

THE OLD LADY OF THREADNEEDLE STREET OWES ITS EXISTENCE TO A NOTORIOUS GAMBLER

London.—By a queer twist of fortune, it was a notorious gambler—William Paterson—who laid the plans of the foundation of the Bank of England, which came into being in 1694.

An adventurer who cared for nothing but his own ends, Paterson had already nearly ruined his own country of Scotland. As a young man he had some piratical adventures on the Isthmus of Panama, and returned to Scotland convinced that huge fortunes were to be made on this most unhealthy coast.

It says much for his plausibility and brilliance that he persuaded the canny and never very wealthy Scots to provide him with the money he needed for his project. He organized an expedition to Panama which was a complete failure, and its after results brought Scotland near to financial ruin.

Discredited, but unbeaten, Paterson came to England to look for new conquests, and the simple brilliance of his

project brought him the active support of Montagu, chancellor of the exchequer.

Divided Country

The period was a very crucial one in England's history. In 1688, James II, the last of the Stuart kings, had been forced to abdicate, and had fled from the country and sought refuge at the French court of Louis XIV. James's daughter Mary, together with her husband William of Orange, had been invited to become Queen and King of England—subject to the rulings of Parliament. It was the first Parliament had had the whip hand of the monarchy and they meant to hold it.

Naturally the country was divided into warring factions. William had to contend with Stuart risings in Ireland and Scotland, and almost immediately he was plunged into war with Louis XVI, supporter of the Stuart dynasty.

It was to wage the war against France that William and his counsel-

lors so urgently needed money. The goldsmiths and the merchants of London were willing to lend it, at an enormous high interest—12 per cent. William Paterson suggested that he should form a private company which should be granted a charter to deal in bills of exchange, in bullion, gold and silver, and which should, with the consent of Parliament lend money to the government—at 8 per cent.

The charter was granted. A projected loan of £1,200,000 was floated, and in 10 days the list of subscribers was full.

Three years later the Treaty of Ryswick was signed, and which both sides knew that the truce with France was but temporary, Louis was in that treaty forced to acknowledge William as lawful king of England and the constitutional monarch of this country was firmly established.

And so the Bank of England came into being. This private company, with its important position as guide and aid to national finance, was not, by any means, universally welcomed. The goldsmiths, the merchants, the contractors who formerly had made huge profits out of the Crown when the king or his ministers had been forced to borrow, did their best by rid-

cul and active resistance to squash the new concern, but it had the support of the Government, and despite opposition it flourished.

Even so, the first fifty odd years of its life saw the Bank of England severely threatened three times.

The Stuart rising of 1715 was the first. James II's son, the Old Pretender, landed in Scotland, and the flag of rebellion was hoisted. The scare was short and James himself showed very little spirit in his campaign, but it was sufficient to cause panic in London. But with the help of the government the bank staved off disaster.

The second threat to the bank was much more serious. In 1711 a company had been formed for the purpose of trading in South America and lands in the South Seas. Then, in 1720, they made an offer to take over the national debt, which amounted to nearly a million a year—a colossal sum it was considered then. In a fit of mad speculation, the bank tried to outbid the South Sea Company and itself to take over the debt, but was prevented.

Then suddenly England went gambling mad. Wild stories were told of the wealth of the South sea company

and stocks fluctuated wildly. Bogus companies arose and willing victims were found to take shares in them.

Thoroughly alarmed now, the government took steps to prevent further wild dealings. It suppressed 86 companies and almost immediately, panic set in. If 86 companies were frauds, the South Sea company itself might easily be a fraud.

Everybody tried to sell their shares as eagerly as they had tried to buy them. The inevitable crash followed quickly and the whole country was plunged into ruin—the government discredited. Prevented from having an active part in the panic, the bank withstood the effects of the crash and undoubtedly did its part in building up confidence.

The third time the credit of the Bank of England was threatened was in 1745, and the rising of the Young Pretender. It was the last desperate attempt of the Stuarts to reclaim the throne. And this time, landing in Scotland, "Bonnie Prince Charlie" got as far as Derby before he was stopped.

In London there was pandemonium. A war with France had taken most of the fighting strength abroad. The King was ready to fly, and every one

with possessions tried to draw money out of the bank.

Credit was saved by an ingenious ruse on the part of the directors. They employed a number of men to present demands for large sums of money, to be paid out in sixpences. These men were paid very slowly, over the counter, and stood solid and immovable while the panic-stricken throng behind could not come up to the counter for their money.

For three days the bank withstood the rush. Then Charles was finally defeated at Culloden, and the scare subsided.

From that time, though national events have had their effect on national finances and the finances of the world.

In its coffers today, after the appalling drain made upon them by foreign creditors, the £120,000,000 in gold. The bank's position is unassailable.

To be made a director of the Bank of England is to receive a certificate of stainless financial integrity. To be voted into the famous governor's chair is to receive the blue riband of the financial world.

The fifth dimension, just discovered by Einstein, possibly marks the location of the ball pitched by Grove, when the batter strikes out swinging.

