

GREAT BRITAIN'S MIGHTY BANK

FOUNDED BY WILLIAM PATTERSON, OF BOSTON, THE FIRST "AMERICAN INVADER."

LONDON, June 28.—I was taken over the Bank of England today by its secretary and shown the enormous funds on hand in bullion and notes. I had a letter from our Secretary of the Treasury to the Governor, and had called with the hope that I might have an interview with him on the American invasion and other matters relating to the financial condition of this richest empire of Europe. The Governor, however, for obvious reasons, gives no interviews to the newspapers. His opinion might create a rise or fall of stocks and, therefore, he has to be careful of his utterances.

The Bank of England is perhaps the chief financial institution of the world. It is a private corporation, but it has since its organization been the depository of the Government funds. It has much to do with financing the Government debt and it might be called the National Bank of Great Britain. The bank is now 208 years old. It was founded on the 27th of July, 1694, by an American. His name was William Patterson and he was born in Scotland, but he got the foundation of his fortune on this side of the Atlantic. He came from Bristol, England, to the New World to seek for fortune. He settled in the province of Massachusetts Bay. He lived some time at Boston, and at one time was a merchant and shipowner there. From Boston he sent out privateers to prey upon the ships of countries then at war with Great Britain, and also had ships trading with the Bahamas. He was married in Boston, and later on left there and settled in London.

The First American Invader.
Mr. Patterson might be called the first American invader, for he was the first to take capital, made in America, and use it in Great Britain. He had in his character many of the elements of Pierpont Morgan, and he saw his chance to make money out of the British Government, which was then financially crippled by its wars with France. The Government wanted money, and Patterson saw that it could give exclusive banking privileges to an institution which would furnish a permanent loan at a reasonable rate. He organized a combination of some of the chief British merchants, backed by a capital of \$5,000,000, and offered to loan this amount to the Government at the then low rate of 8 per cent per annum, on the condition that the Government would give the combination a charter to deal in bills of exchange, bullion and bonds, and pay it \$200,000 a year for handling the Government debt. This offer was accepted and the Bank of England was born. Mr. Patterson was one of the original directors, and during his life the bank became firmly established.

The institution was a prosperous one from its start. The Government steadily increased its commitments with it, and today it owes the bank about 10 times as much as when it was founded, although the interest rate has fallen from 8 per cent to 2 1/2 per cent per annum.

Bank of England Notes.
During my trip through the bank I spent some time in the printing department watching them make the Bank of England notes. The scenes there are much the same as in our bureau of engraving and printing at Washington, save that the paper is different. Our bank note paper has a grayish tinge, with silk threads of different colors running through it. The English bank note paper is as white as the whitest parchment. It has a sort of transparency, and it is exceedingly fine and remarkably strong. It is made of pure linen rags by a secret process in paper mills which do nothing else. The paper is the same today as it has been for 30 years, and it is almost impossible to imitate it.

The notes are almost square. There is no lath upon them. They are printed in jet black ink, and the printing machines are such that they number the notes in the same order. The numbering is done automatically, so that the notes of each bundle of 10,000 are in their natural order when they are taken away. The smallest notes now printed are those for 25, and the largest for £100. The paper is so thin that in the bank vaults where bundles of notes are kept I was able to hold a million pounds worth of them in my two hands. This amount represented a value of \$5,000,000, and it did not weigh more than a score of the Sunday edition of the Oregonian. It made me feel like a millionaire, but the feeling was momen-



William Patterson the First American Invader Who founded the Bank of England

tary, for the doors were carefully guarded and the officials of the bank who stood about me were lusty fellows, who would have certainly resisted any attempt at departure with the valuable paper. The notes, in fact, weigh only 1/25 grain to the note, and yet they are so strong that a single sheet of the paper of which they are made will support 50 pounds weight without tearing.

All notes are destroyed after they are redeemed, but they are kept a certain time in order that any question concerning their ownership in the past may be traced.

The Center of Financial London. Royal Exchange in front with Bank at Left.

