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REMARKS

UPON THE

Bank of *England*,

With Regard more Especially to our

Trade and Government.

Occasion'd by the present

DISCOURSE

Concerning

The Intended Prolongation
of the BANK.

Humbly Address'd to the Honour-
able House of Commons.

By a Merchant of *London*, and a True
Lover of our Constitution.

The Second Edition Corrected.

L O N D O N,

Printed for *A. Baldwin*, in *Warwick-
Lane*, 1706.

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TO THE
READER.

When our Money'd Men first solicited an Establishment of the *Bank* by *Act* of *Parliament*, the Argument made use of for this Design was not only a *present Loan*, but a great show of future Service; which we may suppose from the mighty Powers and Privileges the *Parliament* gave them, beyond those of any Corporation, or Society, I believe, that ever was Erected in *England*.

The great *Engines* we had then to move [our Trade and our War] under a great scarcity of Money to keep them a going, put the *Parliament* upon uniting,

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as far as it cou'd be done, our little dispers'd Streams in the Channel of the *Bank of England*: And it prov'd accordingly, the *Bank* was useful, if not to Trade, yet apparently to the Government in several *prompt Loans*.

But it seems the first Discourse of *Usefulness* is now improv'd into a strong Argument of *Necessity*, insomuch, that this *Bank* is valu'd by some as the main Support of our Government; and is indeed too great to be disoblig'd, especially in so small a Request as that of a *Prolongation*.

It is observable, that there are some Things which are Cordials to a Man's Body, but when they, by being us'd too freely, become *necessary*, they soon become *fatal* too: And I thought it worth my Enquiring (for private Satisfaction at least) whether this *suppos'd*
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Necessity of the present *Bank* might not portend something Ill to our Body Politick.

But it was some satisfaction to me to find the *Necessity* only suppos'd, not prov'd; especially when I found its being mortal to our Constitution, a Point that was capable of being but too well prov'd. I have said something to remove this *Necessity* here, and no doubt much more will be said, when *Ways* and *Means* are enter'd upon; but that a *Prolongation* will make the *Bank* become *necessary* indeed, I think I have prov'd beyond Dispute. And that is the Reason why I cou'd never give my Consent to a *Prolongation*, had I the Honour to hear the Debate.

Or if I found the Bargain must be struck, I should be for selling our C-----n, as our Soldiers do
their

To the Reader.

their Lives, as dear as I cou'd : I shou'd stily reject the profer of a *Million*, as too small a *Share* by much, wherewith to purchase the *Whole*. And I shou'd not much question but to find the Bidder wise enough to comply; but I shou'd be very Humble afterwards, and know my Master.

For it must ever appear to me a dangerous *Solecism* in Politicks, that the Constitution shou'd depend upon any thing in this World besides itself; or, that the Thing which is the support of every private Man's Property, shou'd subsist by any private Support. And therefore, I hope the great Law of Self-preservation, will never incline our Government to lean with so great a Stress upon that *precarious Support*, which, when withdrawn, *It* must fall to the Ground.

These

To the Reader.

These I judg'd to be Truths of too great Importance to be conceal'd by me, especially when I saw none else appearing to reveal them; and that's my *Apology* for Publication.

And if I have made good my Point, I shall not fear, but that this little Tract will find *Patrons*, and our excellent Constitution *Patriots*.

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T H E
Introduction.

Notwithstanding that the *Bank of England* is a Subject that has had no small Share in the late Politicks of the Town, yet there are several amongst us who seem to look no farther than the Counting Tables in *Grocer's Hall*, and so judge of the *Bank* as they do of a Banker's Shop, to be of no other Use or Influence but to receive and pay Money.

There are others, and among our deeper sighted Politicians, who plainly perceive an *Influence*, but want Light to trace it out; and consequently must in great measure talk in the Dark, when they engage in this Subject.

As to the first sort, they may have their Error corrected by almost every Discourse that happens between the People of different Opinions, with regard to the *Bank*: One crys if this *Bank* is prolong'd, it will ingross our Trade,

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and ruin our Constitution: At the same time another is pleading so much Merit on the side of the Bank, that 16 per Cent. or more Annually, has not been a sutable Reward for their Services to the Government; nor can any thing be, but a farther Establishment. Now this methinks, ought to convince a Stander-by (what both Parties are agreed in) that there's something considerable in the Matter.

Requires a due Representation.

It is therefore for the Use of those who want Light into the Recesses of this Subject, that the Paper before them was written; and it will not, its hop'd, be accounted Presumption, to say, that several of those Gentlemen, who are Strangers to the Nature of Banks, and to the Condition of the Bank of England, may be deservedly plac'd within the Walls of the House of Commons, altho' their Education and Studies have not led their Thoughts much this way.

The Authors Design in Representing it.

Wherefore it will be requisite to proceed in this Argument with Perspicuity and Plainness; and not only to state the Case intelligibly, but impartially too; to write without the Aim at any Talent, either at Satyr, or Harangue, but to endeavour all along to lay open what

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what I take to be an important Truth to us all at this time, and to support it by proper Evidence.

For this Reason, and lest the Gentlemen of the Bank should think themselves too freely dealt with, I profess not to deal at all with their Persons, nor to lay any thing expressly to their Charge; no nor to deny them the Praise of having serv'd the Government well. In short, I can afford to allow them all the Virtue and good Principles imaginable, If I may but take leave to consider them, and their Successors especially, as Men liable to Temptations, while they partake, in common with us, of Nature as well as Grace.

And intending to observe this Caution, I must request the Reader, as he goes along with me, to observe it too, that it is not the Persons but the Thing that I am concerned with; and consequently what I write, being derived from the Influence of no Party of Men whatever, I may expect a favourable hearing from all equal Judges.

And I am of Opinion, an indifferent Person may presume to be heard, if he has considered the Case, and has any thing worth hearing, at this Juncturee

Seasonableness thereof.

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when every one expects the Cause will be brought upon the Stage by the *Bank* it self, which will plead with you (and with no small Assurance of Success) for the prolongation of Time, almost six Years before the Old Term can expire; tho' it may last much longer, if a Principal of 1,200,000 *l.* be not then pay'd them by the Government.

