

BANK OF ENGLAND.

Concluded from our last Page.

This last mentioned sum does not include the value of their building with all its fittings and furniture, estimated by the architect of the Bank to be worth the sum of 1,000,000.

In the foregoing account it will be seen that the Bank takes credit for 10,897,880, paid to trustees appointed by Act of Parliament for the purchase of an annuity of 555,740, per annum for the term of forty-four years from April, 1823. This annuity forms part of the operation, commonly known as the 'dead-weight annuity,' entered into by Government for equalizing the payment under the head of 'naval and military half-pay and pension,' the object of which was explained in the *Companion* for 1832, pp. 90 and 91. If reference is had to the amount of profits of the Bank for the year ending 25th of February, 1832, it will be seen that the profits upon this annuity is stated at £451,415, the difference between this sum and the amount of the annuity being considered as a sinking fund, to replace the amount advanced at the end of the term for which the annuity was originally granted. As a proof that the Bank Directors are warranted in taking credit for this sum, a return has been made of the present value of such an annuity, according to the calculation of Mr. Finlayson, the Government actuary, who values the same on the 12th of June, 1832, at the sum of 10,935,227, being a small sum beyond that stated in the balance-sheet of the Bank.

The amount of coin and bullion possessed by the Bank is liable to great fluctuation, as will appear from the following statement of the average amounts held in each year from 1815 to the present time:

Year ending 25 Feb. 2.	Year ending 25 Feb. 2.
1815 3,179,147	1824 12,606,963
1816 3,399,114	1825 11,858,595
1817 7,504,284	1826 4,521,702
1818 11,109,381	1827 6,607,576
1819 6,721,647	1828 10,201,253
1820 3,969,528	1829 9,640,000
1821 8,174,419	1830 7,285,000
1822 11,631,090	1831 10,322,000
1823 10,254,593	1832 6,839,000

Great are the variations exhibited in this statement, it yet does not give an adequate idea of the extent of fluctuation to which the coffers of the Bank are liable. On the 1st of January, 1824, the Bank possessed 14,100,000 of treasure; on the 1st January, 1825, it had 10,650,000. In the month of April following, it still had 10,000,000, but, by the month of November in the same year, their store was reduced to 1,800,000, from causes which were, doubtless, in a great degree unavoidable. Between the early part of 1822 and April, 1825, the Bank had increased its circulation to the extent of 4,000,000. The abundance of money thus thrown into the market engendered a spirit of speculation, and occasioned a general advance of prices, under which as a necessary consequence, the rates of exchanges fell, and recourse was had to bullion, as an article of export, in payment for foreign goods, and the Bank was drained to the extent above-mentioned. Before the month of November, 1825, a diminution of the circulation of the Bank had taken place, to the extent of 3,500,000. A general distrust seemed to pervade the whole country—the notes of country bankers were returned upon them in such a degree, that great numbers of these establishments failed. Commercial distress of the most appalling description ensued, so that, to use the memorable expression of the then Minister, the country was within twenty-four hours of a state of anarchy.

At this crisis, when the circulation of the country had been thus violently and suddenly contracted, the Bank came forward with the most prompt and efficient assistance. The evil was checked by its very excess. Bullion, which had been forced out of the country by the over-issue of paper, was now brought back through the deficiency of currency. The Bank lent money upon almost every description of security that was offered—it took in stock—made advance on Exchequer bills—lent money on mortgage—relieved the market by the purchase of Exchequer bills—discounted mercantile paper with an almost reckless liberality; so that the amount of paper under discount at the Bank rose from 5,000,000, on the 3rd of November, to 15,000,000, on the 25th of December. The number of Bills discounted in one day was 4200. On the 3rd of December, 1825, the amount of notes in circulation was only 17,477,904; but, on the 31st of that month, it had been increased to 25,709,410, and on the 14th of January was augmented to 26,104,890; such a great increase becoming necessary, in order to replace the notes of country bankers, and to counteract the tendency to hoarding always indulged by timid people in times of general embarrassment. Before the close of the year, the circulation was again decreased to 19,049,720; and on the 6th of January, 1827, just before the payment of the dividend, was as low as 15,303,470.