Issuing of fresh notes. The Bank of England notes are usually redeemed with gold, gold sovereigns being shovelled out in scoops just like the little shovels our grocers use for sugar. The gold is not counted, but is weighed, the tellers knowing just how many sovereigns go to the ounce or pound. The notes are canceled by tearing a piece out of a corner of each, and are then filed away in the bank note catacombs in boxes for a period of five years. At the end of this time they are burned.

I went down into the bullion vaults. These look much like those of the mint at Philadelphia. In them are great piles of gold bricks and gold pigs, which are sent in from the mines of all parts of the world. I saw gold from Australia, South Africa, India and the United States, and the man told me that it was almost absolutely pure. I saw also great vaults in which are gold sovereigns in bags, each holding several quarts. The bags are piled up like so much grain, and the means of protecting them does not seem to be as good as those of the Treasury at Washington. I do not remember the exact amount of bullion on hand, but it is probably less than we have in our own Treasury Department, for the flood of gold is now coming our way.

I have spoken of the Bank of England as a private bank. If you have the right kind of an introduction you can open an account in it, but you have to keep enough money on deposit to make it pay the bank for its business. The officials estimate that each account must yield 12 cents to the bank for every check cashed throughout the year, so if you issue a thousand checks the bank will have to make at least \$120 of you or it will refuse to keep your account. There are now about 5000 private accounts carried, and the private deposits average about \$100,000.00.

A large part of the business of the bank is in handling the Government debt. I saw the clerk paying out dividends in the dividend room. Here are Government securities of all kinds, and the stockholders come to cash their coupons. It is estimated that there are 600 persons who own such stocks, and a large number of them come here in person for their money. The interest paid out amounts to more than \$5,000,000.00 a year, and a good part of it is now going to Americans, as they have but lately been investing in English Government securities.

And does the big Bank of England ever have a run upon it? Yes, indeed! This has been the case in times of panic, and there have been instances when the bank had to suspend specie payments. It did so during the first year of its existence. The Government had called in the silver to have it recoined, and the bank was hard up for currency. Its stock went down from 110 to 82, and its directors issued a call of 20 per cent on the shareholders. The bank suspended specie payments from 1871 to 1875, and when it resumed it had about \$100,000,000 worth of gold and silver to begin with. There have been times when it has paid out depositors in shillings and sixpences in order to gain time to get money to meet its obligations, and once at least it had a line of its own men who accepted such silver payments and deposited them again as fast as they were received, so that a continuous stream of the same silver flowed in and out of the bank while the depositors waited. At one time a depositor demanded \$15,000 in gold coin, and at another the strain was so great that some of the richest of the English nobility drove to the bank in coaches filled with golden guineas, which they deposited to help the bank meet its demands.

I spent some time in the council room where the directors meet and in the library chatting with the secretary about



A Five-pound Bank of England Note.



The Center of Financial London. Royal Exchange in front with Bank at Left.

the government of the bank. It has a governor, a deputy governor and directors. The governor receives \$10,000 a year and each of the directors is paid \$500. The governor is usually chosen from one of the directors, and on the average he is about 20 years in the directorate before he is elevated to the office of governor.

The capital of the bank is at present a little less than \$75,000,000, and its dividends last year were about 10 per cent. The notes now in circulation amount to more than \$150,000,000, and there are something like \$110,000,000 worth of notes on hand. The bank has \$125,000,000 worth of gold and silver, and the notes are almost altogether in such a condition that those holding it stock and notes are not lying awake at night for fear of its insolvency.

Guarded at Night by Soldiers.
Under the management of the funds is indeed such restrictions that it would be impossible for the officials to make away with them, and the vaults and officers are guarded by policemen and watchmen by day and by a company of soldiers at night.

Even the shrewdest of our American financiers could hardly make their way into the Bank of England. Nevertheless some of the greatest frauds which have been perpetrated upon it were by Americans.