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R E M A R K S

UPON THE

Bank of England,

WITH

Regard more Especially to our

Trade and Government.

C H A P. I.

A brief Account of the *Establishment*, *the Constitution*, *Privileges*, and *Restrictions* of the Present *Bank of England*, and of the *Profits arising to the Members thereof.*

THE *Bank* was Establish'd by a Loan to the Government of the foresaid 1,200,000 *l.* paid in at several times by Subscriptions equal to that Summ. The

The Establishment of the Bank, by the first Act, Ann. 1693.

The Act for it's Establishment pass'd in the Year 1693, *Gul. & Mar. 5.* which laid an Additional Duty upon *Tunnage, Excise, &c.* Which Duty, according to the Calculation then made, wou'd bring into the Exchequer *140,000 l. per An.* of which *100,000* was secur'd to the *Bank*, as Interest for the said *1,200,000 l.* amounting to *8 per Cent.* and *4000 l. per An.* more; which was suppos'd to be thrown in to pay Sallaries, &c.

Upon this Fund of Principal and Interest, They were Incorporated under the Title of *the Governour and Company of the Bank of England*, with a Power to make By-Laws, and do all other Acts as a Company, legally Constituted and Incorporated.

Pursuant to this Act of Parliament, they had a *Charter* inabling them to meet and choose a Governour, a Deputy Governour, and 24 Directors, 13 of which (the Governour or Deputy Governour being always one,) made a Court; in which was lodg'd the whole Power of Transacting all things relating to the Society, excepting only, when a General Court of all the Members was call'd; which was to be four times a Year, and oftner

oftner, if demanded by any nine Members, who were possess'd of at least *500 l.* in Capital Stock.

The choice of these Officers, and the appointing their Sallaries, was made by the Majority of all the Members, possess'd of at least *500 l.* Capital Stock; and was to be made anew every Year: The Governour, Deputy Governour, and 16 of the 24 Directors, having a Capacity of being chosen again.

The Governour was to be qualified with the actual Possession of *4000 l.* Capital Stock, The Deputy with *3000 l.* and each Director with *2000 l.*

Thus they stood Constituted till the Year 1696, when the *Exchequer Tallies* had very much lost their Credit, partly by Reason the Funds upon which they were struck, prov'd deficient, and their Payment of Course was remote; but chiefly by the Frauds and Artifices of Stock-Jobbers, &c. so that they pass'd at very great Discount, to the great Prejudice of the Publick Credit.

Ingraffment upon the B. by a Second Act An. 1696.

For Remedy of which, and to restore their Credit to the *Tallies*, the *Ingraffing Act* as it is call'd, then pass'd, by which all Persons possess'd of *Tallies*, might

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might make a new Subscription to the Capital Stock of the Bank of England; and become Members thereof, by a new Incorporation; the Bank being oblig'd to receive the said Subscriptions 4, 5th's in Tallies, at par. and the remaining 5th Part in Bank Notes.

By this means the Capital Stock of the Bank was enlarg'd; and the Government oblig'd to pay them 8 per Cent. for all their Subscrib'd Tallies, making it up where they did not carry so much Interest before, and also to allow them 8 per Cent. for as many more Tallies (which they were then possess'd of) as amounted to the Summ, which was Subscrib'd by the new Members in Bank Notes; so that the whole of this new Inlargement might be esteem'd at 8 per Cent. from the Government; until the Funds should come in, which wou'd pay off those Tallies in Course; and the Bank was accordingly to make a dividend of Principal to the Members, as those Tallies were paid off from Time to Time.

And thus they stand Constituted now: The Tallies being (as I'm told) pay'd off by the Government within 10 per Cent. of what was Subscrib'd; so that their Capital Stock in the Hands of

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of the Government, is now but little more than the 1, 200, 000 l. first Subscribed; though the Number of their Members, is encreased by the second Subscription.

Besides the 8 per Cent. Interest, there were several Advantages and Privileges given to this Society, some by the first, and others added by the second Establishment. The Privileges by the first were,

Privileges to the B. by the first Act.

First, A Power to extend their Credit, and borrow Money of such as wou'd Voluntarily lend them; the 1, 200, 000 l. in the Hands of the Government, so far as it wou'd pay, being the security to the Lender.

Secondly, For the better and more convenient circulation of their Credit, their Notes, under their Common Seal, were made Legally transferrable by Indorsement to all Voluntary Acceptors.

Thirdly, They were impower'd to Purchase Lands, (Crown Lands excepted) and to receive Goods, &c. upon lending their Credit or Money, and to buy Bullion, Gold, or Silver; and also to sell such Lands, and the Produce thereof, and all such forfeited Goods, and Bullion, Gold, and Silver.

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Fourthly,

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Fourthly, They had also the Privilege to deal in Bills of Exchange; either to give or receive them for Money, or other Bills, &c.

Fifthly, That their Capital Stock should not be chargeable with any Rate, Tax, or Duty whatever.

Sixthly, And for their Encouragement to act as a Body, it was not Lawful for the Government to pay them their 1,200,000 l. Principal, but upon a Years Notice; and that not to be given until after the first of Aug. 1709. by which they had an Establishment of 13 Years.

Seventhly, And it may be reckon'd amongst their Privileges, that any Member of Parliament might be also a Member of their Society.

These are the Chief Privileges they had at their first Establishment, which are all recogniz'd at their second, and several new Ones granted.

Privileges by the second.

First, A Power to borrow more Moneys upon the Fund and Security of this Ingraftment.

Secondly, It was made Felony in any Person to counterfeit their Notes.

Thirdly, No Man could be a Bankrupt by Reason of his Stock, nor that Stock

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Stock liable to any Foreign Attachment by the Custom of London.

Fourthly, The Time of their being paid off and dissolved was enlarg'd, and not to be under a Years Warning after August the first 1710. so that whole Time will have been Eighteen Years.

Fifthly, It is Enacted, That during the continuance of this Bank, there shall be no other Bank Establish'd by Authority of Parliament.

