor receives a book with a corresponding entry therein; which book must be brought to the office every time that any further sum is deposited, also when notice is given for withdrawing money, and at the time the repayment is to be made, so that the transactions may be duly entered therein.

15. *Withdrawing Deposits*. — Depositors may receive the whole or any part of their deposits on any day appointed by the managers, not exceeding fourteen days after notice has been given for that purpose; but such deposits can only be repaid to the depositor personally, or to the bearer of an order under the hand of the depositor, signed in the presence of either the minister or a churchwarden of the parish in which the depositor resides, of a justice of the peace, or of a manager of this Bank.

 *The Depositor's Book must always be produced when notice of withdrawing is given.*

16. *Money withdrawn may be re-deposited*. — Depositors may withdraw any sum or sums of money, and re-deposit the same at any time or times within any one year, reckoning from the 30th day of November, provided such sum or sums of money re-deposited, and any previous deposit or deposits which may have been made by such depositor in the course of the year, taken together, shall not exceed, at any time in such year, the sum of 300*l.*, additional principal money bearing interest.

17. *Return or Refusal of Deposits*. — This Bank is at liberty to return the amount of the deposits to all or any of the depositors, and may refuse to receive deposits in any case, where it shall be deemed expedient so to do.

18. *Deposits of a deceased Depositor exceeding Fifty Pounds*. — In case of the death of any depositor in this Bank, whose deposits, and the interest thereon, shall exceed in the whole the sum of fifty pounds, the same shall only be paid to the executor or executors, administrator or administrators, on the production of the probate of the will, or letters of administration.

19. *Deposits of a deceased Depositor not exceeding Fifty Pounds*. — In case a depositor in this Bank shall die, whose deposits, including interest thereon, shall not exceed the sum of fifty pounds, and that the trustees or managers shall be satisfied that no will was made and left, and that no letters of administration will be taken out, they shall be at liberty to pay the same to the relatives or friends of the deceased, or any or either of them, or according to the statute of distribution, or require the production of letters of administration, at their discretion. And the Bank shall be indemnified by any such payments from all and every claim in respect thereof by any person whatsoever.

20. *Certificate*. — In all cases wherein certificates shall be required of the amount of deposits in this Bank belonging to depositors therein, for the purpose of obtaining, free of stamp duties, a probate of will, or letters of administration, such certificate shall be signed by a manager, and countersigned by the actuary for the time being, as a true extract from the Ledger of the Institution.

21. *Arbitration of Differences*. — In case any dispute shall arise between the trustees or managers of this Bank, or any person or persons acting under them, and any individual depositor therein, or any trustee of a depositor, or any person claiming to be such executor, administrator, or next of kin, then, and in every such case, the matter so in dispute shall be referred to the barrister at law appointed by the commissioners for the reduction of the national debt, under the authority of the 9 Geo. 4. c. 92. s. 45; and whatever award, order, or determination shall be made by the said barrister, shall be binding and conclusive upon all parties, and shall be final, to all intents and purposes, without any appeal.

Purchase of Government Annuities by Depositors in Savings Banks. — The act 2 & 3 Will. 4. c. 14. enables depositors in Savings Banks and others to purchase government annuities for life or for years, and either immediate or deferred. At present these annuities are limited to 20*l.* a year. The money advanced is returnable in case the contracting party does not live to the age at which the annuity is to become payable, or is unable to continue the monthly or annual instalments. That this measure was benevolently intended, and that it may be productive of advantage to many individuals, cannot be doubted; but we look upon all attempts, and particularly those made by government, to get individuals to exchange capital for annuities, as radically objectionable; and as being subversive of principles which ought to be strengthened rather than weakened. — (See FUNDS.)

Summary of Savings Banks, &c. in England, Wales, and Ireland, November, 1832.

