

Wednesday 25th Feb: 1784.

The Committee having examined the Report, sign'd & presented it to the Governor: being as follows.

The fifth Report of the Committee appointed to inspect & enquire into the Mode & execution of the Business as now carried on in the different departments of the Bank.

To the Governor, Deputy Governor, &
Committee of Treasury.

Our former Reports being in a great measure confined to the suggestion of such alterations as in our opinion would operate as very essential improvements, with respect to the accommodation of the Publick, as well as to the Security of the Bank, (we trust that in submitting our Ideas on those subjects we have not gone beyond the line prescribed to us by the Court):

We shall now proceed to report the result of our examinations, into the conduct & behaviour of the Clerks; an object doubtless of very great importance, & at all times highly deserving the utmost attention; but as we

deem it unnecessary to descend to minuteness on this occasion, we think it will be sufficient, if we state such matters only as appear to require correction or regulation: referring those Gentlemen, to our Minutes, who may require more particular information.

(To conduct with propriety, safety, & effect, an Establishment of this kind, consisting of more than Three hundred Men, who from the nature of their situation must & ought to be governed rather by gentle than by harsh means, will seldom be found so very easy in practice as it appears in theory: however, when we consider the various discordant humours & passions of Men, & the natural unwillingness to obey, where no distinct line is drawn, of Power on one side, or of Obedience on the other; we must acknowledge on the whole, that, after a minute enquiry, we have found no very material causes of complaint subsisting, either in regard to their behaviour towards one another, or in regard to the conduct of their business. We have notwithstanding thought it incumbent on us, to recommend in the strongest terms to the Inferiours, a due

subordination to the Superiors, & a ready compliance with their orders; & for we conceive that nothing will tend more, not only to the existence of harmony amongst themselves, but to the proper execution of the business of the House, than the maintenance of a considerable degree of attention in the Junior Clerks, towards the Heads of their respective Offices.

There are however some matters on which it is our duty to report & which in our opinion deserve on many accounts very serious consideration. One of them has already in some degree engaged the attention of the Court; we mean, the conduct of the Clerks in the Transfer Offices, with respect to the very general practice amongst them of transacting Business, as Brokers & Jobbers, in the Publick Funds.

We shall not endeavour to enumerate all the ill consequences that must inevitably flow from a continuance of this practice: nor need we mention the many obvious inconveniences that the Banks as well as the Publick must frequently experience, arising from the neglect of Duty & inattention to their business, which it must unavoidably introduce among

the Clerks; by seducing their minds from regular employment in an easy service, & attaching them to objects inviting though dangerous, & which appear so much more immediately interesting to themselves.

The Publick, the Brokers, the Directors, all feel & have long complained of this evil; yet no steps seem to have been taken to provide an adequate remedy for it, except an Order of the Court of Directors dated the 14th Feb^r 1771, which is in the following words.

"Ordered

"That henceforth no Servant of the Bank
 "presume to transact any Business as a Broker
 "in buying or selling any Stocks or Annuities
 "whatsoever, on pain of the displeasure of this Court.

" . And that the said Order be transcribed
 " & affixed at the respective Transfer Offices."

This Order we are led to imagine was considered as obsolete, or was forgotten almost as soon as made: for on examination of nearly all the Clerks in the Transfer Offices (& here we take occasion to declare that, as far as we can judge, we have experienc'd great candour in their acknowledgements on this head, & we believe, truth, in their answers to such questions as

were put to them) as well on this as on other subjects), the major part avowed an entire ignorance of such an Order having ever existed; others had heard of, but never seen it; & the general idea seems to have been, that if the Business of the House were properly done, they were no way culpable in endeavouring to procure Orders for transactions in the Funds, which they might either execute themselves personally, or by the interference of their friends in the Stock Exchange; & in regard to Jobbing, that no particular restraint lay on them, from their situation, as Clerks of the Bank, though many of them might abstain from that traffick on other motives.

