

The Old Lady of Threadneedle Street

By John Keyworth, curator of the Bank's Museum (and the Old Lady's oldest and longest-serving employee).⁽¹⁾

The popular nickname for the Bank of England dates back to a caricature of the institution from the 1790s. An exhibition in the Bank's Museum celebrates two centuries of visual comment, some of which is discussed in this short article.

More than two centuries ago a caricature was published that gave birth to a phrase that was to become (and remain) the popular nickname of the Bank of England: *The Old Lady of Threadneedle Street*. The picture was the work of James Gillray (1756–1815), an artist who had been apprenticed to an engraver specialising in security documents — including banknotes — and who went on to study engraving at the Royal Academy.

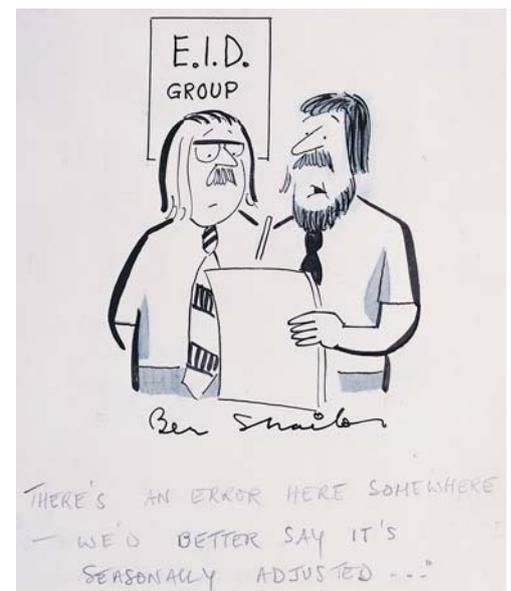
Gillray is widely regarded as one of the greatest British satirists and his work continues to inspire modern cartoonists. *Cartoons and Caricatures* is an exhibition consisting of published and unpublished material from the Bank of England's own collection of prints and drawings. It runs in the Bank of England Museum until 31 December 2013. Encompassing more than two centuries of visual comment, focusing mainly on the Bank and its activities, the exhibition includes the work of consummate artists such as Gillray, John Tenniel and, more recently, Steve Bell.

Typically, *Quarterly Bulletin* articles include information about how the institutional structure of the Bank helps it to meet its objectives for monetary and financial stability. The subject of this article, which promotes the *Cartoons and Caricatures* exhibition at the Bank's Museum, is less serious — but these pieces of art represent an inescapable facet of the institution's history and it is hoped that their satirical depictions of the Bank, in the various environments in which it has operated, may be of interest. This topic can even be linked back to the *Bulletin* itself: the image to the right, taken from a staff magazine in 1978, satirises a fictional discrepancy in the statistics published in the *Bulletin*.

The following two pages provide some historical context both for the original depiction of 'The Old Lady' as well as more recent interpretations of this symbol of the Bank. The article then examines three themes directly associated with the Bank which have attracted the attention of satirists over the past 200 years. It begins with the controversy over the convertibility of the Bank's notes which, from its foundation in 1694, had always been exchangeable into gold. The images here cast Prime Minister Pitt as the villain of the piece, abusing his power to deny the man in the street his right to gold. That familiar Bank product (then and now), the banknote, is next — and in particular, the ease with which the early notes could be, and often were, forged. This, together with the severity of the penalties for forgery, provided a rich source for the satirist. And finally, cartoonists captured the promise (or threat) of nationalisation in the 1930s — and its realisation in 1946. In one of the images, the Old Lady is shown haughtily ignoring a politician's invitation to her nationalisation and, it is suggested, her demise.

'We'd better say it's seasonally adjusted...'

By Ben Shailo*. Published March 1978 in
The Old Lady staff magazine (now defunct).



Two members of the Bank's Economic Intelligence Department (EID), the forerunner of today's Monetary Analysis Directorate, discuss a fictional discrepancy in their statistics for the *Quarterly Bulletin*.

* Pen name of Basil Hone, Bank staff from 1943–80 and a regular cartoon contributor to *The Daily Telegraph*.

