

PAPER AGAINST GOLD

AND

GLORY AGAINST PROSPERITY.

OR,

An Account of the Rise, Progress, Extent, and Present State of the Funds and of the Paper-Money of Great Britain;

AND ALSO

Of the Situation of that Country as to its Debt and other Expenses; its Navigation, Commerce, and Manufactures; its Taxes, Population, and Paupers; drawn from authentic Documents, and brought down to the end of the Year 1814.

IN TWO VOLS.

BY WILLIAM COBBETT.

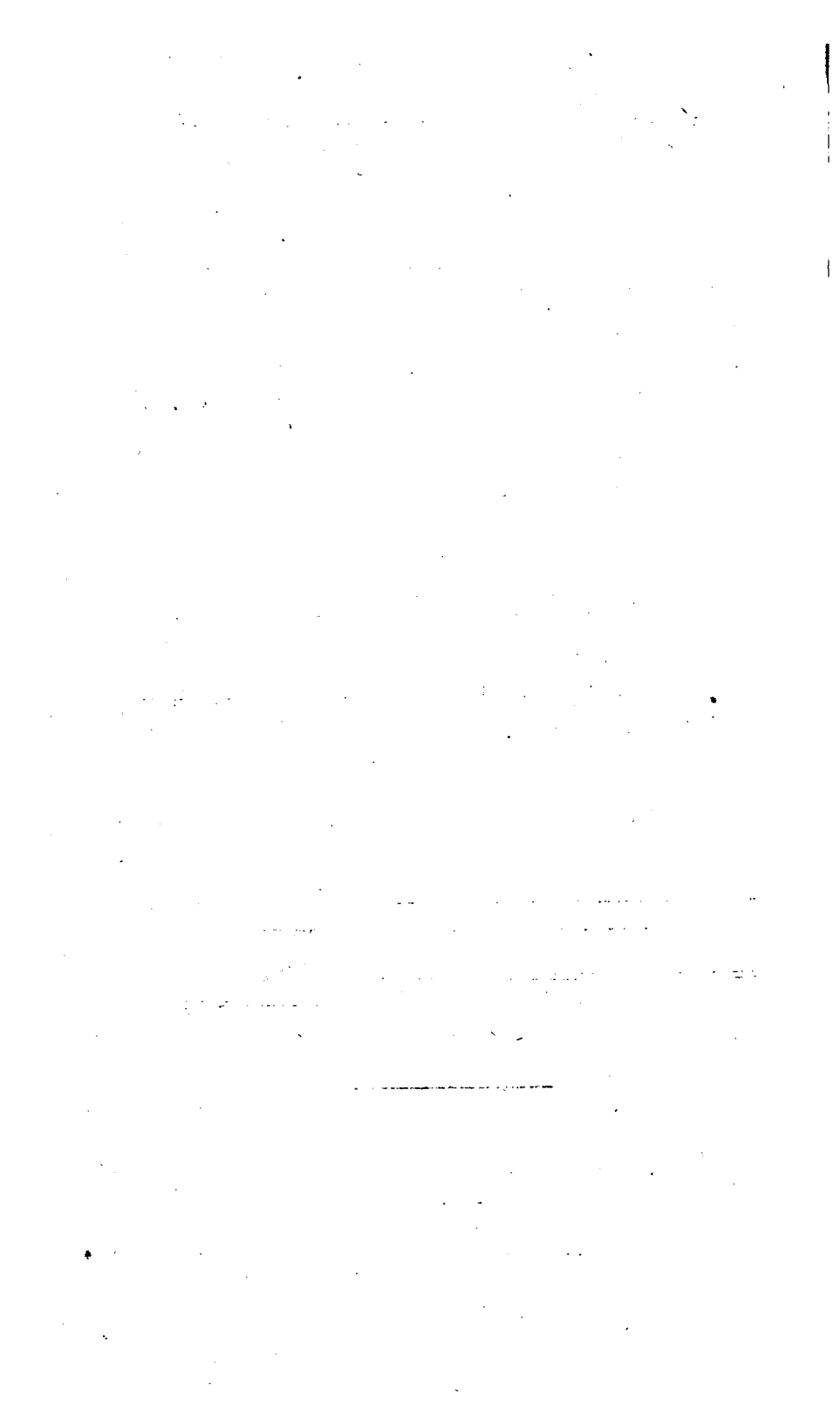
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PAPER AGAINST GOLD.

LETTER XXVIII.

“ I looked upon the Bullion Report as likely to lead to what would be likely to secure the country from the natural consequences of that overwhelming corruption, which I regarded as the fruit of the paper system; and, as I have the accomplishment of this great object deeply at heart; as I look upon the happiness and honour of my country as of far greater value to me than any other worldly possession, I said, and I still say, that the Bullion Report has given me more pleasure than I should derive from being made the owner of the whole of Hampshire. As to any idea of a party nature, I shall, I am sure, be believed, when I say, that I did not care one straw to what party the Committee belonged. If I had a wish as to party, it certainly would be, that *no change of ministry should take place*; for, without prejudice to the OUTS, who, I think, would do the thing full as well with a little more time, I am quite satisfied, that the present people will do it as *neatly* and as *quickly*, as any reasonable man can expect.”—POLITICAL REGISTER, Vol. XVIII. p. 427, Sept. 22nd, 1810.

Progress of Lord Stanhope's Bill—Effects of its Provisions—
Mr. Brougham's Resolutions—The Justice of Lord King's
Claim insisted on—Illustrated by the Grants to the King
and the Additions to the Pay of the Judges.

GENTLEMEN,

THE Bill is past! And, be you assured, that Ld. Stanhope's *die is cast!* When I wrote the passage, Bill passed, which I have taken for my motto to this letter, I did expect to see what I hinted at in the close

of that passage ; but, I must confess, that I did not expect the progress to have been *quite so rapid* as it has been. For the future my calculations will be more likely to keep pace with events.

The rise and
progress of

Well, the Bill of Lord Stanhope is now become *a law*. We will, therefore, take a short view of the rise and progress of it ; and, when we have so done, we will examine its provisions, and endeavour to point out its consequences.

Lord Stan-
hope's Bill.

The Bill was brought into the House of Lords and read a first time on the 27th of June, when no division took place, and when an intimation was given by the ministers, that they should *oppose* it. On the second of July, it was read a second time, and, being now *supported* by the ministers, the question for the second reading was carried, 36 for it, 12 against it. On the 8th of July, it was read a third time and passed, 43 for it, 16 against it. In the Honourable House, it was read a first time on the 9th of July, and, upon a division on the question, there appeared 64 for it and 19 against it. On the 15th of July it was read a second time, 133 for it, and 35 against it. On the 17th of July it went through a committee of the House, and, on the 19th of July, it was read a third time and passed with the amendments, relating to the *penalties*. On the 22nd of July, the amendments introduced by the Commons were agreed to by the Lords. On the 24th of July it re-

ceived the Royal Assent by Commission ; and thus it is become A LAW ; thus a new *penal law* has been added to the almost endless number already in existence. Many hundreds of the people of this country have been banished, or put to death, for *imitating* the promissory notes of the Bank Company ; and now the people are liable to be punished *for passing them for what they may deem their worth*, though they be their *own property*.

The provisions of the Bill are not numerous : The provisions it is a *pithy* affair. The first part relates to the of Lord Stan- passing of coin and paper, and the second to the hope's Bill recovery of rents. It will be best to insert the words. Those of the first part are as follows :
 “ Be it enacted, that from and after the passing
 “ of this Act, no person shall receive or pay for
 “ any gold coin lawfully current within the
 “ realm, any more in value, benefit, or ad-
 “ vantage, than the true lawful value of such
 “ coin, whether such value, benefit, profit or
 “ advantage be paid, made, or taken in lawful
 “ money, or in any note or notes, bill or bills of
 “ the Governor and Company of the Bank of
 “ England, or in any silver token or tokens
 “ issued by the said Governor and Company, or
 “ by any or all of the said means wholly or
 “ partly, or by any device, shift, or contrivance
 “ whatsoever.—And be it further enacted, by
 “ the authority aforesaid, that no person shall
 “ by any device, shift, or contrivance what-

“ soever, receive or pay any note or notes, bill
 “ or bills of the Governor and Company of the
 “ Bank of England, as of less value in money,
 “ except lawful discount, than the sum ex-
 “ pressed therein, to be thereby made so
 “ payable.”—Thus it stood as it went from
 the Lords. There were, I believe, some trifling
 verbal alterations made in the Honourable House,
 who also added the *penalty*, and made it a *mis-*
demeanour to disobey this part of the law; of
 course, offenders against it may be punished by
fine and *imprisonment*, or, as I am, by *both*, at
 the discretion, perhaps, of the Judges; but, of
 this I am not sure, not having, as yet, seen the
 Act in its finished state.

The holders of Bank Notes thus prevented from getting rid of them for their worth.

Thus, then, the Bank Company, after having applied to the Government to issue an Order in Council, after having subsequently applied for acts of Parliament, to screen them against the consequences of refusing to pay their promissory notes in coin, now see a law passed making it *criminal*, for any one to get rid of any of those notes that he may happen to possess for their real worth in coin!

Effect of the law as to selling gold,

This law does what the laws already in existence could not do in the case of DE YONGE; or, at least, it *attempts* to do it. It forbids and punishes the selling of gold coin for more than its nominal worth in Bank Notes, which was precisely what DE YONGE did. But, do you be-

lieve, Gentlemen, that this will put a stop to the ^{or exchanging} traffick? I should think, that nobody could believe ^{money for gold.} this; and, if any one were inclined to believe it, he need only consider the little effect produced by the conviction of DE YONGE to convince him of the contrary. That gentleman was found *guilty* of the crime of selling guineas at *Twenty two shillings and sixpence* each, and, while he lay under that conviction, the price of the guinea rose to *Twenty six or Twenty seven shillings*. This is a pretty good proof that the price of the guinea is not to be kept down by penal laws. But, if the law should put an end to all purchases of gold coin in *Bank of England notes*, it cannot have any such effect with regard to *Country Bank Notes*. Suppose, for instance, that one of you had a fancy for a hundred guineas to lay snugly aside, and I had them to dispose of; the price would be £.135, but, say we, the bargain must not take place in notes of the Governor and Company in Threadneedle Street, for so says lord Stanhope's law. But the law does not say, that such bargains shall not be made in *Country Bank* notes; and therefore, you give me 135*l.* in the notes of Paperkite and Co. which notes will, in all probability, answer my purpose full as well as the London notes, or better if I want to pay them away in the country; and, if they should not answer my purpose quite so well, what have I to do but go to the country banker and get them changed for *Bank of England notes*? I keep the country,

bank notes if I please, and if I please I change them. This is one way, then, and a most effectual way too, of rendering the Bill of no use as to its main apparent object.

Effect of the law as to hoarding. But, how many are the ways, in which such a law may, must, and will be evaded? It is a law intended to make people part with their property for *less* than it is worth in the one case, and to make them obtain for it *more* than it is worth in the other case. The old adage of “ a thing is *worth* what it will *bring*” is, by this law, to be totally destroyed after having lived in the world ever since purchase, or even barter, was known amongst men. According to this law, a thing, in one case will be *worth more* than it is to be suffered to *bring*, and, in the other case, a thing will not bring *so much* as it is to be asserted to *be worth*. It is a law, in short, to compel men to dispose of certain articles of their property (if they dispose of them at all) at a price fixed on by the government; and is such a law as never was heard of before, except in France, during the times of Robespierre and Danton and Marat. It is, as Mr. BROUGHAM has called it, in his Resolutions, a law of *maximum* as to gold coin; but, it is a law, which cannot be generally *enforced*, and which can have only a temporary and partial effect, if any at all, in checking the traffic in coin against paper; and to whatever extent it is efficient, it will be efficient in driving all the coin out of the kingdom, excepting such

portion as people are enabled to *hoard*; for, if I have a guinea, or any thing else, that is worth 27 shillings, and if there be a law which prevents me from getting at present in England more than 21 shillings for it, I shall certainly hoard it 'till I can get the worth of it, if I have no safe means of sending it abroad. Where is the man who will not do this? I am sure that there is not a man amongst you who would not do it. Yes, I am sure, that there is not one single farmer in all England, who will not hoard a guinea rather than exchange it for a bank note of twenty one shillings. So that, as I have observed to you before, and as has been very well expressed in Mr. BROUGHAM'S Resolutions, this law will, as far as it shall be efficient, drive the little remains of gold coin into hoards or out of the country, and, by preventing a free and open and unrestrained *competition* between the coin and the paper, will, as far as it has effect, prevent the operation of the only cure for the evil of a depreciated paper money.*

* It was on the 19th of July, that Mr. BROUGHAM proposed his RESOLUTIONS to the House of Commons. They were *negatived*; and, gentlemen, I beseech you to compare them with such resolutions as were *agreed to* by that House. These Resolutions are well worthy of attention, containing as they do what will become a memorable protest against the law, which is now the subject of discussion, and which will be a subject of observation with our children, if any trace of it shall remain beyond our own times.

I. That by the Law and Constitution of these Realms, it is the undoubted right of every man to sell, or otherwise dispose

Effect of the law as to Two Prices. I have before observed, that, in all *ready-money* transactions, this law must be nugatory, and I have given an instance of a farmer having a pig to sell at market. It will, of course, be the same in all other bargains for ready-money; and, even in cases of credit, amongst friends and neighbours, the same will take place. Some roguery may be, in this respect, created by the

Mr. Brougham's Resolutions. of his property for whatever he deems to be its value, or whatever consideration he chuses to accept. And that every man possessed of a Bank Note, or other security for the payment of money, has an undoubted right to give it away for nothing, or in exchange for whatever sum of money he pleases; or if he cannot obtain what he demands, to retain possession of it.

II. That any statute, having for its object to restrain this right, would be contrary to the principles of the British Constitution, and a flagrant violation of the most sacred Rights of Property, and the ancient and inalienable Liberties of the People.

III. That any statute, having for its object to prevent the Bank, or other Paper Currency of the Country from being exchanged against the lawful money of the realm below a certain rate, would, if it could be carried into effect, cause the lawful money of the realm to disappear, and would, in proportion to its efficacy, preclude the application of the most appropriate remedies for the present derangement in the circulation of the country.

IV. That the free exchange of the lawful Money of the realm with the paper currency on such terms as the holders of each may think proper to settle among themselves, is not only the undoubted right of the subject, but affords the best means of restoring the circulation of the country to its sound and natural state, by establishing two prices for all commodities, whensoever the one currency is from any causes depreciated below the other.

V. That no law whatsoever can alter the real value of the paper currency in relation to the lawful money of the realm,

law, but the law will never compel men to give the guinea and receive the note at their nominal value, one compared with the other. In that place, where, of all others, one might expect to see the dispositions of men concur with this law; I mean, the *Stock Exchange*, a distinction between coin and paper is already made; for Stock has frequently been bought with guineas at a price much lower than the rate of the day, which rate is regulated upon the supposition that paper-money is to be the medium. And, who is to prevent this, without a general law of *maximum*; that is to say, a law putting a price upon all commodities whatever, and punishing men for selling them for more than the price so fixed? This present law, therefore, is nothing *of itself*. It is nothing unaccompanied with a *maximum* of prices. Those who have begun in

nor alter the real value of either kind of currency, in relation to all other commodities; and that any attempt to fix the rates at which paper and coin shall pass current, must, in proportion to its success, interfere with the just and legal execution of all contracts already existing, without the possibility of affecting the terms upon which contracts shall be made in time to come.

VI. That it is the bounden duty of the Commons House of Parliament, as the guardians of the rights of the people, to discountenance and resist a scheme which has for its immediate objects the establishment of a maximum in the money-trade of the realm, and the dissolution of the obligations already contracted by numerous classes of the community, but which has for its groundwork principles leading to an universal law of maximum, and the infraction of every existing contract for the payment of money; and that a Bill touching the gold coin which has lately been brought from the Lords, has all the said objects, and proceeds upon the said principles.

this path, must keep on, and go the whole length, or they do nothing at all, *except drive coin out of the country or into the hoards*, and, perhaps, in many cases, cause a breach of contracts between man and man. To a maximum they must come at last, or what is done will be of no effect at all.

Provision of
the law as to
distress for rent.

The other provision of the Bill relates to *distress for rent*, and is as follows: " And be it enacted, by the authority aforesaid, that in case any person shall proceed by distress to recover from any tenant or other person liable to such distress, any rent or sum of money due from such tenant or other person, it shall be lawful for such tenant or other person, in every such case, *to tender notes of the Governor and Company of the Bank of England*, expressed to be payable on demand, to the amount and in discharge of such rent or sum so due to the person on whose behalf such distress is made, or to the officer or person making such distress on his behalf; and in case such tender shall be accepted, or in case such tender shall be made and refused, *the goods taken in such distress shall be forthwith returned to the party distressed upon*, unless the party distraining and refusing to accept such tender shall insist that a greater sum is due than the sum so tendered, and in such case the parties shall proceed as usual in such cases; but if it shall appear that no

“ more was due than the sum so tendered then
 “ the party who tendered such sum shall be en-
 “ titled to the costs of all subsequent pro-
 “ ceedings: Provided always, that the person
 “ to whom such rent or sum of money is due
 “ shall have and be entitled to all such other
 “ remedies for the recovery thereof, exclusive
 “ of distress, as such person had or was en-
 “ titled to at the time of making such distress,
 “ if such person shall not think proper to ac-
 “ cept such tender so made as aforesaid:
 “ Provided also, that nothing herein contained
 “ shall affect the right of any tenant, or other
 “ such person as aforesaid, having such right to
 “ replevy the goods taken in distress, in case,
 “ without making such tender as aforesaid, he
 “ shall so think fit.”—Now, what does this
 part of the Bill effect? It has frequently been
 said, that the *tenantry* ought to be *protected*,
 and Lord Stanhope has all along said, that his
 object was to protect the *tenant*. What, then,
 has this bill done for the *tenant*? If the thing
 leased be a farm, or lands of any sort, *distress*
 is not the mode that the landlord would pursue.
 He has other remedies, and those much more
 efficient than that of distress. So that, in fact,
 this law affords *no protection* at all to the tenant.

But, though this law will do the tenant *no* Leases will no
good, it may, and, in some cases, will, do him a longer be let.
 great deal of *harm*, especially as the minister has
 avowed his intention of making the bank notes a

legal tender if this law should prove insufficient for the object in view. Under such circumstances, no man in his senses, will *let a new lease, or renew an old one* ; for, though a *corn-rent* might possibly serve to guard him against the total loss of his estate, still he will be afraid, and he will think it the safest way to let no lease at all. Tenants for term of years will, therefore, become tenants at will, and will have their rents raised upon them every year *agreeably* to the depreciation of money and the rise in prices ; and, another consequence will be, that landlords will, whenever it is practicable, take the lands into their own possession and use, seeing that even a yearly letting may, in the times that may arise, become dangerous ; for, if a law be passed to-day in consequence of a single landlord's demanding his rent according to law, what have not landlords to fear ? The safest course, therefore, that they can pursue is to keep, as far as they are able, their farms in their own hands ; and this, to a very great extent, they certainly will do. So that this law, as far as it is efficient, will produce a virtual violation of contracts and a discouragement to agriculture.

The hostility
of the courts
of law.

Sir S. Romilly.

Mr. Manning.

During the discussions upon this measure, several hints were thrown out as to the *courts of law setting their faces* against those who should demand payment in gold. Sir SAMUEL ROMILLY observed upon what Mr. MANNING said about the law being *too strong* for the *landlords*, that it

alarmed him to hear such language ; and that he thought it dangerous in the extreme to expose men to such uncertainty as to the real meaning of the law. But, Mr. FULLER and Lord STAN-^{Fuller.} HOPE, as appears from the reports in the newspapers, came to the point at once. The former is reported to have said, in the debate of the 9th of July, that “ he wondered to hear any doubt “ of the solvency of the Bank, as it was to be “ supported by the solvency of Government ; “ and Government surely had ships and stores, “ and plenty of valuables besides. He (Mr. “ Fuller) did not understand the objects of the “ persons who had brought forward the ques- “ tion, but he was convinced they were some- “ thing sinister. (*A laugh.*) As to Bank- “ notes, if any landlord was offered payment in “ them, and he wanted gold, he (Mr. Fuller) “ did not know what might be done ; but of this “ he was sure, that THE WHOLE TE-^{Tossing Land-} “ NANTRY OF THE COUNTRY WOULD^{lords in a} “ MEET AND TOSS HIM IN A BLANKET.^{Blanket.} “ (*laughing.*)” And the latter is reported to have said, in the House of Lords, on the 22nd of July, that “ his Noble Friend (Earl of Lauderdale) had called the Bill a legislative HINT : “ but it was a pretty broad hint, too. He did “ not know whether his Noble Friend had been “ educated at any of the Universities : but, he “ believed, not at Oxford. There was a story “ there about a broad hint, which they called “ *John Keale’s broad hint.*” There was a

“ man that John Keale did not like: John gave
 “ him a hint that he did not like his company :
 “ but he would not go away. “ What did you
 “ “ do, then,” says one to John ? “ Do,” says
 “ John Keale, “ why, I kicked him down stairs.
 “ “ That was a pretty broad hint !!!” (*laugh-*
 “ *ing.*) So he, (Earl Stanhope) had given
 “ Lord King *a hint* ; and *if he followed up this*
 “ *business*, why, when next Session came, he
 “ would give him a BROAD hint ! (*a laugh.*)”
 Quite a *wit*, I declare : “ Quite a sea-wit, Mr.
 “ Benjamin !” Well, you know, Gentlemen,
 that there is *a time* for all things, and, of course,
 a time for *laughing*. But, it is well worthy of
 remark, that this war (for it is the same that
 began in 1793) was waged for the “ PRE-
 “ SERVATION OF LIBERTY AND PRO-
 “ PERTY AGAINST REPUBLICANS AND
 “ LEVELLERS,” that was the title of the
 Association at the Crown and Anchor. This is
 well worthy of remark ; *now* is the time to make
 such remark. This war has now been going on
 eighteen years ; this war for the support of
order and law and property, and now, behold,
 we hear, in the two houses of parliament, the
 supporters of this system, talk of *tossing a land-*
lord in a blanket and *kicking him down stairs*,
 if he should persist in demanding payment of
his rents agreeably to the contract in his leases !

The broad hint
for Lord King.

Kicking him
down stairs.

Grants to
the King.

Gentlemen, if you have read the reports of
the debates in parliament, upon this subject, you

must have observed, that the people in the ministry have very loudly disapproved of the conduct of LORD KING for demanding of his tenants payment in gold, or in notes in sufficient amount *to make up for the depreciation of money.* Now, observe; they have brought forward, several times, propositions for *large grants to the King and to others*, on account of the *rise in prices*, which, as I have already explained to you, is only another name for the *depreciation of money.* I beg you to mark well what I am now going to state to you; because it will give you a clear insight into this whole matter.