The principle upon which the Directors of the Bank of England proceeded in ordinary times to regulate its issues is, at the time the currency is full, to invest, of the whole amount received for circulation and deposits, in the proportion of about one-third in bullion and coin, and about two-thirds in securities bearing interest. Having thus fixed the proportion of securities and treasure, should the exchanges turn against this country, that bullion is demanded by the public, the Directors are content to allow the drain to go on unchecked, in the expectation that the contraction of the currency, occasioned by the return of so large a proportion of its issue upon the Bank, will occasion an appreciation of their paper and bring back the gold by again turning the foreign exchanges in our favour.

The Bank of England is a bank of deposits as well as of issue. It has always acted as banker to the Government. The balances of public money which remained in its hands were much larger formerly than they have been of late, as appears from the following statement of the average aggregate amounts so held during each year, from 1807 to 1831:

1807	212,647,551	1820	23,713,432
1808	11,761,448	1821	3,320,157
1809	11,093,648	1822	4,107,823
1810	11,560,047	1823	5,526,635
1811	10,191,854	1824	7,232,187
1812	10,890,120	1825	5,347,314
1813	10,308,494	1826	4,214,271
1814	12,156,227	1827	4,223,597
1815	11,737,436	1828	3,321,697
1816	10,807,660	1829	3,562,650
1817	8,690,133	1830	4,781,932
1818	7,066,837	1831	3,949,102
1819	4,588,373		

The profits which it derived from this source, during the war, when the balances were large, must have been considerable.

A similar account of private deposits in the hands of the Bank during the same period of time shows, on the other hand, a considerable augmentation of this branch of its business:

1807	21,532,720	1820	21,325,060
1808	1,840,680	1821	1,326,928
1809	1,492,190	1822	1,373,379
1810	1,428,720	1823	3,321,920
1811	1,567,920	1824	2,369,910
1812	1,573,950	1825	2,607,900
1813	1,771,310	1826	3,322,670
1814	2,374,910	1827	3,931,370
1815	1,690,490	1828	5,701,250
1816	1,333,120	1829	5,217,210
1817	1,672,500	1830	5,562,250
1818	1,640,210	1831	6,201,370
1819	1,790,360		

The large increase observable in these deposits since the year 1825 is attributable to two causes: the failure of several private banking establishments at that time created much distrust, and induced many individuals and private corporations to prefer a place of security like the Bank before any private establishment for the custody of their money. The other cause of increase has arisen from the greater facilities granted to these customers by the Bank since 1825, whereby its practice is very nearly assimilated to that of private bankers.

These facilities, according to the list given in to the Committee by the chief cashier of the Bank are as follows:—

1. The Bank receives 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. Cheques may be drawn for 5l. and upwards, instead of 10l., 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. Cheques 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. Cheques 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 until three as heretofore.
10. Credits paid into account are received without the bank-book (the pass-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. Cheques are given out in books, and not in sheets as heretofore.

As one of the consequences arising out of the panic of 1825, the Bank, acting under the strong recommendation of the Government, have opened eleven branches of their establishment in the following places:—Gloucester, Manchester, Swansea, Birmingham, Liverpool, Bristol, Leeds, Exeter, Newcastle, Hull, Norwich.