Having seen their Privileges, we must be so just as to look upon their Restrictions too; which we may do without distinguishing their first and second Establishment, they being much the same in both.

Restrictions by both Acts.

First, No one Person or Society cou'd subscribe above 10000 l. before the first of July, then following, nor above 20000 l. afterward.

Secondly, They are not to borrow under their Seal above the 1,200,000 l. lent upon their first Establishment; nor above the Summs subscrib'd upon their second; but if they do, and any Deficiency arises from thence, each private Member is made liable in his Proportion.

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Thirdly, They are prohibited Trading (any otherwise than above permitted) as a Corporation, or empowering any one to Trade for them as such, under the Penalty of treble the Value they Trade for, with a Reward of a fifth Part to the Informer.

Fourthly, If they shall refuse Payment of any of their just Debts, the Exchequer may, and must pay them out of the 100,000 l. as it shall become due to the Bank.

That this is an impartial Account of their Constitution, Privileges, and Restrictions, will be confirm'd by any one that thinks fit to peruse the 2 Acts of Parliament before-mention'd.

And it is hop'd the Reader will carry this Account along with him; because the following Arguments shall be form'd upon it, and in reference to the Particulars of it; which is, I think, a fair and clear Method of stating the Case

By what means the Bank's Profit may rise.

But perhaps, in the mean time, it may not be improper to answer a Question that may be made, concerning the Inducements which at first mov'd our Money'd Men to procure the Establishment of the Bank; and still engages the present Members so

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very earnestly, and so very early to solicit the Prolongation of it.

To which I answer, First, the 8 per Interest at Cent. alone, (when the Legal Interest was but 6, and the clear Produce of Land seldom 4) was of it self a sufficient Encouragement to this Undertaking; especially considering that this was Exempt from Taxes, to which other Money, and Stock, and Land were liable. This is obvious, but I answer, Secondly,

The Power to extend their Credit, and upon so good a Foundation as the security of an Act of Parliament, is perhaps a more considerable Article of their Profit than even so great an Interest.

They had a sufficient Prospect (and Time has made it good) of raising their Credit to a Par with Money; and wherever such Credit obtains, it affords all the real Advantages of so much Money.

And a Credit thus Establish'd, and rais'd to a Par with Money, is capable of being increas'd to an immense Value; considering the great Occasions for it, and Conveniencies of it in Trade, which, its known, cannot be carry'd on to a due Extent in England,

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land, without a far greater Summ in Credit, than there is in Specie in the whole Nation: And therefore a Credit vastly extended, must bring in vast Profits to them that are thus Credited.

Discounting Bills of Exchange.

To explain this in an Instance or two; The Bank has a Privilege to negotiate and discount Bills of Exchange; in doing whereof, the Persons who come to have their Bills discounted, (which is commonly at the Rate of 4 per Cent. or upwards) seldom require Money; but rather choose their Notes, as being at Par with Money, and more easy and convenient in Payments than Money.

Now if these Notes circulate abroad, but so long as till the Money is paid into the Bank upon the Bills of Exchange, then the Bank gains all the discount, without disburfing any Money, and makes Advantage of that Money so much longer as their own Notes circulate.

Or if their Notes should return sooner, yet, considering that most People (for their own Convenience) deposit their Money in the Bank; that Money will answer these other Bills as fast as they come; and so one Summ

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Summ will answer the Demands of another; from whence it follows, that the Bank is able to circulate, with a small Summ of Money, a much larger Summ in Credit, to their great Profit and Advantage.

In like manner the Bank proceeds in lending their Credit to the Government, at considerable Interest; which they can do without disburfing any Money, if the Notes they lend should keep out until the Funds upon which they lend them, bring in the Money to the Bank; as now it may well be suppos'd they commonly do, when the Credit of the Bank is so high, and the Parliamentary Funds are not so remote as formerly.

Lending their Credit to the Government.

The same, or greater Advantages they will be able to make in the Purchase of Lands, when their Credit shall be so good, (as it may even now be suppos'd to be) that the Rent or Produce of those Lands shall be sufficient to support the Credit Circulating, wherewith they were purchas'd; that is, shall be sufficient to convert it into Money as fast as it shall be demanded, till the Land brings in more Money; and so on every Year, until the whole Produce shall be equal to the

Purchasing of Lands.

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the whole Summ of Purchase; and then, in this Case, those Lands cost nothing but Paper.

Or if their Credit should not extend to this Degree, yet the Inference is certain, with what small Summs, join'd with their great Credit, they can make large Purchases. The Influence and Effects of which, may hereafter fall under consideration.

These Hints and Instances are sufficient to give the Reader some Idea of the Profits of the Bank (without inlarging upon their receiving Goods deposited, and their purchasing Bullion, Gold, Silver, &c.) and consequently to account for the Cause that has rais'd the Zeal of its Members, in prosecuting the Design of a Prolongation.

CHAP.

Bank of England.

CHAP. II.

The Case stated; and an Enquiry made into the Consequences of prolonging the Bank of England. First, with Regard to our Trade, and all other Merchants and Traders.

THE Prolongation aim'd at by the Bank is said to be 21 Years; and the Conditions to be offer'd to the Parliament, are either to lend a Million of Money for that time, without Interest; or to lower their present 8 per Cent. to 5, or 4.; so that the remaining 3, or 4. may be a Fund, whereon to raise part of the supply that will be wanted this Session.

Terms suggested for prolonging the Bank.

In order to obtain this their Desire, there is no doubt but they will plead their past Services, set forth their present, and propose mighty ones for the future.

The best way to examine all their Pretences, will, I presume, be first, to consider the Natural and Necessary Consequences of such a Prolongation,

Way to examine their Pretences.

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and then to enter upon the particular Consideration of the Arguments urg'd on the side of the *Bank*.

The principal Consequences to be attended to in this Case, are such as concern Trade and the Government, and therefore (to shorten this Discourse) I shall only speak with regard to these two.

How the Bank may affect Trade.

