

Were Tory Hoare's Bank customers averse to government debt?

This paper starts with the narrow premise that the early eighteenth-century and predominantly Tory customers of Hoare's Bank seem to have favoured South Sea shares not only over other stock in chartered companies, but also over government debt. David Stasavage has argued that government creditors after 1688 were chiefly Whigs, because Tories tended to be more closely aligned with landed interests, people who generally disliked taxation which was a necessity if government debt was to be repaid. There will be some discussion of the differences between men and women's investments in both stock and government debt.

North & Weingast state that 'in 1641 the centralized administrative apparatus which enforced royal attempts to alter rights and property was destroyed' (p.818). While this may have been true of England, where the landed interest of the aristocracy had been substantially preserved by the settlements of 1660-2 and 1688, it was not true of Ireland. There, arbitrary confiscations of land, many from families loyal to the monarch though Catholic in religion, took place throughout the century and led to a very substantial change in landholding. Many of the customers of Hoare's Bank were landed, and a good many of them owned or, during the eighteenth century acquired, lands in Ireland. Ireland had an unstable currency and its banks (who dealt largely dealt with land rather than trade) failed frequently. Thus, a significant number of the wealthiest people in England who were playing a significant role in English capital markets were exposed to the risks of an earlier and unconstitutionally regulated property regime, a regime in which the government might be said not to have had credible commitment yet without being a colonial adventure. This paper will explore this aspect of credible commitment further.

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