(1) The author would like to thank Amber Evans for her help in producing this article.

The Old Lady

The popular nickname of 'The Old Lady' for the Bank of England comes from an iconic cartoon by James Gillray published on 22 May 1797. Entitled 'Political Ravishment or The Old Lady of Threadneedle Street in danger', it was drawn three years after France had declared war on Britain.

The original 1797 Gillray cartoon

The cartoon shows the Prime Minister of the day, William Pitt the Younger, pretending to woo an old lady, the personification of the Bank, but what he is really after is the Bank's reserves, represented by the gold coin in her pocket, and the money-chest on which she is firmly seated.⁽¹⁾ At the time, the Bank was a joint-stock company⁽²⁾ operating under Royal Charter, and therefore essentially a private company — and so it was perceived as having been taken advantage of by the politicians. A series of events beginning with a landing in February 1797 by several hundred French troops at Fishguard on the Welsh coast and ending with an accusatory speech in the House of Commons by the opposition MP Richard Sheridan had prompted Gillray to produce the cartoon.⁽³⁾

The Fishguard incident was perceived by many as a precursor to the long-expected French invasion and sparked a panic. The Bank was inundated by holders of notes wanting to exchange them for gold and its reserves were reduced within a fortnight from £16 million to less than £2 million. This situation could not be sustained and an order was passed releasing the Bank from its obligation to pay its notes in gold. Known as the 'Restriction of Cash Payments' or simply 'The Restriction Period', it had the effect of reserving the gold in circulation and the Bank's vaults for the war effort. The Restriction Period continued until 1821. Unsurprisingly, this action was seen by the Government's detractors as outrageous and Sheridan, representing the Whig opposition, described the Bank as 'an elderly lady in the City who had... unfortunately fallen into bad company'.⁽⁴⁾

Gillray, from his workplace in St James's, latched onto Sheridan's words. Dressed in a gown made of the new £1 and £2 notes issued to supplant the gold coin in circulation, an old lady sits protectively on a chest representing the Bank's reserves, declaiming against the unwanted attentions of the skeletal, freckle-faced, pointy-nosed Pitt. The scene is set in the Rotunda, a well-known public office in the Bank's Threadneedle Street building. Clerks seated at their desks can just be discerned in the background. A document headed 'Loans' refers to the Pitt administration's continual demands on the Bank for funds.⁽⁵⁾

Modern interpretations

The concept of the Bank as an old lady was maintained by artists such as Sir John Tenniel (1820–1914) in the 19th century and Bernard Partridge (1861–1945) in the 20th in *Punch* magazine where she is shown as the archetype of a maiden aunt: prudent, secure and with a nest egg — the person to go to in a crisis. In other words, the lender of last resort, a role which the Bank adopted in the late 19th century. And this tradition of portraying the Bank as an old lady continues in today's news media.

Steve Bell (1951–) is one of the leading modern political cartoonists in the United Kingdom. His work is published regularly and his satirical style, like Gillray's before him, shocks some, informs others and amuses the rest of us. In a modern version of Gillray's original cartoon, he depicts the Bank, in the form of an old lady with the unmistakable features of its Governor, Sir Mervyn King, surrounded by 'fat cat' bankers greedily consuming the financial liquidity provided by the Bank. Entitled 'The Old Lady of Threadneedle Street meets Oliver Twist', this cartoon was published in *The Guardian* newspaper on 21 March 2008 following a meeting in which Britain's big banks appealed to the Bank of England to pour more cash into the money markets.⁽⁶⁾

(1) See Godfrey (2001).

(2) The Bank remained privately owned until it was nationalised in 1946.

(3) See, for example, Clapham (1944) or Marston Acres (1931).

(4) See Sheridan (1842).

(5) For further background on James Gillray and the art of caricature, see Evans and Wright (1851) and Feaver (1981).

(6) See www.guardian.co.uk/business/2008/mar/21/creditcrunch.bankofenglandgovernor.

Political Ravishment or The Old Lady of Threadneedle Street in danger

By James Gillray. Published 22 May 1797.