First, As to the Trade of this Kingdom, the Parliament, in both Establishments of the *Bank*, thought it necessary to restrain it from Trading either immediately, or by Commission, (excepting in the Produce of their Land, the Sale of deposited Goods, and the Purchase of Gold, &c. and the negotiating Bills of Exchange) as plainly foreseeing, that were they permitted to Trade freely, they might monopolize what Commodities they pleas'd, and undo all other Traders by their great and commanding Stock.

But if the *Bank* can evade the Force and Restraint of these Acts, and of any others that are likely to be made, then it may be justly concluded Dangerous, if not Destructive to Trade, in the Sense and Judgment of the Legislature.

As

Bank of England.

As to the present Constitution of the *Bank*, the Government of it is in the Hands of 26, or rather in the Majority of that Number, who are not liable to any Personal Penalty, nor the *Bank*, thro' their Default, to forfeit any of its Privileges, (so secure is this Establishment) and therefore there seems but very little Terror against, while there are strong Temptations to a direct Course of Trading.

For the Fallacy may be as easy, as it will be gainful: For supposing those Gentlemen agreed and resolv'd to employ a round Summ of *Bank-Money*, or Credit in Trade, for the sake either of the *Bank*, or themselves, which is not an impossible Supposition, considering the great Prospect of Gain, and the smallness of the Number of Managers.

How the Bank may Trade in one Instance.

It is but giving a Commission, in general Terms, (from doing which neither the Parliament nor their Charter restrains them) to one or more of the Directors, to dispose of such Money or Credit, for the said Service; and then he, or they, can as openly Trade with it, as other Merchants can do with their private Stock; and may account to the *Bank* in Terms as general

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as those of the Commission, bringing in a competent Profit, and instead of being detected, gaining Applause, beside other *Premium*.

How in another.

But if it must be not suppos'd, that the Directors will prevaricate at this rate, for so small a Profit as will be due to their private Shares in the *Bank*; perhaps the Temptation may appear strong enough, when 'tis farther consider'd what Opportunities they have of lending each other what Sums, and upon what Terms they shall think fit.

And thus Trading in their Private Capacities with the *Bank-Stock*, it amounts to the same, if not a greater Injury and Oppression to Trade, than if the *Bank* it self traded with the like Summ barefac'd.

But still, if even this shall be thought a Practice too Palpable, there is a more covert way of doing the business.

How in a third.

It is to be remember'd that the *Bank* has a Power of discounting Bills of Exchange; which they have done at 4 *per Cent.* to creditable Merchants, especially those well known to them.

Now it cannot be suppos'd but that the Directors may Command this Fa-

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Favour at any time, and beyond others.

They therefore, or any of them, as being Merchants, easily foreseeing the great Advantages by Monopolizing several Commodities, and other reasonable applications of large Sums, will be able to provide themselves for such undertakings by the *Bank-Stock*, in this Method.

Supposing the Summ wanted is 20000 *l.* He need only procure one or more Bills for it to be drawn upon himself, payable to a Friend of his; or upon a Friend of his payable to himself, 3 Months after Date; upon the Credit of which Bills, when accepted, his Interest will be so good at the *Bank*, that he or his Friend (which is the same Case) shall have the Value of these Bills paid either in *Bank-Bills*, or ready Money, at the discount of 4 *per Cent. per An.* which is but 1 *per Cent.* for the 3 Months: which Summ Receiv'd may be so dispos'd of in Trade, or otherwise, that the Produce may come in, time enough to repay the *Bank*.

In this Case there is no Injury, but a Profit to the *Bank*; and yet he who can have great Sums at Command, at

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at so small a rate as 4 per Cent. and, which is more advantagious still, for just so many Days, or Weeks, only as he wants it, will undoubtedly be able to out-trade all others, who cannot procure such Summs, or must be subject to the common Terms of borrowing.

And he being thus qualified, will never want strong Temptations to attempt Monopolies, of one sort or other; which is an Injury that not only affects other Merchants, but by making the Commodity dearer, reaches all the consumers of it. And all this he will be able to do by no Ability of his own, but by his meer Relation to the Bank of England.

Consequence of the Banks Trading.

Whether this has actually been the Practice, is not Material to our Argument; it being sufficient, that possibly, if not probably, it may be so; but thus much may be said, that such ways have been taken by private Merchants, either to support their Credit, or carry on Monopolies: And here at the Bank it may be done, to so much an higher Degree, as the Stock of Money and Credit in the Bank exceeds theirs; and consequently to a proportionably greater

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greater Discouragement of other Traders, and Damage to the Publick.

And now methinks it might be worthy your consideration, whether the Notorious failure of so many private Merchants, especially those of midling Stock, and the great Decay of all Personal and Private Credit in London, within these few Years last past (wherein the Banks Credit has been on the other Hand constantly gaining Ground) can be accounted for so well, by any other Cause, or Supposition, as by these now advanced.

From the Instances already given ^{Restraints} it's reasonable to infer, that there may ^{ineffectual} be many other ways found out for the Bank to evade all Restrictions, that can be laid upon it by Publick Authority, to prevent either it's Trading, or it's Trading to the pernicious Degree of Monopolizing.

For experience shows, that scarce any Restraints can be effectually laid upon Trade, or upon any Traders, where the Temptation of Profit runs very high, and the Stock of Money, or Credit to pursue it, is very large.

Therefore I must confess I cannot foresee any Limitation or Restrictions, which

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which the Bank may propose, or may be willing to submit to, which will not be liable to very easy and Practicable Evasions.

Thus it appears how capable the Bank is of Trading, in those very Cases wherein the Parliament intended it should not; but we must not omit another Case, wherein they have a Power and Privilege from the Parliament to Trade; and that no less Injuriously to a more considerable Body, I mean all the Landed Men of the Kingdom: Which they may do by Virtue of their forementioned Privilege to purchase Lands.

The Bank's Trading in Land.

This, it was prov'd in the former Chapter, they will be able to do in vast Quantities, and without Disbursement of much Money; by means of their great Credit, which will so prevail in time in the Country, as well as now it does in London, as to be in most Cases preferable to Money.

The produce of which Lands thus easily Purchas'd, will make a very profitable Trade of it; and in due time a very Tempting one, and within their reach too.

For the same means which empower them to Out-Trade all others in Mer-

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Merchandise, will equally inable them to out-do all Competitors in Buying of Land.