Those who do not follow the preparedness advice appropriate to the season will do their Christmas shopping surly.

GOOD PROGRAM ON THE AIR THIS EVENING

WEAF NEW YORK

7.45—Swift Program.
8.00—Vermont Lumber Jacks.
8.15—Archer Gibson.
8.30—Prince Ibert Quarter Hour.
8.45—The Goldbergs.
9.00—Seconyland Sketches.
9.30—Voice of Firestone.
10.00—A & P Gypsies.
10.30—Parade of States.
11.00—True Story.
11.45—The Simonize Guardsmen.
12.00—Orchestra.
12.15—Jesse Crawford.
CKAC MONTREAL
7.30—Vapex Ambassadors.
8.00—Safety League.
8.30—Lynn Melodies.
8.45—Clark's Entertainers.
9.05—Wrigley at Home.
7.45—Unemployment.
10.00—Living Room Furniture.
10.15—Canadian National Railways.
11.00—Mme Maubourg Roberval.
11.30—"Nocturne."

WJZ NEW YORK

7.45—Literary Digest Topics in Brief.
8.00—The Pepsodent Program.
8.15—Tastyest Jesters.
9.00—Concert Organist.
8.30—Phil Cook.
8.45—Paris Night Life.
9.00—To Be Announced.
9.30—Death Valley Days.
10.00—Maytag Orchestra.
10.30—Musical Dominoes.
11.00—Gold Medal Express.
11.30—Chesbrough Real Folks.
12.30—Slumber Music.

WLW CINCINNATI

7.45—Lowell Thomas.
8.00—Amos n' Andy.
9.45—Vicks Program.
10.00—Armco Band.
8.30—Variety.
8.45—Paris Night Life.
9.00—To Be Announced.
9.30—Hollingsworth Hall.
9.45—To Be Announced.
10.00—To Be Announced.
10.30—Musical Dominoes.
11.00—Canada Dry.
11.30—Real Folks.
11.58—Estate Weather.
12.00—Korn Patches Program.
12.00—Sport Slices.
12.30—Chime Reveries.

WTIC HARTFORD

7.30—Memories of Broadway.
7.45—Stabbins Boys.
8.00—Vermont Lumberjacks.
8.15—Hank Keene.
8.30—Recorded Novelties.
9.00—Dramatic Skit.
9.00—James Melton.
10.00—The Gypsies.
10.30—Family Party.
11.00—Harry Salter's Orchestra.
11.30—Famous Favorites.
11.45—Harry Kogen's Orchestra.
12.00—Bulletin's Marine Forecast.
12.05—The Merry Madcaps.



GOVERNMENT OF THE DOMINION OF CANADA

National Service Loan

The Minister of Finance offers for public subscription

\$150,000,000

Dominion of Canada 5% Bonds

Bearing interest from 15th November, 1931, and offered in two maturities (the choice of which is optional with the subscriber) as follows:

5 YEAR 5% BONDS, DUE 15th NOVEMBER, 1936
10 YEAR 5% BONDS, DUE 15th NOVEMBER, 1941

Principal payable without charge, in lawful money of Canada, at the office of the Minister of Finance and Receiver General of Canada at Ottawa or at the office of the Assistant Receiver General at Halifax, Saint John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria.

Interest payable half-yearly, 15th May and 15th November, in lawful money of Canada, without charge, at any branch in Canada of any Chartered Bank.

Denominations:

5 YEAR BONDS \$100, \$500 and \$1,000
10 YEAR BONDS \$500 and \$1,000

The proceeds of this loan will be used to promote the economic and financial welfare of Canada

The Loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge on the Consolidated Revenue Fund of Canada.

Bearer bonds with coupons will be issued in denominations of \$100, \$500 and \$1,000 in the case of the 5-year bonds and in denominations of \$500 and \$1,000 in the case of the 10-year bonds. These bonds may be registered as to principal.

Fully registered bonds, the interest on which is payable direct to the owner by Government cheque, will be issued

in denominations of \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Pending preparation of the engraved definitive bonds, bearer interim certificates in denominations of \$100 (for the 5-year bonds only), \$500, \$1,000, \$5,000 and \$100,000, will be delivered on all allotments on subscriptions to this loan. Registration as to principal, or as to both principal and interest, will be effected when the interim certificates are exchanged for definitive bonds, on or about the 1st March, 1932.

ISSUE PRICE: 5 Year Bonds, 99¼ and accrued interest
10 Year Bonds, 99 and accrued interest

Payment to be made in full at time of application

Subscription lists to the foregoing will open on 23rd November, 1931, and will close on or before 12th December, 1931, with or without notice, at the discretion of the Minister of Finance. Subscriptions will be received and receipts issued by any branch in Canada of any Chartered Bank and by recognized Dealers. Interim Certificates will be delivered through the bank or dealer designated by the subscriber in the application, upon surrender of the receipt.

Let Your Dollars Serve Canada!