. As we are decidedly of opinion that the practice of the Clerks acting as Brokers or Jobbers is not only inconvenient & pernicious in itself, but that it may eventually lead to even fatal consequences by the powerful temptations it holds out to Men, not in affluent circumstances; we think the Court cannot too soon interpose its Authority, in order to put a stop to an evil of such magnitude. And for the effectual accomplishment of so salutary a regulation, we deem it expedient & fair, that the Clerks

should be formally made acquainted with the solemn determination of the Court, to cause its former Order (or a new One, as shall be thought most adviseable) to be strictly enforced, & that Punishment, even to dismissal from the Service, will be the certain consequence of future disobedience.

We are farther of opinion that, to prevent for the time to come, the plea of ignorance on the part of the Clerks, & that the Publick may also be acquainted with this Regulation, there be painted on the Wall in some conspicuous part of the Rotunda & of each Transfer Office, Words to the following effect.

"By order of the Court of Directors, the
 "Clerks of the Bank are not permitted,
 "to act as Brokers or Jobbers in the
 "Publick Funds."

Before we conclude this subject, we shall venture to add, that as, by far the greater part of the Clerks themselves seem very sensible of the impropriety of this practice, especially when carried on against an express Order of the Court, & that several of them have wholly abstained from it on other considerations,

we have no doubt, but that with some little attention & perseverance on the part of the Directors, this Evil may be wholly remedied.

Another matter which we have thought it our duty to enquire into, is, that of the Fees & Gratuities receiv'd by the Clerks from the Publick. Our Minutes books contain the information we have collected on this head, but we desire it to be understood that we annex very different ideas to the words, Fees, & Gratuities. Under the former we class such small sums as are receiv'd for private Transfers, for registering of Wills, for making out Powers of Attorney, for Bonds, Affidavits, & Powers, & generally all such as from their publick notoriety & fixed rates may not unreasonably be supposed to have obtained the sanction of the Court of Directors, as required by the 11th Bye Law. By the latter we understand all presents given to the Clerks for doing what is, in fact, no more than the ordinary business of the House.

From the Chiefs as well as many of the inferior Clerks, in every Office, we have gathered sufficient information to justify us in asserting

that the Practice, under both heads, has been carried to an extent that requires particular notice; but however desirous we are to promote the Honour & the Prosperity of the Bank, by advising such Regulations as we conceive may tend to both, we must leave to the consideration of the Court, how far the practice of receiving money from the Publick under the name of Gratuities, (expressly contrary to the Letter & Spirit of the 11th Bayes Law), is an evil that can be prevented altogether: for at the same time, that we express our particular disapprobation, of the introduction & continuance of a custom, not only disgraceful in itself; but liable to occasion dissatisfactions & heart-burnings amongst the Clerks themselves, from the unequal distributions in some of the Offices; & what is a matter of much more serious consequence, to give rise to partialities & unjust preferences, towards the Publick; (& we have very strong grounds for believing that in this respect, the custom, bad as it is, has been most shamefully misused): yet we have found it so firmly established, so operating as part of the legal emoluments of Office, handed down to the Clerks from their Predecessors; that we think it requires, not only solemn deliberation,

but an accurate & nice Judgement, to determine, whether it were wiser to endeavour at abolishing the practice altogether; or to regulate it, by excluding the Chiefs from any participation, & ordering equal distributions amongst the inferior Clerks, by which means the Chiefs would become a check on the inferiors & prevent unreasonable exactions on the Publick: but in this case, it will be equitable to allow an increase of salary to the former by way of compensation.

In regard however to the Fees now established in the Transfer Offices, there is one which we think should be regulated; it has become usual to charge Five shillings for every £1000 of scrip transferr'd the same day it is made into Stock, an imposition esteemed so heavy by the Clerks themselves, that, where the sum required to be transferred is large, they generally moderate their demand, & agree with the parties on the best terms they can: If the Publick be indulged in having these Transfers; we see no reason why they should pay in proportion to the sum: but rather think, that each Transfer should be chargeable with the payment of Five shillings, instead of half a crown the fee

of a private one; in order to prevent the
practice from becoming too general.

Bank of England
25th Feb. 1784.

S. Bosanquet.
Thomas Dea.
Benj. Winthrop.

The Committee went into the Strongroom,
where the Books & Drawers of Dividend Warrants
are kept on nights, & took notice of the smallness
of it, which will but just contain the Articles
now placed there.

Adjourn'd to 26th Feb. 1784.