The principle which has guided the Bank in its selection of towns wherein to establish branch banks, is to make choice of such as would give the best centre of circulation with reference to manufacturing and agricultural districts. The applications made from particular towns for the establishment of these branches are said to have been exceedingly numerous; and it is generally understood that wherever they have been brought into operation considerable benefit has resulted to the neighbourhood. The object of the Bank in thus complying with the recommendation of Lord Liverpool is said to have been purely of a public nature, and not to have included any expectation of profit; nor does it very clearly appear from the evidence that any advantage has accrued directly to the Bank from the establishment of these branches. The scale of charges made by them is, indeed, said to be too low for the profitable carrying on of any banking business. From this circumstance, as well as from the influence which must naturally attach to so powerful a body, these establishments have interfered greatly with the business of private bankers, who yet are ready, with but few exceptions, to acknowledge that the advantages which they derive from these branch banks are more than equivalent to any loss of business which they may have occasioned. One of these advantages consists in the facility with which they can either remit money from the country to London, or receive it in the country from London, or even transmit it from one part of the country to another where a branch is established, avoiding by this means the expense and risk to which they were previously liable. Many of the country bankers have, besides, made arrangements with the branch bank in their district for obtaining supplies of cash at a short notice; by which means they are absolved from the necessity of keeping any large amount of bullion in their possession, and have consequently the power of advantageously employing a larger proportion of their deposits in the purchase of profitable securities. Many private banking establishments, have, since the opening of the branch banks, altogether discontinued to issue their own paper, and have substituted for this the notes of the Bank of England. To encourage them to the adoption of this course, the Bank discounts bills for these establishments to the probable amount of their circulation, at a low rate of interest; and although the advantage thus obtained by country bankers may not be so great as the profit they would derive from putting their own notes in circulation, they are on the other hand, relieved from all danger and anxiety as to the return of their notes in subject to what is called a run from persons who use it as a place of deposit. It is the poor man and the small tradesman whose anxiety leads them to demand payment for the kind of notes which they possess in the form of notes, and with whom the mischief usually originates. Only a small portion of the business of private banks of issue, depends upon the circulation of their own notes. Selected more than one-fifth or one-sixth of these liabilities belong to their paper circulation. It cannot, therefore, make any material subtraction in the profit of a bank to substitute, on the terms mentioned, the notes of the Bank of England for their own paper.

It will, perhaps, elucidate this subject to insert the following analysis of an account drawn up by the chief accountant of the Bank of the estimated profit derived by that establishment from the circulation of its promissory notes. (Appendix to Report, p. 54.) It appears from this statement that the net profit arising from this branch of its business does not amount to so much as 12 per cent.; and it is not to be expected that any private establishment at a distance from London, where the greatest facilities are to be found for such

transactions, would be able to invent their surplus funds with more profitable results:—

Circulation	220,000,000
Government Deposits	4,000,000
	224,000,000

Of which two-thirds are estimated to be invested in securities, and one-third in bullion.

Securities, £16,000,000, viz:—

20,000,000 Exchequer Bills,	21 per cent., £202,005
1,000,000 Stock 3	24,000
1,000,000 Advances for Circulation or Discount 3 per cent.,	30,000
2,000,000 Country Dist. 31	17,500
4,700,000 41	193,575
	467,575

Deduct:	
Expense of Circulation	106,000
Stamp Duty on Circulation	70,000
	176,000

Estimated net profit £291,575

Or 11.4s. 3½d. per cent. on £244,000,000.

The main point of interference of which private banks have to complain, with reference to the branch banks, is in the discount of bills of exchange, which is usually done by these latter establishments at a lower rate of discount than was previously demanded by private bankers, and without any charge of commission, a charge which it has always been the custom of country bankers to make.

The branch banks do not allow interest upon any sums deposited with them, while country bankers do not make such allowance. There is, besides, much business of a very useful kind which branch banks never perform for the public: they never consent to come under any advances—a kind of indulgence which is freely extended by private bankers to such of their customers as they think deserving of confidence; and as there are times when almost every person concerned in trade will find it convenient to avail himself of this facility, it is not likely that the private establishments will ever be deprived by the branch banks of any considerable portion of their business.

THE DUCHESS OF KENT AND THE PRINCESS VICTORIA.

(From the Hampshire Telegraph.)