In 1802, eight years ago, a large sum of ^{Grants to the} money, no less a sum than 990,053*l.* (why not ^{King on ac-} have made it a *round million?*) was granted by ^{count of} parliament "to the King to discharge the arrears ^{depreciation} and debts due upon the CIVIL LIST on the ^{of Money.} "5th of January, 1802." The *Civil List*, Gentlemen, is the King's establishment of servants and officers of different sorts, and, in short, of all his expences. The King had a permanent allowance, fixed by Act of Parliament, of 800,000*l.* a year for these purposes; but, in 1802 (the time we are now speaking of) the Civil List had got into debt; and the then Minister, Addington, taking advantage of the national satisfaction at the Peace of Amiens, proposed a grant of the above sum, for the purpose of paying off this debt. Mr. Fox and others opposed the ^{Mr. Fox.} grant; but it was supported by PITT, GEORGE ^{Pitt & G. Rose.}

Grants to the king on account of depreciation of money. **ROSE** and the majority, and upon a division there were 226 for it and only 51 against it. And, let it be borne in mind, that the grant was justified by **PITR** upon this ground: that it did not make an increase to the Civil List equal in proportion "to the *increase of the price of commodities*, and to **THE DEPRECIATION OF MONEY.**" So he said; so they all said; and the assertion was sanctioned by a vote of the House granting 990,053*l.* to the King. Now, then, if the King was to have a grant like this on account of the *past depreciation of money*, why should Lord King be reviled, why should he be *tossed in a blanket*, or *kicked down stairs*, for demanding payment in such a way as to give him some security for *future depreciation of money*, especially when we consider, that he only demanded the *fulfilment of a bargain*, while the grant to the King was *over and above the fulfilment of a bargain made with him by the public?*

Further grants to the king on account of depreciation of money. But, did the demands for the King *stop here?* Very far from it; for, in the year 1804 (only *two years* afterwards), **PITR**, who was then come back into power, called for another grant for a similar purpose, to no less an amount than 591,842*l.* 3*s.* 10½*d.* How scrupulously exact the Gentleman was! To a half-penny, you see! Oh, wondrous financier! This grant also was made, and without any division of the House, though it was strenuously opposed by **SIR FRANCIS BURDETT**, upon

Sir F. Burdett.

the ground of its being a departure from a bargain with the public, and of the practice of making such grants being calculated to render the Royal Family absolutely dependent upon the Minister of the day. This grant also was justified upon the ground that *money had depreciated* and the *prices of all commodities increased*. This grant was accompanied with a *permanent addition* to the Civil List of 60,000*l.* a year; and, indeed, the annual sum, *now* paid by the people on that account is 958,000*l.* exclusive of 295,968*l.* 1*s.* 8½*d.* in allowances and pensions to the Royal Family, besides the amount of sinecure places and military offices that some members of the Family enjoy; the propriety or impropriety of none of which I am discussing, but it is necessary to state them in order to enable you to judge of the fairness of the attacks upon Lord King, who only wanted a *bare fulfilment of contract* with regard to *his own private estate*; who only wanted to save himself from ruin from the *future* depreciation of money, and who gave up to his tenants all they had gained from him by the *past*.

Now, Gentlemen, I beg you to observe, that One of these this second grant to the King; this grant of grants took King's Leases. £.591,842 was to pay off what he had lost in place after the date of Lord two years by the depreciation of money; and, you will also observe, and mark it well, that King's Leases. these are two out of the nine years that have elapsed since Lord King let the Estate respecting

the rent of which you have seen his notice to his tenant. The King, in 1802, had a fixed allowance of £.800,000 a year out of the public money; and at the end of *only two* years, his advisers find him to require a grant of £.591,842 on account of the depreciation of money; that is to say, £.295,921 in each of the two years. *More than 30 per cent. per annum!* And, is Lord King, after having silently suffered under the gradual depreciation for *nine years*, to be attacked in this manner; is he to be lumped along with *Jews and Pedlars and Smugglers*; is he to have a hint that he will be *kicked down stairs or tossed in a blanket*, because he now, when he sees the guinea selling at 25, or 26, or 27s. is resolved to have a fulfilment of his bargain, and not to be wholly ruined by this depreciation of money?

The Judges had
their pay
augmented.

But, Gentlemen, this principle of augmenting allowances out of the *public treasure*, on account of the depreciation of money, has not been confined to the King and his family. It has been acted upon in almost all the departments under the government, the army and navy excepted, where, as far as relates to the Commissioned Officers especially, little augmentation has taken place. I will, however, here confine myself to one particular class of persons, namely, **THE JUDGES**, and I do it the rather because it has been hinted pretty *broadly*, that the *Courts of Law* would set their faces against the efforts

of those, who might attempt to *enforce* payment in gold.

Be it known to you, then, Gentlemen, that The pay of the the Judges' pay has had *two lifts* since the Bank Judges has had stopped its payments in gold and silver. The *two lifts.* first was, in the year 1799, two years only after the passing of our famous *Bank Restriction Act*. The *two Chief Judges*, whose incomes were very large, underwent no augmentation by Act of Parliament; but, the pay of all the rest was augmented by the Act, Chapter 110, of the 39th Act 39 G. 3. year of the King's reign; and, no trifling augmentation did their pay receive, it being upon an average nearly, if not quite, *half the whole amount of their former pay*. The Chief Baron of the Exchequer had First addition. £.1,000 a year added to his former £.3,000 a year; and all the nine Puisne Judges had £.1,000 each added to their former pay, which was, in some cases a little more and in some cases a little less than £.2,000 a year before. And, besides this, the Act enabled *the King*, that is to say, his advisers, to make a permanent provision for any judge that might become *superannuated*, and it fixed on great pensions for them in this case, which Pensions to pensions can, in consequence of that act, the Judges. *be granted* without any particular consent of the parliament, which was not the case before. Mr. TIERNEY opposed this measure in a very able Mr. Tierney. manner. He said, that the House of Commons would thus lose all check and controul as to such

remunerations; and that the influence of the Crown would be thus greatly and most fearfully enlarged. The measure was, however, adopted; and thus the Judges, in Scotland as well as in England, received *an ample compensation for the depreciation of money*, up to the year 1799.

Second addition
to the pay of
the Judges.

Act 49 G. 3.

Having gone on with this pay for ten years, it appears to have been thought time to give them *another lift*; and, accordingly an Act for this purpose was passed in the year 1809, of which the people seem to have taken not the least notice. It seems to have escaped every body's attention; but, indeed, the Acts now passed are so numerous, that it is next to impossible for any single man to be able to pay attention to them all, or to a quarter part of them. This Act, which is Chapter 127 of the 49th year of the King's reign, makes an addition of £.1,000 a year, to the pay of the Chief Baron of the Exchequer; also an addition of £.1,000 a year, to each of the nine Puisne Judges; and it gives an additional £.400 a year to each of the Welsh Judges. Thus, at the end of twelve years from the time when the Bank stopped paying in gold, the pay of the English Judges was nearly doubled; and, shall my Lord King be represented as a *pedlar*, a *jew*, and a *smuggler*, because, at the end of *nine years* of depreciation of money, he wishes to put a stop to the ruinous progress? And shall he be threatened with the hostility of these same Judges, in case he should attempt to

enforce his legal claim? Shall he be told about being fought off in the courts, and about the law being *too strong* for him?

At the time when these Acts were passed for ^{Argument in} augmenting the pay of the Judges, one of the ^{support of} arguments was, that such augmentation was ne- ^{these Additions.} cessary to support the DIGNITY of the office of Judge. Now, in what way was an increase of pay to produce such an effect? Certainly in no other way than that of enabling the Judge to augment his expences of living; for, as to his authority, as to his powers, as to his station, the money would make no alteration at all in them. This being the case, there appears to have been no good reason for augmenting the Judges' pay any more than the pay of the officers of the Navy, or of any other persons in the public employ. MR. TIERNEY used, at the time when the ^{Mr. Tierney.} first augmentation was proposed, an argument very applicable to our present purpose: "If," said he, "an augmentation of income be necessary to support the station of a Judge, has the country no interest in enabling the officers of the Army and Navy, or the Ministers of the Church, or the Magistrates, to maintain their station of society? If the circumstances of a Judge, who has £.2,000 a year, require that he should have an additional £.1,000 we know very well what must be the situation of a private Gentleman with an income of £.2,000 a year."

Application to
the case of
Lord King.

This argument applies precisely to Lord King. The answer to Mr. Tierney was, that the private Gentleman, if his estate was in land, would, of course, raise his rents, in order to make his income keep pace with the depreciation of money. But the reply to this is, that, if his estate was let upon lease, as Lord King's is, he could not raise his rents, till the expiration of that lease; and if he let a farm upon a fourteen years' lease in the year 1798, he has been receiving money at the rate of that time, during the last thirteen years, whereas the pay of the Judges has been *doubled* in the space of twelve of those years. This is, in fact, the situation of Lord King. Either, therefore, it was not necessary; and it was not just to augment the pay of the Judges in any degree; or, it is extremely unjust that Lord King should be prevented from augmenting his income. Indeed he has had, till now, all the legal means of making his income keep pace with the depreciation of money, by demanding his rents in gold; that is to say, agreeably to the terms of the contract, in good and lawful money of the realm.

The law steps
between the
Landlord and
his estate.

This legal, this equitable, this fair, this honest, this indubitable claim, he was preparing to enforce, when my Lord Stanhope steps forward with the proposition of a law avowedly intended to prevent him from so doing; to throw impediments in his way; to interfere in the management of his estates; to take from him part of

the legal means which he before possessed of preserving his property; and, for having signified his intention to use those means, he is held forth as a *jew*, a *pedlar*, and a *smuggler*. I have observed, that Mr. SHERIDAN has taken Mr. Sheridan. part upon this occasion with those who have censured Lord King. And this is the more remarkable as he has seldom taken part in any discussion whatever. Is Mr. SHERIDAN aware of the consequences to which this may lead? It is hardly necessary to tell him, that the day may not be far distant, when the CIVIL LIST will Future Civil List. have to be settled anew; and, I should be glad to know whether, in that settlement, it is likely to be the wish of the parties concerned, that the sum should be fixed as if it were to be paid in gold. Whether, in short, the amount of the Civil List would be fixed for the future, at its present amount. But, if that were not to be the case, how could a *larger amount* be proposed or supported by those who have now railed at the conduct of Lord King?

Endless are the difficulties, into which those Danger of the have plunged themselves, who have reprobated law to the the conduct of this nobleman as unjust, or who Crown, the have represented it as unwise. Such persons Army, &c. will hardly muster up the resolution to make a frank acknowledgement of their error; and yet, if they do not do this, with what face can they propose, or support, or sanction, either expressly or tacitly, any measure which shall have

for its object, the preservation of the Crown, the Royal Family, the Army, the Navy, the Courts of Justice, or any department of the state, against the effects of the depreciation of money? The measure of Lord King fell far short of the justice due to himself, for, though the money had depreciated considerably at the date of his oldest leases, still, it has gone on depreciating further from that time to this. He, therefore, would have been fairly entitled to payment in Gold, and nothing else, for the remainder of those old leases. But, pursuing a moderate and liberal course, he restrained his demands far within their legal bounds. With a considerateness that does him great honour, he suffered his tenants quietly to retain what they had gained during the past, and only required of them a due fulfilment of contract for the future, which was not less necessary to the welfare of his tenants, than it was to his own protection; because without such a measure, it was impossible they ever could obtain a renewal of their leases.

The question of Patriotism as connected with this matter. Much, during the discussions upon this famous Bill, has been said about *patriotism*: and Lord King has been charged with a want of that quality, because he made the demand, of which so much has been said. But, if Lord King, in barely demanding the fulfilment of a contract in order to protect himself against the effects of the depreciation of money; if Lord King, in barely appealing to the law already in

existence for his protection against this ruinous effect of paper-money ; if, for this, Lord King is to be accused of a want of *patriotism*, and is to be lumped with Jews, Pedlars, and Smugglers, what will be the inference with regard to the King and royal family, and my lords the Judges, to protect whom against the effects of depreciation *laws have been passed*, laws proposed by the *minister* of the day and sanctioned by the *majority*. Lord King comes for *no law* to protect him ; he asks for no law *against his tenants* ; he only wants his due according to the existing law ; and yet, he is, and by the very people, too, who approved of the above-mentioned large grants to the King and the Judges, accused of a *want of patriotism !*

The venal prints have not failed to join in the accusations against Lord King, whom the COURIER, on the 5th instant, charges with motives of "*base lucre*," as the ATTORNEY GENERAL did me, and with precisely the same degree of justice. The article here referred to in the COURIER concludes with some observations as to the duty of patriotism, in this case ; and says, that, " On an occasion in which ALL SUFFER, " the man who first *abandons the general cause* " for his own personal interests, must needs " make a very sorry figure before the world, " just like the *coward who is the first to fly in* " *battle*, while victory is doubtful. But if this " man were an high officer, a Legislator, an

The conduct of
The conduct of
Ld. King, com-
pared with that
of the King and
the Judges.

“ hereditary Counsellor of his Sovereign,
 “ whose peculiar duty it is to *set an example*
 “ *of bravery, of fortitude, of contempt for per-*
 “ *sonal consequences* in the general cause, with
 “ what feelings could we view his conduct?”
 Now, it is to be observed here, that all this talk
 about the public cause is most shocking non-
 sense, and what no man in the world besides one
 of these hirelings would be found to put upon
 paper. But, if to demand merely the fulfilment
 of contracts in order to preserve his fortune
 against the effects of depreciation of money, if
 this be to “ *abandon the general cause for his*
 “ *own personal interests,*” if this be to resemble
 “ *a coward who is the first to flee in battle,*”
 how will this venal man speak of the *King* and
Royal Family and the *Judges*? The King has,
 since the year 1799, had *two* great grants in
 augmentation of the sum allowed him, the Junior
 Branches of the Royal Family have had *one* ad-
 ditional grant (in 1806) and the Judges have,
 as we have above seen, had their pay *doubled*,
 actually *doubled*, since that time. And yet this
 venal man accuses Lord King of “ BASE
 “ LUCRE” because he is endeavouring to get
 what is *his due*; because he is endeavouring to
 get *his own*; because he is trying to protect
 himself against that ruin which he foresees will
 come upon him, if he does not now begin to ob-
 tain the fulfilment of his contracts.

“ On an occasion,” says this venal man, in

“ which ALL suffer.” No: not all. The *king* The King has has not suffered from the depreciation, nor have not suffered the *Judges*, whose pay has been, as we have from the seen, actually *doubled* since the stoppage of cash depreciation payments took place, and who, of course, would of money. be now as well off as they were before that time, if the pound bank note were worthy only *ten shillings*, and Mr. HORNER tells us it is yet worth about *sixteen shillings*. “ ALL” do not suffer, then. The Judges, so far from *suffering* The Judges have *gained* very greatly; and yet, no one has have not suf- ever charged *them* with motives of “ BASE fered by it, but “ LUCRE.” The Judges of England alone have gained. have received, since the year 1799, in virtue of the two Acts above-mentioned, no less a sum than £.120,000, that is, one hundred and twenty thousand pounds of principal money, more than they would have received had not these two grants been made to them; and if we include the interest, as in all such calculations we must, they have received, since 1799, over and above their former pay, about £.145,000. And, yet, my Lord King is, by this venal scribe, accused of motives of “ BASE LUCRE,” because he wishes to prevent *the whole of his income from being sunk in the depreciation of money*. The Judges have actually put in their pockets this large sum of money; they have actually touched it, since the year 1799, and, of course, the *National Debt is so much the greater on that account*; the interest upon that Debt is so much the greater on that account; the quantity of

bank notes to pay the Dividends are so much the greater on that account; and, of course, these two Acts of Parliament have tended, in some degree, to hasten the depreciation, and to produce the very effect which now threatens to ruin Lord King, and to find out a *remedy* for which puzzles so many men who think themselves wise. Lord King's measure does not tend to add to the *national Debt*; it tends to produce no addition to the Dividends or the bank paper; it is a mere measure of management of his private affairs, which does not trench upon the public good in any way whatever; and yet, he is lumped along with Jews, Pedlars, and Smugglers, and is accused of a want of patriotism!

Example of the great in this respect. This writer tells us, that it was the duty of such a man as Lord King to set an example of "*contempt of personal consequences*," meaning, of course, *pecuniary* consequences. But, was it *more* his duty than it was the duty of *the King, the Royal Family, and the Judges*? He says that Lord King ought to have done it, as being an hereditary counsellor of the crown. If Lord King had had much to do in counselling the Crown, the present subject would, perhaps, never have been discussed; but, be that as it may, was it *more* his duty to set an example of *contempt of pecuniary consequences* than it was of the King? Was it *more* his duty than it was *the duty of the Judges*? Was no example of this sort to be expected from *them*, while it was

The Royal Family.

The Judges.

to be expected from *him*? And, I beg you to observe the wide difference between the case of the Judges and that of Lord King. No new law is made to favour the interests of the latter; but a new law is made, and afterwards another new law, to favour the interests of the former. Lord King does not attempt to obtain any *real addition* to his original rents; but there is granted to the Judges a very large *real addition* to their original pay. The COURIER calls upon Lord KING to suffer quietly for the good of his country. His suffering would not do the country any good, but a great deal of harm. But, upon the supposition that it would do the country good, what does the same man say about the augmentation of the pay of the Judges? When the augmentation to the pay of these persons was under discussion, Mr. PERCEVAL (who was then a *barrister*) argued, that the Judges ought to have quite enough to maintain them in all their state *without touching their private fortunes*; and, observe, this he said *at the very time*, in that very year, 1799, when Old George Old George ~~Rose~~, who was then one of the Secretaries of Rose. the Treasury at £.4,000 a year, and who had another good £.4,000 a year in sinecure places, was preaching up to “the *most thinking* people “of all Europe,” his doctrine of *sacrifices* and *salvage*, a specimen of which I gave you in my last Letter. “The *imperious* and *awful* necessity of the present crisis,” said GEORGE, “unavoidably subjects US to heavy burdens.

Salvage. " It has been said, that they ought to be con-
 " sidered as a SALVAGE for the remaining
 " part of OUR property. The metaphor though
 " just is inadequate ; for what Tariff shall settle
 Blessed com- " the difference between the BLESSED COM-
 forts of " FORTS OF RELIGION and the GLOOMY
 Religion. " DESPAIR OF ATHEISM." George talks
 of " US" and of " OUR" property ; but HE
 was gaining all the while ; aye, and he got his
 great sinecure place, with reversion to his eldest
 son, while " *imperious and awful necessity*"
 was calling upon the nation for sacrifices.
 GEORGE'S doctrine of SALVAGE was for the
 use of others, and not at all for his own use ;
 nor did this doctrine of SALVAGE apply to the
 Judges, who, we have seen, received an *addition*
 to their pay out of the public money, during the
 times of this " *imperious and awful necessity* ;"
 during the time that George Rose was calling
 upon the people, for the love of God, not to
 spare their money. " Oh !" said George, " it
 " would be a *slander* to the *sense* and *virtue* of
 " the people to suppose an abatement in that
 " *spirit* which has *enabled* the government to
 " *call forth those resources.*" And, at this
 very time he was receiving upwards of £.8,000
 a year out of the taxes raised upon that same
 people, and Mr. TIERNEY, who opposed the
 augmentation to the pay of the Judges, was
 told, that they ought to be enabled to maintain
 all their dignity and state, that is to say, to live
 and keep their families, *without touching their*

private fortunes. And, yet, Lord King is to be lumped with Jews, Pedlars, and Smugglers ; he is to have a hint about tossing in blankets and kicking down stairs ; and, what is still more serious, he is to see a law passed avowedly to counteract his measures with regard to the management of his own estate ; he is to be accused of motives of *base lucre* ; he is to be held forth as an enemy to his country ; and all this because he wishes to obtain what is legally and equitably his due ; what is his due as fairly as the produce of their fields is the due of his tenants.

I have now, Gentlemen, to apologize to you for having taken up so much of your time in illustrating what was so clear itself. The additional grants to the Civil List, and the augmentation of the pay of the Judges, did not properly belong to our subject ; but, when my Lord King was reviled, and when a law was avowedly levelled at him, because he sought, in 1811, to protect himself and family against the ruinous effects of depreciation, justice demanded of me, if I wrote at all upon the subject, to show what has been done in behalf of the King and the Judges in 1799, 1802, 1804, and 1809, and especially as these measures in behalf of the King and the Judges were approved of and supported by some of those who now reprobate the conduct of Lord King.

In my next Letter, which will be *the last of*

the series, I shall have to offer you some observations of a more general nature, and in the mean while, I remain,

Gentlemen,

Your friend,

WM. COBBETT.

*State Prison, Newgate,
Friday, 26th July, 1811.*

LETTER XXIX.

“ The true way of convincing your enemy, that his war upon your
 “ finances will be useless, is, to state explicitly to the world, that
 “ you are not at all afraid of the consequences of a *national bank-*
 “ *ruptcy*; for, while you endeavour to make people believe, that
 “ such an event *cannot possibly happen*, they will certainly think,
 “ that you regard it, if it should happen, as *irretrievable ruin and*
 “ *destruction*; and, therefore, as you never can quite overcome their
 “ apprehensions, the best way is to be silent upon the subject, or to
 “ set the terrific bugbear at defiance.”—POLITICAL REGISTER,
 18th June, 1803.

What is to be the end of all this?—Paper-Money is not the
 cause of Sunshine and Showers—We may exist without
 Paper-Money—England did very well before Paper-Money
 was heard of—What is to become of the Fundholders?—
 The Sale of the Royal Plate and of the Church Property in
 Austria—Let what will happen in England the Jacobins and
 Levellers will not merit any Share of the Blame—
 Conclusion.

GENTLEMEN,

WHAT, then, is to be the *end* of all this? What is to be
 What are to be the ultimate effects produced the end?
 upon *the nation* by this depreciation of the paper
 money? The PITTITE party tell us, that there
 is not gold to be had; that the Bank cannot
 pay in gold; and that the matter must be left to
better times and to *better fortune*. The other
 party tell us, that, if they had the power of

adopting what measures they pleased, they would *cause the Bank to pay again in gold*; that they would restore the paper to its former estimation; and, in short, retrieve the whole system. I have, I think, shown you very clearly, that, to cause the Bank to pay again in gold is *impossible*; and that, let what will happen, let what will take place as to commerce, or as to war, the Bank Paper will never regain any part of what it has lost, *as long as the national debt shall exist*; or, rather, *as long as the dividends shall be paid* upon the interest of that Debt.

The consequences of a destruction of the Funds,

Now, if I have shown this to your satisfaction, the question, and the only question, that remains to be discussed, is, what would be the **CONSEQUENCES** of a cessation in the payment of the dividends; that is to say, the total destruction of the national Debt; the total breaking up of the Funds and the Bank Note system. This is the only question that now remains to be discussed; but a very important question it is, and one which, I hope, will receive your patient attention.

Notion that Bank notes give us sunshine and showers,

To hear the greater part of people talk upon this subject, one would imagine, that the Bank Notes were the meat, drink, and clothing of the inhabitants of this island; and, indeed, that they gave us sun-shine and showers and every thing necessary to our existence. One would really

suppose, that the general creed was, that the Bank Directors were the Gods of the country, that they were our Sustainers if not actually our Makers, that from them we derived the breath in our nostrils, that in and through them we lived, moved, and had our being. No wonder, then, that there should be an *apprehension* and even a *horror* inspired by the idea of a total destruction of the paper-money; no wonder, that, when I began, about eight years and a half ago, to write against the Funding System, I should have been regarded as guilty of blasphemy, and should have been accused thereof by that devout man, Mr. SHERIDAN; no wonder that some men's knees should knock together and their teeth chatter in their head upon being told, that the day is, probably, not far distant, when a guinea, a real *golden* guinea, will buy a hundred pound's worth of three per cents.

But, Gentlemen, is there any *ground* for Bank Notes do these apprehensions? Are such apprehensions to not give be entertained by *rational* men? No: the corn sunshine. and the grass and the trees will grow without paper-money; the Banks may all break in a day, and the sun will rise the next day, and the lambs will gambol and the birds will sing and the carters and country girls will grin at each other, and all will go on just as if nothing had happened.

“Yes,” says some besotted Pittite, “we do

The declamatory rant by which the people have been cheated.