Great Taxes, a growing scarcity of Money, and a decaying Trade, as they will occasion, a more frequent Sale of Lands, so they tend very much to disable the present owners of Land, as to purchasing any more.

While the Bank (being exempt from Taxes, and ingrossing what Money we have, and acquiring a larger Credit, by the Diminution of all private Credit) will be every Day growing more capable of purchasing, as others grow less; and in propability, will in some time become almost the only Purchaser.

And he that is the only Purchaser of any Comodity, may reduce the Price of it as he pleases; which will in Course reduce the Price of all of the same kind.

How far this may affect all the landed Men of England, is what seems to call for their very serious and timely Consideration.

But if the Bank shou'd object to this, that they have not yet purchas'd one Foot of Land, I answer, however true

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that may be, it must not be infer'd from thence, that they never will.

The *Bank* has hitherto had more profitable ways of disposing of their Money; so that the buying of Land seems to be one of the last things for them to do, as 'tis with other successful Traders.

This therefore being the Work of Time, the present Success of the *Bank* proves that nothing but Time is wanting to bring them to such an overgrown Stock, as will almost necessitate them to fall into this Trade; which we may believe was not out of View at their first Establishment, by the express Provision they took care to have made for the doing of it against a proper Season.

Which perhaps is not yet come; a farther Establishment being, in all likelihood, necessary before they undertake that invidious Trade; as it seems so very likely to prove to all the Landed Men of this Kingdom.

Much more might be said upon these Heads, but that there is still behind an Argument against their Prolongation, of greater Moment to be consider'd.

C H A P.

C H A P. III.

The Consequences of prolonging the Bank of England, with Regard to our Government and Constitution.

IN the first place it may be proper How the Constitution may be affected by Loans from the Bank. to consider, how the *Bank*, being prolong'd, may affect the Government, and our valuable Constitution, as being the great Lender to the Government upon all Occasions.

Which Title of the *great Lender*, we may be allow'd to give the *Bank*, since this very thing is the general Plea on the side of the *Bank*, and perhaps will make the greatest Show amongst the Arguments that will be urg'd upon you for their Prolongation.

And indeed, this may very well be collected from what has been already said, concerning the *Banks* Power of extending so good a Credit; and the many ways it has of compassing such vast Profits; And lastly, The great success it has already had in these Respects.

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And

And it will follow from hence, that the *Bank* will be, in a short time, not only the *great*, but the *only* Lender to the Government. I mean none else will be able to supply the Government with such large Sums, as it has frequently wanted, before the Funds upon which these Sums were to be rais'd cou'd come in.

For here it must be granted, that as the *Bank* grows more able, all others will grow less able, to advance such large Sums. For as Money and Credit increases upon the former, it must proportionably decrease with the latter, considering the *Bank* of *England* does not in reality, increase the Stock of Money in *England*, as Merchants do by Trading.

So that in all likelihood the *Bank* will become either the only Lender, or so great a one, that without it, others cannot supply the Government with Loans sufficient; which is one and the same Case, as to the Consequences I am going to draw, Namely,

First, That the *Bank* can set its own Rate of lending; for what is necessary to be had, late Instances tells us will be had at any Price: And we see but few Men scruple to make their own
Advan-

Advantages of the Necessities of the Government.

Secondly, It follows, That the *Bank* will be able very much to distress the Government, by its being thus necessary.

And that Distress may fall upon the Government in point of time, if the *Bank*, to advance their *Premium*, or for any other By-End, shou'd be delatory in making those Loans.

Or it may fall out worse when the Loans are absolutely necessary for the preservation of our Government and Constitution, if then they shou'd absolutely refuse to Lend.

So that the Government will be, in these Respects, as it were in the Hands of the *Bank*, and may be undone either at long run by being supply'd at too dear a Rate, or at once by not being supply'd at all. And I believe they that know the World, will own, that these are neither Impossibilities, nor Idle Fears.

But to proceed—The *Banks* with-^{How others} holding their Money or Credit from ^{ways the} the Government, is not the only Case ^{same End} wherein it may nearly affect us in our ^{may be} Constitution; for the Power of that ^{compassed}
Stock

Remarks upon the

Stock may be too easily employ'd another way, even to the Destruction of the Government.

I will not go so far in supposing, as to say, that this collected Treasure of the Kingdom will ever be made use of against the Government in a Rebellious Manner: or to affect, by Force, any part of our Constitution.

I will only presume to give some Hints, to show by what means the Business may be done by Law, and in a Parliamentary Method.

The Government of the Bank being, as was said, in 26 Persons, and, as it now happens, of about 2200. Members there are not above 70. as 'tis said, Qualified to be chosen into that Government: There may some time or other (no doubt) be so large a Majority of those who are capable of being chosen, as to make it very likely there will be a good Majority of those chosen, who being disaffected, some out of Principle, others for different Reasons, may possibly think our Constitution stands in need of Alteration.

And then it will be Natural for them to enter upon Contrivances, and come to Resolutions how to bring about the desir'd Change.

Bank of England.

I say it will be Natural, because they cannot but know the means are in their Hands; which are, what has been often suggested, a great Stock of Money, and an unbounded Credit, with a Power in themselves to apply it, as they shall think fit; which Power they undoubtedly have, however they may be thought, by some, liable to be censur'd, or dismiss'd by a General Court, upon detecting (which is no easy matter) such Male-Administration.

It is pleaded by an † Author, and ^{Directors} a Member of the Bank, as a piece of ^{have Power} Merit on their side (which no doubt ^{sufficient} it was) that ^{for the} the Directors, upon a ^{fore said} pressing Occasion of the Kings, had ^{Purpose.} stretch'd their Credit to a Degree that ^{† Vid. Let-} cou'd not consist with any measure of ^{cerning the} Prudence; nor cou'd the Directors (in ^{Bank, and} his opinion) answer it to their Members, ^{the Credit} had it been, says he, for any less occasion ^{of the Na-} than the preservation of the Kingdom. ^{tion.} London 1697.

