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REASONSⁿ

Offer'd against the

Continuance

OF THE

BANK.

IN A

Letter to a Member

OF

PARLIAMENT.

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A
LETTER
TO A
MEMBER
OF
PARLIAMENT.

S I R,

WE have a Report in the Country, that there is great Striving for and against the Continuance of the Bank, call'd by some the Bank of England, by others the Royal Bank, whilst indeed 'tis only the Bank of a very Few against the Interest of the whole Nation, except either themselves, or those of a certain Party, (if there be any such as I do not pretend to determine) who may possibly hope by Secret Means to Ingress it to themselves, and thereby be able at their Pleasure to
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subvert the Ancient Legal Constitution of the Kingdom, by hindering the Circulation of Money, which is the very Life of Trade in all its Branches, and in a Free Nation runs undisturb'd into all Parts, to the Comfort of the Farmer and Country Gentleman, as well as the City and Court. For it is as possible for any one prevailing Party, where Shares are Transferable, to those that bid the Highest, to Engraff undiscern'd the whole Bank, as it is for the Bankers to monopolize the whole Money, or the greatest Part of it: As none feel the sad Consequences thereof so much as those that Live at a Distance from it.

To unravel this growing Evil, we must begin with the Act of Parliament whereby it is Establish'd; which gives the Bankers Power, or Opportunity of getting the Most of the Money of the Nation into their own Hands Yearly. For besides the Paying the Sum specify'd into the Exchequer, the said Act authorizeth and impowers them to advance by way of Loans to the Extent of other Funds agreed on in Parliament, and to draw into their Power all the Tallies that are or shall be struck either upon Parliamentary Grants, or the Standing Revenue, during the said Bank. Yet for the Safety of the said Sums of Money, Tallies, &c. the Government is oblig'd to make Good, or see Paid no more than 100000 l. per Ann. inclusive of the Interest of 1200000 l. except what has been engraffed since, of which not much remains unpaid by the Government.

Besides, Moneys in the Bank are not easily recoverable, should any Interruption happen in Payments, as is not impossible by a hasty Draw, or Demand, from individual Fears without Knowledge of each other.

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other. For the said Act of Parliament (which was pass'd in haste at the latter End of a Session, when there were but few Members, and those so taken up with Thoughts about the approaching Campaign, that they had not Time sedately to examine into the Conveniencies and Inconveniencies of e'ry Clause) provides, ' That the Bank as a Corporation should not borrow, nor give Security by Bill, Bond, &c. under their Common Seal for above the Sum of 1200000 l. at a Time. And that if they did they should not be su'd as a Corporation, but that all and every Member or Members, &c. should in their private personal Capacities be liable in Proportion to their several Quota's to the Re-payment of the Monies so borrow'd. So that a Thousand several Persons may be to be su'd by separate Actions for one Single 100 l. Besides the said Bank not being sueable after borrowing 1200000 l. (excepting as before -excepted) who can know when they have or have not borrow'd so much, and not ten Times more, without searching their Books, which very few mind, or care for the Trouble of it, and if they do, (considering the Nicety and Tricks of the Law) what single Person will contend with a Corporation? And if any should, they will find few Bank-Bills (comparatively) Sign'd with the Common Seal, and the Rest to have no more Security than the bare Hands of Servants and Directors, being not safe or unfailable. Which shews what may be justly expected and fear'd from such a Society of Men, who have receded in so great a Particular from the Observation of the Statute by which they were Erected into a Corporation under the specious Name of the Bank of England, &c. and it is not likely after so great a Neglect in one, they should have a stricter Regard to the other Provisions and Limitations of the said Law.

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Who therefore, considering the *Contingences* of the World, would contribute to the Advance of the 1200000 l. &c. into the *Bank*, since (let their Occasions be never so pressing) they are precluded the *Command* of their *Principal*, or indeed the *Recovery* thereof, and are bound to stick to the bare Interest of *Eight per Cent*, unless they can relieve themselves by transferring their *Shares*, the Rate and Value of which depends upon the *Credit* of the *Bank* above their Fund, and rises and falls according as *that* varies by a Thousand unforeseen *Accidents*.