“ not suppose, that the destruction of the paper-system would put out the light of the sun, prevent vegetation, or disable men and women to propagate their species : we are not fools enough to suppose that.” Pray, then, *what* are you fools enough to suppose ? *What* are you fools enough to be *afraid of* ? For, if the destruction of the paper produces, and is calculated to produce, none of these effects, how can it be a thing to excite any very *general* apprehension ? *Who* would it *hurt* ? “ Oh ! it would create universal *uproar* and *confusion* : it would destroy all property ; it would introduce anarchy and bloodshed, and would annihilate *regular government, social order, and our holy religion.*” These are the words that JOHN BOWLES, the Dutch Commissioner, used to make use of. This is the declamatory cant, by the means of which the people of this country have been deceived and deluded along from one stage of ruin to another, till, at last, they have arrived at what they now taste of. If, when JOHNNY BOWLES, or any of his tribe, had been writing in this way, a plain tradesman, who gets his living by fair dealing and who has no desire to share in the plunder of the public, had gone to the writer, and, taking him fast by the button, had said to him : “ Come, come ! tell me, in definite terms, what you mean, and show me *how I should be a loser by this thing that you appear so much to dread.*” None of your *rant* ; none of your *horrifying*

“ descriptions ; but, come, JOHN, tell me HOW
 “ I should be made worse off in this world, and
 “ HOW I should be more exposed to go to hell,
 “ if that which you appear to dread were ac-
 “ tually to take place :” if any such man had so
 addressed this Treasury scribe, the scribe
 would have been puzzled much more than
 he was by his per cents about the Dutch
 Commission.

Why, Gentlemen, should the total destruction Paper-money
 of the paper-money produce any of these effects ? has done no
 Why should it destroy all *property* ; why pro- good to the
 duce *bloodshed* ; why destroy our *holy religion* ? cause of liberty.
 I have before told you, that the paper-money
 was unknown in England, till within about 107
 years. England did very well before that time.
 The people of England were brave and free,
 happy at home and dreaded abroad, long before
 paper-money was heard of. Why, then, should
 they now believe, that, without paper-money,
 they would be reduced to a state of barbarism
 and slavery ? The Church, as it is now es-
 tablished, existed long before paper-money was
 thought of, and so did *all those laws*, which we
 yet *boast* of as the great bulwarks of our freedom ;
 and, what is more, I defy any man to shew me
 one single law, *in favour of the liberties of the*
people, which has been passed *since* the establish-
 ment of the Paper-Money System, while nu-
 merous laws have been passed hostile to those
 liberties. Before the existence of the National

Debt and the Bank, the House of Commons used frequently to refuse to grant the money called for by the Crown ; since they have existed, no grant of the kind has ever been refused by that House. Before the Paper System existed, there was no standing army in England ; before the Paper System existed, there were not more than *two hundred thousand paupers* in England and Wales : there are now *twelve hundred thousand*.

Paper-money
has purchased
victories.

Why, then, should we alarm ourselves at what appears to indicate the approaching destruction of this System ? “ Oh, but,” says the Minister (Perceval), “ without the Paper System “ we could not have had the *victories* recently “ won in Spain and Portugal :” to which he might have added the achievements at *Quiberon*, at *Dunkirk*, at the *Helder*, at *Ferrol*, at *Buenos Ayres*, in *Hanover*, in *Leon* and *Gallicia*, at *Corunna*, at *Walcheren*, &c. &c. &c. The list might be swelled out to three times this length ; but this is long enough. If what the Minister calls the “ recent *victories*” are the fruit of the Paper System, so are all the achievements to which I have here called your recollection. Indeed they were so ; for, the wars themselves proceeded from the same source. The *American War* grew out of the Paper System ; and so did the *Antijacobin war*, which began in 1793, and which has finally produced the state of things which we now have before us. So that, as to the *use* of the Paper System

in this way, there can, I think, be very little doubt.

“ Well, but, after all,” some one will say, ^{How is the} *what is to become of the Fundholder?* ^{How Fundholder to} *is he to get re-paid?* My answer to this is, ^{get repaid.} that, it does not appear to be a matter in which *the people*, I mean the *mass of the nation*, have much to do or to say. For, what is the *Fundholder* or *Stockholder*? Why, he is a man, who, choosing a large rather than a small interest for his money, has lent it to some persons in power, under an agreement, that he shall be paid interest upon it out of the taxes raised upon the people. A man, who lends money, knows, of course, or, at least, he ought to know, the *sufficiency of the borrower*; or, if he does not know that, he, of course, takes the *risk* into his calculation; and he can have no right to complain if the chances should happen to turn up against him. Upon this principle SIR JOHN MITCHELL (now Lord Redesdale) went in defending the first Bank Restriction Bill, when, in answer to those who contended, that it would be a *breach of faith* to compel the Fundholder to take payment in paper, he said, that the Fundholder, *when he lent his money, knew that a case like this might happen*, and that, therefore, he had no reason to complain. Till I read this, I thought that I was the only one who had held the doctrine, so that my satisfaction at seeing my opinions corroborated by such high legal autho-

rity was somewhat diminished by the reflection, that I had lost what I had deemed my undivided claim to originality.

Sale of Crown
Plate and of
Church Lands.

I do not, however, see any reason why the Fundholders, or, at least, that part of them, who have been *compelled* to suffer their property to be thus vested, should not, in any case, *have a just compensation*. And *how?* Whence is this compensation to come? In Austria, our old and faithful and august ally, the Emperor, is acting the part of a very honest man. The paper-money in Austria has fallen to a fourteenth part of its nominal value, *in spite of several Edicts prohibiting the passing of it for less than its nominal value*. A hundred florins in silver was worth *fourteen hundred and fifty three florins* in paper when the last advices came away; and, perhaps, *one florin* in silver, is, by this time, worth *fifty florins* in paper. Of course the government creditors, or Austrian Fundholders, must be ruined, unless something be done to obtain a compensation for them. The Emperor, therefore, like an honest man, has, as the newspapers tell us, sent all his plate, all his gold and silver, in whatever shape, to the mint to be melted down and turned into coin for the payment of the people who have lent him and his government their money. And, besides this, the *Clergy*, animated by a zeal for their sovereign truly worthy of example, *have given up their estates to be sold for the same honest purpose*,

which, doubtless, they have been the more disposed to do, when they reflected, that the debts of the government were incurred in carrying on a war for “regular government, social order, and their holy religion,” and in the producing and prolonging of which war they themselves had so great a hand, as well as in persecuting all those who were opposed to the system. Accordingly, we see accounts in the public prints of the SALES OF CHURCH LANDS going on in Austria. They are said to sell remarkably well* ; and, it is stated, that, these sales, together with the meltings of the Royal Plate, will yield enough to satisfy all the Government Creditors ; or, at least, to afford them the means of living beyond the reach of misery.

But, methinks, I see start forth a Courtier on one side of me and a Parson on the other, and, with claws distended ready to lay hold of my cheeks, exclaim : “ What, cold-blooded wretch, are *these*, then, your means of compensation for the *English* Fundholder ?” Softly ! softly !

* VIENNA, JULY 6.—“ A second sale of ecclesiastical es- Sale of Church
tates will soon take place. On the 23d will be sold, the Lands in
“ estate of Keixendorf ; and on the 24th, those of St. George
“ and Baumgarten. As there are many competitors, the Austria.
“ sums produced by these sales has greatly surpassed what
“ the lands were estimated at. The body of merchants in
“ this city published, some days since, a memoir in their de-
“ fence, against the charges objected to them, of having con-
“ tributed to the depreciation of the paper money. The
“ memoir has been transmitted to the Minister of Finance,
“ and presented to his Majesty the Emperor.”

Give me time to speak. Do not tear my eyes out before you hear what I have to say. Stop a little, and I will tell you what I mean.

A Bishop
(Burnet) the
contriver of
the National
Debt.

Now, why should you be in such a rage with me? If I were to propose that the same should be done here as is now doing in Austria, what would there be, in my proposition, injurious to either the station or character of the *king* or the *clergy*? Am I to suppose, that the Crown depends upon the possession of a parcel of *plate* by the king and Royal Family; that a throne, the seat of kingly power, is supported by a waggon load, perhaps, of gold and silver dishes and plates and spoons and knives and forks and salvers and candlesticks and sauce boats and tea-pots and cream-jugs? Good heavens! what a vile opinion must they have of the throne, who look upon such things as tending to its support! And, then, as to the Church, what could her sons wish for more earnestly than an opportunity of giving us a proof of their disregard of things temporal? Besides, there would be, in this case, a striking proof of the truth of the good maxim, that "Justice, though *slow*, is *sure*;" for, it is well known, that the Paper System, which would thus draw upon the Church, was the *invention* of A BISHOP of that same Church!

But, the Courtiers and the Clergy may be tranquil; for I do not think it at all likely that

such measures will become necessary in Eng- Not likely that
land, though they have been adopted at Vienna, it will be neces-
and, as would seem, with such singular success. sary to sell
I am of opinion, that there would be found the Crown
ample means, *elsewhere*, for a due compensation Plate and
to those Fundholders, who had been *compelled* Church Pro-
to vest their property in that way. In short, I perty in
am quite satisfied, that we have nothing at all to England.
fear from the destruction of the paper-system if
that should take place; and, as the friends of the
system assert, that we have nothing to fear from
its continuing to exist, we are, I think, *tolerably*
safe. The RUIN of *America* and *France* were
foretold because their paper-money was falling;
but, the prophecy proved false. They were
both victorious; both became prosperous; and,
what is odd enough, both have since become re-
ceptacles of the coin that is gone from England;
aye, from that country, who hoped to triumph
over them by the means of that same coin! How
many times did PITT predict the time when
France would be what he called *exhausted*, and
how was he hallooed on by his numerous under-
strappers of all sorts, verbally as well as in print!
Has she been *ruined*? Has she lost in popu-
lation or in power? Is she *exhausted*? Has
she become *feeble*? We are still *struggling*
with her; and do we find her grow *weaker* and
weaker?

Well, then, this doctrine of RUIN from a de-
preciated paper-money is a false doctrine. It

The destruction of the Funds need not produce a revolution. was engendered in a shallow brain, and brought forth by arrogant emptiness. But, suppose it to be sound as applied to us ; suppose, for arguments sake, that the destruction of the paper system should take place, and should prove the utter ruin of the country ; or, suppose, at any rate, that it should send all the Fundholders into beggary, should cause all the Church and Collegiate property to be sold as in Austria, should send the Royal Plate to the Mint, should annihilate all the remaining feudal rights and tenures ; and, in short, should produce a species of revolution. I say, that it *need* do none of this : I say, that not one of these is a *necessary* consequence of the overthrow of the paper system ; but, for arguments' sake, *suppose* the contrary, and suppose that such overthrow were to take place ; WHO, *in that case, would be to blame ?*

But, if it were to produce a revolution, who will be to blame for it ? This is a question that every man ought, as soon as may be, to answer in his own mind ; for, if any of these consequences were to come upon us, it would be of the greatest utility to be able to say, at once, who it was that had been the real authors of the calamity. Certainly, then, the *Reformers*, commonly called *Jacobins* and *Levellers*, have had nothing to do with the matter. They have had *no power*. They have been carefully shut out from all authority. They have filled no offices of any sort. They have been held forth as a sort of enemy in the bosom of the country. There is no creature who has

had power, of any sort, no matter what, who has not employed that power upon them. They have been either killed, banished, ruined, or, at the least, beaten down and kept down. Well, then, *they* will not come in for any of the blame, if things should turn out wrong at last. They have had no hand in declaring war against the regicides of France; they have had no hand in forming leagues, in voting subsidies, in sending out expeditions; they have had no hand in making loans or grants; and, therefore, they will, surely, not come in for any share of the blame which shall attach to the consequences. They have been represented as an ignorant and factious herd, a "*low, degraded crew*;" while those who have thus described them have had all the powers and the resources of the country at their command; and, therefore, let what will happen, the Reformers will have to bear no portion of the blame. The full-blooded Anti-Jacobins; the members of the Pitt Club; all the numerous herd of the enemies to Reform may be fairly called upon for a share of the responsibility; but, to the Reformers, who have had no power, and who have been hardly able to exist in peace, no man can reasonably look.

I shall now, Gentlemen, after nearly a twelve-month's correspondence, take my leave of you, and with the conviction, that I have done much towards giving you a clear view of the subject, of which I have been treating. I had long en-

has not been
bestowed in
vain.

tertain'd the design to make the subject familiar ; to put my countrymen in general beyond the reach of deception on this score ; to enable them to avoid being cheated, if they chose to avoid it ; and a sufficiency of *time* for the purpose being furnished me, it would have been greatly blameable in me, if I had neglected to avail myself of it : I have not been guilty of this neglect ; I have, with great care and research, brought together what appears to me to be the whole, or very nearly the whole, of the useful information relating to the paper system ; I have laboured most zealously and anxiously for the accomplishment of the great object in view ; and it more than repays me for every thing to hear, to see, to know, that *I have not laboured in vain.*

Let Time now
decide between
the author and
his opponents.

In the course of these Letters, I have clearly expressed my opinions as to the fate of the paper-money ; those opinions are in direct opposition to many of those persons, in parliament as well as out of parliament, who have delivered their sentiments upon the subject : TIME, the trier of all things, must now decide between us ; and, if I am wrong, I have, at least, taken effectual means to make my error as conspicuous and as notorious as possible. One thing, above all others, however, I am desirous of leaving strongly impressed upon your minds, and that is, that it is my decided opinion, that, let what will be the fate of the paper-money, that fate, however destructive, does not necessarily include

any, even the smallest, danger to the independence of England, or to the safety of the throne, or to the liberties or the happiness of the people.

I remain, Gentlemen,
Your friend
and obedient Servant,

WM. COBBETT.

*State Prison, Newgate, Friday,
2d August, 1811.*

LETTER XXX.

The Bullion Committee's two years twice expired.—The Peace of 1814 saw the Bank Protection Bill renewed—All the pretexs were vanished.—Ominous opinions.—New issue joined between the Author on the one part and the Paper partizans on the other.

GENTLEMEN,

Four years
elapcd.

IN renewing my correspondence with you, after a lapse of more than four years, and after the wonderful events of the years 1814 and 1815, it may be necessary for me to remind you of the state, in which we left the question of Paper against Gold, in the summer of 1811, when I remained at issue with the Bullion Committee and also with the partizans of Paper-Money, appealing to TIME, the trier of all things, to decide between us. Four years is a considerable space of *time*; and, we shall see now, on which side TIME, thus far, has decided.

Assertions of
the Minister

The Bullion Committee proposed to the House of Commons to compel the Bank to pay in gold and silver *at the end of two years from 1810*. The Ministry opposed this proposition; and asserted, that, *when peace returned*, specie would return, and the payment of

it at the Bank would take place, *as a matter of course*, because the law, which protected the Bank against demands of payment in cash, would, of itself, *expire* at the end of six months after peace should be made. This act was passed in December, 1803. See Vol. I. page 338.

Now, in opposition to these two assertions, and the I was satisfied, that I *proved* it to be impossible Bullion Com- mittee. for the Bank to pay in real money, in war or in peace, as long as the dividends on the Debt continued to be paid. Well, Gentlemen, what has since been done? Has the Bank yet paid in Gold and Silver, though four years instead of two have passed over our heads? You know well that it has not.

But, observe, peace was made in May, 1814. The Act for And what did the Ministry then do? Did they protecting the suffer the Act to expire, "*as a matter of* Bank renewed, in peace, 1814. *course?*" Did they make good their assertion, that Gold and Silver should come back with peace? They assured us, that it was the power of Napoleon which had robbed us of our gold and silver; and that, in order to get them back again, we must go on fighting and paying, till that power should be diminished. It was not only diminished in 1814; but it was destroyed. Napoleon was dethroned and banished, and the long-sighed-for event, the restoration of the Capets, took place. A Congress met at Vienna;

all was so arranged, that peace in Europe promised to last for our lives, and peace with America had taken place too. *Now*, then, was the time to suffer the Bank Act to die that *natural death*, of which the minister had so boldly talked in 1810. But, instead of this, what did the Ministry do? Why, they *renewed the act for another year!* And, you will please to observe, that, though this renewal did not actually become a *law* till after the return of Napoleon from Elba, it was distinctly stated by the Ministry, *before that time*, that the renewal would be proposed to the parliament; and, Ministers, in England seldom *propose*, as you know very well, any measure, which the Houses refuse to adopt.

My predictions Therefore there is no shadow of excuse for the renewal of the act, except, that the Bank cannot, in *peace* any more than in war, pay in Gold and Silver. This is a very good reason for renewing the act; but this is completely fulfilling my prediction; completely proving, and that by act of parliament too, the soundness of my former reasoning.

fulfilled. The parliament and, indeed, the country, were, as to this question, divided into two parties: one said, that the Bank would be able to pay in specie in two years: the other said, that the Bank was *always able* to pay, but that it would not be *prudent* to suffer the Bank to

pay, till *peace* came. I gave it as my opinion, that peace would not enable the Bank to pay; or, at any rate, that her Ladyship would not pay in Gold and Silver when peace should come. Thus far, then, time has proved me to have been right.

We must now wait for TIME again; but, happily, we shall not have to wait *long*. Peace is now again come; and come in a way, too, that seems to defy even chance to interrupt its duration. Not only is Napoleon down, but he is in our hands; he is banished to a rock, of which we have the sole command and possession; he is as completely in the power of our government as if they had him in the Tower of London. Therefore, this great obstacle to Gold and Silver payments is swept away. The Capets, or the *Bourbons*, as they call themselves, are restored. Spain has regained that beloved Ferdinand, in whose cause we were so zealous, and he has restored the Inquisition and the Jesuits. The Pope, to the great joy of loyal protestants, is again in the Chair of Saint Peter; has again resumed his Keys and his Shepherd's crook. In short, our government, so far from dreading any enemy, is in *strict alliance* with every sovereign in Europe.

Now, then, are come the halcyon days. Now John Bull is to sit down in peace under his own vine and his own fig-tree with no one

to see this great question decided for ever.

to make him afraid. *Now* there will be; there *can* be, no need of armies or navies. *Now*, then, my good neighbours, we shall, surely, see Gold and Silver return. Which of you will *bet* any thing on the affirmative of this proposition? My opinion is, that we shall not see it return; that we shall not see the Bank pay in Gold and Silver; that we shall not hear the Minister say, that the Old Lady is ready with her cash. In short, my opinion is, that another and another act of parliament, will convince even the most stupid and credulous, that, as long as the dividends on the National Debt are paid, so long will they be paid in Bank Notes, so long will the law to protect the Bank against demands in real money remain in full force; for, the man that needs more than two more acts of parliament to produce this conviction in his mind must be an *idiot*.

We will give the Bank and the Minister two Let us wait, then, with patience for two years more; but, let us keep our eye steadily fixed on the movements of the Ministry and the Bank. Let us listen quietly to all they say, without seeming to take any notice of what they are about. If they *do* pay in cash at the end of two years, and still continue to pay the dividends, or the interest of the Debt, I will frankly acknowledge, that I ought to pass for an ignorant pretender all the remainder of my life. If they *do not* pay in cash at

the end of two years more, then, what *they* ought to pass for I shall leave my readers to decide.

As to giving them a longer tether, that is ^{years longer;} wholly out of the question. Twelve years is ^{but no more.} the average length, it is said, of the life of man. I have already given them *four*. I will allow them two more; but, as the grey hairs begin to thicken very fast upon my head, as my sons and daughters begin to walk faster than their father and mother, I certainly shall not lengthen the tether; but, at the end of two years from this first day of the month of September, 1815, I shall, if I still hold a pen, and the old Lady does not pay the dividends in cash, assume it as a notoriously admitted fact, *that she never will and never can.*

Before I conclude this letter, however, I ^{Ominous opi-} will just notice the strange doctrines which ^{nions promul-} are beginning to be held. We hear people ^{gated by the} saying; and in print too, that *Paper Money* ^{supporters of} is a *better thing* than gold and silver coin. ^{the govern-} That it is more *commodious*; that it cannot be ^{ment.} *sent out of the country* (which last is very true); that it is so much *clear gain to the nation*; that the nation would be *ruined*, if it were to use gold and silver coin instead of paper-money. These are ugly notions. They seem to be thrown out *to feel the pulse* of John Bull. They do not come forth *officially*; but, they come from

sources that render them rather more than suspicious. The *friends of government*; that is to say, those who, in some way or other, *gain by the taxes*, promulgate them; and hence we may pretty safely conclude, that they are not very disagreeable to the government itself. There is one person connected with the Old Lady, who has put forth such doctrines. Very natural, you will say. Yes, but it is not so very natural that we should adopt them into our political creed. These doctrines do not argue much in favour of our expectations of gold and silver payments. They put one in mind of Goldsmith's friend's high eulogium on liver and bacon just when he was about to announce to his guest the absence of a promised venison pasty.

With these hints; with these motives to watchfulness, let us now lay aside the subject of Paper against Gold, and proceed to inquire what *good* this nation has derived from the late wars, in which we are said to have acquired glory that calls for thanksgivings and monuments. This inquiry shall be the subject of future letters.

I am,

Gentlemen,

Your faithful friend,

W . COBBETT.

Botley,

1st September, 1815.

LETTER XXXI.

What is the condition of Great Britain, compared to what it would have been, if the wars against the French had not taken place.

GENTLEMEN,

THE war, which began in 1793, is now The war at an over. The troops are not all come home, the end. ships are not all paid off, the account is not wound up; but, the war is over. Social Order is restored; the French are again under the power of the Bourbons; the Revolution is at an end; no change has been effected in England; our Boroughs, and our Church and Nobility and all have been preserved; our government tell us, that we have covered ourselves with glory. And now let us see what we have What have we gained by this long war; what *we*, the people gained by it? of England, Ireland, and Scotland, who pay taxes for the support of the people in office, the army, the navy, the sinecure-placemen, the pensioners, and the Royal family, have gained by this war.

But, here I shall be met at the threshold by George Rose's Old George Rose, who will say: "that is not objection to a fair way of putting the question." George, this mode of

stating the
question.

who is a person of such well-known merit, that he has sinecure places worth about £4,000 a year, the greater part of which descends in reversion to his eldest son. George, who is very long-sighted, and can perceive conclusions which are greatly at a distance from the premises, will meet me at the very out-set, and cry "hold! hold! it is not of what the poor fellows have *gained* that you ought to talk to them. You ought to ask them *how much more they would have lost than they have lost*, had it not been for the war, now happily terminated amidst such a blaze of glory."

George sees what I am going at. *He* knows, if you do not, what a picture I am going to draw, and how clearly I shall trace our Debts, Taxes, Paupers, and manifold miseries, now only beginning to be seriously felt, to the war; and, therefore, he would make you believe (as he has endeavoured to do in print long ago), that it would have been still *worse* for you, if the war had not taken place.

Gentlemen, I will leave even George Rose nothing to complain of. I will take the question in his own way; and I shall, for argument's sake, voluntarily make admissions in his favour, for which he (though that is saying a great deal) would not have the conscience to ask.

It is impossible to say, or even to form any thing like a correct estimate of, what would have been the consequences, in England, remaining at peace in 1793, instead of going to war against the French people. But, it is easy to name some things, which would not have taken place, even if peace had been preserved. For instance, the earth of England would still have retained its former qualities; the sun, the moon, the stars, the rains, the frosts, the snows, would not have been obstructed by peace. The animals, of all sorts, would have continued breeding. Young people would have continued to grow up and to see their parents buried. We should, in short, have had the same air to breathe, and the same kinds of food and drink, and the same kinds of clothes to wear.

There are some of the most resolute Antijacobins, who will assert the contrary of the greater part of all this. They will insist, that all nature would have suffered; and that England would have become a wild waste, inhabited by savage men and savage beasts. This, however, we will not believe. We must confine our admissions, great as they are to be, far within this compass.

I will admit, then, that, if the People of France had been suffered to remain at peace, that, as far as the circumstances of the two

What have we
lost more than
we should have
lost, if we had
kept at peace.

People of Eng-
land would, to
a certain ex-

tent, have followed the example of the people of France. nations were, previous to the French revolution, alike, *so far* the People of England would have followed their example. The Jacobins, as the friends of Reform, were called, were very active. The success of the People of France, in overturning a most horrid despotism, had produced great pleasure in England amongst the mass of the people; and, I have no doubt, that, had our government continued at peace with France; that, had it not adopted any of its hostile measures in 1792; that, if it had continued the former relationships of peace, commerce, and intercourse with France, some *very great changes* would have taken place in England.