I have no other use to make of this, but to infer that the Directions have in them a Power to dispose of the Money, and extend the Credit of the Society, as they shall think fit.

And that Credit which once was stretch'd to serve the Government in Di-

Remarks upon the

Distress; may as possibly at another time, if the Directors shall so resolve, be exerted to distress or subvert that Government.

The means being therefore manifestly in their Hands, the next thing to be consider'd is how to apply them.

A constant and large Majority of 513 is the way; how to compass that is the business.

It cannot be denied, that there have been frequent attempts, upon those Places where that Majority lies; and 'tis well known how powerful the said means are, in the said Places.

But 'tis so Melancholy a prospect to think what the united force (supposing but the Wills united) of so formidable a Society may do; considering how near the thing has been done, by more disproportionate and unlikely means; that I shall wave the detail of Particulars, and be content rather to say too little upon this Article, than to give Light into the secret, but too easy Methods of so dangerous an Experiment.

I must confess this vile end cannot be compass'd but by suitable Practices; and therefore I am the more unwilling to make the Supposition. But when I find

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find it among the Privileges of the Bank, that any of the numerous Company of its Members (not otherwise unqualified) may be of the foresaid number 513; and when I'm satisfi'd how Natural it is for all Members of so profitable a Company to aim at Friends and Favorites in that House; when again I reflect on the Indisposition of the Times, and cannot but fear there will ever be Men who, upon many other accounts, will be ready to fall in with any Designs of alteration; when lastly, I foresee that the Triennial Act, with all its good Consequences, will have this untoward one, that it will make way for the Execution of such Designs by leasurely, and if I may speak so, *Triennial Steps*; even tho' it were impossible to finish the base Work all at one blow:

The supposition not unreasonable.

These things, and more that need not be mention'd, being seriously consider'd, I cannot think the supposition will appear hard to any Man that looks abroad; but rather that 'tis Natural, especially since the *remotest Fears* are allow'd, by wise Men, where the *Mischief is Fatal*.

Nor our Fears remov'd by the Integrity of the present Members.

But, in bar to all these Fears, I am sensible the Gentlemen of the Bank will

will plead they have never made any such attempts as are here insinuated: But have all along kept themselves clean from *Extortion* and *Bribery*, the two great Plagues of a Nation.

And this I had rather grant than deny; but then I must say the Concession will by no means remove our Fears, which will Naturally take in all the succeeding Managers, while we have nothing to depend upon but the Integrity of the present.

*The true
Party-man.*

But I cannot forbear mentioning one thing which is not a little dangerous to our Constitution; and that is, what we call Voting for a Party; to which all such Societies as the *Bank*, especially when admitted within those Walls, have a Natural and almost irresistible Tendency, as having ever a separate and Party-Interest to carry on.

A Man that Votes steadily according to Principle, tho' he shou'd happen to be against the Constitution, is not, in my Opinion, to be Branded as a Party-Man; for he has made no general surrender of his Judgment: But he that Votes, and perhaps is sent to Vote, only for the Interest of a set of Men in Trade and Business, is the
true

true Party-Man; that is, one who prostitutes all the Laws of Honour, Conscience and his Country, to sinister and selfish Ends.

If you know in Fact that you have any number of Men of this Stamp, you must have felt how much our whole Constitution suffers from such infected Members.

After all, I suppose there are some Gentlemen will plead that these Consequences, I have thus long insisted upon, are very remote, and unlikely to come to pass; and will call them by the name of *bare Possibilities*.

To take of all pretences, let us grant even this too: I know 'tis Ridiculous to be alarm'd with *bare Possibilities* in trivial Matters; but in things of the *greatest Moment*, the *least Fears* will affect wise Men. For our Fears will rise in proportion to the *greatness*, as well as to the *distance* of the Object we fear: And therefore to me the Argument still remains Conclusive, as to the danger of our Constitution, and our *All*; for venturing *All* must fright us, tho' it shou'd be but barely *possible* to loose that.

No future
restrictions
effectual.

But even still there may be some that wou'd have us depend upon such Restrictions and Limitations, as the Parliament, they say, may find out for preventing these Evils.

But I must answer, that what was just now said makes it unsafe for us to treat, until it's demonstrably made out that such fatal Consequences are *absolutely impossible*.

On the contrary, I think he that considers the Nature of Restrictions, and their usual Success in Cases parallel to this; and that I have already prov'd how liable those now upon the *Bank* are to be thoroughly evaded, will not easily believe that it can be demonstrated *absolutely impossible* such Consequences shou'd follow.

But to enter a little farther into the matter; let it be observ'd, that all these Consequences are chargeable upon that *boundless Power* which the *Bank* has of extending a Credit so current as this is, which, in its Nature, will always be increasing, until it grows too great for all Opposition.

And it's very impracticable so much as to restrain it in this Particular; for it will be said, that it's inconsistent with the Nature and Design of the *Bank*,

Bank, and a great hardship upon the Members, to limit or circumscribe their Credit; since in their private Capacities they stand accountable for all they owe beyond what they have in the Hands of the Government.

This looks like a very good Plea, and yet if the Parliament does but leave them with the foresaid *boundless Power*, they will remain, what they are now, the best Credit in the Nation; and then our Treasure will as naturally flow in upon them, as our Rivers run into the Sea.

Nor is this so much owing to the Power of their private Credit, as some pretend, for the Part can never be so powerful as the Whole. And let these Gentlemen exert their private Credit as far as they shall think fit, no Body, that I know of, will object against it: But until they are content with that Power, which it seems they are not, by so earnestly desiring a Prolongation, we must believe they want the *main Point*.

But to return: From what I have now said, it follows, at least, that we have no Room to expect a certain Remedy for these Evils, but that, in spite of all Restrictions, the foresaid
Con-

Consequences will still have a very *apparent Possibility*.

*The Case
of univer-
sal concern.*

And here I shou'd have submitted the Argument, but that I cannot forbear the mention of one thing more, which is, that these Consequences, how favourable an Aspect soever they may seem to have upon any one Party, are, in reality, of Universal Concern, and therefore shou'd engage us all against them.