The Old Lady of Threadneedle Street meets Oliver Twist

By Steve Bell. Published 21 March 2008 in The Guardian.



On gold versus paper money

27 February 1797 marked the first time in the Bank's history that banknotes were no longer convertible into gold — the start of the so-called 'Restriction Period'. Prime Minister Pitt's raid on the Bank's reserves and the consequent issue of paper money opened up a rich debate on monetary and banking policy. It spawned a wealth of articles, letters and publications on the issue, as well as a parliamentary inquiry, the Bullion Committee of 1810. This inquiry eventually led to the resumption of gold convertibility in 1821 and it was in this context, arguably, that monetarism was born. Banknotes remained exchangeable for gold until 1914.⁽¹⁾

Banknotes, paper money and French alarmists

By James Gillray. Published 1 March 1797.

The Prime Minister, William Pitt the Younger, in the role of a Bank of England teller, dispenses paper money, not gold coin, to the public as personified by John Bull, who is dressed in unfashionable country clothes. Gold coin is kept out of sight, securely locked under the counter. On the left, representatives of the legislature carry bundles of low-denomination notes to the counter, at the end of which is pinned the Order of the Privy Council instructing the Bank to cease gold coin payments until further notice. On either side of John Bull two members of the opposition, MP Richard Sheridan to the left, wearing a French revolutionary-style cap, and on the right, Charles James Fox with a tricolour rosette in his hat, urge John Bull to insist on gold, not paper. Fox suggests that he should have gold 'to make your peace with the French when they come'.