What did the people of France do before they were attacked by war? What, then, according to the above supposition, would those changes have been? We are told of the burning of country houses, of the demolition of gentlemen's property, of the pillaging of Aristocrats, of the massacres and guillotining of the French. But, first let it be observed, that, all these, which took place after July 1792, are fairly to be ascribed to *the war*, that war which the Bourbons and Aristocrats, and the Prussians and Austrians made upon the French, in order to compel them to return to a submission to that despotism, which they had overturned. Previous to this time, though there were many acts of unjustifiable violence on the part of some of the people, there were none of those bloody scenes,

which took place *after* the invasion of France by the Aristocrats and the Prussians, with the Duke of Brunswick at their head, in 1792, when the king was alive, and was enjoying as much power, as many very wise men think a king ought to enjoy. It was, therefore, not till *war* was begun against the French People, that those bloody scenes ensued, which are, by the Aristocrats, ascribed to the *revolution*, when they ought to be, and are by all just men, ascribed to *the war* waged against the French People.

In seeking, therefore, to ascertain what changes would have taken place in England, we must always bear in mind how far the French had gone, *previous to their being attacked by the Emigrants and the Allies*; and, previous to our hostile measures against them, indicating intentions of war. Because, all the changes, which the French made *after that*, we have a right to suppose they would *not have made had it not been for the war*; that very war, of which we were the main supporters, and which has only now come to a close after twenty-two years duration.

What, then, *were the changes*, which the French (whose *example*, observe, it was said we should follow) made previous to the war? But before I come to state these, I must notice, that the situation of England, at the com-

mencement of the French revolution, was very different from that of France. The sufferings of the latter had been so much greater, that it is not reasonable to suppose, that the people here would have gone such lengths, in the way of resentment, as the people of France went. This leads us to call to our recollection what the sufferings of the people of France really were.

Situation of
France before
the Revolution.

It is notorious, that, for ages, previous to the French revolution, we, in this country, constantly described the French as slaves; our histories, our moral essays, our political writings, our poems, our plays, all describe them as slaves, and as cowards for submitting to such a government as then existed. *Now*, indeed, our conductors of news-papers, with a degree of impudence absolutely without parallel, abuse the French people for having destroyed the *PATERNAL sway of the Bourbons!*—Let us now see, then, what was the nature of that “*paternal sway* ;” and, when we have taken a full view of it, and of its effects, we shall be able to judge, whether it be probable, that the people of France will listen to those who are endeavouring to bring them back to the blessings of that “*paternal sway*.” —But, how are we to get at a *true* account of the nature and effects of the Bourbon government? We must resort to some *authority*; to somebody’s word, whose word is to be relied

on.—The authority, to which I am about to refer, is that of MR. ARTHUR YOUNG, who is, and who has been, for many years past, *Secretary to the Board of Agriculture*, with a salary, paid by the public, of £500 a year.—Mr. Young is, in the first place, a man of great talents; and, perhaps, it is impossible to find out a person so fit to be referred to as Mr. Young. His studies had been of that kind, which peculiarly fitted him for an inquiry of this description; and, he was in France at precisely the time for making it. He made, during the years 1787, 1788, and 1789, an agricultural and politico-economical survey of the kingdom of France. He was there when the revolution began; he was there during its progress until the new constitution was formed. He was not only living in great intimacy with many of the most respectable leaders in that work; but, he himself, crossing the kingdom in all directions, made himself minutely acquainted, by the means of personal inquiry and the evidence of his senses, of every particular, relating to the nature and effects of those “*ancient Ordinances and Customs*,” of which the partizans of the war now boast.—During his travels, he gives an account of these, by citing numerous instances, of the abominable tyranny, under which the people groaned; and, at the close of his work, he publishes *reflections on the Revolution*, beginning with a summary description of the state of the people under the Bourbon go-

vernment, and, to the evidences of his own observation, adding, as he proceeds, the complaints contained in the *Cahiers*, that is to say, the lists of complaints, made to the National Assembly by the most respectable people of the different provinces, to which *Cahiers*, he refers in the notes.—This part of Mr. Young's work, I am now about to insert. I beg you to go through it with attention. You will see how every part of it applies to the subject on which we are, and also to the present crisis.

ON THE REVOLUTION OF FRANCE.

Mr. A. Young's account of the old government of France. “ The gross infamy which attended *lettres de cachet* and the Bastile, during the whole reign of Louis XV. made them esteemed in England, by people not well informed, as the most prominent features of the despotism of France. They were certainly carried to an excess hardly credible; to the length of being sold, with blanks, to be filled up with names at the pleasure of the purchaser; who was thus able, in the gratification of private revenge, to tear a man from the bosom of his family, and bury him in a dungeon, where he would exist forgotten, and die unknown!*

* An anecdote, which I have from an authority to be depended on, will explain the profligacy of government, in respect to these arbitrary imprisonments. Lord Albemarle.

But such excesses could not be common in any country; and they were reduced almost to nothing, from the accession of the present King. The great mass of the people, by which I mean the lower and middle ranks, could suffer very little from such engines, and, as few of them are objects of jealousy, had there been nothing else to complain of, it is not probable

when ambassador in France, about the year 1758, negotiating the fixing of the limits of the American colonies, which, three years after, produced the war, calling one day on the minister for foreign affairs, was introduced, for a few minutes, into his cabinet, while he finished a short conversation in the apartment in which he usually received those who conferred with him. As his lordship walked backwards and forwards, in a very small room (a French cabinet is never a large one), he could not help seeing a paper lying on the table, written in a large legible hand, and containing a list of the prisoners in the Bastile, in which the first name was Gordon. When the minister entered, Lord Albemarle apologized for his involuntarily remarking the paper; the other replied, that it was not of the least consequence, for they made no secret of the names. Lord A. then said, that he had seen the name of Gordon first in the list, and he begged to know, as in all probability the person of this name was a British subject, on what account he had been put into the Bastile. The minister told him, that he knew nothing of the matter, but would make the proper inquiries. The next time he saw Lord Albemarle, he informed him, that, on inquiring into the case of Gordon, he could find no person who could give him the least information; on which he had had Gordon himself interrogated, who solemnly affirmed, that he had not the smallest knowledge, or even suspicion, of the cause of his imprisonment, but that he had been confined thirty years; however, added the minister, I ordered him to be immediately released, and he is now at large. Such a case wants no comment.

they would ever have been brought to take arms. The abuses attending the levy of taxes were heavy and universal. The kingdom was parcelled into generalities, with an intendant at the head of each, into whose hands the whole power of the crown was delegated for every thing except the military authority; but particularly for all affairs of finance. The generalities were subdivided into elections, at the head of which was a *sub-delegué*, appointed by the intendant. The rolls of the *taille*, *capitation*, *vingtiemes*, and other taxes, were distributed among districts, parishes, and individuals, at the pleasure of the intendant, who could exempt, change, add; or diminish, at pleasure. Such an enormous power, constantly acting, and from which no man was free, must, in the nature of things, degenerate in many cases into absolute tyranny. It must be obvious, that the friends, acquaintances, and dependants of the intendant, and of all his *sub-delegués*, and the friends of these friends, to a long chain of dependance, might be favoured in taxation at the expense of their miserable neighbours; and that noblemen, in favour at court, to whose protection the intendant himself would naturally look up, could find little difficulty in throwing much of the weight of their taxes on others, without a similar support. Instances, and even gross ones, have been reported to me in many parts of the kingdom, that made me shudder at the oppression

to which numbers must have been condemned, by the undue favours granted to such crooked influence. But, without recurring to such cases, what must have been the state of the poor people paying heavy taxes, from which the nobility and clergy were exempted? A cruel aggravation of their misery, to see those who could best afford to pay, exempted, because able!—The inrolments for the militia, which the *cahiers* call *an injustice without example*,* were another dreadful scourge on the peasantry; and, as married men were exempted from it, occasioned in some degree that mischievous population, which brought beings into the world, in order for little else than to be starved. The *corvées*, or police of the roads, were annually the ruin of many hundreds of farmers; more than 300 were reduced to beggary in filling up one vale in Lorraine: all these oppressions fell on the *tiérs état* only; the nobility and clergy having been equally exempted from *tailles*, militia, and *corvées*. The penal code of finance makes one shudder at the horrors of punishment inadequate to the crime.† A few features will sufficiently characterize the old government.

* *Nob. Briey*, p. 6, &c. &c.

† It is calculated by a writer (*Recherches et Consid. par M. le Baron de Cormeré*, tom. ii. p. 187.) very well informed on every subject of finance, that, upon an average, there were annually taken up and sent to prison or the galleys,

1. Smugglers of salt, armed and assembled to the number of five, in Provence, *a fine of 500 liv. and nine years gallies*;—in all the rest of the kingdom, *death*.

2. Smugglers armed, assembled, but in number under five, *a fine of 300 liv. and three years gallies*. Second offence, *death*.

3. Smugglers, without arms, but with horses, carts, or boats; *a fine of 300 liv. if not paid, three years gallies*. Second offence, *400 liv. and nine years gallies*.—In Dauphiné, second offence, *gallies for life*. In Provence, *five years gallies*.

4. Smugglers, who carry the salt on their backs, and without arms, *a fine of 200 liv. and, if not paid, are flogged and branded*. Second offence, *a fine of 300 liv. and six years gallies*.

5. Women, married and single, smugglers,

Men,	2,310.	Women,	896.	Children,	201.	Total,	3,437.
300 of these to the gallies (tom. i. p. 112). The salt confiscated from these miserables amounted to 12,633 quintals, which, at the mean price of 8 liv. are . . . 101,064 liv.							
	2,772 lb. of salted flesh, at 10s.		1,386				
	1,086 horses, at 50 liv.		54,300				
	52 carts, at 150 liv.		7,800				
	Fines,		53,207				
	Seized in houses,		105,530				
				<hr/>			
				323,287			
				<hr/>			

first offence, a *fine* of 100 liv. Second, 300 liv. Third, *flogged, and banished the kingdom for life. Husbands responsible both in fine and body.*

6. Children smugglers, the same as women. — *Fathers and mothers responsible; and, for defect of payment, flogged.*

7. Nobles, if smugglers, *deprived of their nobility; and their houses rased to the ground.*

8. Any persons in employments (I suppose employed in the salt-works or the revenue), if smugglers, *death.* And such as assist in the theft of salt in the transport, *hanged.*

9. Soldiers smuggling, with arms, are *hanged;* without arms, *gallies for life.*

10. Buying smuggled salt to resell it, *the same punishment as for smuggling.*

11. Persons in the salt employments, *empowered, if two, or one with two witnesses, to enter and examine houses, even of the privileged orders.*

12. All families, and persons liable to the *taille*, in the provinces of the *Grandes Gabelles* enrolled, and their consumption of salt for the

pot and salière (that is, the daily consumption, exclusive of salting meat, &c. &c.) estimated at 7lb. a head per annum, which quantity they are forced to buy, whether they want it or not, under the pain of various fines, according to the case.

The *Capitaineries* were a dreadful scourge on all the occupiers of land. By this term, is to be understood the paramountship of certain districts, granted by the king, to princes of the blood, by which they were put in possession of the property of all game, even on lands not belonging to them; and, what is very singular, on manors granted long before to individuals; so that the erecting of a district into a *capitainerie*, was an annihilation of all manerial rights to game within it. This was a trifling business, in comparison of other circumstances; for, in speaking of the preservation of the game in these *capitaineries*, it must be observed, that by game must be understood whole droves of wild boars, and herds of deer, not confined by any wall or pale, but wandering, at pleasure, over the whole country, to the destruction of the crops; and to the peopling of the gallies by the wretched peasants, who presumed to kill them, in order to save that food which was to support their helpless children. The game in the *capitainerie* of Montceau, in four parishes only, did mischief to the amount of 184,263 liv.

per annum.* No wonder then that we should find the people asking ‘*Nous demandons à grand cris la destruction des capitaineries & celle de toute sorte de gibier.*’† And what are we to think of demanding, as a favour, the permission—‘*De Nettoyer ses grains, de faucher les prés artificiels, et d’enlever ses chaumes sans égard pour la perdrix ou tout autre gibier.*’‡ Now, an English reader will scarcely understand it without being told, that there were numerous edicts for preserving the game, which prohibited weeding and hoeing, lest the young partridges should be disturbed; steeping seed, lest it should injure the game; manuring with night-soil, lest the flavour of the partridges should be injured by feeding on the corn so produced; mowing hay, &c. before a certain time, so late as to spoil many crops; and taking away the stubble, which would deprive the birds of shelter. The tyranny exercised in these *capitaineries*, which extended over 400 leagues of country, was so great, that many *cahiers* demanded the utter suppression of them.§

* *Cahier du tiers état de Meaux*, p. 49.

† *De Mantes and Meulan*, p. 40.—Also, *Nob. & Tier Etat de Peronne*, p. 42. *De Trois ordres de Montfort*, p. 28.—That is: “We most earnestly pray for the suppression of the Capitaineries, and that of all the game laws.”

‡ *De Mantes and Meulan*, p. 38.—That is to say, “the favour to weed their corn, to mow their upland grass, and to take off their stubble, without consulting the convenience of the partridges, or any other sort of game.”

§ *Clergé de Provins & Montereau*, p. 35.—*Clergé de Paris*,

Such were the exertions of arbitrary power which the lower orders felt directly from the royal authority; but, heavy as they were, it is a question whether the others, suffered circuitously through the nobility and the clergy, were not yet more oppressive? Nothing can exceed the complaints made in the *cahiers* under this head. They speak of the dispensation of justice in the manerial courts, as comprising every species of despotism: the districts indeterminate—appeals endless—irreconcilable to liberty and prosperity—and irrevocably proscribed in the opinion of the public*—augmenting litigations—favouring every species of chicanery—ruining the parties—not only by enormous expenses on the most petty objects, but by a dreadful loss of time. The judges commonly ignorant pretenders, who hold their courts in *cabarets*, and are absolutely dependant on the seigneurs.† Nothing can exceed the force of expression used in painting the oppressions of the seigneurs, in consequence of their feudal powers. They are “*vexations qui sont le plus grand fléau des peuples.*‡—*Esclavage affligeant.*§—*Ce regime*

p. 25.—*Clergé de Mantes & Meulan*, p. 45, 46.—*Clergé de Laon*, p. 11.—*Nob. de Nemours*, p. 17.—*Nob. de Paris*, p. 22.—*Nob. d'Arras*, p. 29.

* *Rennes*, art. 12.

† *Nevernois*, art. 43.

‡ *Tiers Etat de Vennes*, p. 24.—That is “Vexations which are the greatest scourge of the people.”

§ *T. Etat Clermont Ferrand*, p. 52.—That is: “Cruel Slavery.”

désastreuse.*——That the *feodalité* be for ever abolished. The countryman is tyrannically enslaved by it. Fixed and heavy rents; vexatious processes to secure them; appreciated unjustly to augment them: rents, *solidaires*, and *revenchables*; rents, *chéantes*, and *levantes*; *fumages*. Fines at every change of the property, in the direct as well as collateral line; feudal redemption (*retraite*); fines on sale, to the eighth and even the sixth penny; redemptions (*rachats*) injurious in their origin, and still more so in their extension: *banalité* of the mill,† of the oven, and of the wine and cyder-press; *corvées* by custom; *corvées* by usage of the *fief*: *corvées* established by unjust decrees; *corvées* arbitrary, and even phantastical; servitudes; *prestations*, extravagant and burthensome; collections by assessment incollectable; *aveux*, *minus*, *impunissement*; litigations ruinous and without end: the rod of seigneurial finance for ever shaken over our heads; vexation, ruin, outrage, violence, and destructive servitude, under which the peasants, almost on a level

* *Tiers Etat. Auxerre*, art. 6.—That is: “ This ruinous system of governing.”

† By this horrible law, the people are bound to grind their corn at the mill of the seigneur only; to press their grapes at his press only; and to bake their bread in his oven; by which means the bread is often spoiled, and more especially wine, since in Champagne those grapes which, pressed immediately, would make white wine, by waiting for the press, which often happens, make red wine only.

with Polish slaves, can never but be miserable, vile, and oppressed.* They demand also, that the use of hand-mills be free; and hope that posterity if possible, may be ignorant that feudal tyranny in Bretagne, armed with the judicial power, has not blushed even in these times at breaking hand-mills, and at selling annually to the miserable, the faculty of bruising between two stones a measure of buck-wheat or barley.† The very terms of these complaints are unknown in England, and untranslatable; they have probably arisen long since the feudal system ceased in this kingdom. What are these tortures of the peasantry in Bretagne, which they call *chevanchés, quintaines, soule, saut de poison, baiser de mariées; chansons; transporte d'œuf sur un charrette; silence des grenouilles;‡ corvée a misericorde; milods; leide; couponage; cartelage; barage; fouage; marechaussée; ban vin; ban d'abut; trouses; gelinage; civerage; taillabilité; vingtain; sterlage; bordelage; minage; ban de vendanges; droit d'accapte?*§ In passing through many of the French provinces, I was struck with the various and heavy complaints

* *Tiers Etat Rennes*, p. 159. † *Rennes*, p. 57.

‡ This is a curious article: when the lady of the seigneur lies in, the people are obliged to *beat the waters* in marshy districts, to keep the frogs silent, that she may not be disturbed; this duty, a very oppressive one, is commuted into a pecuniary fine.

§ *Resumé des cahiers*, tom. iii. p. 316, 317.

of the farmers and little proprietors, of the feudal grievances, with the weight of which their industry was burthened; but I could not then conceive the multiplicity of the shackles which kept them poor and depressed. I understood it better afterwards, from the conversation and complaints of some grand seigneurs, as the revolution advanced; and I then learned, that the principal rental of many estates consisted in servises and feudal tenures; by the baneful influence of which, the industry of the people was almost exterminated. In regard to the oppressions of the clergy, as to tithes, I must do that body a justice, to which a claim cannot be laid in England. Though the ecclesiastical tenth was levied in France more severely than usual in Italy, yet was it never exacted with such horrid greediness as is at present the disgrace of England. When taken in kind, no such thing was known in any part of France, where I made inquiries, as a tenth: it was always a twelfth, or a thirteenth, or even a twentieth of the produce. And in no part of the kingdom did a new article of culture pay any thing: thus turnips, cabbages, clover, chicorée, potatoes, &c. &c. paid nothing. In many parts, meadows were exempt. Silk worms nothing. Olives in some places paid—in more they did not. Cows nothing. Lambs from the 12th to the 21st. Wool nothing.—Such mildness, in the levy of of this odious tax, is absolutely unknown in

England. But mild as it was, the burden to people groaning under so many other oppressions, united to render their situation so bad that no change could be for the worse. But these were not all the evils with which the people struggled. The administration of justice was partial, venal, infamous. I have, in conversation with many very sensible men, in different parts of the kingdom, met with something of content with their government, in all other respects than this; but upon the question of expecting justice to be really and fairly administered, every one confessed there was no such thing to be looked for. The conduct of the parliaments was profligate and atrocious. Upon almost every cause that came before them, interest was openly made with the judges; and wo betided the man who, with a cause to support, had no means of conciliating favour, either by the beauty of a handsome wife, or by other methods. It has been said, by many writers, that property was as secure under the old government of France as it is in England; and the assertion might possibly be true, as far as any violence from the King, his ministers, or the great was concerned: but for all that mass of property, which comes in every country to be litigated in courts of justice, there was not even the shadow of security, unless the parties were totally and equally unknown, and totally and equally honest; in every other case, he who had the best interest with the judges, was

sure to be the winner. To reflecting minds, the cruelty and abominable practice attending such courts are sufficiently apparent. There was also a circumstance in the constitution of these parliaments, but little known in England, and which under such a government as that of France, must be considered as very singular. They had the power, and were in the constant practice of issuing decrees, without the consent of the crown, and which had the force of laws through the whole of their jurisdiction; and of all other laws, these were sure to be the best obeyed; for as all infringements of them were brought before sovereign courts, composed of the same persons who had enacted these laws (a horrible system of tyranny!) they were certain of being punished with the last severity. It must appear strange, in a government so despotic in some respects as that of France, to see the parliaments in every part of the kingdom making laws without the King's consent, and even in defiance of his authority. The English, whom I met in France in 1789, were surprised to see some of these bodies issuing arrets against the export of corn out of the provinces subject to their jurisdiction, into the neighbouring provinces, at the same time that the King, through the organ of so popular a minister as Mons. Necker, was decreeing an absolutely free transport of corn throughout the kingdom, and even at the requisition of the National Assembly itself. But this was nothing new; it

was their common practice. The parliament of Rouen passed an arret against killing of calves: it was a preposterous one, and opposed by administration; but it had its full force; and had a butcher dared to offend against it, he would have found, by the rigour of his punishment, who was his master. Inoculation was favoured by the court in Louis XV.'s time; but the parliament of Paris passed an arret against it, much more effective in prohibiting, than the favour of the court in encouraging that practice. Instances are innumerable, and I may remark, that the bigotry, ignorance, false principles, and tyranny of these bodies were generally conspicuous; and that the court (taxation excepted), never had a dispute with a parliament, but the parliament was sure to be wrong. Their constitution, in respect to the administration of justice, was so truly rotten, that the members sat as judges, even in causes of private property, in which they were themselves the parties, and have, in this capacity, been guilty of oppressions and cruelties, which the crown has rarely dared to attempt.

It is impossible to justify the excesses of the people on their taking up arms; they were certainly guilty of cruelties; it is idle to deny the facts, for they have been proved too clearly to admit of a doubt. But is it really the people to whom we are to impute the whole?—Or to their oppressors, who had kept them so long

in a state of bondage? He who chooses to be served by slaves, and by ill-treated slaves, must know that he holds both his property and life by a tenure far different from those who prefer the service of well treated freemen; and he who dines to the music of groaning sufferers, must not, in the moment of insurrection, complain that his daughters are ravished, and then destroyed; and that his sons' throats are cut. When such evils happen, they surely are more imputable to the tyranny of the master, than to the cruelty of the servant. The analogy holds with the French peasants—the murder of a seigneur, or a chateau in flames, is recorded in every news-paper; the rank of the person who suffers, attracts notice; but where do we find the register of that seigneur's oppressions of his peasantry, and his exactions of feudal services, from those whose children were dying around them for want of bread? Where do we find the minutes that assigned these starving wretches to some vile petty-fogger to be fleeced by impositions, and a mockery of justice, in the seigneurial courts? Who gives us the awards of the intendant and his *sub-delegués*, which took off the taxes of a man of fashion, and laid them with accumulated weight, on the poor, who were so unfortunate as to be his neighbours? Who has dwelt sufficiently upon explaining all the ramifications of despotism, legal, aristocratic, and ecclesiastical, pervading the whole mass of the people; reaching, like a

circulating fluid, the most distant capillary tubes of poverty and wretchedness? In these cases, the sufferers are too ignoble to be known; and the mass too indiscriminate to be pitied. But should a philosopher feel and reason thus? should he mistake the cause for the effect? and giving all his pity to the few, feel no compassion for the many, because they suffer in his eyes not individually, but by millions? The excesses of the people cannot, I repeat, be justified; it would undoubtedly have done them credit, both as men and christians, if they had possessed their new acquired power with moderation. But let it be remembered, that the populace in no country ever use power with moderation; excess is inherent in their aggregate constitution; and as every government in the world knows, that violence infallibly attends power in such hands, it is doubly bound in common sense, and for common safety, so to conduct itself, that the people may not find an interest in public confusions. They will always suffer much and long, before they are effectually roused; nothing, therefore, can kindle the flame, but such oppressions of some classes or order in the society, as give able men the opportunity of seconding the general mass; discontent will soon diffuse itself around; and if the government take not warning in time, it is alone answerable for all the burnings, and plunderings, and devastation, and blood that follow. The true judgment to be formed of

the French revolution, must surely be gained, from an attentive consideration of the evils of the old government: when these are well understood—and when the extent and universality of the oppression under which the people groaned—oppression which bore upon them from every quarter, it will scarcely be attempted to be urged, that a revolution was not absolutely necessary to the welfare of the kingdom. Not one opposing voice* can, with reason, be raised against this assertion: abuses ought certainly to be corrected, and corrected effectually: this could not be done without the establishment of

* Many opposing voices have been raised; but so little to their credit, that I leave the passage as it was written long ago. The abuses that are rooted in all the old governments of Europe, give such numbers of men a direct interest in supporting, cherishing, and defending abuses, that no wonder advocates for tyranny, of every species, are found in every country, and almost in every company. What a mass of people, in every part of England, are some way or other interested in the present representation of the people, tithes, charters, corporations, monopolies, and taxation! and not merely to the things themselves, but to all the abuses attending them; and how many are there, who derive their profit, or their consideration in life, not merely from such institutions, but from the evils they engender! The great mass of the people, however, is free from such influence, and will be enlightened by degrees; assuredly they will find out, in every country of Europe, that by combinations, on the principles of liberty and property, aimed equally against regal, aristocratical, and mobbish tyranny, they will be able to resist successfully, that variety of combination, which, on principles of plunder and despotism, is every where at work to enslave them.

a new form of government; whether the form that has been adopted were the best, is another question absolutely distinct. But that the above-mentioned detail of enormities practised on the people required some great change, is sufficiently apparent."