His Majesty's brig *Racer*, 16, was launched from the Dock-yard, on Thursday last in the presence of their Royal Highnesses the Duchess of Kent and the Princess Victoria, who were accompanied by Lady G. Seymour, Baroness Lutten, Sir John and Lady Conroy. The day being very propitious, an immense number of fashionables assembled. About 11 o'clock the Royal Standard, hoisted in the Emerald yacht, in tow of the Messenger steamer, was seen approaching the harbour, and in a few minutes the huzzas and applause of the populace announced the arrival of the Royal Party. The Emerald having come to an anchor off the Dock-yard their Royal Highnesses and suite stepped into the barge of the Commander-in-Chief, Sir Thomas Williams, G. C. B. (which was steered by Lieutenant Eden, the Flag-Lieutenant), and followed by the barges of the Captains and officers of various ships at present in commission at the port, proceeded to the north end of the Dock-yard, to the slip from whence the vessel was to be launched. On their landing they were received by their Rear-Admiral Superintendent, Sir F. Maitland, K. C. B. and the principal officers of the Dock-yard, who conducted them to a booth erected for their Royal Highnesses, decorated with the Royal Standard and various other flags. The ship, having been christened by Miss Allcock (niece to the late Admiral Sir T. Foley), at half-past 11 glided majestically into the water, amidst loud acclamations. After several ladies had had the honour of being introduced to the Duchess and Princess, their Royal Highnesses returned to their barge, amidst loud cheers, and proceeded to visit the Victory (flag ship), followed by the respective barges of the Port-Admiral, the Rear-Admiral Superintendent, and of the several Captains. On the distinguished party reaching the Victory, the Royal Standard was hoisted on board of that ship and a salute fired, the yards being manned. The young Princess was highly pleased with the novelty exhibited in the interior of a man of war; her Royal Highness was minute in her inquiries into all matters, but more particularly so in all that related to the heroic Nelson; this being remarked upon, she candidly confessed that she had very recently read a memoir of that illustrious man, and all the circumstances of his last hours were present in her recollection. This incident led to a development of her opinion on naval matters; and sure we are the nation will rejoice when it knows that to this subject her Royal Highness's attention has been constantly directed. She testified her thorough conviction of the value of that branch of the defence of the country, and was quite aware it ought to be upheld, not only as a defence, but as the source of revenue in its mercantile ramifications. Their Royal Highnesses seated themselves at one of the mess places, and desired the diners intended for the seamen of that dress to be brought to them; this was done, and all the ladies partook of the beef and potatoes, served on platters, and drank of the grog; and using the knives and forks belonging to the mess. The officers of the flag-ship having been severally introduced to their Royal Highnesses, the Royal party left the Victory, under another salute, and landed at the King's stairs in the Dock-yard, where the Rear-Admiral Superintendent, the Lieutenant-Governor, Sir C. Campbell, K. C. B., with other Naval and Military Officers, were waiting her arrival. Their Royal Highnesses then proceeded in the carriages of Sir T. Williams, to his residence, where a guard of honour, under the command of Captain Heriot, R. M. was drawn up to receive them, and partook of a splendid dejeuner the band of the Royal Marines

playing at intervals several enlivening airs. At half-past three o'clock the Royal party returned to Norris Castle, and in going in and out of the harbour were saluted from the platform with 21 guns, and on passing through Spithead, by the Vestal frigate (the only man of war at the anchorage), which ship also manned yards. The Princess, as well as her illustrious parent, were happy to observe, looked remarkably well and both appeared to be gratified with the attention which was shown them.

LONDON, JULY 30.

The Parliamentary proceedings of this day, it will be seen, are of great interest, and that interest will not be lost to the world, as Mr. O'Connell abandoned his threat about the gallery. Sir E. Wilmot proposed to reduce the grant to £15,000,000; Mr. Stanley defended the grant of £20,000,000, contending that it was a debt of honour and justice, and a political outlay of money, adding that he did not consider that those colonies would be entitled to compensation that did not co-operate in accomplishing abolition. Mr. F. Buxton pronounced an eloquent eulogium on the late Mr. Wilberforce.

The German papers received this morning, bring no news from the East, with the exception of stating that the Russian troops on the Danube still occupied their old positions, and that a fire had broken out at Jassy, which destroyed that half of the town which had escaped the former conflagration. The accounts from Poland are dated Warsaw, July 17, and contain only fresh proofs of the "clefency" of the magnanimous Nicholas to the unfortunate Poles. An Edict has been issued, dated July 15, the substance of which is to invite, under threats of confiscation of property, &c. about 230 proscribed individuals, who had taken an active part in the insurrection of the 29th of November, to come in and be shot, or sent to work as felons in the mines of Siberia—knowing the "tender mercies" of the Autocrat, we imagine there are few of those Noble exiles who will accept the invitation!