In <i>England</i> there were, on the 10th of November, 1832, 384 Savings Banks : of these, 7 have made no return, the remaining Banks contain,				In <i>Wales</i> there were on the 10th of November, 1832, 22 Savings Banks : 1 has made no return; the remaining Banks contain,			
Depositors.			Amount.	Depositors.			Amount.
£	No.	£		No.	£		
Under 20 - - - -	195,035	1,410,792		Depositors - - - -	10,274	322,573	
— 50 - - - -	102,536	3,146,753		Friendly Societies - - - -	167	23,385	
— 100 - - - -	47,903	3,235,083		Charitable ditto - - - -	53	3,836	
— 150 - - - -	17,031	2,042,425		Accounts - - - -	10,594	349,794	
— 200 - - - -	7,908	1,338,233		Average amount of each deposit in <i>Wales</i> , 11.			
Above 200 - - - -	3,756	930,953		In <i>Ireland</i> there were, on the 10th of November, 1832, 77 Savings Banks : 7 have made no return; the remaining Banks contain,			
			574,169	12,161,607*			
Friendly Societies - - - -	4,162	623,273					
Charitable ditto - - - -	1,996	131,148					
Accounts - - - -	380,327	12,916,028					
Average amount of each deposit in <i>England</i> , 321.							
* This is the amount given in the table whence this abstract has been taken, but it does not quite agree with the items.							

Grand Total in England, Wales, and Ireland, on the 10th of November, 1832.

Savings Banks.	Accounts.	Amount.	Average Amount of each Deposit.
483	429,400	£ 14,311,647	£ 30

(From the Statistical Table compiled by John Tidd Pratt, Esq.)

BANGKOK, the capital of the kingdom of Siam, situated about 20 miles from the sea, on both sides of the river Menam, but chiefly on its left or eastern bank, in lat. $13^{\circ} 40'$ N., long. $101^{\circ} 10'$ E. The Menam opens in the centre nearly of the bottom of the Gulf of Siam. There is a bar at its mouth, consisting, for the most part, of a mud flat 10 miles in depth. The outer edge of this flat, which is little more than 200 yards broad, is sandy and of harder materials than the inner part; which is so soft, that when a ship grounds on it during the ebb, she often sinks 5 feet in the mud and clay, which supports her upright, so that she is but little inconvenienced. The highest water on the bar of the Menam, from February to September, is about $13\frac{1}{2}$ feet; and in the remaining 4 months, somewhat more than 14 feet,—a difference probably produced by the accumulation of water at the head of the bay after the south-west monsoon, and by the heavy floods of the rainy season. On account of the deficiency of water on the bar, vessels sent to Bangkok had better, perhaps, not exceed 200 or 250 tons burden. In all other respects, the river is extremely safe and commodious. Its mouth is no sooner approached, than it deepens gradually; and at Paknam, two miles up, there are 6 and 7 fathoms water. This depth increases as you ascend, and at Bangkok is not less than 9 fathoms. The only danger is, or rather was, a sand bank off Paknam, bare at low water; but on this a fort or battery has been erected within the last few years, affording at all times a distinct beacon. The channel of the river is so equal, that a ship may range from one side to another, approaching the banks so closely that her yards may literally overhang them. The navigation is said to be equally safe all the way up to the old capital of Yuthia, 80 miles from the mouth of the river.

The city of Bangkok extends along the banks of the Menam to the distance of about $2\frac{1}{2}$ miles; but is of no great breadth, probably not exceeding $1\frac{1}{2}$ mile. On the left bank there is a long street or row of floating houses; each house or shop, for they are in general both, consisting of a distinct vessel, which may be moored any where along the banks. Besides the principal river, which at the city is about a quarter of a mile broad, the country is intersected by a great number of tributary streams and canals, so that almost all intercourse at Bangkok is by water. The population has been computed at 50,000 or 60,000, half of whom are Chinese settlers.

The total area of the kingdom of Siam has been estimated at 190,000 square miles, and the population at only 2,790,500, principally resident in the rich valley of the Menam. Of the entire population, it is supposed that not less than 440,000 are Chinese. The common necessities of life at Bangkok are exceedingly cheap. A cwt. of rice may always be had for 2s. and very often for 1s. Other necessities, such as salt, palm-sugar, spices, vegetables, fish, and even flesh, are proportionally cheap. The price of good pork, for example, is $2\frac{1}{2}d.$ per lb. A duck may be had for 7d. and a fowl for 3d. The neighbourhood of Bangkok is one of the most productive places in the world for fine