THUS we have the *causes* of those violences, which the people of France committed at the beginning of the revolution. Mr. Young has fairly stated them. They were produced by those Nobles, Priests, and that Bourbon family, to seat whom in their power again we have saddled ourselves with an everlasting Debt.

Now, unless we are ready to admit, that we are *worse* than the French naturally; that we are a more foolish, or a more wicked, or more sanguinary race, it can never be supposed, that we should have gone *so far* as the French went previous to the war of 1792; because we certainly had not, at that time, such oppressions to complain of and avenge. Indeed, all that the people of England complained of was, that they were not represented in parliament; and this had been complained of by PITT in terms more strong than by any other man that ever lived. He had gone so far as to say, that, without a reform in the parliament, it was *impossible*, that any Minister, in England, should be a Minister and an honest man. This griev-

ance had long been complained of by the whole nation, those who were interested in the abuse excepted, and even these seemed to object more to the time and the manner of the proposed reform than to the thing itself.

At the breaking out of the French Revolution the people of England were, at first, astonished; but, they soon began to perceive, that this event would compel the conceding of that reform in the parliament, which they had so long petitioned for in vain. Those in power saw it too. All communication was, by war, cut off between the two countries; reform did not take place; our system of government was new-steeled, instead of being softened; and by divers laws, still in existence, the liberties of the people were abridged, instead of being enlarged.

But, do I suppose, that the people would have stopped at the end of a Reform in the Commons House of Parliament? Frankly to speak, I do not believe they would. I think it would have been wise for them to stop there, but I do not think they would. The *Established Church* would have been abolished. There was, and there is, nobody who approves of *tythes*. We even *now* hear the land-occupiers, and even the land-holders, including many of the nobility, representing *tythes* as one of the causes of our inability to sell corn so cheap as the

French; and, thus, after all, and even while we are paying armies to put down the French revolutionists, inculcating the wisdom of following their example in this very material point. So that, if to this dislike of tythes amongst the Church people themselves, amongst those whose relations, sons, fathers, brothers, own the tythes, what might not have been expected from the dissenters? From all those numerous sects, who look upon the Established Church, not only as a heavy burden to them; but as a great injury to religion itself? What mercy could she, as to her property, reasonably expect from these millions, whom she had so long kept in a state of depression, and whose teachers she had so long filled with envy?

The *Nobility* would have stood but little better chance. The nation was too full of knowledge; there were too many men of wealth and talent, not belonging to the Noblesse; there were too many opulent merchants and manufacturers and others, to have suffered the Nobility to remain. The Orders of Nobility would, therefore, have been, in all likelihood, abolished. There is no doubt, that, either by a reformed parliament, or in consequence of popular menaces, the whole of the *Sinecure Placemen*, and nearly the whole of the *Pensioners* and *Grantees* would have been dismissed without a penny of compensation; and

there is as little doubt that the Game-laws would have been wholly swept away.

I will allow, too, that the powers and expenses of the king and his family would have been greatly abridged; that they would have been reduced to be merely the Chief Magistrates of the country; that they would no longer have enjoyed Droits of Admiralty; and that all magnificence and show must have been laid aside. Whether this would have been wise or not is another question. Such was the temper of the time, that, I think, had it not been for the war, it would inevitably have taken place.

But, when I have made these admissions, I am sure, that even George Rose cannot ask me to allow, that the people of England would have gone further; that they would have proceeded, as the French did, to the burning of Noblemen's houses, to the pillaging of their farms, the murder of themselves and their families, to the personal ill-treatment and robbery of the houses of the Clergy. To allow this, would be to allow, that the people would have done that without provocation, which the people of France did with provocation; and this would be to allow, that the people of England are, by nature, a great deal less just and humane than the people of France.

I say *without provocation*, because, though the people of England had to complain of the want of being duly represented in parliament, and though they did complain of the law of tythes and some other grievances, all their complaints, in 1792, put together, did not amount to almost any one of the hundreds of oppressions, under which the French people had groaned for centuries. The Clergy, in England, if they had great possessions, owed their preferment, in most cases, to patronage solely; if many of them were fox-hunters, or men of fashion, they were yet, generally speaking, very little inclined to oppression of any sort, and were as mild in their manners, and as kind and as liberal, in all respects, as any other gentlemen in the country. They were at the head of no intolerant Church. They had never murdered people for the love of Christ. If people went to hear them, it was well; if not, it was also well. Never was there in the whole world so inoffensive a Church.

The Nobility, with few exceptions, had long been in the habit of mixing indiscriminately amongst the opulent of all descriptions. In the chace, on the turf, at the gaming table, at the Bible Societies, at agricultural meetings, in Societies, and Clubs and Parties of all sorts, they had had the good sense to mix with the nation at large. They were, in general, the best and

kindest landlords and masters, as they are still. And, which was more than all the rest in their favour, they joined to their affability and liberality their fair share of learning and talent.

In short, there was nothing in these two orders of men to call forth the hatred or vengeance of the people. Yet, such was their alarm at the abolishing of the Church and of tythes in France, that they instantly acted as if they had been of the same description as the persecuting Priests and petty lay Tyrants of that country, who were also called Clergy and Nobility, but who no more resembled ours than the poison-tree resembles the vine.

What have been the consequences of this their decision, as to the freedom and happiness of France, the Continent of Europe, and of England; and what will, in all human probability, be the final consequences of it, to our Church and Nobility themselves, who, by this time, must begin to be frightened at their own success, is a subject into which I will not now enter. We all know, that there is an English army in France; that Hanoverian and other German armies, subsidized by us are there also; that the Bourbons are again upon the throne of that country; and that the Roman Catholics, stimulated by their Priests, are again, as during the reigns of former Bourbons, cutting the throats, mangling and burning the

bodies of Protestants. And, it is for us now to inquire, "how much *more* WE should have " *lost*, than we *have lost*, if the war had not " taken place."

Our losses are these: 1st. all that part of our incomes, or fruit of our labour, which have been taken away during the war for the purpose of carrying it on. 2nd. All that part of our property, which has been taken and actually sold, or is now for sale, by the government, under what is called the redemption of the Land Tax. 3rd. All that part of our property, or fruit of our labour, which is required to pay the interest of about eight hundred millions of Debt, *occasioned solely by the war*, and which will be required for ever. 4th. All that part of our property and the fruit of our labour which is required to maintain that increased standing army and those innumerable pensioners and half-pay officers, naval and military, who have been created by the war. 5th. The permanent supply of Manufactures to the United States of America, which are now able to manufacture for themselves, and this *solely* in consequence of the war, because the Orders in Council, Impressments from American ships, Non-importations, Embargoes, and finally war with America, were all produced by our war against the French. 6th. That state of comparatively light taxation, and ease and plenty, and cheapness, which left our rich people no

reason to wish to migrate to foreign countries, which enabled our farmers to sell their produce as cheap as the French, and which enabled our manufacturers to undersell all the world. These, as no one can deny, *are our losses* by the war. By peace, I allow, that our Nobility *might* have lost their titles, our Clergy their tithes, our Sinecure placemen and Pensioners their incomes from those sources, our King and Royal Family much of their power and splendour; and that we should have lost the *Borough System* I am quite certain. Whether what we *might* thus have lost by peace would have been greater than what we *have lost* by war, I must now leave for you to decide.

“Aye,” some one may say, “but you have forgotten our *gains* by the war. You have forgotten the immense mass of *glory*.” I really do not see, that of military or naval glory we have gained a single particle by this war. Nay, I think we have *lost*.

The war in Spain and Portugal exhibited a mere *branch* of the army in France fighting nearly the whole of our military means, aided by immense fleets, and aided by the chief part of the people of those two countries. That war continued many years. There were Spanish armies and Portuguese armies to assist us. The two governments were on our side. We had fleets in every harbour. The French were in an

enemy's country. And they were not driven out, at last, 'till all the rest of Europe were pouring their armies into France on the East and on the North.

We were victorious at the battle of Waterloo; but we had with us an immense army of Hanoverians, Belgians, and Prussians, and, what is more, we were fighting, as all the people of France thought, *for* the king of France. We have now an army in France; but, it is there by the aid of allies and troops subsidized by us, amounting to *one million and eleven thousand men*. In short, our army is in France with the armies of all the rest of Europe at their back, and with France divided in itself besides. Is this the *harvest of glory*, of which we have heard so much talk? And is it this glory which is to compensate us for all our sufferings and all our losses? When English kings sailed from Southampton with bands of English followers, landed in France, fought battles there, defeated the kings of France, and finally caused the king of England to be crowned at Paris, and to reign as king of France by his Vice-Roys for several years, that was, indeed, *military glory*; but, in this war, the very *title of king of France*, which served to perpetuate the recollection of that glory, has been given up, and that, too, observe, as a preparative for peace with Napoleon, who, it was clearly foreseen, would not have acknowledged the title, though

the Bourbons had always acknowledged it. And, is it, then, for us, Englishmen, whose ancestors really conquered France, as the French had before really and more effectually conquered England, to brag about the *glory* of getting to Paris along with a million of German troops? And that, too, after we have so recently seen the French, unaided by any other nation, sally forth, and really conquer every state on the continent of Europe, Russia only excepted, and that excepted only because France was then co-operating with the German allies.

But, have the English army given no proofs of their determined bravery, during these long wars? Oh! yes, a great many. They have acted like very gallant men. Their officers, of all ranks, have discovered great talents, and wonderful zeal. But is this any thing *new*? When were the people of these Islands not brave? When were they not true to their colours? Did it need the battles in Egypt, in Naples, or in Spain, to acquire a character for valour for those whose ancestors had conquered Canada; and who, before that, had fought under Marlborough? Whence comes the notion, and what can be its *motive*, that *valour* is something *new* in the English, Scots, and Irish character? Besides, to say nothing about our many reverses in Europe, and especially that of the *Helder*, are we to be made forget what has passed in America? And if there has been a

balance of accounts on the side of Canada, can we quite overlook the famous battle of *New Orleans*? In that battle there were engaged from ten to twelve thousand British Troops, sent from France, under GENERAL PACKENHAM, who had been so much extolled for his exploits in the Peninsula of Europe. This army was furnished with all the means of destruction. A great fleet, with its seamen and marines aided it in all its operations. The American General Jackson, a lawyer by profession (who had never before, I believe, seen a single regular regiment in the character of an enemy), with the inhabitants of New Orleans aided by the militia of Tennesse and Kentucky, had assigned to him the task of defending the city against this army of regulars, and, as they were called, of invincibles. With his untutored bands, even whose officers were not in uniform, he, with inferior numbers, attacked the British army twice, in the night-time, before they were ready for the main attack on him. On the 8th of January, 1815, they advanced to that attack, with Rockets, Bombs, an immense train of artillery, and with all the apparatus for storming, the soldiers and sailors having been previously stimulated, and steeled against relaxation, by assurances the most gratifying to their tastes and wishes. They finally arrived at the point of onset: the faggots, which they carried to make them a road over the works, were just tossing into the ditch: in

idea the city with all its spoils were in their possession. At that moment, the brave and prudent enemy, with as much coolness as if he had been aiming at harmless birds, opened his fire upon them, and swept them down like grass before the scythe of the mower. He sallied in pursuit, marching over blood and brains and mangled carcasses, and finally, to use the words of his countrymen, "drove the survivors to their ships, and bad them carry to England the proof of the fact, that the soil of freedom was not to be invaded with impunity." There were more than half as many British soldiers and sailors killed and wounded in this battle as in the battle of Waterloo. And, is this battle to pass for nothing? Is this to form no item in the account of *glory*? Is there no deduction to be made here from the *gain of glory* by the war?

As to our *Navy*, when was it not victorious over all its enemies? When did it not, since the days of the Stuarts, drive the navies of the French, Dutch, and Spaniards from the ocean? When was it not thought disgraceful for an English ship to yield to a force considerably superior to her own? When was it thought glorious for an English squadron to take a single frigate? When was it known that English ships yielded, one after another, in every part of the ocean, to ships of the same class and force? When was it ever dreamt of, that

whole squadrons of English ships of war would be beaten and captured by squadrons of inferior force? *Never, till the late war against America*; which war, we must always bear in mind, grew out of, and formed a part of, the war against the French.

Thus, then, stands the account of *glory*. How that of *National Prosperity* stands, we shall see in another Letter.

I am your faithful friend,

WM. COBBETT.

Botley,
3rd September, 1815.

LETTER XXXII.

The Costs of the War in the Articles of Funds, Debt, Expenses, Taxes, and Paupers.—Conclusion.

GENTLEMEN,

HAVING now seen, in the aggregate, what we have gained in the way of *Glory* as well as in the way of civil and religious liberty, and what we have lost in the way of *Prosperity*, it will be necessary, as to the latter, to enter into some details; because, with regard to the debt, the taxes, the funds, the trade, population, and pauperism of our country, we are able to refer to documents which the government itself owns to be correct.

An inquiry of this sort is peculiarly necessary in a case like the present, because it is notorious, that the war was begun under the pretext of its being *necessary* to the preservation of our *property*, which, we were told, would all be taken away from us (though it was not said very particularly *by whom*) unless we made war upon the French nation. In talking of *glory*, too, we must bear in mind, that our *glory* is, in great part, a *purchased*

article. We are not like the French and the Americans, who *fight their battles themselves*, and who resemble those tradesmen who carry on their business themselves, having no journeymen under them. England is like a *master tradesman*, who, though he now and then puts his hand to the mallet, does, in fact, carry on his trade by the means of journeymen. During the first war against the Americans, we had Brunswickers, Hanspachers, Hessians, Dramstaders, and other troops in our pay, as to much *per man* per month, and so much *per life*, if killed or lost, while in our service. During the war against the French, we have had in our employ and pay, Russians, Prussians, Dutchmen, Austrians, Neapolitans, Papal troops, Sicilians, Spaniards, Portuguese, Switzers, Savoyards, Hessians, Hanspachers, Brunswickers, Danes, Swedes, French Royalists, Hanoverians, Blacks, and I do not know how many other nations. Our *glory*, therefore, is much more an affair of *money* than of *arms*. Indeed this idea was very well illustrated at the Winchester meeting against the renewal of the Income Tax, by a country gentleman (who, by the bye, is paper-maker to the Bank of England) who plainly stated in his speech, that those who had paid the taxes to carry on the war ought to *share in the honours*, then recently conferred on the new Knights of the Bath. He was very right, for it was owing to those taxes, and those taxes only, that the victories by the

hands of Spaniards, Portuguese, Swedes, Hessians, Prussians, Hanoverians, &c. were gained. When a prize is awarded to a farmer for rearing the best ox, for instance, it is very well known that the ox has been reared, not *by him*, but by his labourers, who are supported by his money, and who are put in movement at his instigation; but, as, according to the rule of the law, that *he who does a thing by another does the thing himself*, so the farmer receives the reward, and the labourers receive their wages.

Upon this principle it is, doubtless, that our newspapers claim for us the whole of the *glory* of the recent successes, and of all that is now doing against the French people. But, upon the same principle, the greater part of the glory falls fairly to the share of the *taxes*, and that admirable money machine, the Bank, in Threadneedle-street. It was that venerable Old Lady, who brought the Russians and Prussians, and Austrians and Hanoverians into the field, who inspired them with patriotic and loyal feelings, and who filled their hearts with valour. And, if her Ladyship's merit does not find a distinguished place upon the great *Waterloo Column*, there is no justice left amongst men.

It is agreed on all hands, that the war has cost a great deal of money, and the country is now beginning, and only beginning, to feel the

effect of that cost; but, the amount of the whole cost has never been, as far as I know of, clearly stated at any one time. The divers items have been stated at different times, and in different shapes; but the whole has never been brought into one concise view. This is what I shall now attempt, beginning with the state, or value of the FUNDS.

We will take the 3 *per cents.* as the standard of the whole. During the *peace*, which ended in 1793, the average price of the 3 *per cents.* for years, had been 96. The average *peace-price* is now 58, and that, too, in paper-money. So that, in fact, every person, who held funded property in 1792, and who, or whose *heirs* or successors, still hold that same property, have actually lost *one half* of it by depreciation in value, and 10 *per cent.* in addition out of that half, which is now stopped out of the dividends in the shape of *Property Tax*.—This is the cost of the war with regard to the funds.

The DEBT, which is commonly called the *National Debt*, or the *Public Debt*, demanded, in 1792, nine millions to pay the interest of it. It now demands £43,723,149 to pay the interest of this debt; and, therefore, the property and labour of the nation are mortgaged for 34 millions a year more than they stood mortgaged for before the war.—This is the cost of the war in the article of debt.

As to EXPENSES, which are to be expenses of *peace*, exclusive of the debt, they are not precisely known; but the Minister has told us, that they will amount, Civil List and all, to about 22 millions a year. Before the war, they amounted to six millions a year. This, therefore, is the cost of the war in the article of permanent Peace Expenses.

The TAXES of 1792 amounted to 15 millions a year. They must now, in *peace*, amount to 62 millions a year. That they *must* be severely felt is certain. From every class of persons complaints against them have come. They now are so heavy, that the *direct* taxes alone upon a farm exceed in amount *all that it takes to pay and feed all those who labour on that farm*.—The consequence is, that ruin is spreading around in every direction.—You are now driving your sheep to sell them to us in the richer soils. Only two years ago, you would not condescend to look at us, if we had not 300 pounds in our pocket to give you for 100 ewes. You now pull off your hats to us if we have got 125 pounds, to give you for the same number. But we have not more to give; our taxes remain *the same*, or are augmented, and yours remain *the same*, though your ewes are fallen (taking all the sorts together) from 60*s.* to 25*s.* Bear in mind, however, that this is the fair and honest price of the *war*, for which ninety-nine hundredths of you were advocates.

This is the fair and honest price of that *glory*, on the acquirement of which you made bon-fires, and *roasted sheep and oxen*. You may now roast *all* your sheep and oxen; for we have no money to give you for them. The tax-gatherer takes away all that our corn amounts to, except what goes to keep our labourers and our poor.

The POPULATION of the kingdom, to have kept pace with the Taxes, ought now to have been 51 millions, and excluding those persons, brought thither by the war, and who are now gone away, it is not 10 millions. Nay, so great has been, and is, the emigration, that if a census of the actual residents were now taken, there is every reason to believe, that it is of lower amount than in 1792.

The PAUPER part of the population have increased in the proportion of from one to 18 to one to 7. This is a fact, which I have *proved* in detail twenty times; and, I have never been answered by any one, who did not make the increase higher.

The NAVIGATION, COMMERCE, and MANUFACTURES, as they are represented in the *Official* accounts, have *increased* in the proportion of nearly one half. But, these accounts relate to a *state of war*, and a war of so singular a character as to have been, for the

time, advantageous to all these. In *peace* it seems impossible that they can maintain their present ground. But, admit that they do, here is an increase of these to the amount of *a half*, while the increase of evils has been to the amount of rather more than *four-fifths*.

Such, my friends and neighbours, has been, to us, the consequences of our harvest of *Glory!* Such has been, to us, the consequences of having succeeded in restoring the Bourbons to the throne of France, and of throwing the French people back in their pursuit of freedom. It is now hoped, by some persons, that the restoration of the Pope, the Inquisition, the Jesuits, and the Bourbons, will so far brutalize the people of the Continent of Europe, that we shall have no rivals in the arts of peace; and that, thus, we shall be left to enjoy a monopoly of Navigation, Commerce, and Manufactures; and be, thereby, enabled to pay the interest on our Debt and to meet the enormous annual expenses of our government. Without stopping to comment on the morality and humanity of this hope, entertained in a country, abounding in Bible Societies, I venture to give it as my decided opinion, that the hope is fallacious. Russia, Denmark, Sweden, Holland, Austria, Spain, the Italian States, and even the Bourbons, will all push forward for their *share* of the benefits of the arts of peace. While our purse is open to them all, they will be subser-

vient to us; but, that cannot be for ever. It cannot be for many months longer. And, mark my words, that, as soon as we cease to *pay*, so soon shall we cease to have *friends* so very complaisant as our friends now are.

Thus, Gentlemen, I close this long series of Letters; too long, I am afraid, for your patience; but, I am of opinion, that occasions will frequently arise, when a recurrence to their contents will be of service to most persons, who pay attention to the politics and political economy of our country.

I am your faithful friend,

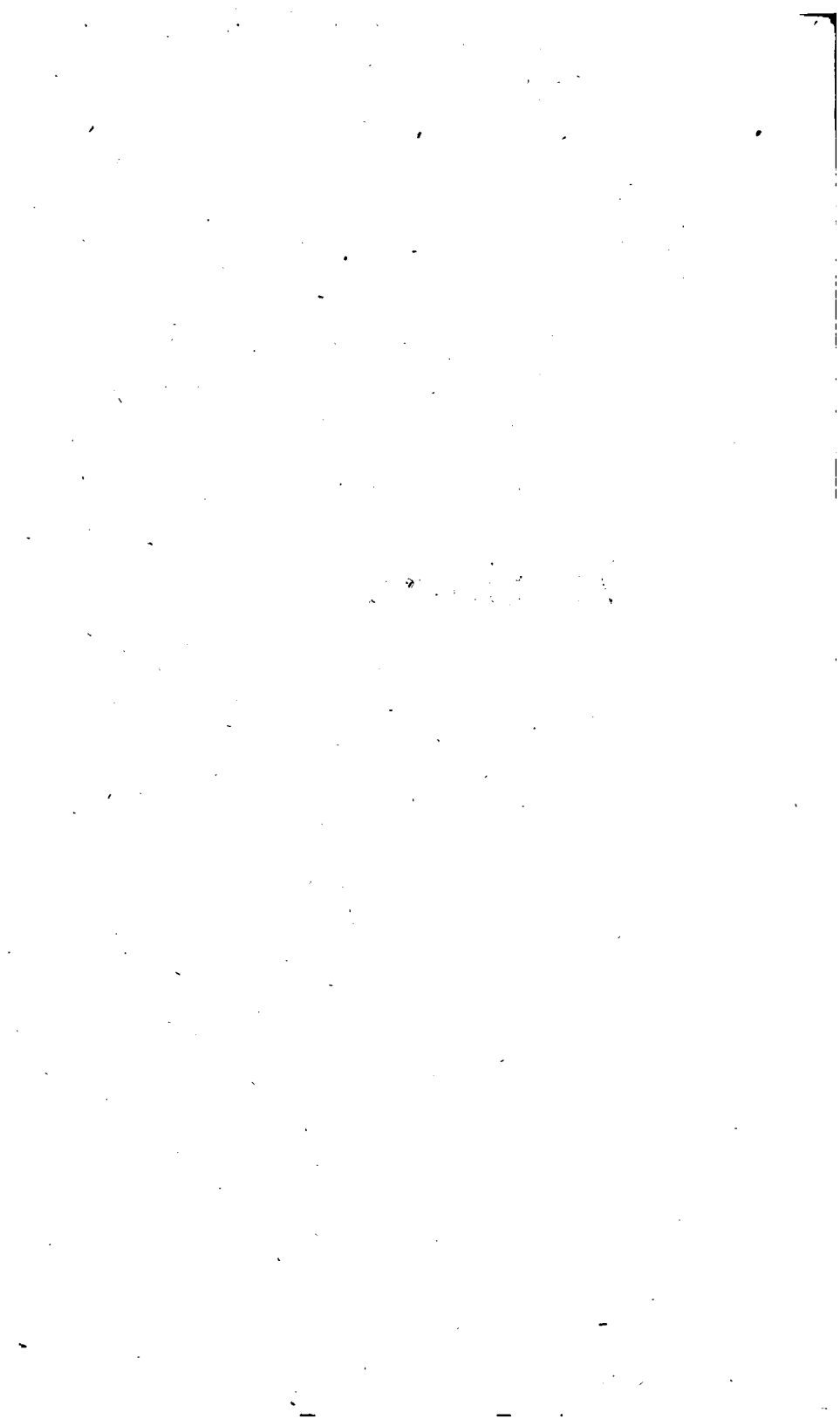
And most obedient Servant,

WM. COBBETT.

