

**Volume I**  
**The Rise of the Gold Standard, 1660-1819**

1797 February 27

**Newspaper account of a Council decision to suspend cash payments by the Bank of England**, in response to news of the landing of French troops at Fishguard in Pembrokeshire, signalling the beginning of the Napoleonic conflict and resulting in a heavy demand for guineas. During times of crisis, governments would often suspend banks' obligation to exchange gold for notes.

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The news of the enemy's landing in Wales had no sooner reached town on Saturday morning, than Messengers were sent off to Lord Grenville, at Dropsmore, and Mr Dundas, at Wimbledon, desiring their immediate attendance in London. At noon, a Council was held at Mr Pitt's house, in Downing Street; and in the afternoon, Mr Dressins, a Messenger, was dispatched to the Duke of Portland's office with instructions from his Grace to the Lord Lieutenant of Ireland, and from the Duke of York to General Lake at Belfast; he was to go by way of Holyhead. Mr Major, another Messenger, took duplicates of the same dispatches, and was to travel by way of Port Patrick. Mr Dickens, a Messenger, was dispatched to Haverfordwest.

On Saturday night, another Council was held at Mr Pitt's house, when it was resolved to dispatch a Messenger to his Majesty, at Windsor, requesting his personal attendance in town; a circumstance never before recollected, especially on a Sunday. Accordingly, the King came to town early yesterday morning, and at noon a Cabinet Council was held at the Queen's House, Buckingham-Gate, which sat three hours; and on breaking up, the Council adjourned to Mr Pitt's house, and remained sitting till past five o'clock. The Gentlemen who attended at this Council, besides the Ministers, were Mr Fawkener, the Clerk of the Council, the Attorney and Solicitor General, the Governor and Deputy Governor of the Bank, and Mr Samuel Thornton and Mr Bosanoury, Bank Directors.

At this Council it was resolved that a communication should this day be made from his Majesty to Parliament, acquainting the two Houses that he thought it expedient for the Public service to direct an order Council to be issued, to restrain the money payments of the Bank of England. It is probable that this very wise and salutary measure was adopted on account of the heavy demand for Guineas which has been lately made on the Bank of England, in consequence of the Newcastle Bank having suspended their payments, and the effects of false or exaggerated alarms respecting an invasion, which have produced a danger that there might not remain sufficient cash for the exigencies of the public service, even though the restrictions on discounts should be carried to an extent highly inconvenient.

The Directors of the Bank, in consequence of the large demands for cash made upon them, had recently adopted the prudent measure of limiting their discounts, to the no small embarrassment of the mercantile world, for the sake of narrowing the extent of their paper circulation, and of thus providing effectually for the payment in ready money of all the Notes issued by them. One effect of the Order of Council will necessarily be (if the spirit and exertions of individuals are such as they ought to be for the support of credit, and if due weight is given to the known solidity of the Bank Capital) that they will be

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enabled to return to a larger scale of discounts. We think it right to express no further opinion till more is known.

A meeting of the principal Bankers and Merchants of London, is to be held at the Mansion-house at 12 o'clock this day on the subject, when it is expected that an agreement will be entered into similar to that in the year 1745, to take Bank of England Notes in payment, and to promote the circulation of them. We hope that this will operate as an example, and as an encouragement for forming without delay Associations of Gentlemen and Traders in the country, for the purposes of encouraging the acceptance of Country Bank Notes, or Bank of England Notes in payment in like manner.

Further lights must be thrown on the subject by the discussions in Parliament; we will only add, that we rest perfectly persuaded of the solidity of the Bank, and of the full sufficiency of the public resources to meet every real exigency, and to overcome all the affects of temporary alarm.

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*Source: The Times, 27 Feb 1797, 2d-3a. For the account of the landing itself, see *ibid.*, 2a-2b.*