



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

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Adam Smith to Feature on New-Series £20 Banknote

The contribution of world-renowned 18th century philosopher and economist, Adam Smith, is to be acknowledged on a new-design £20 banknote the Bank of England is to introduce into circulation next Spring. Changes to the design mean that the note will start a new series of Bank of England banknotes.

Making the announcement yesterday, Bank of England Governor, Mervyn King, said, "It is such a pleasure to use the occasion of the launch of a new series of notes as an opportunity to recognise Adam Smith's contribution to the understanding of society and its development. Smith's insights into human nature, the organisation of society, the division of labour and the advantages of specialisation remain at the heart of economics." The Governor was giving the Adam Smith Lecture at the Adam Smith College, Kirkcaldy, Fife.

"As the central bank for the United Kingdom, the Bank of England is in a privileged position to acknowledge the enduring contribution of its most talented citizens over their lifetime to the advancement of society. Our choice of Adam Smith reflects the keen importance we attach to that position and the place of the notes themselves as a record of Britain's heritage."

The overall design of the new series, known as 'Series F', retains some of the features and style of the current series to provide continuity for ease of recognition. The new £20 note will be the same size as the current £20 note featuring Sir Edward Elgar and will include the now familiar portrait of Her Majesty The Queen.

Along with the different 'look' of the note, the main change is the inclusion of a portrait of Adam Smith on the back of the note, along with the image of a pin-making factory and a summary of Smith's observations on the benefits of the division of labour, drawn from his major work, *An Inquiry into the Nature and Causes of the Wealth of Nations*.

Andrew Bailey, the Bank's Executive Director – Banking Services and Chief Cashier, whose signature appears on Bank of England notes, commented, "The introduction of new banknote designs are our opportunity to incorporate advances in anti-counterfeiting features and production techniques. This new £20 note incorporates enhanced security features. The work of the police, and our education programme – 'Take

a Closer Look' – to increase public awareness of banknote security features, are the other key elements to beating counterfeiting and so maintaining public trust in our banknotes.”

The Bank's full-scale publicity and education effort gets underway from the first day of issue next Spring. For obvious reasons the details of the enhanced security features incorporated into this new note will not be revealed in advance but in summary they include: a see-through feature, a holographic strip, more raised-print areas, improvements to the watermark, and more ultra-violet features.

When introduced, the new £20 note will circulate in tandem with the current Elgar £20 which will then be progressively withdrawn from circulation. As is the usual practice, the date of cessation of its legal tender status will then be announced but, as with all Bank of England notes, they can be always be exchanged for their face value at the Bank of England.

Notes to Editors

1. A brief background on Adam Smith is available below.
2. The Executive Director – Banking Services and Chief Cashier, Andrew Bailey, has some time available for interviews and additional photographs/filming, at the Bank. Please contact the Bank's Press Office on 020 7601 4411.
3. Audio-visual and audio-only clips of Governor Mervyn King and Mr Bailey are available. These can also be obtained from the Bank's Press Office
4. The Smith £20 will be the first in Series F. The first Series E note was the £5 George Stephenson note in 1990. The Elgar Series E £20 was introduced in 1999. Previous £20 personages and dates have been William Shakespeare 1970-1993 and Michael Faraday 1991-2001.
5. At the end of December 2005, there were some 1.2 billion (1,234,900,000) £20 banknotes in circulation (55% of total notes by volume, 63% by value); over the whole of 2005 the average figures were 1.1 billion (1,110,500,000) £20 notes (55% of total notes by volume, 63% by value). Counterfeit notes recovered in the calendar year ended December 2005 included 487,000 £20s out of a total of 505,000 notes recovered. For the previous year, figures were 287,000 £20s out of a total of 325,000 recovered. The average life of a £20 note is 4-5 years.
6. The Governor's speech and news release, issued on 29 October, can be found under 'Related Links'.
7. More information on Bank of England banknotes can be found on the Banknotes pages.

Adam Smith – A Brief Background

http://www.bankofengland.co.uk/publications/Documents/news/2006/adam_smith.pdf