DEATH OF WM. WILBERFORCE, ESQ.

It is this day our melancholy duty to announce the death of William Wilberforce, a name with which there is probably associated more of love and veneration than ever fell to the lot of any individual throughout the civilized globe.

The sad event took place last night at the house of Mr. Smith, in Cadogan place. Mr. Wilberforce was in the 74th year of his age. We must reserve all particulars in our next. We understand Mr. Wilberforce has directed in his will that his funeral should be conducted without the smallest pomp, and that his body should be interred in the family vault of his brother-in-law in the churchyard of Stoke Newington, pursuant to a promise made to the late Mr. Stephen.—Record of yesterday.

The Malta mail brought Papers yesterday to the 27th June. Vice Admiral Sir Pulteney Malcolm had arrived there in His Majesty's ship *Britannia*, to assume the command of His Majesty's Naval forces in the Mediterranean. He had sailed on the 13th for the Levant in the *Britannia*, of 120 guns, having in company the *St. Vincent*, 120, the *Malabar*, 74, the *Alfred*, 50, the *Rover*, 18, and the cutter *Hind*.

The workmen engaged in placing the statue of Napoleon on the column in Paris, have at their own expense, replaced the ordinary covering in which it was brought, by a finer cloth bespangled with golden bees.

LONDON, AUGUST 1.

The African Steam Packet has arrived at Falmouth: she left Lisbon on the 23d, and spoke Napier's squadron six miles to leeward; strong parties were leaving Lisbon to strengthen the defences of the entrance of the Tagus. On the 26th she sailed for Oporto, and she brings intelligence that on the preceding day a vigorous attack was made by Marshal Bourmont on that City, but that he had been repulsed, and had suffered a total defeat. The principal attack was made on this side of the Quinta Vazeller, as if with a view of getting possession of the *Lordelia* Road; about 9 o'clock another attack was made to the east end of the town, but was not pursued with spirit.

(Another Account.)—Accounts have been received from Lisbon of the 23d, and from Oporto of the 25th. On the 23d, Admiral Napier, with the whole of his squadron, was cruising before the entrance into Lisbon. The Duke of Terceira's army has advanced to St. Ubes, and was expected to advance on the following day, to the heights over against Lisbon. The Miguelite forces had made a desperate attack on Don Pedro on the morning of the 25th, but they were repulsed with great loss on both sides. Another attack was expected. It should be equally unsuccessful, we may congratulate the friends of Donna Maria on the certain triumph of her cause.

The city has been greatly excited this afternoon by the various accounts, and reports in circulation as to the information brought by the African steam boat, from Oporto and Lisbon. The news, if only a certain portion deserves credit, shows that affairs are going on prosperously for the young Queen. The African left Oporto on the 26th, and up to that date the Miguelite forces under General Bourmont had been signally defeated in an attempt to take the place. Some of the advisers state that Oporto had been twice assailed, but the besiegers felt the greatest losses during the second attempt. With regard to pampers, nothing on which the least reliance can be placed has yet transpired, nor can it be expected should the Miguelites have lost some thousands during the operations between the 20th and 23th instant, that they will admit more than a tythe part of the whole. Some doubts continued to be felt up to a late hour this afternoon as to the authenticity of the news, but we believe, that the most material parts of it are borne out by the official accounts in the possession of Chevalier de Lima, the accredited agent of Donna Maria at this court. Government, it is said, have received very satisfactory tidings by the African.

It following are Don Miguel's views on the character of the contest—taken from his official Gazette:—

His Majesty's Government has to day received despatches from Quinta de Pedro, which announced that his Majesty happily continued in good health. The rebels, implacable enemies to the tranquility of these kingdoms, of their independence and there glory, having brought into it devastation, war, and pestilence—in a word, all the scourges that afflict humanity—attaching these kingdoms in a crusade, which, in its essence and elements, is without a precedent in the history of civilized nations, having experienced a resistance on the part of the nation as heroic as brave, finding themselves (though more than twenty thousand foreigners have joined in their religious projects) obliged to confine themselves within the walls of one city, where they have been besieged for more than a year, during which all the sympathies and all the support, moral and substantial, given them by the revolutionists in Europe, have been unable to place them in a situation to obtain the smallest triumph over the Portuguese nation, which during that long period has given proofs that it will not suffer itself to be subjugated, nor consent that its religion, its fundamental laws and institutions, and its Monarch, should be attacked with impunity by foreign vagabonds and adventurers from all countries, they resolved to organize in a foreign country another expedition, to attack another part of the territory, there to pursue the same system of devastation and rapine.