You may have heard of the forgeries of George Bidwell and his brother Austin, who together with McDonald and Hill created such a sensation here about 20 years ago. These four men forged notes upon the Bank of England to the amount of a million dollars and got away with the money, although they were afterward arrested.

Forgeries of Half a Million.
These men were crooks from New York who came to London with a capital of \$50,000. George Bidwell was the forger,

but the others helped him carry out the scheme.

The bank, you know, has its branches all over until the bank grew into a wealthy American. The bank, you know, has its branches all over until the bank grew into a wealthy American. The bank, you know, has its branches all over until the bank grew into a wealthy American. The bank, you know, has its branches all over until the bank grew into a wealthy American.

Other genuine notes were brought in and discounted in the same way. This was kept up until the bank grew accustomed to discounting Rothchilds' notes and then Bidwell began to forge such notes. He showed them in by the bushel and took out gold to the amount of half a million dollars in exchange. The most of this money he took away in gold coin, which was carried off to the rented house near by. He would have gotten perhaps a million dollars more had not Hill, one of his confederates, omitted to fill in a date on one of the notes. This caused suspicion and the forgers were discovered. They had time to flee, but sooner or later they were all arrested and imprisoned.

McDonald and Hill were kept in prison for life, but Austin and George Bidwell were pardoned on the ground of ill-health. They were released and came back to the United States.

I don't know that either was able to save anything from his stealings. The greater part of McDonald's share fell, it is said, in Scotland, and I think that named Irving, who McDonald claimed, had agreed to allow him to escape if he would turn the money over to him. George Bidwell had to give up his share when he was taken to Scotland, and I think that \$200,000 of the money was captured in the shape of United States Government bonds which had been bought in London and sent to New York in a trunk of dirty linen.

Fraud in Counterfeit Notes.
It is hard to counterfeit the Bank of England notes, not only on account of the paper and ink, but also of the care which is used by the bank to trace the note. Every note that comes into the bank must be indorsed, although it is doubtful whether such an indorsement could be enforced, as the notes are payable to bearer. You may have heard the story of how the bank refused to cash one of its own notes for Pierpont Morgan a few months ago. The story goes that Mr. Morgan presented the note and asked that it be exchanged for gold. The cashier requested him to write his name on the back, but he refused, saying that the note was to bearer and as it was genuine the bank should cash it without indorsement. Upon the cashier persisting, Mr. Morgan said he would let the note go to protest, whereupon the banker threw up his hands in holy horror and refused to protect the Bank of England. He was about to hand over the money when Mr. Morgan as a favor wrote his name across the back of the note.

How the Bank was Bluffed.
There are few financial institutions which can afford to have a question raised as to their solvency. Even the Bank of England doesn't want its notes to go to protest, and it is sensitive as to its reputation. I was told at the bank how a Jew once bluffed the officials into paying some notes which the bank officers knew were stolen.

The Jew was a man of wealth, and was well known in the stock exchange. He had bought \$100,000 worth of Bank of England notes from a clerk who had been employed in one of the banks of the Continent, but who had absconded with this part of the bank's funds. When the notes were presented the officials refused to cash them, but the Jew at once took them with him to the stock exchange, and there proclaimed that the Bank of England had stopped payment. He said it had refused to honor its own bills for \$100,000, and he showed the notes in corroboration of his statement. He said he would continue to publish the fact that the bank was insolvent, and thereby almost created a panic. The excitement was such that a million dollars and got away with the money, although they were afterward arrested.

FRANK G. CARPENTER. (Copyrighted, 1902.)

THE TURNING OF THE TIDE

HOW FORGETFULNESS AFFECTED A COLUMBIA RIVER FISHERMAN BY JOHN FLEMING WILSON

JAN VRAGNIZAN stood among the net-racks on the pier and watched his boat-puller in the water below. To his eyes, the young man was more than ordinarily deft and neat-handed. To be sure, he never had had one who was not quite up to the standard, for he, Jan Vragnizan, was noted on the Columbia for his success in fishing, and he had always had his pick of men. In a dull way he somewhat resented this effective activity on the part of Dravhan, and he raised his eyes to view the sky.

