

Celebrating the Old and the New:

Alcester Bank Banknotes, 1801-1802, CR110/Bundle 2

With the recent circulation of the new £10 note, we, at the Record Office, wanted to mark the occasion by celebrating another special £10 note which is held in our collections. We hold several Alcester Bank banknotes – £5 and £10 notes respectively – which are dated from 1801 to 1802. They provide a fascinating insight into the use of country banks, and the wider evolution of banking in Britain.



A bundle of Alcester Bank banknotes
 Warwickshire County Records Office; CR110/Bundle 2

Early Banknotes and the Gold Standard

Today, we are used to handling banknotes – issued by one authority: The Bank of England – and exchanging them for other banknotes and coins. However, when money was tied to the value of gold the process was quite different. The Bank of England was founded in 1694 to raise capital for the war against France.

Immediately, the Bank “started to issue notes in return for deposits.”¹ Like the goldsmiths and merchants in the 16th century, “the crucial feature that made Bank of England notes a means of exchange was the promise to pay the bearer the sum of the note on demand.”² More specifically, “this meant that the note could be redeemed at the Bank for gold or coinage by anyone presenting it for payment.”³

While the Bank of England was an important new addition to London’s financial scene, “country banks”, Virginia Hewitt writes, “developed as an integral part of local economic growth.”⁴ They helped areas to expand, flourish, and become more accessible. Therefore, they “were often of more immediate local importance than the remote Bank of England.”⁵ They even created their own, distinct banknotes. The denominations, however, fluctuated due to the war. One problem that arose was a coin shortage, which led £1 and £2 notes being produced for a short time.

¹A Brief History of Banknotes, www.bankofengland.co.uk

² Ibid

³ Ibid

⁴ Hewitt, Virginia. “English Country Banknotes – An Introduction.” *Paper Money in England and Wales*. Online Research Catalogue, www.britishmuseum.org

⁵ Ibid





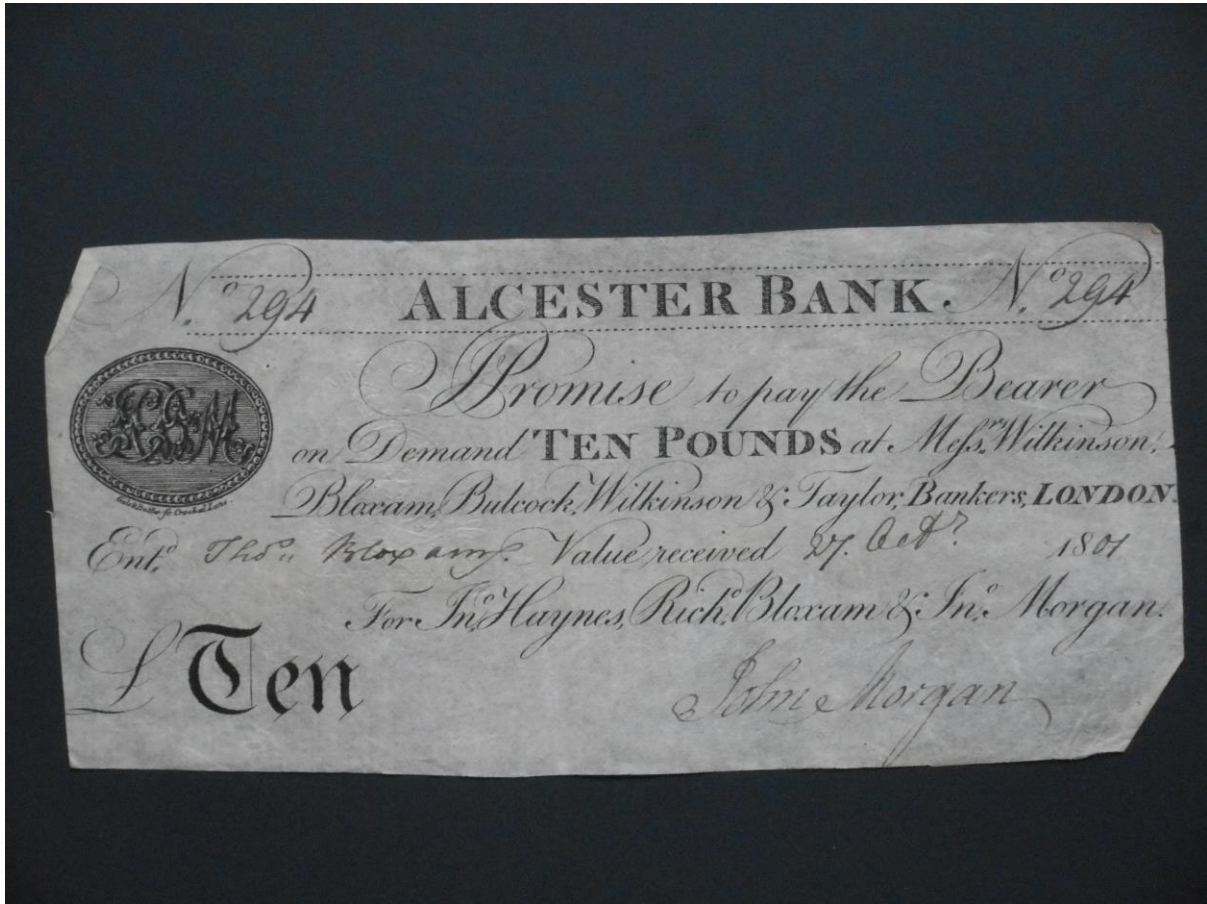
An Alcester Bank £5 note
Warwickshire County Records Office; CR110/Bundle 2

