

An Unfinancial Chat on the

Bank of England

by

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delivered from IYA

STEPPING into the Bank there is much that would hold the attention of the casual visitor or sight-seer. The gate porters in their bright uniforms, the Bank Garden with its beautiful War Memorial, of which more anon, to the bullion vaults. What thoughts they conjure up these days, and what scenes were enacted there in the years 1914-1918 and after! But if you were looking for sensation how disappointed you would be. No military procession to safeguard bullion movements through the streets of London. However necessary in some parts of the world, London has no need of them.

Yes, the gold is kept in vaults without any of the frills of popular imagination. Guarded? Yes, of course, in the day by the staff in the course of its duties—at night by what is known as the nightly watch, composed of trusted senior officials, with a military guard in charge of the whole building.

Were you to be admitted you would see the officials handling gold much as a grocer handles sugar. Scales, accurate enough to weigh a single hair of your head, are employed to weight the ingots, which reach their resting-place here in the Bank—from all quarters of the globe, including our own Dominion.

And banknotes, too! A whole volume could be written on the romantic story of the Portal family, the manufacturers of the banknote paper; of how they left France after the Revocation of the Edict of Nantes, preferring friendly exile coupled with freedom of thought and belief to the religious despotism of their native land. The privileged visitor would be shown the banknote for £1,000,000—one piece of paper representing a million of good English money.

Were one privileged to accompany the visitor through the old corridors and offices now no more—later on I propose having a chat with you on the building which has superseded that to which I refer now—one could point you to the scenes which have played so great a part in the country's—yes, and Empire's—affairs in the past.

Here, for instance, in the front courtyard gathered the crowds during the few days prior to August 4, 1914, anxious to turn their banknotes into cash, fearful lest the Bank might disappoint them. The Bank disappointed no one, but did what it is very rarely called upon to do—it kept its pay hall open long after normal hours until everyone was paid out on that famous Saturday, August 2, 1914.

It was here, too, that the peregrinations of the Zeppelin raiders over London in September, 1915, were watched by members of the Bank's staff. Antwerp had received the unwelcome attentions of these nocturnal prowlers some time before. Invade London? Never—it could not be done.

The bombs dropped in the vicinity told of the serious intent of the air attack on the Bank, however, but never a bomb reached its intended mark. During this and many subsequent raids over London, the Bank escaped being hit, although some shots might almost be recorded as "inners," to use the words of the professional marksman.

How many listeners, who were in London in 1914, will remember the invasion of the Belgian refugees, fleeing before the oncoming German armies? With their savings-banks' books they, too, found their way to the Bank to withdraw their savings, a curious scene in which everyone—directors and staff alike—gave of their best to relieve the distress of these homeless wanderers.

Here is the counter where a stocking holding £200 in gold was produced from under the wearer's clothes to buy some War Stock and so help the Old Country during its period of stress, the mention of which reminds me of the lady who during the war wrote in saying that she would like to buy some stock, but that her back garden was too small and she didn't know where she could put it!

THERE was the lady, too, to whom the terms conversion and power of attorney could have meant but very little—if anything—who, keen to help as far as she was able, wrote in asking for a "conversation" form, inquiring at the same time whether a power of eternity was necessary to enable her to comply with the terms of the Conversion Loan.

Speaking of investments, however, the palm goes, I think, to the Scotsman who deposited all his savings in a bank (not the Bank of England, of course) which offered something like 10 per cent. per annum on fixed deposits—this at a time when gilt-edged investments were paying about 2½ to 3 per cent. This bank had its offices not very far from the New Zealand High Commissioner's present offices in the Strand. Ten per cent.! Yes, every (Continued on page 23.)