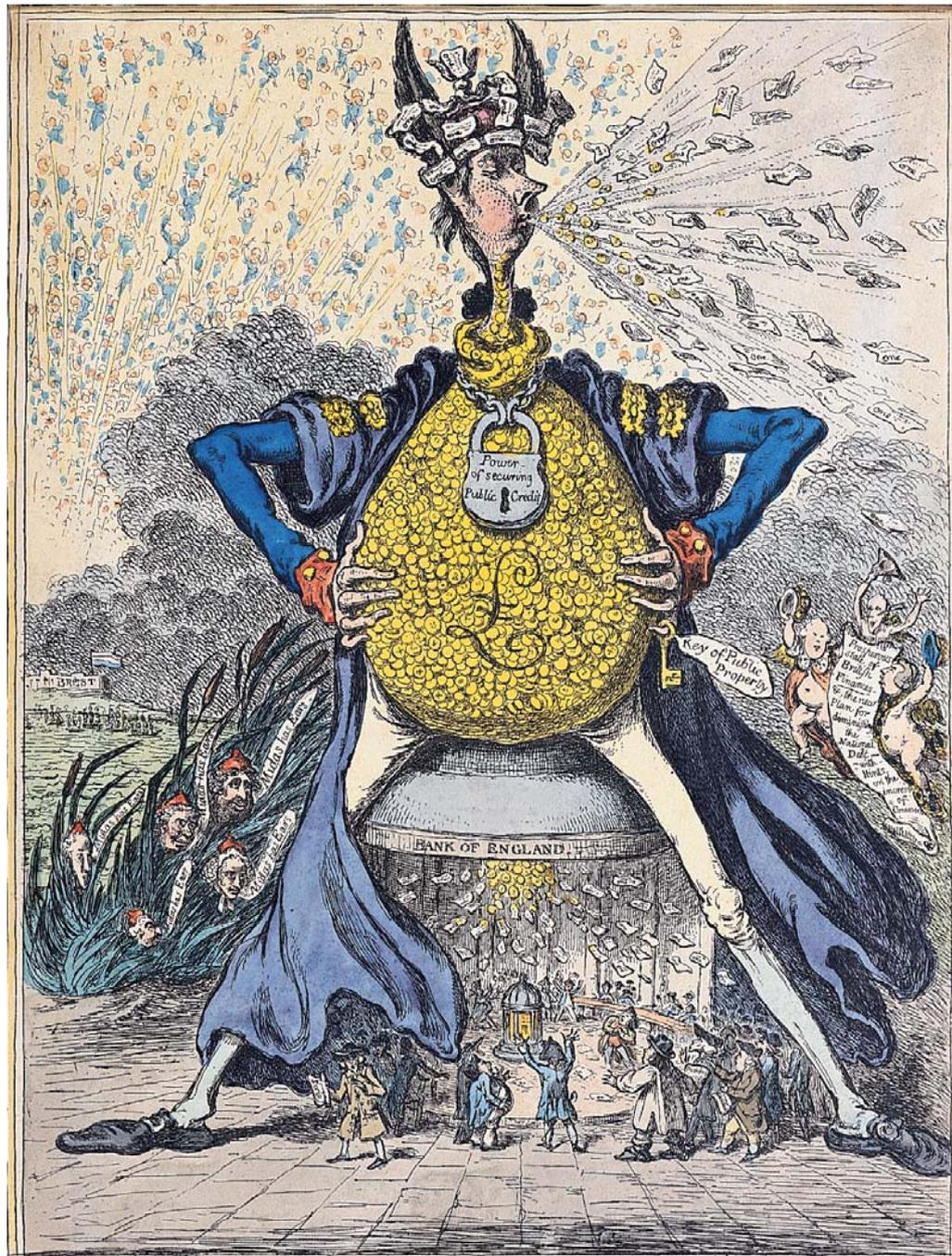


(1) In the interwar period between 1925 and 1931, there was partial convertibility of notes to gold while Britain was a member of the International Gold Standard.

Midas, Transmuting all into Gold Paper

By James Gillray. Published 9 March 1797.

Pitt as the legendary King Midas turns all he touches, not into gold but paper. His skeletal figure, belly bulging with gold, straddles the Rotunda, a public office of the Bank of England which was unofficially used until the early 1800s by stockbrokers as a stock exchange. He wears the robes of the Chancellor of the Exchequer, carries the 'Key of Public Property' in his left hand and the lock with the 'Power of securing Public Credit' on a chain around his neck. The dark clouds in the distance foreshadow the imminent French invasion. The invasion fleet can be seen outside the port of Brest. Members of the opposition party in the reeds whisper that the great King Midas has (ass's) ears.⁽¹⁾ This cartoon represents a powerful attack on the suspension of the convertibility of notes into gold and Pitt's ever-increasing stature. Fox described the suspension as 'the first day of our national bankruptcy' (see Godfrey (2001)).



MIDAS, Transmuting all into GOLD PAPER.
 History of Midas. — The great Midas having dedicated himself to Bacchus, obtained from that Deity, the Power of changing all he Touch'd. — Apollo forc'd Aſes Ears upon his head, for his Ignorance. — & although he try'd, to hide his diſgrace with a Regal Cap, yet the very Sedges which grow from the Mud of the Pactolus, whiſper'd out his Infamy, whenever they were agitated by the Wind from the oppoſite Shore. — Vide Ovid's Metamorphoſes.

(1) This refers to the Greek myth in which Midas disputed the supremacy of Apollo in a musical contest, in response to which Apollo said that he 'must have ears of an ass!' and turned Midas's ears into the ears of a donkey. See www.theoi.com/Text/HyginusFabulae4.html#191.

On banknotes and counterfeiting

Following the suspension of notes being convertible to gold and the virtual disappearance of the guinea gold coin (worth £1.05) and its fractions, in 1797 the Bank introduced £1 and £2 notes for the first time. Until then, the lowest-denomination note had been £5. However, this attempt to keep the wheels of everyday commerce turning had unexpected results. People who were unused to handling paper money now did so for the first time. Although capable of telling a counterfeit from a genuine coin, given their general lack of reading skills, it was a different matter with banknotes. The less educated were therefore the natural dupes of the forger and unwittingly became the 'utterers' (passers) of forged notes. The forgery of Bank of England notes had been a capital or hanging offence since 1697 and during the 'Restriction Period' between February 1797 and May 1821, some 600 unfortunates were convicted — half of whom were hanged.⁽¹⁾

A peep into the old rag shop in Threadneedle Street

Anonymous. Coloured engraving. Published 28 September 1818.