Nor is there any greater Invitation to augment the *Bank*, by lodging in their Hands the *Portions* of *Orphans*, or *Younger Children*, seeing they are not *commandable* or *recoverable* as Occasion may, and must necessarily require. And one would think Men should not be so *profligate* towards the *Bank*, if they would but consider the sad Presidents of the Breaking of the *Chamber of London*, and the Shutting up of the *Exchequer*; both which had more certain Ways of *Supply*, and came nearer to a *National Security*, and yet fail'd to the *Ruin* of many Thousands of all *Ages* and *Ranks*. But yet a certain Gentleman in a Sheet of Paper, very handsomly recommends *one of these* as far preferable to the *Bank*, not considering that the Matter would not be much amended. Not but that a better and safer Provision is very obvious, if the *Power* and *Authority* of the Nation would please to admit of it. Of which more afterwards.

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But that which renders the *Bank* more intollerable is, its being downright an avow'd *Monopoly*, which has always been *odious* in the *Eye* of the *Law*, and when any *such* has taken shelter under some *Act of Parliament*, or by a *Charter*, or the *Favour* of the *Prince* for some Time, the *Government* has generally taken Care to put a *Stop* to it, by falling upon it as a *Common Nuisance*, to prevent the *Communities* running into *Violence*, as many times happens in all *Countries* upon *such* Occasions. For what *Community* will long suffer it self to be *bought* and *sold*, *over-run*, *impoverish'd*, and *undone* by a *Private Corporation*, under any *Pretence* whatsoever; especially if the said *Corporation* should be of that *Latitude*, and as capable and comprehensive of doing *Mischief* as the *Bank of England* is?

The Truth is, the *Malignity* of the *Bank* is of that *Extent*, that I know not well where to begin my Account of it. If it Affects not only *Lesser Dealers*, but also *Manufactures* and *Merchants*, it affects *Trade* in *general*, and what is injurious to *Trade* must necessarily run *counter*, and be very *pernicious* to the Interest of the *English Nation*, which from its happy *Situation*, *Number of Ports*, *Diversity* of *Manufactures*, *Ingenuity* and *Industry* of *People*, &c. has the Advantage in *Trade* above all other *Countries*, and without it would soon *languish* and grow *poor* and *weak* at Home, and *despicable* Abroad.

But to come nearer the *Matter of Fact*, if the *Bank of England* (or the *Company* so call'd) are *Privileged*, and have *Power* given them to *Engross* the most Part of the *Current Coin* of the Nation, which

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 by one Means or another circulates to London as the Centre of Trade, what can hinder them from reducing Trade into as Narrow a Compass, and as few Hands as themselves please. And having it so absolutely in their own Power, who can imagine they will lose the Opportunity of making themselves Great and Wealthy, which is apt to be the Aim and Design of most Men. What the Act provides against it, is, That they shall not Deal or Trade, or permit or suffer any Person or Persons, either in Trust, or for the Benefit of the Company, to Deal or Trade with any of the Stock's Money, in the Buying or Selling any Goods, Wares, or Merchandizes whatsoever. But this does not hinder their Lending to whom they please, or their entrusting their Friends or Relations with great Sums to do what they please with, &c. and their Friends or Relations Forestalling, or Monopolizing, is all one to the Government as if they did it themselves.

It is notoriously known, that the Bank did actually enable a certain Dealer in London to engross all the Coffee that was not in the Hands of Retailers, raising it to Ten times the Value. (See Considerations against the Bank, p. 6.) So all other Goods imported may be engrossed, and what Price they please set upon them, and all Home-made Goods likewise be Monopolized into the Hands of such Persons whom they shall please to credit with Sums of Money; supposing them not to reap any Share of the Benefit themselves, which cannot easily be imagin'd. For, in my Opinion, they may in a great Measure defend themselves by the said Act, which impowers them not only to sell all Goods, Wares, Merchandizes that shall be deposited with them, but also to deal in Bills of Exchange, and to buy and sell Bullion, Gold, and Silver. And does not that Authorize them

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to break into Trade in general, and particularly to the Traffick of Merchants, Goldsmiths, &c. by supplanting them in the Ways of Dealing they were bred in? For what will be left for other Traders to support themselves in their several Ways of Dealing, when those have possess themselves of the Bullion of the Nation?

I will go yet farther with them. Suppose they defend themselves, by saying, they deal in nothing but Money (believe it who please) yet that alone is sufficient to destroy the Trade and Commerce of this Kingdom, by their draining so much of it out of the common Channel of Trade, and diverting it another Way. For who can deny what is so obvious to those that will give themselves the Liberty to think, that the more our Money is employ'd in Trade, the greater is the encrease of our Riches and Strength at Home, and the Nation render'd the more honourable and formidable Abroad; and I think it is sufficiently evident, that if the Bank continues to be supported by the Government, they will still draw more and more Money out of the Channel of Trade, to the utter Decay and Ruine of it. Whereas the more Trade and Manufacture be encourag'd and enlarg'd, the Higher is the Price of Land, and the Better are the Rents paid. Otherwise the Farmer must soon go a Begging, and the Landlord follow not long after, or else Husband his own Land himself.