Continuing on the same note... (pun intended!)

Naturally, the Industrial Revolution of the late 18th and early 19th centuries caused the number of country banks to rocket, with a peak number of “just over 700”⁶ in 1812. According to the Shakespeare Birthplace Trust, “Haynes and Bloxam’s Bank’ is recorded in the Bankers’ Almanack as having been founded in 1801 and as having been failed in 1814.”⁷ It was owned by local men, John Haynes, Richard Bloxam and John Morgan. While some banks issued banknotes with ornate illustrations, Alcester Bank favoured a simpler design. The oval monogram on the left-hand side features the initials of the three bankers: HB&M. The note is made of paper and has both handwritten and printed text – for example we can see the banker’s signature in the right-hand corner, making it available for use.

⁶ Ibid

⁷ www.collections.shakespeare.org.uk



An Alcester Bank £10 note
 Warwickshire County Records Office; CR110/Bundle 2

Comparisons between the 1801 and 2017 £10 notes

It is very surreal to see the two banknotes side by side. The new polymer £10 note emphasises how primitive, big, and fragile the 19th century banknote really is. It also illustrates how far technology has advanced – the plastic banknotes have new anti-fraudulent features, braille for the visually impaired, and wonderful colour illustrations of the Queen and Jane Austen. All the improvements mean that the new banknote is more durable, clean, and safe⁸.

The two banknotes also differ considerably in value. According to the National Archives' money converter, "in 1800, £10 would have the same spending worth of 2005's £321.70."⁹ Furthermore, with that amount of money in 1800 you could buy one of the following options: "66 x days (craftsmen days in building labour), 11 x

⁸ www.bankofengland.co.uk/banknotes

⁹ www.nationalarchives.gov.uk/currency

wool (per stone), 1 x wheat (quarter), 2 x livestock (cow).”¹⁰ It is amazing when you compare what you can buy today for £10.

In conclusion

Although this document of the month may be small, it holds a huge amount of history. By studying the £10 note we can learn lots about early banking practices in Warwickshire, and further afield. Consequently, we can appreciate and celebrate both the old and the new.

¹⁰ Ibid