An unfortunate man, accompanied by friends or relations, is dragged before a committee of the Bank's directors charged with possessing a forged note. But the directors cannot decide whether it is genuine or not! The Bank director wearing spectacles and examining a banknote declares 'Upon my Soul. I have my doubts but at all events. We had better declare it bad [forged].' While another proclaims 'Take him out... he has a d...d hanging look.' The cartoon is an indictment of the poor quality of the Bank's notes at that time and the fact that two notes of the same denomination were not always identical in appearance.



(1) Maintaining confidence in the currency is a key objective of the Bank. Each of the four Bank of England notes currently in circulation have a number of security and design features to help them to be identified as genuine. For a guide to these features, and more information on Bank of England notes, visit www.bankofengland.co.uk/banknotes/Pages/current/default.aspx.

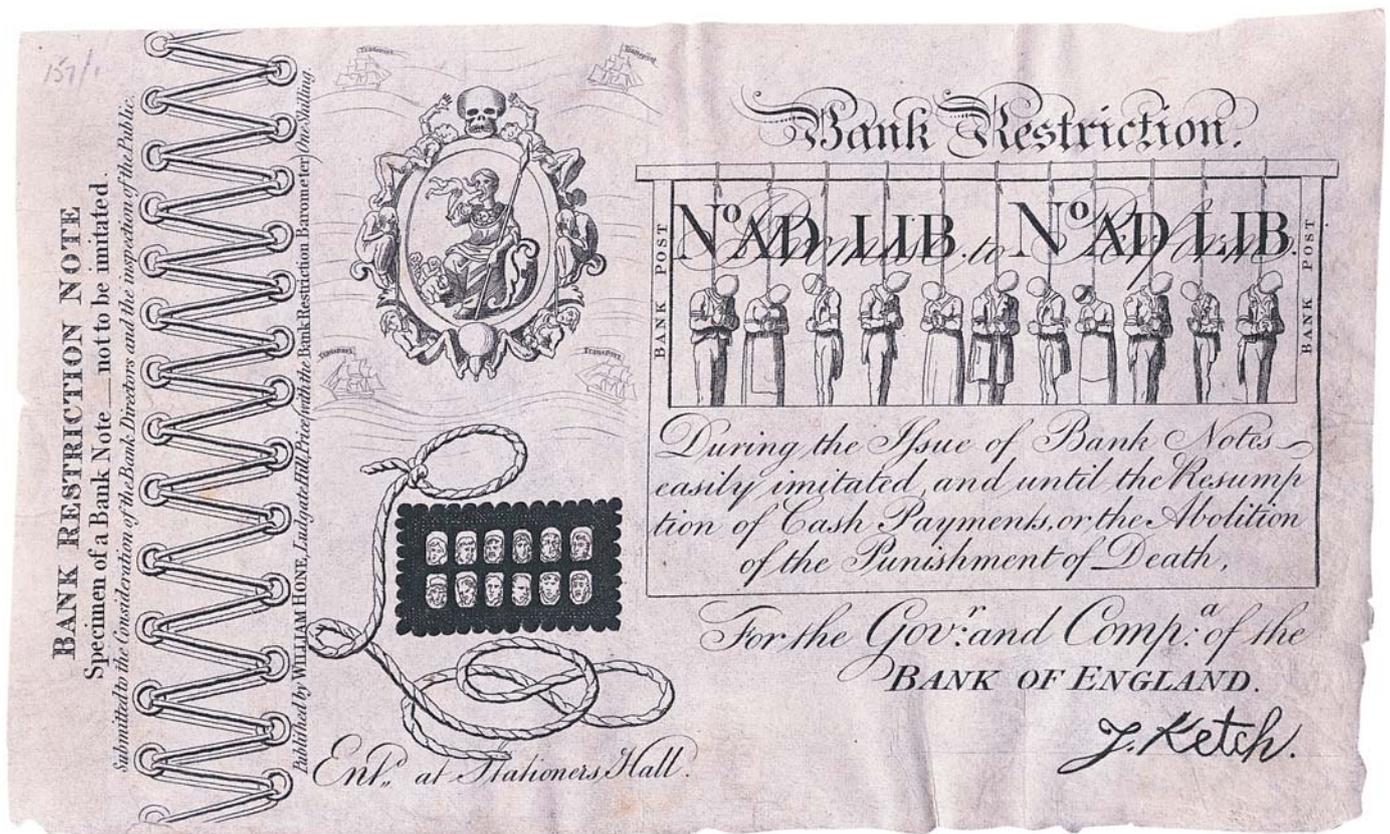
Bank Restriction Note

By George Cruikshank. Published 1819.