For, tho' I have said a Change may be made by this means, yet I cou'd not presume to determine what sort of Men would be the Immediate Instruments; and consequently it remains uncertain, in favour of what Party even the first Change may be brought about.

But let that be as it will, it ought to be considered whether this does not lay the Foundation for perpetual Change and Revolution.

For the means of effecting this are plainly transferable from one sort of Men to another; and indeed, Men disaffected to the present Form of Government, be that what it will, will always endeavour to join themselves to such Societies, who have in their Hands the means of *Subversion*.

So

So that, after one Revolution, no Man can say whose turn it will be next to be uppermost.

And therefore it can never be the true Interest of any Englishman (*Churchman, or Dissenter*) to have the Legislature (or which is all one, the Command of it) misplac'd in the Hands of those, who will ever have a separate Interest from the main Body of the People of *England*.

C H A P. IV.

*The Pleas and Pretences on the side
of the Bank examin'd.*

ALthough the Arguments of the preceding Chapter seem to be of that importance, that, if they conclude at all, they conclude against all manner of Treaty about a Prolongation; because of the Power which carries in it but *Possibilities* of the last Consequence; yet we must, no doubt, have Patience to hear a great deal pleaded on this Head, and ~~great~~ *much* Merit pretended, to answer the pretence of much Danger.

In

In discoursing upon which Merit (that we may be sure to consider it all) I shall not only have respect to their past Services, and their present Profers or Proposals; but I shall also take in those Services they may pretend to, for the future.

Their past Services consider'd.

As to their past Services they have been chiefly the Loan of 1,200,000 l. at their first Establishment, and admitting the *Ingratment* of the *Tallies* afterward.

Now I have already shown, in part, what great Inducements they had to make that first Subscription to the *Bank*, not only from the 8 per Cent. but also from the large Prospect of Profits, by a circulation of Credit.

It has been Calculated that the said Fund of Interest alone wou'd, in 19 Years repay them Principal; and Interest, with Interest upon Interest, at the moderate rate of 5 per Cent. and all the 1,200,000 l. still due to them from the Government.

And at the same rate of 5 per Cent. it has been farther Calculated, that, should they continue a *Bank* on this foot for 60 Years, the Government must pay them what, with the same Interest, will produce near 14 Millions over and

and above the first Principal, and Interest, with Interest upon Interest.

So that even the 8 per Cent. has been complain'd of by some as too great a Reward.

But such Complaints as these may be silenc'd perhaps, by reflecting upon the Advantages which other Lenders also took of the Government at that time of Day.

But the true and naked State of the Case is this; The Government at the same time that it received their 1,200,000 l. gave them a Power to issue Bills of Credit equal to that Summ, making it self security for all those who thus far trusted the *Bank*.

Bank re-- paid much farther than Mr. Brisco's Calculation

By which means, the Credit thus given to the *Bank*, became more useful and profitable to them, than, in all likelihood, their Money would have been in their Hands, had they not lent it to the Government.

For they not only now enjoy the great Profit of that 1,200,000 l. Credit (as before made out) but, by virtue of that Privilege, they have a farther Power of issuing what farther Credit of theirs now passes amongst us; and all this passes currently upon the

Remarks upon the

the bottom of the publick Sanction and Security.

So that the Profit of this their circulating Credit, if it is not already, is likely enough shortly to be greater than the 8 per Cent. and consequently than the Summs in the foremention'd Calculation.

As to the *Ingraftment*, it was thought by some of their Members an hardship upon them: But it is to be remark'd, that this has prov'd no hardship, nor cou'd well be expected so to prove, since all the *Tallies*, and the whole *Ingrafted Summ*, carry'd 8 per Cent. Interest.

And they had a farther Privilege of proportionably extending their Credit, as in the first Case; so that the Terms being the same, I cannot see how this can be concluded a worse Bargain for them than the first.

By all this I intend no more than to give a satisfactory Answer to the Argument of Merit pleaded upon this Head; let them carry the Plea of supplying the Government, and raising the Publick Credit as high as they will.

In short, they have been so amply pay'd for all that they have done (tho' they

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they may be allow'd to have done it with the utmost Zeal) that they must not insist upon much past Merit; let them set forth their present and future as they think fit.

Let us then come to that point, and examine how their present Pretences stand, these it is said, will be either a Loan of a *Million* without Interest for the time of the desir'd Prolongation, or else they will lower the present Interest so much, that on the Fund of the Surplus, near a *Million* may be Rais'd.

I hope I may venture to say, that it does not appear from the Posture of our Affairs abroad, or the Conduct of our Ministry both there and at Home, that you will be under any Necessity in this, more than former Years, of recurring to any extraordinary Methods of Raising the needful Supply.

But whatever your Occasions, or their Profers may be, which I will not presume to determine, I may be allow'd to say, in the general, that nothing but *Ruin* can be set against *Ruin*; that is, nothing but the avoiding a more immediate Ruin (which I hope is far from being the present Case) can warrant those Methods

Remarks upon the

that may produce Ruin, tho' at the greatest distance, while it is within the *Verge* of a Possibility.

Or if ever Affairs shou'd come to that desperate Condition, it wou'd, methinks, still require a deliberate and diligent Consideration, and set our Heads at work to find out, if possible, an Expedient, that is neither in its Nature, nor in its Consequences, *Ruinous*.

Whatever Terms the Bank shall propose to you for their Prolongation, will, I conceive, come before you under the Notion of an *Equivalent*, if not a *Service*; but I am satisfy'd, as the Case stands, no present Supply can be deem'd an *Equivalent*, much less a *Service*, upon those Terms: nor, consequently, cou'd I be for entering into any Treaty thereupon.

And the Reason of this will, I am sure, be more satisfactory in the Words of one of the ablest Statesmen the last Age produc'd.

Lord Halifax Anst. of an Equivalent.

In Matters of Contract, not only the present Value, but the Contingencies, and Consequences, as far as they can be fairly suppos'd, are to be consider'd. For Example, if there shou'd be a Possibility that one of the Parties may be Ruin'd

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Ruin'd by accepting, and the other only disappointed by his refusing; the Consequences are so extremely unequal, that it is not imaginable a Man should take that for an Equivalent, which hath such a fatal Possibility at the heels of it.