The Washington hills were steeped in low-lying clouds, and the reflection in the water was ruffled by a gusty south wind. His glance ran down past Deadwood Sands and Scarborough Head to the Bar, which, under the fitful afternoon sun, gleamed into momentary visibility and then disappeared as though it had fallen back over the edge of the world.

"A bad night, Dravhan," he rumbled, hoarsely.

The boat-puller straightened himself up and glanced seaward. "Aye, sir; wind," he responded, slowly.

His captain strode heavily forward to the edge of the wooden platform. His great leathern boot-tops waggled about his massive thighs, and across his bulging middle the narrow belt sank as he breathed deeply. "Emore's boats are out," he said. "Get started."

Again the boat-puller looked up and there was a frown on his face. "How long do we stay out?" he inquired, shortly.

surge caught boat W 93 full in the swelling side. Jan Vragnizan threw off the tarpaulin and began that wearisome, back-breaking toil of throwing out the net while Dravhan pulled slowly away, and the corks bobbed into a wavy lengthening line on the troubled face of the river.

When all was out, and 903 rode at the end of the seemingly interminable net, the two men stowed the mesh and corks. Then they fell upon their coarse supper, gazing between huge mouthfuls, at the fiery setting sun. The chill wind of evening freshened and, as night fell over them, there flamed out, as stars into the sky, the faring coffee lights of a thousand boats riding to a thousand nets.

After the meal they lit their pipes and sat brooding, wordless, beaten by the shrewd wind, showered upon by the endless flocks of birds, stirred ceaselessly by the second river. And as their slow eyes opened over the shadows about them, they thought laboriously, jealousy, yet almost bravely, weaving into a coarse web of clotted reverie the basest facts of life.

And while they meditated, they forgot the 2000 fishers who rose and fell in the boats that slept unasily upon this same expanse of sea-tainted water.

Dravhan figured again the tide for the next day, striving to shorten the frigid hours that must elapse before he could once more see Helma Vragnizan, the shapely daughter of his captain. He had much to solve; problems lay like tangled seaweed over his cumbersome, rock-like purpose. He knew, as a man knows when a blow strikes him, that her father begrudged him possession. He felt that he was contending with some unseen passion in Jan Vragnizan's breast; yet through all overlying of circumstance he felt an elemental, moving, impregnable emotion. He had never defined it clearly, succinctly, till that day on which an unknown spirit had prompted him to say to Helma: "I love you." And the more he mused upon that expression, the more lustily he felt that she would have to teach him, as a child is taught to put the sounds of letters into words, what that meant. Opposite him, his roughly carved face half-hidden by the overhang of his shapeless hat, crouched, bulky, Vragnizan, immobile, watchful, preponderant. His mind molded by aging habit was struggling as a man writhes within a strait-jacket. Strange flickers from his younger life started his dark consciousness in which lay invisible, even forgotten, masses of crude, impregnable experience. The river flares of the distant boats warned him into more usual fancies of meditation. But he, too, felt within him an elemental passion. It

rushed fluently upon him that he hated the man in front of him. And that flood of hate flowed, as he sullenly felt, between life and death.

Then the mechanical impulse of custom dulled the emotion, and he fumbled in his under-pockets for his "fish-book." His fingers seared by brine, he turned its reeking pages and reckoned his earnings for the season. Again there was the old result, a debt to the cannery of \$800 and over. To be sure, if the season kept up, if a good run came in, that balance would be wiped out. But the demand that had emptied his pockets before—He sighed uneasily and thrust the book back into its place. Helma was the one on whom he lavished his money; Helma, his daughter. And Dravhan would take her with that debt unpaid, and she—he cursed audibly—would go the object of his hard, somber, absorbing love loved another. And that other?

With a quiet word he roused the boat-puller, and said: "Wind up the alarm-clock. Give her three hours."