I will endeavour to explain my self by the following Instances. Formerly Traders and Farmers also could upon their Bond borrow Money at 5 per Cent. and be very welcome to the Lenders, who neither Farm'd nor Traded: But now the Gain of 8 per Cent. by the Bank has tempted many Money'd Men, (who used to em-

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employ their spare Money in *Home Traffick*, and in carrying on *Manufactures*) to throw most of their *Cash* into the *Bank*, and the *Reason* is, because notwithstanding the *Bank*, beyond the forefaid *Sum*, allows not so much *Interest* as they could have had from *Traders, Dealers, and Farmers, &c.* yet they think their *Cash* safe no where else; by reason so many of the said *Traders, Dealers, Farmers, &c.* are gone off, or betaken themselves to other *Business* for want of the Benefit of the said *Current Coin* monopoliz'd by the said *Bank*; so farewell to all *Personal Credit*. This is the great *Lamentation* worthy the Thoughts of our *Honourable Representatives*.

My next *Observable* against the *Monopoly* of the *Bank*, is, that when Money runs in a free Stream, the *Current Coin* of the *Nation* was even than too little to begin, promote, and carry on the numerous and different *Methods of Trade, Traffick, and Manufactures* of this Kingdom; but what must they now dwindle and sink into, if the *Current Cash* be suffer'd any longer to be monopoliz'd by the said *Bank*? It has been long since observ'd, That *Trade* is like a *Coy Mistress*, and must be earnestly and warmly *Courted*, or else you lose it, and if ever it pass over into another *Nation*, it is seldom or never *recover'd* back again: And that which hinders the *Courting* and *Following* this *Coy Dame*, is, that the Thoughts of our *Merchants and Traders, &c.* instead of being employ'd about the *Improving* of *Trade* are diverted to the *Bank*, and the *Discourse* upon the *Exchange* is chiefly about *Transfers of Bank Stock*, and the *Price of Tallies, &c.* as if that was the *grand* and *only Commerce* of the *Nation*, and the *Promoting* any other not worth a *serious Thought*.

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But the greater *Grievances* are still behind. It is granted on all Hands, that *Traders and Dealers* of all Sorts cannot proceed in dealing to any *considerable Degree of Trade*, without borrowing *considerable Sums of Money*, which by reason of the *Voracious Bank*, are not now to be had any where else.

But on the contrary, the *Sums of Money* already borrow'd are hastily call'd in at once; and the *Dealers*, constrain'd either to *run* their Country, and carry their *curious Inventions* and *Ingenuity* in *Trade* into *Foreign Parts*, or be content to *reduce* and *contract* their *Business* at Home to their own *private Cash*. And does it not grieve all *serious Men*, to see so many ingenious *Journey-men* and *Apprentices* just out of their Time, instead of *taking Shops* or *Ware houses*,—to enlarge *Trade*, fall into *other Courses* for Want of the usual *Credit* of being *half Stockt* upon *Trust*, and courted and thank'd for their *Custom* into the Bargain. And what will be the End of this *Mischief*, when *old Dealers* either *reduce* their *Trade*, or *go off*, and *young ones* have no *Credit* or *Encouragement* to enable them to *set up*, but chose rather to venture their *Fortunes* in buying and selling *Bank Stock*.

I beg your *Patience*, in *one* or *two* Instances more. The allowing 2 *Pence per Cent. per Day* (when they please) for *Money* brought into the *Bank*, as it is a *Decoy* to draw still more and more *Money* out of *Trade*, and has a *pernicious Influence* over large *Wholesale Dealers* all the *Nation* over, so is it as *Mischievous* to all sorts of *Retailers*, by shortning their *Day of Credit*, the *Life of Retailing* depending upon *Trust* both Ways, *viz.* in *Selling* as well as *Buying*, few Persons having or paying ready *Money* at all Times for what they need.

need. But that which pinches the Nation most of all is what it suffers in its *Manufactures* at Home, and in its *Traffick* and *Merchandize* both at Home and with other *Countries* upon the Account of this *devouring Bank*. It is our *Manufacture* that furnishes us for *Foreign Markets*, besides what we *vend* at Home. But if the *Greediness* of 2 Pence per Day for every Hundred Pound lodg'd in the *Bank*, *Payments* of *Workmen* and *Inland Bills* are delay'd, the *Fabrick* of *Goods* will be lessen'd, and consequently our *Traffick* and *Merchandize* will fall short of our *Rival Neighbours*, who employ five Times the Money in *Trade* that we do, giving but 3 or 4 per Cent. at most for it, whilst we give 10 or 20 per Cent. (as I am credibly inform'd) by person of the *Avaricious Bank*, and if it continues, they will Daily have greater and greater Advantages over us to our *Ruine*, our *Loss* in *Trade* being their *Gain* proportionably.