I will not make this Case of ours so invidious, as to say 'tis exactly Parallel to that; but, as that noble Author has made it turn upon a bare Possibility, I think I may say it justly concludes for what I am asserting.

Now if the present assistance of the Bank cannot Merit a Prolongation, because of Ill Consequences, then neither will any pretensions of future Service be found sufficient, as being Subject to the same.

But if it be still insinuated by any that the Bank is so highly necessary, that the Government, which is chiefly supplied by them, can scarce expect for the future to be supplied without them; I answer, those that think them thus necessary, wou'd doubtless have us believe they are already too great and Powerful to be disoblig'd.

The Case of the Bank's being necessary.

And what follows if this be granted? Why certainly that a Prolongation will make them much more Great and Powerful, and Dangerous indeed to

to be disoblig'd: And, Consequently, then no one can deny the *Bank* a Power of *Subverting* that Constitution, which, without the Voluntary assistance of the *Bank* (for such are all Loans) is not able to *subsist*.

But to take of the Terror of this desperate Argument, I shall deny, and at the same time disprove, this suppos'd necessity of having the *Bank* prolong'd.

Proof that it is not yet necessary.

This mighty Power of theirs depends upon one Branch of the Publick Credit; but surely there still remains, intire, a far greater Power in the whole Frame, or Body our Government, than this part can pretend to.

And what the *Bank* has done with this single Branch, plainly proves, that the Government is capable of doing much more, at least of being duly supplied, without such Foreign Aids.

Nor, if Methods cou'd he found out whereby the Government might freely exert its own Credit, for its own Service (and be thereby rescu'd from all precarious dependance, and the many hardships of a necessitous Borrower) wou'd such a Design, tho' immediately set on Foot, be any way inconsistent with the Governments

En-

Engagement to the *Bank* at their last Establishment, that there shou'd be no other *Bank* erected by Parliament during their Term.

For, that the Government never cou'd intend to preclude it self from exerting its own Credit by that Limitation, is apparent from the very same Act, in which, after the settlement of the *Bank*, the Establishment and Circulation of the *Exchequer* Bills is expressly made and provided for; which is a manifest Instance, that the Government has reserv'd that Liberty and Privilege to it self; and excluded only all other private Persons.

And indeed it wou'd look very strange, that the Government shou'd, by a premeditated and solemn Act, debar it self of that Privilege, which it wou'd be destroying Liberty and Property to deny to the meanest Subject; that is, to make the best use of his Credit that he can.

If then there be still a *good Foundation*, and a *just Power* left in the Government for the compassing of so good and great a Work; it remains only, at present, to wish for Heads and Hands equal to it.

Con-

Conclusion.

AND now, from the whole, I hope I may be allow'd by all unbiass'd Men to draw this Conclusion, which is, that the Point here controverted, whenever it comes into Debate within your Walls, will appear of Moment enough to bespeak your greatest Sagacity, and mature Consideration, as it nearly concerns the present Form of our happy Constitution, in which you bear so great a Part your selves, and of which you are intrusted with the preservation of the whole.

And if these Papers have given any Light into a Subject, which (notwithstanding the Importance of it to us all) has lain so much out of the way of some, and been so overlookt by others, that it has scarce been duly search'd into by any; then the Author, who has endeavour'd to state the Case with Clearness and Impartiality, will, he hopes, stand acquitted with you, from being either an *officious*, or a *partial* Writer.

And that will guard him from all the Censures of such who may be forward
to

to say, *That* is writ for a *Party*, which is indeed written for the *whole*; and this doubtless to disguise their own appearing in a *Party-Cause*.

But 'tis to be hop'd all Men of Sense will infer, that he who is against *all Alterations*, must be for the *present Establishment*; and that whoever goes about to obviate the *Possibility* of introducing *another* Constitution, demonstrates his sincere Inclinations to *this*.

Which makes it almost superfluous to say, that the Design of this Discourse cannot fairly be drawn to favour, in the least, any other Pretensions, or made to plead for any other Cause, besides that of our most Excellent *Queen*, the *Succession* happily Establish'd in the Protestant Line, and the ancient and invaluable *Freedom* of the *Parliament of England*.

And, being perfectly conscious of this, I have little Fear of disgusting any, but those whom a private Interest and Gain has made implicit Votaries to the *Bank*, or those whom the Prospect of a favourable Turn to their *Party*, has engag'd so far, as to become Zealous Patrons of this *Bank*, and loud Advocates for it.

H

But

Remarks upon the

But I will not despair that this little Tract may find some Friends, even in *Grocer's-Hall*; those I mean whom it may incline to part with so much of their own Power, as they themselves wou'd be very unwilling to see fatally perverted.

But how such Thoughts will operate upon any of that Society, I must not offer to say; nor does, I hope, the Success of what I say depend there. But if, on the contrary, it shall provoke an Answer, I expect, and justly, that their own Cause be fairly clear'd of the Consequences charg'd upon it, before any other are imputed to this Discourse; and then I promise to debate that Point too.

But if, without any such Regard, there appears for Answer only unwarrantable Reflections, and unfair Insinuations, I will give this my final Answer to all Arguments of that Kind beforehand. I grant it, such Methods are well enough calculated to lead the credulous and unwary Multitude into Designs which they do not foresee, or to divert them from looking into those they shou'd: But these are *Amusements* too trifling to mislead your better Judgments; they will rather have the

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the contrary Effect; for Wise Men, when they hear much empty Noise in a Case of great Moment, always suspect that this Clamour is rais'd only to stifle such just Complaints, as those loud Gentlemen wou'd by no means have others hear.

I hope I have set no Example of this kind, and that no disrespectful Word, to the Person of any, has drop'd from my Pen; that would have been not only unbecoming, but foreign to my Design, which was to make a just Representation of a Case I judg'd to be of Universal Concern, and to set the matter in that Light to others, by which I first receiv'd Conviction myself; but, in Conclusion to submit the whole (as it is the Duty of every Private Person to do) with all deference to the *Wisdom of the Nation*.

FINIS.

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