

**THE RISE OF THE
LONDON MONEY
MARKET 1640-1826**

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The rise of the London money market 1640-1826 by W. R. Bisschop

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RISE OF THE LONDON
MONEY MARKET
1640-1826

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INTRODUCTION

DR. BISSCHOP'S *The Rise of the London Money Market, 1640 to 1826*, now for the first time translated into English, first appeared, in the original Dutch, at the Hague in 1896. It was at my request that Dr. Bisschop very kindly undertook to have the work translated, and I willingly comply with his suggestion that I should write a few lines by way of preface.

Those who have worked at the history of English banking well know that the special chapter of that history which Dr. Bisschop has attacked is the most obscure and difficult of all, and has hardly been attempted by previous writers. Every historian has felt bound to give some account of the origin of our English deposit-banking, and hence every history has something to say about the Goldsmith bankers. But it is surprising how little definite

knowledge we have of the business done by these men, and the very date at which they commenced operations is still uncertain. The Bank of England, after its foundation, seems to have monopolised the attention of the historian ; and the parallel development of private banking has been left in the shade, to be treated mainly by local antiquaries and others, whose interests were rather personal than economic. In general histories we hear little of country banking until we come to the period of the Restriction.

For the Bank of England we now have, thanks to Professor Andréadès, a fairly connected history, from its foundation to the present time. But even in regard to the Bank our knowledge is very defective, so far as concerns its actual methods of business and the nature of the instruments by which the business was carried on. Its statistical history is almost a complete blank for three-quarters of a century. There are no published returns of any authority until we come down to those arising out of the Committees towards the close of the eighteenth century, and these do not in general go back farther than

1778. For reasons difficult to understand, and in striking contrast to the practice of some other great national banks, the Bank of England has shrouded its operations in a veil of mystery, only penetrable by parliamentary inquiry. We are thus deprived of what would have been the natural clue to the history of a banking system in which the national bank has always been the predominant partner.

Of late years, no doubt, we have had some very valuable contributions to our knowledge of the dark ages of English banking. Among these I would mention especially the works of Mr. Maberly Phillips on the Northumberland and Durham banks, of Mr. Cave on the Bristol banks, and of Mr. Hilton Price and the late Mr. J. B. Martin on the London banks. What little we know about seventeenth and eighteenth-century banking is mainly due to these writers. In none of these works, however, do we find such a continuous history of banking operations and banking accounts as Mr. Boase has given us for Scotland in his history of the Bank of Dundee. It would be a great addition to our material for English bank-

ing history, if we could have a reasoned and documented account of one or two English provincial and City banks over the period treated by Mr. Boase. All the books just mentioned, though full of matter for which students must be grateful, deal very largely, no doubt for sufficient reasons, with personal, biographical, and often merely humouristic details.

Thus it happens that the history of English banking before the nineteenth century is little more than a disconnected series of episodic sketches, dealing with incidents of runs, forgeries, and crises, and diversified with vignettes of eccentric financiers, and stories of their whims, foibles, and fortunes. In fact, we know little more of English private banking for the seventy-five years after the foundation of the Bank than we do of the Goldsmith banking for the fifty years before that event—and not a great deal more about the Bank itself after the early struggles which established its monopoly. We have no figures for any English banks, giving information as to turnover, reserves, and rates, over any period of years; such casual facts as can be gleaned are mostly