Then follows an account of Napier's descent upon the South, &c.

The Irish Church Reform Bill has at length passed through its most dangerous route in the Lords, (the third reading) by a majority of fifty-four. After some few tory antics, the measure has been decently rescued from the claws of the caballing Conservatives, although the Commons will probably meet their Lordships on the subject of some of the "Amendments," and return them for consideration. We do not doubt the power of the hostile Peers to have cast out the bill if it had answered their palpable purpose—that of wresting the Government from Lord Grey. But opposition was inconvenient when they discovered, a month since, that their industrious plots for deposing Ministers would not succeed; and they, therefore, wisely swallowed the black draught, lest by refusal they might be forced in a short time to take a double dose. The real Tory Aristocracy of property, and nobility, of birth and fortune, would do well to reflect during the recess, before the second session of the Reformed Parliament, on the political character and transparent objects of the party leaders, who whip them astray, and endanger the existence of their estate. The rapid posting of Lord Lyndhurst, from his Circuit duties has been abortive. Does any sincere Tory opponent of Church Reform give that Noble and Learned Baron credit for a grain of real interest in the cause of Christianity, or the Protestant Establishment of England, or believe that in affecting a zeal for that establishment, he is guided by any other motives than those of expediency? The Ex-Chancellor's anxiety for religion is derived from the same source to which we are indebted for his enlightened and humane views on law reform. Lord Lyndhurst would do well in future to confine himself to his judicial duties; and it would be better that the House of Lords should allow Lady Lyndhurst to use his proxy during his absence on Circuit, than that the country should be deprived of the services of a Judge which are amply if not excessively paid for out of the public purse. The time is rapidly approaching when the judicial and political functions will be dis severed, and this glaring instance of the intuity and scandal of their union will probably have the effect of promoting their early separation.

Up to two o'clock this afternoon, no further accounts from Portugal had been received at the Portuguese Embassy. We may therefore assume that, up to the 21st inst., nothing of importance had transpired, either in favor of, or against the cause of Donna Maria.—Many persons, who mistake the character of Admiral Napier, and imagine that he is as rash as he is courageous, express surprise that he did not attempt to force the passage of the Tagus immediately after the capture of the Miguelite fleet. We have a better opinion, however, of this gallant sailor, than to believe that he will hazard his reputation and the safety of the Constitutional cause by any act of imprudent impetuosity, whilst there is a prospect of success by tardier means, without the risk of discomfiture. In his attack upon the fleet perilous as it was, he was nevertheless influenced by prudential considerations, because he knew that the only way of defeating or capturing it was by a *coup de main*, the relative forces of the combatants being disproportionate, as had been shown by SANTIAGO, who did all that a brave man could do, short of such a mode of attack, for any other species of combat. An attack upon Lisbon, however, is a different affair.—The Tagus is protected by forts which, although not in the best possible state, are sufficiently strong, to oppose a vigorous resistance; and it is therefore important that the Admiral should be seconded either by a land demonstration on the part of the constitutionalists under VILLA FLOR, or by a rising of the inhabitants. His fleet, if even in a better condition, and more fully manned than it is, ought not to be unnecessarily exposed; and he must have known that if only half the energy displayed by him in his reconnoitre with the fleet were to be shown by VILLA FLOR, that officer would not be long in bringing his forces into the immediate vicinity of the capital, and thus affording a point d'appui to the inhabitants. The situation of Oporto, menaced by BOURMONT, is indeed a strong motive for rapidity of movement against Lisbon; for if Oporto were to be lost without Lisbon being gained, the campaign would be entirely changed, and the settlement of the question would be materially retarded. But we are assured by persons well ac-