Botley,
12th September, 1815.

THE END.

APPENDIX.



APPENDIX (A.)

MEETING of the BANK PROPRIETORS *relative to the Report of the Select Committee of the House of Commons on the High Price of Gold Bullion, 21st Sept. 1810.*

AT a numerous Meeting of the Bank Proprietors at their house in Threadneedle-street. About one o'clock the Chairmen of the Court of Directors proposed that the dividend upon their profits should be 10 per cent. Upon this proposition being put,

Mr. RANDLE JACKSON presented himself to the attention of the Court, and advertng to a recent publication, (the Report of the Bullion Committee of the House of Commons) which, he observed, the Chairman could not officially notice, the Learned Gentleman spoke to the following effect. —When, said he, the character of any individual or body of men is publicly attacked, it becomes a duty to take the first opportunity of vindicating that character; and although I am as unwilling as any man to step out of the line of my professional pursuits, yet I feel too strongly how much I owe to this Institution, to the interest of the public, and to my own interest, to overlook the animadversions contained in the Report to which I have alluded. That Report appears to me to contain in effect very serious charges against the validity of our stock, and our public stock. I wish it to be understood, that I do not mean to speak disrespectfully of the Committee, nor to attribute their Report to the influence of party motives; but I must observe that that Report is clearly and avowedly inconsistent with the evidence taken before that Committee. This inconsistency is, indeed, so glaring and so material, that I could not wish for any more complete vindication of this Institution than the universal publicity of that evidence. The fallacies contained in the Report are of such a nature that it is in my mind of considerable consequence to guard against or remove as soon as possible the im-

pressions they are calculated to produce. Among those fallacies, the first that strikes me is the assumption as a fact, that Bank notes are below par, because 105*l.* would not buy gold enough to make 100 guineas. The fact is, that the market price of bullion has risen considerably above the mint price, I believe about sixteen per cent. But let it be recollected that 105*l.* in notes would buy as much of gold as 100 guineas, if the gold were not preferred for the criminal purpose of melting it. For every legitimate purpose the one were quite as efficient as the other, and how was the disposition of men to violate the laws, to act disloyally, to risk their liberty and character, to be provided against, or how could that disposition operate in any fair consideration of the subject? Mr. Merle, Mr. Goldsmidt, and other gentlemen of high character and intelligence, stated in their evidence before the Committee, that there was no difference between the value of Bank notes and coin. Those gentlemen alleged, that they neither felt nor perceived such a difference in any of their extensive and various transactions. In fact, they declared that they would as soon take Bank notes as cash in payment; and why not, when Bank notes were as acceptable as cash in any payment whatever to be made, either for corn or goods of any description. Yet the Report of the Committee to whom this declaration was made by such high authority, before whom the depreciation of Bank notes was broadly and positively contradicted throughout the whole of the evidence, thought proper to express quite a different opinion. It is not surprising, then, that a certain celebrated writer (Mr. Cobbett) should have taken advantage of the publication of such a Report—that he should have declared that it made him rejoice as much, as if he were appointed Lord of Hampshire. I do not mean to complain of, or to accuse this eminent writer for such a declaration. No, such a feeling of gratulation was quite natural, upon finding a favourite proposition adopted and recommended by so high an authority as that of a Committee of the House of Commons.

The next fallacy with which I have to charge the Report is, the allegation that this institution has issued an excess of paper, to which excess the Committee attribute

the advance that has taken place in the necessaries of life and other commodities. Is it possible, I would ask, that the Committee can seriously mean to impress upon the lower orders of the people, that the advanced price which they pay for provisions is owing to the conduct of this Institution? But what do the Committee mean by an excess of issue? I am prepared to shew, that the issue of our paper was comparatively more, considering all circumstances, previous to the Act of Restriction, than it has been since that period.—It is, in fact, clearly deducible from the evidence, as well as from notorious circumstances, and from admissions, even in some parts of the Report, that your issue has been rather parsimonious than excessive. In the year 1797, when the Restriction took place, your issue was at about 11 millions, but it was reduced to that amount in consequence of the alarm which then prevailed. Previous to that alarm your issue was generally about 14 millions. That issue, including the 1*l*. and 2*l*. notes, without which society must have stood still, has for some years averaged about 20 millions. Thus the increase of your issue has not exceeded 6 millions, and how can that with any colour of fairness be pronounced an excess, considering the progressive increase of our commerce, and also the increase of country Bank paper?—It is known that the increase of our commerce from the year 1805 to 1809, was no less than 15 millions, and I believe I do not over-rate, when I state the increase of our commerce since the year 1797, at 50 millions.—I am not in possession of any memoranda at present to justify this estimate, but the increase of our commerce is undeniable, and it is equally undeniable that the increased issue of your paper has been trifling, compared to that increase of commerce.—Now as to the Country Banks, it appears that since the year 1797, when their number was at about two or three hundred, they have increased to between 7 and 800, and that their issue amounts to no less than 30 millions—yet no charge of excess was applied by the Committee to this issue—no, that seemed to have been lost sight of, and the whole of the sin was confined to this Institution, for making an increase of six millions in its issue within a period of thirteen years of prodigiously increasing commerce; this increase

of issue too having been made in the discount of commercial bills, secured by valid *bonâ fidè* mercantile property. But the cause of the increased issue escaped the notice of the Committee. The commercial accommodation which the Bank afforded by that issue, was overlooked by the Committee. This I complain of as a sin of omission against this Institution, but I am more disposed to complain of the sin of commission against you, in imputing to you the rise that has taken place in the price of provisions. But here, as in other points, the Report is inconsistent with itself—for while it attributes, to you, whose increased issue has been, as I have shewn, only six millions, it states in another part that your circulation is chiefly confined to London and its vicinity, and consequently your paper cannot be the cause which affects the country markets. This must surely proceed from the paper of the Country Banks. The fault alleged by the Committee must belong to that, and not to yours. In making this observation, I beg it to be distinctly understood, that I do not mean to speak in disparagement of the Country Banks. No, my opinion with regard to these institutions perfectly corresponds with that of the justly respected Baronet who is now no more, and who so properly pronounced them of great utility to commerce, and of peculiar utility in a country requiring a large circulating medium.—Another fallacy in the Report refers to the balance of commerce, which is in no degree attributable to this institution. The suggestion in the Report upon this point is indeed negatived by the acknowledgment of the Reporters as to the moderation and self-denial of the Bank in its issues. It would, in fact, be quite preposterous to maintain, that an issue of 20 millions of paper could have the effect ascribed to it upon the commerce, the provisions, and the general currency of the country. Undoubtedly, the price of provisions must be affected by the mass of our circulating medium, but the same effect would be produced whether that circulating medium were in specie or paper. But in the eager preference which the Committee express for the circulation of the former, and their urgent desire that you should pay cash for your notes, there is an omission on their part, which I think betrays a want of candour. In no part of their Report do they notice that out of the 20 millions of notes which we have in circulation, the public

owe us 18 millions—so that the public hold a security in their own hands for no less than 9-10ths of our whole issue. This is a fact of importance, which applies to no other monied or mercantile institution in the country. From this fact, indeed, we are entitled to say, that if the public think Bank-issues an evil, they may annihilate them in 24 hours. If they wish to dissolve this Institution, let them pay us the 18 millions they owe us, and we will make up the remaining two millions by subscription among ourselves within an hour, so as immediately to discharge all our notes.—But there are other and important advantages derived by the public from the Bank, which the Report has declined to notice. We actually pay to the public at present 210,000*l.* per annum in consideration of existing circumstances—that is, by lending 3 millions gratuitously until a peace is concluded, and by an abatement of interest to the amount of 60,000*l.* upon a former loan. This, however, is not the only grant we have made to the public. You agreed with Mr. Pitt upon the renewal of our Charter, to lend 3 millions to the public for 6 years gratuitously, and afterwards at an interest of 5 per cent. This interest was afterwards by an agreement with lord Grenville, with whom your bargain was opened, reduced to 3 per cent. which produced the abatement of 60,000*l.* which I have mentioned. Again, your bargain was opened with the present Administration; but let us hope that the Report upon which I am speaking, may not be the forerunner of another opinion. Your grants to the public are already sufficiently ample—are as much as justice could allow, or liberality could accept. For independently of the sum of 210,000*l.* which I have stated, you have agreed to abate your claim for the management of the public debt, to the amount of 70,000*l.* per annum, besides relinquishing the advantage you derived from the unclaimed dividends. Thus are the public considerable participators with you in the profits of your concern, and of course the amount of the dividends to the Proprietors is proportionably reduced. Yet these facts are not mentioned, are not at all alluded to in the Report, and I believe they are but very partially known to the country—Notwithstanding the liberal participation of our profits, which, as I have detailed, the public enjoy, it appears from the Report, that

a suggestion had been thrown out to the Committee to seize upon our surplus profits. What, to seize upon the profits arising from the legal and honourable exertion of our trade! upon that which was the result of labour and hazard, conducted upon the same just principles, and standing upon the same fair footing as other merchants! The very idea was extraordinary, and it was almost equally extraordinary that the Committee, instead of merely expressing their disapprobation, did not reject it with all that marked abhorrence and indignation which such an iniquitous proposition was calculated to excite in virtuous minds. Upon recollection, I think a similar proposition was made by Marat, in the National Convention. I remember that his proposition referred to the property of the Merchants of Marseilles and Bourdeaux, and he had many supporters. Yes, that factious demagogue and his coadjutors, having succeeded in prostrating the aristocracy of rank and birth, wished also to break down the aristocracy of wealth; the public necessity being their pretence, but universal revolution their object; supply being their profession, but equality their principle.—I come now to the conclusion of the Report, and from a view of all the circumstances, a most extraordinary conclusion I cannot hesitate to pronounce it. The Committee recommend that you should be compelled by a Legislative Act to pay your notes in specie in two years. What a variety of mischievous consequences would flow from the adoption of such a recommendation! It has been often observed, that ‘sufficient for the day is the evil thereof,’ but that adage is totally inapplicable to a case of this nature. Precautions cannot be too early taken to guard against a great public calamity. We cannot too soon enter our protest against the recommendation I have mentioned. There is no man who has the honour to know and the opportunity to appreciate your Hon. Board, but must concur in the compliment pronounced upon your conduct by the Report. I am the more glad of this compliment, because it proceeds from a quarter evidently hostile to your interests, and indifferent to your feelings. If they were not so hostile and indifferent, why, in the name of common justice and common sense, should they demand that which in plain English is nothing less than this, that

whatever may be the price of bullion, you shall be obliged to buy it, in order to pay in specie at a fixed period? What an encouragement would thus be held out to imposition by pointing at you as those who must submit to imposture—who must buy bullion upon any terms? Can any proposition be imagined more unjust and ungenerous, and if acted upon, more injurious to the commercial world? In the name then of justice and generosity, in the name of all orders and professions interested in sustaining the monied and mercantile interest of the country, I enter my protest against this extraordinary proposition.—In examining the justice and generosity of such a proposition, let it be considered by whom, and for what purpose you were exhausted of your bullion in 1797. The public interest was placed in a state of the utmost peril, and for the public safety and accommodation you lent your bullion. Without entering into any question as to the propriety of the conduct you then adopted, without considering your disposition or your duty to submit to the utmost sacrifices in your power, when fighting for our liberties and our homes, I believe I may say, that if it were not for the sacrifices you made in 1797, our army must have starved in Flanders. You besides made advances to enable Government to subsidize our allies. It is not now necessary to inquire into the policy of these subsidies. It is undeniable, that the circumstances of the times and the sacrifices you made for the public safety, produced the inconveniences you then suffered. Yet your wish was, under all disadvantages, to continue the issue of your specie. No less than 29 times in 1795 and 1796, your Honourable Board of Directors remonstrated with Mr. Pitt against the project of restriction. Here I must observe in passing, that it would perhaps have been as well if your Honourable Board had convened the Proprietors, had consulted your constituents instead of repeating your remonstrances to Mr. Pitt, and had taken their opinion before you had concluded with him. To the public, however, you advanced your money, and had you not conceded to the proposition of Mr. Pitt, the Government could not have gone on; and was it now for that public to say to you, “ you have exhausted yourself of bullion to sustain us in the day of need, and yet we will now compel

you to buy bullion at any price, in order to give it in exchange for your notes, or even for the notes which we have borrowed from you? But what would be the consequences of obliging you to comply with such a requisition? The first effect of appointing the payment at a fixed period would be to encourage speculators to hoard the coin, in order to make the Bank pay through the nose for it. But the moment you were ordered to pay, you must prepare by limiting your issues, by confining your discounts, and what a convulsion would that occasion in the commercial world? Those who remember the circumstances which occurred in 1797, arising out of your resolution to limit your discounts, must be aware of the effect of such a measure upon the mercantile body; must be able to foresee the calamity the advice of the Committee would produce, were it possible that it ever could be acted upon by an intelligent House of Commons.—From some parts of the Report of this Committee, one would really be inclined to suppose that it was drawn up by persons not at all in the habit of considering commercial operations, particularly with regard to exchanges, and the appointment of a fixed period for the payment of bullion. Why not leave this question as to the resumption of cash payments to the discretion of the Directors, as all the mercantile witnesses so strongly recommended to the Committee; and why doubt the proper exercise of that discretion, which even the Committee itself applauded? It is a fact easily capable of proof, that the compulsive resumption of cash payments would be much more fatal to the interest of the Commercial World, than to that of the Bank Proprietors. In the event of such a compulsive measure, the Bank would naturally, in its own defence, forbear to issue notes, to pay which they must buy bullion at an advanced price. Judge, then, of the consequences. From what happened through the reduction of discounts in 1797, what must be apprehended from any such attempt in the present augmented state of our commerce? Even the Committee deprecate any recurrence to such a measure of limited discounts. On the contrary, they recommend coinage to the Bank without any consideration of the means by which that coinage is to be sustained. They recommend coinage to an institution, the character of which

their Report is running down. They recommend coinage to an institution, while a prospect is held out of seizing upon its surplus profits.—I do not mean to deny that it is a solecism that the Bank should not pay its promissory notes, but still, considering the cause and all the circumstances of the case, I would leave the time of payment to be settled by slow progression and deliberate caution. I would confide in the discretion of that honourable Board to whose character and conduct even the Report, which would deprive them of discretion, bears the most complete testimony.—The Committee states, that it is necessary for the recovery of our credit upon the Continent, as well as at home, to resume cash payments at the Bank, and that such resumption would serve to cure the evil of exchange; but does any thinking man, acquainted with the subject, imagine, that if cash payments were resumed at the Bank, these payments could continue for any time.—In fact, all the gold would vanish in a week after its issue. Then we should be under the necessity of soon restoring the restriction again, and I would ask you, as merchants, whether it would not be better to make no pledge than to make one you must break—whether it would not be better to decline making a promise which you cannot perform? Such must be the consequence of the rate of bullion, and the state of commercial exchange, which I contend is not affected, as the Report alledges, by the restriction of the Bank; but as the mercantile witnesses stated before the Committee, by the nature of our commerce, by the balance of exports and imports. For what effect could gold sent to the Continent have upon the rate of exchange any more than any other article of merchandize of equal value? But as a proof that the rate of exchange has not been affected by the state of the Bank, it is only necessary to state this fact, that the exchange with Hamburgh is the same now that it was in the year 1797.—But when the Committee determined so earnestly to recommend the resumption of cash payments, as a compulsive measure upon this Institution, it would have been but becoming in them to recommend, as a preliminary step, the repayment to the Bank of the 18 millions due from the public, and also the restoration of the 210,000*l.* derived from the Bank in consequence of the supposed advantages resulting from the non-

payment of cash. This was a line of proceeding which at least common justice should have urged the Committee to propose.—The Learned Gentleman concluded a very impressive speech, in the course of which he was repeatedly cheered, and particularly on his deprecating the proposition of the Committee, to resume cash payment in two years, by exhorting the Directors to continue to pursue that same firm, upright and undeviating course which it appeared by the evidence had distinguished their conduct, unawed by power, and unmoved by faction ; to continue the same liberal advances to the mercantile interest, and to continue the same cautious principle by which it appeared they had been governed. Thus, by identifying themselves with the best interests, with the truth and with the honour of the public, they would be sure of public support ; or at all events, be enabled, as they had done, to convince those who would inquire into their affairs, that they well deserved that support.

Mr. PEARSE, the Governor of the Bank of England, next rose, and commenced a short speech by assuring that Honourable Court that in the evidence which he gave before the Bullion Committee, he had been influenced by no sinister motives whatever, whether of a political or a private nature. In a question of such vast importance and general interest, he trusted that he knew his duty too well, both to that Court and the public, to be induced by any considerations to give a partial or fallacious statement of whatever was his knowledge, or of the impressions that knowledge had produced in his own mind ; for the Directors, he would take it upon him to say, that they would, as they were bound, pay uniform and anxious attention to those measures which might result from the Report of that Committee, and here he could not help expressing a hope, that the public in reading and investigating that Report, would give more attention to, and lay greater stress upon, the evidence laid before that Committee, than, he was sorry to say, the Reporters themselves seem to have done (*hear ! hear.*) It was to be regretted, that a Report avowedly founded upon that evidence was not more conformable to it. He therefore threw out this as a caution to the public, not to suffer themselves to be implicitly guided by that Report, without duly weighing the na-

ture of the testimony laid before the Committee. From the able speech they had just heard, it would be unnecessary for him to detain them by any observations upon points which had been already so satisfactorily dwelt upon. He, however, concurred so entirely in the opinions of the last speaker, respecting the issue of the Bank Paper, that instead of agreeing with those who professed to think that that issue had been excessive, that he, on the contrary, thought it just matter of surprise, that considering all circumstances, it could have been so moderate as it had been. The increase of issue, instead of being so extravagant, as some have represented, was not in proportion to the exigencies of the times. The issue of paper for this year, independent of the one pound notes and two pound notes, was very little more than fourteen millions, a sum to which it was well known, that their paper issue, with the same exception, amounted a short period before the year 1797. In the course of the year 1795, this paper issue amounted to fourteen millions, and it was at present very little more. There never could be an excessive issue of paper, as long as the Directors took care that there should be an exact proportion observed between the necessities of the public and that issue; that object the laudable caution of the Directors would uniformly support, by resorting to those means within themselves, and refusing to discount what did not appear to be valid mercantile paper. Their disposition to accommodate the public would necessarily, for the sake both of the public and themselves, be regulated by this very proper caution; and indeed, as the manner in which their notes were issued, depended so much upon the extent of the applications made for discounts, in order to make good their deficiency, it of course followed that this was of itself such a control on the issue, as that it could never amount to an excess. With respect to the rate of exchange, he could not agree with those who thought that it depended on the price of bullion; his opinion was, that the rate of exchange was rather affected by the state of commerce, and that as the circumstances of commerce did happen to be more or less favourable, so in proportion was the rate of exchange more or less advantageous; and he repeated it as his opinion, that the issue of their paper did not in proportion to its quantity operate in raising the price of

bullion, or in materially affecting the state of the exchanges. He regretted that he was unable adequately to express his own sentiments, and those of the Gentlemen in the Direction, for the very handsome manner in which the Gentleman who spoke last, had done justice to the motives which had actuated their conduct. He had no doubt, that the Directors would, by adhering to the same line of conduct, to the same prudence and firmness, secure a continuance of that support which the public had hitherto given them. In answering all demands made upon them for discounts, they would never lose sight of the public interest by looking not merely to the solidity of the paper, but endeavouring, as far as it might be possible, to be certain that the paper is to be issued for commercial purposes. He concluded by thanking the Court for their attention (*Hear! Hear.*)

MR. PAYN, of Bath and Wells, Banker, when the question was about to be put, rose to make one or two observations. He applauded in his heart the greater portion of the sentiments so ably and eloquently urged by the Gentleman who first spoke, but as it was admitted that the present circulating medium of the country had fallen into depreciation, if the cause of that depreciation be not what the Report of the Bullion Committee alleges it to be, he thought it was desirable to ascertain to what other source this acknowledged effect was to be traced. In the corn countries of England the paper money of country bankers most abounded. He admitted that the issue of their notes by many country bankers had been very indiscreet. He was himself a country banker, and he had with many others in the same business endeavoured, as far as he could, to restrict the issue of the smaller notes. He thought that the issue of all notes under a certain amount should be confined to the Bank of England solely; but he had known persons after suffering losses in other trades, take up that of a country banker, and proceed to issue small notes, though at the time, he, Mr. Payn, could not with safety to himself give them any accommodation. It was known to be the practice of corn-factors and other dealers, to consider in their demand for their respective commodities, the nature of the medium in which they were to be paid; and he has known the practice to have prevailed of making very considerable abatements in the articles

offered for sale, in proportion to their opinion of the security of the medium in which they were to be paid for those articles. The farmer sold his grain to the corn-factor, the corn-factor sells again to the bread-baker, the baker may be paid in a very different manner, he receiving his payment in the existing smaller currency of that part of the country. He wished he was able to follow this through all its consequences. He hoped, however, that others more capable would consider it. He professed himself an advocate for the honour of that body to which he belonged, the country bankers, and said that he knew many of them to be as anxious as he himself was, to confine the small currency to Bank of England Notes, as the only effectual way to check the abuses, which must otherwise endanger the system of country banks. It was, however, impossible that the circulation of the country should not at all be affected by a weighty foreign expenditure; it must necessarily have its consequences, the sending out our specie in large quantities to support large armies on the Continent. He had, however, great doubts that the putting guineas into circulation would be attended with the good consequences which it had been pretended would result from it. He did not think it would put a stop to the hoarding, and should ever the silver be issued to its full extent, he did not think it would remain long in circulation.

The motion fixing the next Quarterly Payment of the Dividend was then put and carried, and soon after the Meeting was adjourned.

APPENDIX (B.)

CASE OF DE YONGE,
TRIED FOR SELLING GUINEAS.

*Extracted from the POLITICAL REGISTER, August the 11th;
1810, Vol. XVIII. p. 161.*

“ Our Paper is of value in commerce, because in *law* it is of none. It is
“ powerful on 'Change, because in *Westminster Hall* it is impotent.—
BURKE. Reflections, 1790.