This grim parody of a Bank of England note was published as a protest against the severity of the anti-forgery laws. It bears the statement 'During the Issue of Bank Notes easily imitated and until the Resumption of Cash Payments, or the Abolition of the Punishment of Death.' As with banknotes of that time, it is uniface and monocolour. Using this banknote template, Cruikshank's satire on punishments for forgery can be seen through a number of features:⁽¹⁾

- On the Bank Restriction Note, Britannia, the Bank's corporate seal, becomes a child-devouring monster.
- The black sum block, below the seal, which would normally state the value of the note in white Gothic letters, carries instead portraits of those executed.⁽²⁾
- The pound sign is transformed into the hangman's noose.
- On the left, the zigzagged leg shackles, together with the ships in the background, point to the fate of note forgers who were sent to penal colonies overseas.
- The note has no number, instead it is printed 'Ad Lib' in reference to the number of forgery convictions being without constraint or 'number'.
- The gibbet from which convicts are hanged is supported by a 'Bank Post' on either side — a reference to Bank Post Bills, a financial instrument akin to a banknote but payable three or seven days after a stated date for security in transit.
- The signature on the note is that of Jack Ketch, the traditional name of the hangman.

The forging of a Bank of England note remained a capital offence until 1832. Cruikshank believed that his Restriction note was an important factor in changing the Draconian penalty for forgery.



(1) See also Hewitt and Keyworth (1987).

(2) The sum block was a device to prevent erasure and subsequent alteration of the denomination of the note. This type of crime — altering the value of a note — was more common in the 18th century than the later, more sophisticated counterfeiting or creating a note from scratch.

On nationalisation

The Bank had been founded as a joint-stock company⁽¹⁾ with a Royal Charter, an unusual combination. Its first transaction, in fact its reason for being, was to loan money to the Exchequer in order to finance a war with France. From the beginning it had kept the state's banking accounts and by 1781 was regarded by many as a department of state. In 1781, Lord North, Prime Minister, had described the Bank as 'a part of the constitution... to all important purposes the public exchequer'. Even so, the idea of taking the institution into public ownership was not seriously considered until the 1930s when the Governor of the day, Montagu Norman, became involved in the post-war nationalisation of industry. The Bank was nationalised on 1 March 1946.⁽²⁾

Not This Time!

By Bernard Partridge. Pen and ink drawing. Published 20 November 1935 in *Punch* magazine.

Citizen Attlee asks the Old Lady of Threadneedle Street: 'Cab, lady?' The 'cab' is in fact a tumbril with a banner proclaiming 'Nationalisation of Banks'. A signpost points 'To the Guillotine'. In a speech at Accrington on 13 October 1935, Clement Attlee, leader of the Labour Party, said 'If the Labour party resumed power the first thing they would invade would be the 'Temple of the Golden Calf' in Threadneedle Street — the Bank of England'.⁽³⁾



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(1) A joint-stock company is a business entity owned by its stock or shareholders, that is, those who have invested in it. Investors can transfer their stock or shares to others without any effect on the existence of the company.

(2) See Forde (1992).

(3) See Hennessy (1992).

So much for Nationalisation

By Joseph Lee. Pen and ink drawing. Published 13 March 1946 in The Evening News.

The cartoon depicts a tramp being ejected from the main entrance of the Bank and protesting 'So much for nationalisation. This is wot 'appens when one o' the owners asks for a few quid till Friday.' In other words, a payday loan.



"So much for Nationalisation. This is wot 'appens when one o' the OWNERS asks for a few quid till Friday." (WED)

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