The *Malignity* of the *Bank* spreads yet farther, even to *Lands* and the *Native Productions* of our Country. For as *Money* grows scarce, *Trade* decays, *Manufacture* lessens, *Interest* of *Money* rises, *Payments* slacken, answerably thereunto the *Rent* of *Lands* must sink, and *Home Productions*, such as *Wool*, &c. must abate and diminish in the Price. And give me leave to add, That as our *Manufactures* fail, so must our *Exports*, so also our *Imports* grow less and less. Which must needs have a sad Influence upon our *Customs*, upon our *Navigation*, and thereby lessen the Number of our *Seamen*, which are the *Bulwork* of our Nation. The Value of our *Land* is so fall'n already, that if a *Country Gentleman* will borrow Money he must go to *London* for it, and if his *Land* lies not within 40 Miles of the *Bank*, he must pay (one Way or other) at least 8, if not 10 or 12 per Cent. or returns Home without it. For tho' the

the *Bank* has pretended (by *Advertisement* in the *Gazette*) to lend at 5 per Cent. yet (naming not how much, nor how long to continue it) that has been only given out as a *Shoing-Horn*, they being no way oblig'd to't, either from their own *Constitution* or the *Government*. Nor is it probable they will lend *Country Gentlemen* any considerable Sums at 5 per Cent. when they can have 8 per Cent. of the *Government* free of all Taxes, or double to that some other way. But if they would indeed lend at 5 per Cent. *Gentlemen* would not much care to expose themselves so publickly as to borrow of the *Bank*, when *publick Registers* have been rejected upon that very Account. And if great Sums in *Specie* go out of the *Nation* Yearly to carry on the *War*, our *Exports* fail in order to the bringing in more *Bullion*, and the Remainder of the *Current Coin* be in great Part swallow'd up by the *Bank*, so that *County* and *County* be forc'd to live upon *Bartering* with one another, and *Land* and *Houses* bear little or no Price, farewell then to the *Oppulency*, *Splendour*, and *Glory* of *England*, when she is thus become a *Derision* and *Prey* to the *Nations* round about, by erecting and fostering a *Monopoly* within her own *Bowels*. In short, the *Bank* here spoken of, having Power to *Ingross* the *Current Coin*, to discount *Bills of Exchange*, to receive *Pawns* in Manner of a *Lumber-House*, to take in *Mortgages*, to purchase *Land*, to Issue out *Bills* above the *Fund* before mention'd, without *Stint* or *Limitation*, and that even to *Foreigners*, I must conclude the *Exorbitancy* thereof was not foreseen, or has not so strictly past the *sedate Thoughts* of the *Nation*, as I hope it will this *Session* of *Parliament*.

Thus far concerning the *Miseries* and *ill Consequences* of the *Bank*, (a very melancholly Scene) I proceed to a *Remedy*. It is very well observ'd by the fore-