Dravhan slowly obeyed, and set the clock down in a tin basin under a seat. After a look abroad the captain laid himself down on the bottom grating, and with his head on a fold of sail lapped inside the breakers, where the water boiled with sand and to swim far in clothes is impossible. The time was well chosen. None saw; none heard.

As the deep-bellied craft rolled over in the trough of the foaming channel surge, the trough of the foam, the boat-puller Vragnizan came up from beneath, and, keeping one brassy hand on the keel, stared out and around. The net he had cut adrift long before, and he knew it would be picked up. Then, a score of yards away, a form rose on a sheer comb and disappeared. Jan Vragnizan wiped the salt from his mouth and whis-

pered a curse. His fumbling hand drew out a flask. With his teeth he pulled the cork and drained the liquor in audible gulps. Raising himself by a swift effort, he hung the empty bottle far out to where he had last seen the struggling boat-puller. Then with a raucous intake of his breath he dived under the boat.

The waves were blowing into day when the fifteen-inch crew from Point Adams put out into the chops and made fast to an upturned fishboat.

"Right her and ball her out," said the captain. "Maybe there's a body under her—poor devil!"

The men clambered over, and under their simultaneous effort boat W 933 tilted and swept upright. As the water washed into the bottom a coughing, snoring figure emerged from under the seats. It was Jan Vragnizan.

"You're a clever one!" gasped the captain. "How did you manage it?"

"There was no answer, only a sullen stare. "You just missed washing up on the spit," continued the captain. "Lucky for you you didn't."

Jan Vragnizan shook himself and stepped into the lifeboat. "Bad night," he said, briefly, without thanks, and she—he cursed audibly—would go the object of his hard, somber, absorbing love loved another. And that other?

"When the lifeboat towing W 903 reached the landing on the river beach, Jan Vragnizan stepped out and stretched himself. "Glad," he growled.

"Go and ask the steward," the captain said. "I'll make your boat fast here, and you can take her up on the tide."

Without a word the fisherman moved up the sand to the station. As he crossed the rise of the beach he came full upon a man sitting against a log in the sun. He halted, ponderously, a moment, and then spoke: "How did you get ashore, Dravhan?"

GEORGE ADE'S FABLE IN SLANG

OF THE PARLOR BLACKSMITH WHO COULD NOT PUT IT OVER THE PLATE, AND THE MORAL THERETO

ONCE there was a left-handed Society Selling-Plater who never landed in the Money.

Of all the Sexes that roam the Earth, his pick was the Feminine. He was very partial to the Women Folks. Even the Blondines who work 'The Toothpicks in the Rotunda, and the Fat Ones who talk Baby Talk, and the Chickadees who chew Gum on the Trolley, and the dark-eyed Duennas who forget to do up their Black Hair, and the Lumpy Ones who never go all the way around with the Powder Puff, and the Flitty Ones who give the Sourette Zip when they turn the Corner, and the Mopey Ones who wear Wrappers and eat Pickles, and the little Maude Freshes who turn out on Saturday Night looking for Drummers, and the Spindly Ones in Rainy-Day Skirts who lead Dogs, and a good many other who never get into the Gibson Pictures—they looked Purty Fair to him.

The last one out was always Number One with Philo, for such was the Name of Our Hero.

During many a long Afternoon when he should have been busy with the Books, Philo leaned back, combing his Mustache with a Steel Pen and looking at the Wall. He could see himself in a Cozy Corner under a Red Light. Beside him sat a Prize Beaut of the kind that makes a Star Feature for the Sunday Paper. She was holding him by the Hand and whispering, "You for Me, and nothing else going."

Almost every Nightfall he would change to a White Vest and splash himself with Violet Water. Then he would start out to see if he couldn't make the Lithograph come true.

Philo always had his Plan of Campaign ribbed up. He knew what he was going to say when she came breezing into the Front Room. Then when she had said so-and-so, as a playful Come-Back he would say something keen, apparently right off the Reel, and that would lead up to the Scene in the Cozy Corner.