THERE seems to be a sort of fatality belonging to what I write. At the moment when I am writing about a thing, no matter what, some occurrence is taking place with regard to it. In page 132, I spoke of *the Jew*, who had been, some months before, *prosecuted for selling guineas* for a price higher than their nominal worth in bank notes. I observed, that, though a bill of indictment had been found against him, I had not heard that he had been brought to trial; but, that the prosecution itself, though left in that state, would be quite sufficient to prevent an *open* traffic in guineas, and that, such being the case, the possessors of guineas would inevitably *hoard* or *smuggle*.—While I was writing this, the trial of the Jew, whose name is DE YONGE, was, it now appears, actually going on, at Guildhall, before the Lord Chief Justice, where the man was, by a Special Jury, found *guilty*.—This trial, considering the nature and bearings of the questions connected with it, I hesitate not to pronounce the most important that has taken place for many years; for, as to the trials in which Mr. WARDLE, and I, have been concerned, they were things which all the world *understood*; and, with regard to no part of which was any man in the nation, however blind and stupid, at all *deceived*. But, this trial of DE YONGE has circumstances belonging to it, which are not generally known; and, besides, there will, in all human probability,

consequences arise from it, that will be most sensibly felt. This being my opinion, I cannot refrain from beseeching the reader to bestow on the subject his serious attention. — Before I submit, upon it, any observations of my own, I shall, agreeably to my usual custom, insert the fullest report that I have been able to find of the trial itself; begging the reader to observe, however, that I do not give this report as a thing for the correctness of which I am answerable. It is a *publication*, which I find in the news-papers; as such I give it, and as such I shall comment upon it. For aught I know, it may be partly incorrect; or, it may be false altogether. I take it as I find it published in print, and in the news-papers of the day; and, as such I shall make it, perhaps, a subject of criticism. —

“ SALE OF GUINEAS.
 “ The *King* against JAMES DE YONGE.—The Defendant
 “ was indicted for unlawfully exposing to sale a certain
 “ quantity of the current coin of the realm, called guineas,
 “ and disposing of them at 1*l.* 2*s.* 6*d.*; the standard, by his
 “ Majesty’s proclamation, having been settled at 1*l.* 1*s.*—
 “ MR. ATTORNEY GENERAL stated, that this indictment was
 “ founded on the Act of the 5th and 6th of the reign of Ed-
 “ ward the Sixth: which enacted, that if any person gave
 “ more, or disposed of any current coin of the realm, for a
 “ profit, or gave or received more in exchange than was
 “ authorized by the standard which was fixed by royal
 “ proclamation, he or they should be guilty of a misde-
 “ meanour, and be liable to the confiscation of such coin so
 “ exchanged, and be subject to a fine and imprisonment for
 “ such offence. *The chief object of the Act was to prevent*
 “ *persons collecting and disposing of the coin of the realm to*
 “ *persons leaving the kingdom; he was sorry to say, that*
 “ *latterly it had become a prevalent trade. It was unne-*
 “ *cessary for him to state how injurious it was to the nation*
 “ *at large, and particularly to the commercial part of the*
 “ *community. He would prove that the Defendant had*
 “ *carried on this illicit trade to a great extent. The Com-*
 “ *missioners of the Mint had got information of it, and*
 “ *wisely provided for his detection. It was unnecessary*
 “ *for him to state the circumstances, as they would be de-*
 “ *tailed in evidence. He was afraid that this traffic had*
 “ *been too long carried on without being detected; it ac-*

“ counted for the circulation of British gold on the Conti-
 “ nent, and its disappearance at home. He had not a doubt
 “ that when the Jury were in possession of the circum-
 “ stances of the case, they would find the Defendant
 “ guilty.—*Mr. Leonard*, from the Council Office, pro-
 “ duced the Gazette containing the Proclamation of George
 “ the First, dated from Saturday the 21st of December, to
 “ Tuesday the 24th, in the year 1717, settling the standard
 “ of a guinea at 1*l.* 1*s.*—The proclamation was read by
 “ *Mr. Lowten*.—*Mr. MARRYATT*, Counsel for the De-
 “ fendant, objected to it as proof, as the indictment set out
 “ that it was proclaimed under the Great Seal, and there
 “ was no proof that the Proclamation in the Gazette had
 “ the Great Seal affixed to it.—*Mr. ATTORNEY GENERAL*
 “ was happy this objection had been taken, for it was im-
 “ possible that the Sovereign could issue a Proclamation
 “ without its passing under the Great Seal.—*LORD EL-*
 “ *LENBOROUGH*—“ I am convinced that the Proclamation
 “ published in a Gazette, authorized by his Majesty, is
 “ sufficient proof, and we are not at this day to doubt that
 “ Proclamations do not go under proper scrutiny. It is
 “ the only mode the Sovereign has of communicating his
 “ wishes to his people. I am convinced that the Gazette
 “ is good evidence of the existence of the Proclamation.”
 —*Mr. ATTORNEY GENERAL*—“ My Lord, I have got
 “ the original Proclamation, with the Seal affixed to it, in
 “ Court; but I wished it to be laid down by your Lord-
 “ ship, that the Gazette was good evidence, that it might
 “ act as a precedent in other places where they have not
 “ the advantage of your lordship’s presiding.—*Mr. Ed-*
 “ *ward C. Powell* deposed, that he was Assistant Solicitor
 “ to the Mint; that from some information which came to
 “ the Office, he gave instructions to two men, of the names
 “ of Caul and Nash, to proceed to the Defendant’s house,
 “ on the 26th of December last, and purchase some guineas.
 “ In order the better to disguise themselves, they both
 “ spoke the Dutch language. Caul was to perform the
 “ part of a Dutch Supercargo, who could not speak Eng-
 “ lish; and Nash to act as his interpreter. He gave Nash
 “ 5*9l.* in Bank of England Notes, which he took an account
 “ of, and made Nash examine them with him; he also gave

“ him two Bank of England Dollars, which he marked.
 “ They went to the Defendant’s house ; he attended in a
 “ coach at no great distance off, accompanied by a person
 “ of the name of Browne, an officer of Shadwell Police-of-
 “ fice. Upon a preconcerted signal being given, he went
 “ to the Defendant’s house, and found that Leadbeater, a
 “ City Marshal, who accompanied Caul and Nash, had the
 “ Defendant in custody. Leadbeater produced 50 guineas,
 “ which he said he took from the person of Caul. The
 “ witness asked Nash who Caul had received them from ?
 “ he answered, from the Defendant, and that Caul had
 “ paid him 56*l.* 5*s.* for them in notes and a Bank dollar.
 “ He asked the Defendant if it was true ? he said it was ;
 “ but added, that the difference between 52*l.* 10*s.* and
 “ 56*l.* 5*s.* was given him by Caul, as a present for the ex-
 “ change ; that he had not charged more than 1*l.* 1*s.* for
 “ each guinea. Leadbeater then produced a parcel of
 “ Bank of England notes, which, he said, he took from a
 “ drawer in a bureau in the room. They were the notes
 “ the witness had given to Nash ; there were three short.
 “ He asked the Prisoner if he had any silver ? He put his
 “ hand in his pocket, and brought it out full of dollars and
 “ other silver. The witness took from amongst them the
 “ dollar he had marked. He asked the Defendant if he
 “ had much more gold ? He shewed him a bag containing
 “ 90 guineas ; a second, containing a great quantity of
 “ half guineas ; and a third with seven-shilling pieces.
 “ There were several empty money bags in the room.
 “ The three other Bank of England notes were produced
 “ by Leadbeater ; he took them from Caul, with the other
 “ Bank dollar.—*J. Caul* fully corroborated the evidence
 “ of the last witness, as to his and Nash’s instructions.
 “ When they went first to the house of the Defendant, they
 “ saw his wife. Nash said the witness was an acquaintance
 “ of his, just come from Holland. She inquired from the
 “ witness what he wanted ; he replied, in Dutch, a little
 “ gold ; she asked who recommended him, in the same
 “ language ; he answered Capt. Kaysoll, who was gone to
 “ Gottenburgh : she shewed them into the parlour, and
 “ sent a boy for the Defendant, who shortly made his ap-
 “ pearance, and asked nearly the same questions his wife

“ had done. He said, he knew Captain Kaysoll. The
 “ witness told him he hoped he would let him have the
 “ gold on the same terms as Captain Kaysoll. The De-
 “ fendant answered, he could not; he let him have 900
 “ guineas, at an advance of 1s. 3d. ; but the price had rose,
 “ and he could not take less than 1s. 6d. advance. The
 “ witness told him he must even agree to that; for paper
 “ would be of no use to him in Holland; and he only
 “ wanted 50 guineas. The Defendant gave him the gui-
 “ neas and he paid him 56*l.* in notes and 5*s.* by a Bank
 “ dollar. The Defendant told him he must take care how
 “ he took them out of the country, for by the law of the
 “ land he was not entitled to take more than five. He told
 “ him he need not be afraid, for he would wind them round
 “ his waist. Nash said he knew a better way than that,
 “ for he could sew them in a garter and fasten his stockings
 “ with them. The Defendant’s wife said she knew a better
 “ way than either, and asked the witness if he did not wear
 “ a cushion in his neck-handkerchief; he answered in the
 “ affirmative. She brought a piece of flannel, and rolled
 “ some shillings in it, and said, “ Thus you may put your
 “ guineas, and when folded in your handkerchief, it will
 “ be beyond suspicion.” The witness proposed they
 “ should have something to drink, which was sent for.
 “ They took a glass of rum a-piece. The Defendant re-
 “ quested that the witness would recommend some of his
 “ countrymen to him, and, by mentioning his name, it
 “ would be a passport. Nash and the witness were going
 “ out of the street door, attended by the Defendant and
 “ his wife, when they were all shoved back by Leadbeater
 “ and Browne; the Defendant seemed much frightened,
 “ and whispered the witness in Dutch to say, that he did
 “ not give more than 1*l.* 1*s.* for each guinea. On his
 “ cross examination he said he gave bank notes for guineas,
 “ and not coin for coin.—*Leadbeater* and *Nash* corrobo-
 “ rated the evidence of the other two witnesses.—*Mr.*
 “ *MARRYATT* said, the exchange was admitted; but he had
 “ humbly to submit to his Lordship, that the indictment
 “ could not be maintained. It was founded on an Act of
 “ Parliament which was nearly obsolete; the Act stated that
 “ it was unlawful to *exchange gold coin for silver, or silver*

“ *coin for gold*, for profit; but not a word was mentioned
 “ of bank notes, they could not be contemplated, for they
 “ were unknown for many years after; and by the statute,
 “ the penalty was as great on the purchasee as on the
 “ purchaser.—LORD ELLENBOROUGH—“ If you wish,
 “ Mr Marryatt, you can save this point: not that I hold a
 “ doubt of its invalidity, but because we have a vast deal
 “ to do, and there will be more time to argue it in terms;
 “ I have not a doubt but the statute was intended for the
 “ exchange of the truck of the then present day; but I
 “ think it *wide enough to admit Bank-notes, or even gross*
 “ *goods*, if it is agreed to take a certain value over the
 “ standard currency.”—MR. MARRYATT—“ The only
 “ reason, my lord, that I should wish to argue the question
 “ now is, that the Defendant is liable to a specific punish-
 “ ment, if found guilty, and the Crown may arrest him.”
 “ —MR. ATTORNEY GENERAL—“ I will, my Lord, do
 “ away with Mr. Marryatt’s uneasiness, for I will give my
 “ promise the Defendant shall not be disturbed until after
 “ his Counsel has an opportunity of moving for a new trial.
 “ He is already under bail.”—LORD ELLENBOROUGH—
 “ “ Gentlemen of the Jury, I am of opinion that the
 “ Defendant did receive more than he was allowed by
 “ the Proclamation; and I would recommend that you
 “ should find your verdict *as such*; at the same time I will
 “ wave the point for the Defendant; *but don’t let it be un-*
 “ *derstood that I am of opinion that it is not a breach of the*
 “ *statute*. I would not wish it to *go abroad* that there was
 “ *any doubt* upon the subject, *for it is a most injurious*
 “ *traffic*.”—The Jury returned a verdict of—GUILTY.”

—Here are two distinct questions presenting themselves
 for discussion; a question of *law*, and a question of *political*
economy, the former of which, as being of the least impor-
 tance (though by no means unimportant), we will first dis-
 pose of.—DE YONGE was, it would appear from this re-
 port, indicted on an Act of Parliament of the 5th and 6th
 of Edward VI. And, in this report, the reporter makes
 “ Mr. Attorney General” say, that “ the *chief* object of
 “ the act was to prevent persons *collecting* and disposing of
 “ the coin of the realm *to persons leaving the kingdom*.”—
 As I said before, I do not give this as a correct report; but,

be it what it may, I do not understand the meaning of words, or, the Act, on which this Jew is said to have been indicted, has no such meaning as this. But, that the reader may be able to judge for himself, the best way is to lay the Act before him.—“Whereas in the Parliament holden at
 “Westminster, the 25th year of the reign of king Edward
 “the Third, it was accorded, That it should be lawful for
 “every man to exchange *Gold for Silver*, or *Silver for*
 “*Gold*, or for *Gold and Silver*, so that no man did hold the
 “same as exchanged,* nor take no profit for making such
 “exchange, upon pain of forfeiting the money so ex-
 “changed, except the king’s exchangers, which take profit
 “of such exchange, according to an ordinance before that
 “time made : which statute notwithstanding divers covet-
 “ous persons of their own authorities have, of late, taken
 “upon them to make exchanges, as well of *coined gold* as
 “of *coined silver*, receiving and paying therefore more in
 “value than hath been declared by the King’s Proclama-
 “tion to be current for within this his realm and other his
 “dominions, to the great hindrance of the Commonwealth
 “of this realm.—Be it, THEREFORE, enacted, that,
 “if any person, or persons, after the first day of April next
 “coming, exchange any *coined Gold*, *coined Silver*, or
 “money, *giving*, *receiving*, or *paying*, any more in value,
 “benefit, profit, or advantage, for it, than the same is, or
 “shall be, declared by the king’s proclamation to be cur-
 “rent for within this his Highness’s realm, and other his do-
 “minions, that then all the said *coined Gold*, *Silver*, and
 “*money*, so exchanged, and every part and parcel thereof,
 “shall be forfeit, and the *parties*, so offending, shall suffer
 “imprisonment by the space of one whole year, and shall
 “make fine at the king’s pleasure.”—Such is the Act, on
 which, it seems, DE YONGE has been indicted and found
 guilty, the fact of his having exchanged, or sold, guineas
 for a price higher than the one fixed in the king’s proclama-
 tion not being denied.—But, the question is, and that is
 a question yet to be argued, it appears; the question is,
 whether this Act of Edward VI. can be construed in such a
 way as to extend to an exchange of *gold* or *silver coin* against

* That is; hold a common exchange.

paper currency. Not only is there, in this Act, no mention of *paper-money*, or of any thing but *coined gold and silver*; but, it is a truth perfectly notorious, that no such thing as *paper-money* existed at the time when the Act was passed, and, what is more, such a thing never had existed at that time, either in England, or, as far as we can gather from history, in any other country upon earth.—The Attorney General is, as was before observed, represented, by the reporter, as having said, that “ the *chief* object of the Act “ was to prevent persons *collecting* and disposing of the coin “ of the realm to persons *leaving the kingdom.*” Whence is this conclusion drawn? On what premises is it founded? There is not, in the Act, a word respecting the *exportation* of coin: not a word about coin being *taken out of the kingdom*: such a consequence of the prohibited exchange is not even glanced at in any part of the Act. Nay, I cannot see how the Act *could possibly* have such an object in view. Instead of such being the *chief* object of the Act, it does not appear to me *possible*, that it was any object at all of the Act. For, *why* should such work be carried on for the purpose of getting *coin* out of the kingdom? If a man had wanted to carry or send *coin* out of the kingdom, *why*, in the name of common sense, should he go to *exchange* it into *other coin*? Had there been, indeed, a *paper-money* in the kingdom, and a *paper-money* not exchangeable into coin at the will of the holder; had this been the case in the reign of Edward VI., there would, then, as now, have been some sense in exchanging one sort of money for the other when a man wanted to send money out of the kingdom, because one sort would pass in foreign countries and the other would not; but, when *all was coin*, what sense could there be in making an exchange for such a purpose? This, however, has nothing to do with the *law* of the matter, DE YONGE being indicted for unlawfully *exchanging* coin, and not for *exporting*, or attempting to export, coin, which is a quite distinct offence, and made so by other acts of parliament.—If further illustration of the meaning of this Act of Edward VI. be wanted, we have, I think, only to look back to the Act of Edward III, out of which it grew, and *solely* to add to the *penalties* of which it was clearly intended. This is it, Statute V, Chapter 12. “ That,

“ it shall be lawful for every man to exchange *Gold for Silver*, or *Silver for Gold*, or for *Gold and Silver*, so that no man hold a common Exchange, nor take no profit for making such Exchange, upon pain of forfeiture of the money so exchanged; except the king's Exchangers, which take profit of such exchange, according to the ordinance afore-made.”—Now, is it not evident, that this applies to a state of things, wholly different from the present state of things? There were, when this and the other Act were passed, *Exchangers* appointed by the king. Are there any now? And, the objects of the acts were, to prevent people from being cheated in the exchange of money, but, more particularly to prevent individuals from *sharing in the profit of exchanges*, which profit was a branch of the king's revenue. Is there any such thing now? And could the makers of these Acts have a state of things like the present in their contemplation? The offence contemplated by this Act, is, the doing of that by an *unauthorized individual*, which the king's officers only were authorized to do. But, are there now any king's officers regularly appointed to do that which De Yonge has done? Are there any officers now appointed to exchange bank-notes for gold? Yet, would not this be necessary, in order to make these Acts bear upon the case?—So much for the question of LAW, which I may now, I think, safely leave to the decision of any man, who has plain common sense for his guide. The question of *political economy* is of a nature to require greater powers of mind, or, at least, greater attention, in the discussion of it.—The report, which I have inserted above, represents the ATTORNEY GENERAL as saying, that “ it was quite unnecessary for him to state how injurious the practice” (of selling guineas) “ was to the nation at large, and particularly to the commercial part of the community.”—Yes, this was indeed, quite unnecessary, seeing that the man was not tried for *injuring the merchants*, but for *violating a written law*, and whether his conduct had, or had not, a tendency to injure the merchants, that had nothing at all to do with the question of *guilt*, which was the only thing, upon which the jury had to decide. “ MR. ATTORNEY,” as he is called, said well, therefore, when he said, that it was unnecessary for him to state the injurious effects of DE

YONGE's traffic. Nor would he have done ill, if he had wholly held his tongue upon the subject of those effects ; for, though I have been uncommonly diligent in my endeavours to discover *how* such a practice as that of De Yonge could possibly be injurious to the nation at large, and especially how it could injure commercial people *more* than others, I have not been able to make any such discovery. The judge is also represented as having said, that the traffic is " a most *injurious* traffic ;" but, as in the case of MR. ATTORNEY, no *reason* is given in the report, to *show how* such a traffic operates injuriously.—MR. ATTORNEY is represented as having said, that " he was afraid that this " traffic had been too long carried on without being detected ; *it accounted for the circulation of British gold upon the continent, and its disappearance at home.*" Indeed ! So ! the selling of guineas to people who take them on board of ship and sail down the Thames with them accounts for the said guineas going out of the country ! Bless us, what a discovery ! Well, but, let us hope now, that since the " *learned gentleman*" has pronounced this to be an injury to the nation ; yes, let us hope, that we shall hear no more about *guineas* being an *encumbrance*. We were wont to hear such bragging assertions about the super-excellence of bank-paper, and to be so abused for pretending that it was depreciating, that, at last, some people seemed to wish never more to hear of coin ; but, now, behold ! we are told by the Attorney General, that the sending away of guineas, the getting rid of the " *encumbrance*," is a great national injury, and is particularly injurious to the *commercial* part of the community ! Let us hope, then, that the author of " *GUINEAS AN ENCUMBRANCE*," will, in future, be more cautious as to what he writes ; for, I think, he may be fairly looked upon as an abettor or instigator of De Yonge. —That no *law* can prevent the exportation of the coin, while the paper-money continues to circulate in such quantities, no man can, I think, seriously doubt. It is notorious, that the Jews go on board of the ships at Spithead, when the latter are about to sail for foreign parts, and openly sell the gold and silver at an enormous premium. This fact, I remember, was stated to me very much in detail, so long as about *six years ago*. Indeed, how should it be otherwise ?

If a ship or a regiment be paid off in paper-money, of what use is that money to the sailors and soldiers, when they arrive in Nova Scotia, in Canada, in Sicily, at the Cape of Good Hope, or, any where else abroad? What are they to do then? Why, change their paper into coin to be sure. And, who will do that for them without a premium? It is nonsense to suppose that any body will; and, of course, they must keep the useless paper, or must give such premium.——But, is it not, after all that I have written, upon this subject, and after all that we have witnessed; is it not, after all this, a waste of time to insist upon the great and immutable principle, upon which these operations of sale and exportation of coin take place? In 1804, a “learned friend” and a member of the Honourable House, famous for the making of poetical puns, took it into his noddle to cry out against the “disloyal people,” who were then hoarding the coin, in which cry he was joined by Mr. ADDINGTON, who, however, had too much sense not to discountenance the idea, hinted at by Mr. JEKYLL, of passing a law to put a stop to the practice. A law to prevent hoarding! Why not a law to prevent a man from doing what he pleases with his house or his land or his any thing else? Next after this would have come the code of Robespierre. “Disloyal!” Why, the hoarders were, and still are, chiefly the old women, whose loyalty is proverbial.——No, Mr. Jekyll, it is not disloyalty that makes people hoard: it is human nature: it is the first law of that nature; *self-preservation*. The next law, the *desire of gain*, makes people in more active life sell and export the coin. And, unless you can change human nature, Mr. Jekyll; until you can, by punning poetry or plain prose, efface these laws from the human breast, it will be full as well for you to hold your tongue with respect to the “disloyalty” of putting one’s guineas into a chest and locking them up, when one pleases.——That the paper-money has depreciated is proved by the common practice, of selling the coin for more than its nominal value in the paper-money. The cause of this depreciation, and also the cause of the migration of the coin, were, I trust, so fully and clearly stated in my Register of the 28th of July (the XVIIIth Volume, pages 108, 109, and 110,) that there is no longer any good ground

for dispute upon those points. If those causes were, then, rightly stated, can it be believed, that the depreciation of the paper, or the migration of the coin, can be stopped, or even checked, by any powers of the *law*? The words taken for my motto (and which, owing to an error of the Printer, were incorrectly inserted last week) express, very forcibly, the opinion of Burke as to the effect of the *law*, when used for the purpose of giving validity to a paper-currency. Burke, you know, was no *Jacobin*. He was the mortal enemy of Jacobins. Hear *him*, then, if you will not hear me.—The moment the assignats in France began to depreciate, that moment the coin began to quit the country. It went off in every direction, and in all manner of ways. To England it came in *barrels*, many hundreds of which were received full. All the coin, down to the very lowest size and sort, disappeared at last. We see, too, that our's is going in the same way. De Yonge, it appears, had even *seven shilling pieces* for sale. This is the natural, and inevitable progress. It must be so, while men are prone to pursue their own private interests; and, we have now the proof, the *legal proof*, of the truth of what I have all along been asserting. The trial of De Yonge has brought us acquainted with the detail of the operation of selling coin. We here behold the parties at work. We see the Jacobin Guineas come forth from their retreat in the Jews' bag; and, under the auspices of Mrs. De Yonge, make preparations for their voyage. Mrs. De Yonge appears to be a great practical political economist. A lesson or two from her would be of great benefit to the "*learned friends*" of the Edinburgh Review, who are mighty talkers about *capital*, and with whom the paper-money system is a great favourite. Mrs. De Yonge would soon put them right as to these matters, if they were not too conceited to listen to her. She would teach them how the *capital* of the nation was increased by putting guineas into the stuffer of a neck-cloth. Oh! the incomprehensible nonsense that these pretenders to profundity have talked about the powers and the blessings of *capital*!—To what an extent even the coins of smaller value have been hoarded or exported must have long been evident to the public in general from the almost impossibility of getting *change*, upon any terms whatever; but, I

think, that it is not generally known, because it was not, until within these few days, known to me, that, in England, the pieces of paper-money had already been carried so low as *seven shillings*. That such is the case, in one part of the country, at any rate, will appear from the following, which is a copy of a note now lying before me.