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foremention'd *judicious Letter* concerning the *Credit* of this Nation, that as it does consist partly in *Specie*, partly in *Paper Credit*, so if there were *Specie* enough for *Trade*, yet it would not be for the *Interest* of *Trade* to exclude *Paper Credit*, but there being not *Specie* enough, Recourse must be had to *Credit* some Way or other. The Nation (he says) yearly supplies it self by borrowing in *Specie* for some Uses, and for some others by *buying* (Stores, &c.) upon its *own Credit*, and neither of them without *Detriment* to the *Publick*; and therefore he thinks it may be more adviseable for the Government chiefly to borrow *Credit* (to keep the *Specie* in *Trade*.) but yet he explains himself particularly in Relation to the *Bank*, that *Notes* issu'd out from thence are not practicable towards the Enlargement of the *Credit* of the Nation, nor indeed *Safe*. But that *Notes* from the *Exchequer* bearing no *Interest* would do better, *viz.* By causing the *Lenders* to depend on the *Government*, &c. It is sufficient for my Purpose at present, that he does not allow of the *Bank*, as keeping *Money* out of *Trade*, and because of great *Hazard* run by *Bank Notes*, &c. But he must give me Leave to observe also, that the removing the *Bank* to the *Exchequer* will not pass for a compleat *Remedy*, the ill *Consequences* thereof being easily seen thro', tho' not so many as of the *Bank*. The *Author* of *Ways and Means*, &c. propos'd a *General Excise* as the equallest Way of carrying on the *War*, which yet was refus'd on very good Grounds. But how the *Bank* came so much in Favour with the *Government*, or how far 'tis involv'd and link'd in with it, I do not pretend to comprehend: But had the *Parliament* reserv'd in their *Charter* a Power of *inspecting* the *Bank-Books*, they might very probably now find the *Bills* or *Notes* issu'd out so far to exceed 1200000*l.* and what has
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been *ingrafted* since to keep it from sinking by extending its *Credit* (as well as for another *Reason*) that if the whole Number were to be demanded at once, *seven* such *Banks* in all likelihood would not be sufficient to discharge them, and *Nine Parts in Ten* of the *Owners* would be glad of any *private Security* for them.

The *Remedy* we *Country Farmers* propose is, That our *Honourable Representatives* would be pleas'd to appoint a *Committee* to receive *Proposals*, there being several (rightly *consider'd* and well *digested*) made ready for them, which will answer the present *exigence* without any *Prejudice* to *Trade* or *Credit*.

One offering to pay *Interest* for near three *Millions* to *Perpetuity*, and to *deposite* 100000 *l.* as *Security* for *Performance* only by *preventing Abuses* in one *single Duty*, and that so rationally as nothing but *Cavils* can be said against it.

Another to raise 400000 *l.* per *Ann.* by such a *Method* as compar'd with the *Bank*, is fifty Times before it.

A *Third* to bring in above a *Million* of *Money* by a voluntary *Contribution*. Which is a *Relief* and *Succidaneum* to the preventing of *Bankrupts*.

A *Fourth* has already been reported from a *Committee* of our *Representatives* as *profitable* and *practicable*, which with some *Amendments* might easily be made the most noble and most serviceable *Bank* in *Europe*. But our great *Grievance* is, that most of our *Funds* (as is generally discours'd) are taken from the Recommendation of one *Gentleman* without consulting *Committees*, which if the *Deficiencies* of several late *Funds* (falling short many and many a *Thousand Pound*) were look'd into by a *Retrospection* of a few *Years*, would soon be redress'd. But who
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could ever imagine that this *upstart Bank* having no other Fund in its *Original*, than the Remainder of 100000 *l. per Ann.* After the Interest of 1200000 *l.* at 8 *l. per Cent.* deducted out of it, should ever come to be *incorporated* by the Name of *The Royal Bank, or Bank of England*; when *Foreigners and Strangers* (Jews and others) having equal Liberty of *purchasing Shares*, it is possible for the *whole Bank* to fall into the Hands of *Foreigners*. And who could ever think the *same Bank* should under any Pretext whatsoever pretend to renew its boundless *Charter* when *all the Ways* before mentioned, and *many more*, it is manifestly a Check and a Curb upon the Government to enslave it, and (if once *renew'd*) would *fatally* prove a *perfect Ruine* to the *Publick Credit* of the Nation.

I conclude with one *Expedient* more to rid our selves of this *Exorbitant Bank*. There are enough *Patriots* ready to advance 1200000 *l.* at 8 *per Cent.* (with the Overplus) Tax-free, without desiring to be *Incorporated* into a *Power* to ride the Nation. And if *Proposals* may freely be admitted, the *Honourable Representatives* will soon be furnish'd with such an *Equivalent* as will be broad enough to cover the *Soar* both in respect of *Specie and Credit*, for a continual Supply to *Trade*, when this *Wen or Wolf* of a *Bank* is cut off from the *Body Politick*, and the *Nation* set free from so great a *Danger* of Ruine within it self, much *nearer* than a *Possibility*, which yet ought to be avoided in every Nation.

Thus I have sent you our *Country Thoughts* concerning the Necessity of bounding the *Bank* in a Civil Way which you know already from much *better Pens*, and your own *Observation*. Yet I hope our true *Zeal* for the good of our *Country* (being void of Personal Malice) may atone for the *Repetition* and *Tedioufness* of

S I R,

Your most Obedient, &c.