Philo was always Letter Perfect at Rehearsals, but when it came to the Night Show he was a Scamp.

The Trouble was that the Little Lady never came back with the Right Cue. After about two Moves she would hand him

a Liner which he would Muff. Then for the next five Minutes he would be trying to rub the Varnish off the Chair, using himself for that Purpose.

Or perchance when he showed up with his Lamoo hidden under his Coat and his Soul steered to Determination, he would find two or three other Beaux on the Females, all organized to block him off by up stage reading a Magazine.

After being Frosted from Head to Foot, our Young Friend decided that one who would induce a Timid Girl to move over and be Chummy, must not go after her, but compel her to follow the Trail. Philo read in a Book costing \$1.18 at a Department Store that the blasé Man of the World who treated them with cold and smiling Indifference simply got them all worked up.

The Game plays out as follows: Cynical Ike, with the dark, piercing Eyes and the lines of a Great Sorrow marked on his Handsome Face, tells Dora that all Women are alike. This Talk goes best with a Turkish Cigarette. Dora tells him that he is Off. She says that there are Women in the World capable of Steadfast Love. Ike springs a pensive Sigh and says Ah, if he could believe it. Thereupon it is up to her to prove it or lose the Argument, and that's the Answer.

So Philo went around telling every one who would listen to him that Women are fickle ever. When he called he got as far down in the Chair as he could get and said cruel Things about the World of Fashion. He wanted to get away from all the vain Pretendings of Artificial Society. He would never Marry.

He worked this along the entire Chain of Boarding-Houses, and no one teased him to change his Mind. Some said that Philo had been given the Hooks and was Sore. In the Books all the well Lookers are supposed to get out and chase the Woman-Hater, but up in the 5th Ward where Philo resided, the Recipe was no good.

Accordingly he switched. The second time he went around telling every one the Young Fellow who simply keeps at the Girl and snoops around and plays House Dog until her Woman's Heart is touched by his Slavish Devotion. Philo began to camp out at the Home of a brunette. At the end of six days she shivered at the Sight of him. After he had been given

the Headache Answer three times in one Week he pulled down his Entry Money and, cooped the whole Scheme.

Once he attempted the Impetuous Line and the few at once took them out in the Stage. The Object is to nail the Girl without giving her a Chance to become acquainted and investigate. First or second meeting and then Speech about the head-ache, and then the Girl is seen to be—Arm around Waist before there is time to Jump—Bling!

One Moonlit Evening it was that \$25-a-week Philo with a vocabulary of five Words and a few phrases, and a girl with just one passionate Whirlwind that would carry her off her Feet.

He moved alongside, got a Split Infinitive crossed with a defective Adverb and died on every side of the floor. Inasmuch as she never stood for any Strong-Arm Plays until after the Fourth Call she decided that she had been insulted. She said that her Father would kill him. He took a short cut across the street and escaped into the Alley back of the Engine House. Fortunately she had other Callers that Evening and became so interested that she forgot to speak to Father.

Philo began to weaken on the Systems. Yet he knew there was some certain Way of going at it for he could see what was being pulled off all around him. Every Night when he was out scanning the Hammocks and Front Porches in order to spot his Destiny, he saw Whole Bunches of them snuggled together in the Twilight. He wondered how they managed to Last.

As for him, the Girl Proposition had him down and out.

If he kept quiet, he was a SticK. If he talked against time, he made Breaks. If he complimented other Girls, he lost his Number. If he toasted other Girls, he insulted her Dearest Friends.

If he tried to Coddle, she called for help. If he didn't, she would begin to Tawn about 9:30.

He had tried all known Methods that are supposed to be winners and he was still a thousand miles from the Cozy Corner.

One day he struck upon the Explanation of the whole sad State of Affairs. He decided that he was a Shell-Fish.

MORAL: Never play a system. (Copyrighted, 1902.)

There are 600 millionaires in the United States. New York State having more than any other. 1902; Massachusetts, 45, and Illinois 380. North Dakota is the only state that cannot boast of more than one.