N^o 332 TUNBRIDGE-WELLS ACCOMMODATION N^o 332

*I Promise to pay the Bearer on demand
Seven Shillings, for Value received.
Tunbridge-Wells, 21 day of July 1810.*

Seven SHILLINGS For Jas^r Sprange, Sam^l Guy
& Edw^d Palmer
Jas^r Sprange

Ent^d J. Clifford.

Now, I ask the reader, whether he *can* believe it to be *possible*, that gold and silver coin will circulate *in company*, and *upon par*, with paper like this? Well, then, if it will not circulate with such paper, what is to become of it? Must it not go to the hoard, or to foreign parts?—Here, then, I think, we have the whole of this subject of JACOBIN GUINEAS completely before us; *practice* as well as *theory*. The latter we were long ago masters of, and Mr. and Mrs. De Yonge have now put us in complete possession of the former.—There remains but very little more to be said about *paper-money*, the nature of which seems now to be pretty generally understood, and the final consequences of which seem to be pretty generally anticipated.—There appears to me to remain for discussion nothing but the question, *whether it be wise to adopt any measure tending to extinguish the country banks*. I mean, wise in those who *wish to see the paper system upheld*. This question has been started in the MORNING POST news-paper, and, in a way, that would almost lead one to suppose, that it was intended to feel the public pulse upon the subject. That print began, as was noticed by me, (Vol. XVIII, page 72,) by

calling the *country* bank notes “*destructive assignats*,” and to recommend their “*abolition*,” as the only means of “*reinstating commercial confidence*.” This was in the *Morning Post* of the 19th of July. This object has been laboured at in several articles since that date. These articles, in which the country bank-notes are called “*vile*,” “*dirty rags*,” I shall notice in my next ; and shall endeavour to make the question between the *country money* and the *Threadneedle Street money* as clear as all the other part of the subject now appears to be to almost every reader.

The case of the Jew, DE YONGE, is not a thing to be forgotten. The reader will recollect, that I published an account of the *trial* of this man, who, in the manner recorded was found *guilty*.—Upon the occasion referred to, I argued the case for the Jew ; and to that argument I beg leave to refer the reader.—Well, what was *done*, to the Jew, who had thus been *convicted*? Nothing at all in the way of executing the law upon him. His Counsel, Mr. MARRYATT, obtained a reservation of the point of *law*, and DE YONGE was held to bail, in the meanwhile.—Since that, on the 9th of November, Mr. MARRYATT moved, (as will be seen by the report inserted below) for a rule to shew cause *why the verdict against De Yonge should not be set aside* ; and, he grounded his motion principally upon the arguments made use of before by me, at the place above referred to.—The JUDGE (Lord Ellenborough, the same that tried DE YONGE) appears, from the Report, to have told Mr. MARRYATT, that *time pressed upon the court* then ; but that he might take a rule ; that is to say, might argue the matter for his client.—But (now mark, reader !) then rises the *Attorney General*, and, according to the report, observes, that a question, “ turning upon the *same point*,” “ had occurred before the Chief Justice of the Common Pleas on the last Circuit, who had directed it to be put “ into a case, and *submitted to the Twelve Judges*.”—It appears that he then *agreed to delay the committal* of DE YONGE, *until* the decision of the Judges had taken place.—This is what the news-paper Report of this trial says.

—Upon all these proceedings we ought to keep our eye; for, as will be soon felt, they are connected with, they are interwoven with, the very vitals of THE SYSTEM. Great events generally begin by trifling things. How many instances have we of this in our history. Jew DE YONGE, unless I am very much deceived, is destined to have his name handed down to posterity.—From the very first appearance of this case, I was convinced of the importance of it. If pushed on, I was sure that it would end in producing or leading to most important consequences.—Let it be remembered; never let it be forgotten, that a *trap* was laid for DE YONGE by *persons employed for the purpose*; and, yet, you see, it is not yet finally decided, that the man has committed *any crime at all*.—This is the thing for the reader to bear in mind, and that will, I trust, be borne in mind by some member of parliament, capable of bringing the matter forward in a proper and effectual way.

Case of DE YONGE, who was tried in August last, and found guilty of SELLING GUINEAS; and whose cause came on again, in the King's Bench, on the 9th of November, 1810.

Mr. MARRYATT moved for a rule to shew cause why the verdict in this case should not be set aside, and a verdict for the Defendant entered. The indictment under which the Defendant had been tried, charged him with purchasing the current coin of the kingdom at more than the current value; a point had been saved by the Noble and Learned Lord who tried the cause (Lord Ellenborough,) but after the strong opinion expressed by his Lordship, he (Mr. Marryatt) felt that he must be obliged, in stating the case of his Client, to enter into the subject at some length.—LORD ELLENBOROUGH assured the Learned Counsel, that he was quite prepared to change his opinion if he should be convinced that it was erroneous. Mr. MARRYATT submitted, that the 5th and 6th of Edward VI. by which the offence charged is the exchanging gold or silver for more in value than such gold or silver coin is current for at the time, could only be conceived to have reference to a former Act of the 23rd of Edward III. by which it was declared,

that it should not be lawful to take in exchange silver for gold or gold for silver, receiving more than the current value of either. Whoever did so receive, or exchange any gold or silver coin of the realm, it was, by the said Act, enacted, should forfeit the same; and by the statute of Edward VI. besides forfeiture of the coin so exchanged, this offence was to be punished by imprisonment for one year, and by fine, at the pleasure of the Court. He admitted that the Defendant in this case had received for fifty guineas fifty six Bank of England notes for 1*l.* each, and a dollar, valued at five shillings, being at the rate of 22*s.* 6*d.* for every guinea. He admitted also, that this was an increased sum above the value of a guinea, on the one hand, or that it was a proof of the depreciation of Bank notes on the other. But he submitted, that this was no offence.—The question here to be considered was, had the Defendant given more in value of coin for coin?—If he could buy a thing cheaper for coin than otherwise, this was no offence. The value of a Bank note was not fixed by law—the public were not bound to take Bank notes, nor were they esteemed a legal tender. What then was there to hinder any man from saying for what value or consideration he would take it? This was clearly the interpretation to be put on the Act of Edward VI. as connecting it with the statute of Edward III., the former statute not inflicting any new prohibition, but only superadding penalties to those contained in the former Act. The statute does not say, that these penalties shall attach if a man takes or gives goods or notes for more than their current value, but confines itself to the case where a man may take more than its value for the current coin of the realm.—LORD ELLENBOROUGH said, that the Court would be glad to hear the Learned Counsel farther on this point, if the time did not press. This was a motion of great importance, and the Learned Gentleman might take his rule.—MR. MARRIOTT then stated, that the Acts which had a bearing on this case were numerous, being more than ten in number, and at the time these Acts were passed Bank notes had no existence.—It was then ordered that the Defendant should remain at liberty, on bail, till the question should be finally determined.—The ATTORNEY GENERAL stated, that a case

which had been tried before Sir James Mansfield, in Staffordshire, and which involved the same question, had by his Lordship been reserved for argument before the Twelve Judges. He thought it might be convenient that both cases might be argued at the same time.—MR. MARRYATT agreed, that his Client should be personally in attendance at this argument, and thus the motion was disposed of.

APPENDIX (C.)

NOTICE from the Bank of England raising the Dollar to 5s. 6d.

BANK OF ENGLAND, 18 March, 1811.—BANK DOLLAR TOKENS.—Whereas the price of Silver has risen so much since the first issue of Bank Dollar Tokens at FIVE SHILLINGS each as now to make them worth more to be sold as bullion than the price at which they are current; and whereas it has been deemed expedient at the recommendation of the Right Honourable the Lords Committee of Privy Council for Coin, in order to prevent their being withdrawn from circulation, that an additional value nearly proportionate to that at which they were first issued in relation to their intrinsic value be now assigned to them: The Governor and Company of the Bank of England do therefore hereby give notice, that they have given orders to their Cashiers and other officers from henceforth (until a public notice to the contrary of not less than six months shall have been given,) to receive all Bank Dollar Tokens tendered in payment at the Bank, at the rate of Five Shillings and Sixpence each instead of 5s. as heretofore; and to pay and to issue all such Bank Dollar Tokens as shall be paid or issued hereafter by them at the same rate of 5s. 6d. each.—

ROBERT BEST, Secretary.

APPENDIX (D.)

DEBATE *on the* BULLION REPORT.[*House of Commons, Monday, 6th May, 1811.*]

Mr. HORNER rose, and moved, That the House do resolve into a Committee of the whole House, and that the Report of the Bullion Committee, with the different papers relating to the foreign exchanges, and the exchanges with Ireland, be referred to the said Committee.

Mr. HORNER then proceeded to observe, that, in opening the subject before the Committee, it was his intention to separate the consideration of the last resolution of those he should submit, from the consideration of those which preceded it. The latter consisted of a statement of the law, of the alledged evil, and of its cause, the former suggested what he conceived was the most proper remedy. Many Gentlemen, who might coincide in the opinions expressed in the first resolution, might not perhaps be disposed to concur with him in the propriety of his last proposition. It would therefore, he conceived, be advisable for him to keep the two questions as distinct as possible. And here he begged leave to observe, that although he designed to enter pretty fully into the view which he took of the general question, it would not be necessary for him to enter into all its details, or into many of those minute and various statements which were contained in the papers already on the table. Some of those which were essential to a clear elucidation of the subject, would probably be examined by the Honourable Members, who would follow him, and were much more competent to draw from them whatever was requisite for a clear exposition of the question. At the same time, the outline which he proposed to describe must comprehend all the most prominent and material points at issue; and he assured the Committee, that it should be his endeavour to compress them into as narrow a compass as they would admit.—(*Hear, Hear!*)

Among all the various opinions entertained on the present and on former similar occasions, there had been some which proceeded to the most opposite extremes. Persons were not wanting hardy enough to assert, that a circulating medium, consisting entirely of paper, was perfectly adequate to the fulfilment of all the purposes of a metallic currency. According to their creed, the greatest of all modern discoveries in the improvements of commerce, was the exclusive substitution of a paper currency, founded, not upon the basis of the precious metals, but on the basis of confidence alone. On the other hand, there had been persons blind to all the experience of our commercial and economical history, blind too to all those important advantages practically derivable from the circulation of paper convertible into gold, who went so far as to assert, that the only remedy was to resort to the exclusive use of the precious metals, and to the anterior state of things. He wished, however, to revert only to the doctrines and opinions of the ablest and most practical statesmen of this country previous to the period of the Bank Restriction. The principle of those doctrines was, that the circulation of paper was in itself beneficial, and sufficiently guarded against excess by its constant liability of conversion into gold. There was another feeling also abroad in which he could not join, a feeling of jealousy of the Bank as an institution, and a disposition to condemn it as an unfair monopoly. He could not help thinking that all those who regarded the liberties of the country with a due attention, and who justly appreciated their value and their importance, could not contemplate the origin of the Bank without connecting it with an æra memorable as the epoch when those liberties were secured, and placed on a solid foundation. (*Hear! Hear!*) But beside this, all who had attended to the subsequent events of our political history must be convinced that at different periods, and on great critical emergencies, the Government of the country has derived from the Bank the most important assistance. If then the most extensive and essential resources had been drawn from that quarter for the greatest national objects, it was natural that with the present prospect of new difficulties to be encountered, and additional exertions to be made, we should look in future for a continuance of that aid, and of

these resources, of which we had before availed ourselves. Having thus disclaimed all these contrary opinions, he must now declare, that his great and ultimate object was to restore, with as much care and circumspection as might be fairly claimed by partial and particular interests, but at the same time with as much promptitude as still more urgent considerations might dictate, the circulating medium to its original state—a state attested by a long experience to be not less favourable to private than propitious to public prosperity—a state, every departure from which must be injurious, in proportion to its extent. He could not here forbear to notice a prejudice which had been excited against him, and those who coincided with him in opinion on this subject; a prejudice that represented them as mere theorists, and as setting up their theory against the conclusions of practice and experience. If he was indeed a theorist, his theory was, however, that of those who founded the Bank of England (*Hear, Hear!*) if he considered the convertibility of paper into specie as the fundamental principle of that institution, his opinion was in perfect unison with that of the most enlightened and practical statesmen who had conducted the financial relations of the country (*Hear, Hear!*) and who concurred with the most eminent practical merchants of these times. They were consulted, because it is the part of a statesman to acquire information from all descriptions of men, not to take it upon credit from any particular class. Such a question as that before the Committee was one peculiarly fit for Parliament to decide, because it was the province of Parliament to compare and distinguish different kinds of practical information, and to determine by their collective wisdom, the due application of general principles. If it was a charge against him to have entered upon the investigation with some preconceived opinions respecting it, it was a charge to which he certainly must plead guilty. But without considering if it was possible to commence any such inquiry free from any such preconceived opinions, he would venture to say, not only for himself but for the rest of the Committee, that no investigation ever was begun with a firmer determination to make the most ample, accurate, and impartial scrutiny, and to suspend judgment till that scru-

tiny was accomplished. (*Hear, Hear!*) The names of the Members of the Committee were a sufficient security perhaps for this, and rendered it unnecessary for him to repel any accusations on that score. It would have been convenient for him to have been informed, before he began the discussion, which of his principles were denied, and which admitted by his right hon. friend (Mr. Vansittart); but upon this point he was left entirely in the dark. If he looked at the last of his right hon. friend's Resolutions, he appeared to differ with himself only as to the remedy proposed; but when he turned his attention to those preceding it, he saw propositions directly controverting all the ancient and received doctrines of economical science. The primary object of the Committee had been to ascertain the causes of the high price of gold. The House of Commons, struck with the appearance of a gradual rise in the price of bullion, had appointed the Committee to examine and report its cause. If this was the object of the House at that period, how much more imperious had that duty become by the subsequent and progressive rise which had taken place? He meant to state broadly here, that although there had been collateral causes, the operation of which he was most ready to admit, yet that the high price originated in and was perpetuated by an excess of paper circulation. The Mint price was 3*l.* 17*s.* 10½*d.* the market price had first risen to 4*l.* 10*s.* and since the report of the Committee had reached as high a point as 4*l.* 14*s.* being somewhat more than 20 per cent. of excess above the mint price. Now it was important to observe, that this excess was a departure to that amount from the standard value of our national currency, that standard consisting, according to law, of gold and silver of a certain fineness, weight and denomination. Bank notes were nothing more than stipulations to pay so much of this lawful money to the holder. The excess of the market price of gold proved, therefore, that bank notes purported to represent what they did not, viz. a certain sum of standard value. Measured by the market price, a pound note was worth 15 shillings and a fraction. To this degree the paper must be considered as depreciated. The maintenance of the legal standard had always formed a principal feature in the legislative policy of

this kingdom. Parliament had hitherto, at all times, displayed the utmost vigilance upon the appearance of any derangement or undue alteration of the value of the circulating medium. Some of our ablest princes had on particular occasions attempted to debase the legal coin, or to raise its denomination, but Parliament had never failed to raise its voice and check the progress of the evil. The last operation of this kind took place in the reign of queen Elizabeth, and since that period the standard has remained unaltered, both in fineness and in weight. His first Resolution contained a correct statement of the law, nor was there in the history of this nation, any reign that had been marked by a more watchful attention to the preservation of the standard value of the coin of the realm, than his present Majesty's. In evidence of this, it was only necessary to appeal to the new gold coinage, to the statute of the 14 Geo. III. enacting that silver should only be legal tender, for sums above 25*l.* according to its weight, and not its denomination. There had been proclamations subsequently to the same effect, and the doctrine of Parliament fully coincided with this exercise of the Prerogative. The doctrine of the Legislative, the Royal Proclamations, the Rolls of Parliament, were all at direct variance with the new principles of recent theories. If we looked back to the 4th Session of Geo. I. we should find a Resolution of that House, importing that they would not consent to any alteration of the value of the current coin of the realm, and we should find them desiring a conference with the House of Lords, who came to a similar Resolution. We were now told, however, that all this was error, and that the merchants of the present day had discovered its fallacy. This indeed was not asserted at first by those upon the Committee, they did not venture to commit themselves to such hazardous declarations, but contented themselves with strongly denying that any departure had taken place from the standard value from the currency. When this denial could no longer be supported, the advocates of the Bank denied the existence of a standard. One Gentleman, highly deserving of attention, had stated this principle in the first edition of his pamphlet; but had abandoned it in the second, in which he discovered that the standard was the interest of such sum in the public

funds as would produce one pound, which pound being paid in paper, was thus of course the measure of itself.— (*A laugh!*) Deserting afterwards this original idea, he informed the public that the real standard was money of account, a proposition to which he (Mr. Horner) could attach no intelligible interpretation whatever. The next step in this curious series of reasonings was to assume the existence of an abstract currency, and in support of this doctrine, all the substitutes of the Aristotelian metaphysics had been collected and applied. There was something in this theory that furnished a striking resemblance to the attempts of the ancient school-men to substantiate essences, and embody the offspring of their imaginations.—[Mr. Horner here read a passage from a late work, in which the nature of currency was illustrated by an allusion to a column of mercury in the tube of a barometer]. Another writer argued, that the only standard consisted in an ideal measure, and not in any tangible or material medium. From all these ingenious theories and amusing conjectures, he should make his appeal to the laws of his country. He was sure there was no lawyer in the House who would contradict him when he stated, that by all the statutes on the subject, no other standard was acknowledged but that of the precious metals. He must now advert to the admissions of the practical men, by which the fact of a departure from the legal standard was fully established. He could wish for no better evidence than this. The 3d Resolution of his Right Honourable Friend differed materially from his; and it was worthy of observation that his Right Honourable Friend appeared to have been greatly embarrassed in drawing it up, as was evinced by his subsequent alterations. As that Resolution stood at first, bank-notes were declared “to be held equivalent to the legal coin of the realm in all pecuniary transactions to which such coin is legally applicable.” In the new edition, however, they are stated “to be held equivalent in public estimation and general acceptance.” (*Hear! Hear!*) His Right Honourable Friend did not therefore meet his principle, but evaded it by a reference to a part of our criminal law, of very equivocal policy. (*Hear! Hear!*) Now although his own principle was not denied, still must he positively deny the principle

assumed on the other side. He affirmed that a difference did exist in the relative value of the gold and of the paper currencies, and that nothing prevented this difference from becoming manifestly notorious but the penalties of the law. (*Hear! Hear!*) His Right Honourable Friend had also omitted one very important consideration, the undeniable fact that gold and paper do not associate; that the gold has actually disappeared, and is no longer in circulation. It seemed to be forgotten that the coinage was the King's assurance to his subjects—that the money was of standard value. The equivalence, therefore, mentioned by his Right Honourable Friend, did not exist, and the only point in dispute was a question of fact, was the Bank of England note worth what it purported to be in the legal and current coin of the kingdom? He denied that it was, and no illustration could more powerfully demonstrate this than the reference, made by a Right Hon. Gent. (Mr. Huskisson), which must be recollected by the House, of the preferable value of the light guinea over the guinea of sterling weight.—The point might be illustrated in a similar way in the instance of silver. Since 14th Geo. III. silver by tale is not a legal tender for a sum not exceeding 25*l.* If a debtor proposed to discharge a debt of 26*l.* in silver, he must give, at the rate of 5*s.* 2*d.* per ounce, an hundred ounces of standard silver; 26*l.* in bank notes would now purchase eighty-six ounces and a fraction only—he must therefore, in discharging his debt in standard silver, sustain a loss of fourteen ounces. To all these reasonings and examples he must say that he had never witnessed the shadow of an answer, and he was convinced that they were unanswerable. The bank note he stated to be worth no more at present than 15*s.* 10*d.* He was not now discussing what was the cause, or where was the blame, but he hoped the plain assertion he had made, would be openly admitted or openly denied. Enough was certainly proved, to impose on the House the necessity of probing the question to the bottom. The determination of the measure of exchangeable value, was one of the most important institutions of civilized society. The precious metals, for various reasons, had been long selected as the best calculated for forming a fixed and permanent standard. In all modern

commercial states they had in consequence formed the circulating medium. If then it appeared that within a very short time the standard had become deteriorated, it was impossible not to perceive the injury that must attend all contracts and fixed monied incomes, the loss to creditors, the irrecoverable impoverishment of annuitants and others, with the forfeiture of that rank and station which property confers, the mischief of the public interest arising from the decreasing value of the taxes, and a long train of concomitant evils. One very serious disadvantage too must arise from the public burdens appearing greater than their real magnitude, from the effect of a depreciation of their real amount. Here was an apparent increase of the national expenditure, without any real addition to the revenue. In turning their attention to the most expedient remedy for the existing evil, it was necessary for the Committee to ascertain its cause. All that had been urged by the adversaries of the Bullion Report in explanation of the present phenomena in our currency, appeared to be reducible to two points. It was said, that gold had experienced a rise in its real value from a positive scarcity,—(*Hear! Hear!*) and it was also stated, in the second place, that the unfavourable exchanges had caused a rise in its price at home. The first opinion implied, that the demand for gold had increased on the Continent—the other he held to be a complete fallacy. The money value of gold could not rise in this country. Its real price was unquestionably subject to all the variations arising from increased or diminished supplies; but its standard value as a measure of exchange, could not possibly fluctuate under any change of circumstances. In the East, in some places, salt was the common measure of value. It was obvious that salt was an article of which the real price must often vary; but used as a measure of value, it was as immutable as any other—and the apparent variations in it as a standard, were in fact variations in the prices of other commodities, estimated by that common measure. In those countries where silver was the standard, the money price of silver could never vary—and in Great Britain, where gold constitutes the standard, it was impossible that any change could be produced in its value as a measure in exchange. The only effect which

would therefore take place, by any diminution of the amount of the circulating medium in any country, must be to make all commodities cheap, and he put it to the House whether any such effect had happened in this country. In 1795, there was a scarcity of gold arising from the large sums paid for foreign grain. In 1796, there was a great demand for internal purposes, and the practice of hoarding was carried to a great extent. During the whole of this period, not the smallest rise took place in the market price of gold. A very small quantity only was imported from Portugal, at 4*l.* 8*s.* per oz. including the exchange and freight. From 1717 to 1796, there was no alteration in the market price of gold, as was shewn by the very valuable document on the table from the Mint. With respect to the alleged rise on the Continent, he believed there had been some, but it was extremely small. In consequence of the excess of the importation of silver above gold, it had been found necessary to alter the relative Mint value of the two metals. Gold had accordingly risen somewhat as compared with silver in the states where silver was the measure of value. At Paris a new Mint had been established, and the alteration of the relative value of gold and silver was adopted there. It amounted to about 4 or 6 per cent. By an account which he had lately received of the current prices at Paris, dated 16th April, English pure gold was worth 3*l.* 19*s.* 6*d.* per ounce. At Hamburgh the prices nearly corresponded. At Amsterdam the English guinea sold for 12 gueldres and a fraction—the bank note for little more than 7. But it was not only the gold which had undergone all this variation, silver had experienced the same. How was this to be explained? Our importations had been lately unusually large, we supplied the whole of Europe, and our export to India had been stopped. But the great and paramount standard of value was corn, and he would therefore beg leave to call the attention of the Committee to the rise within the four last years of its average prices. He proposed, for the sake of accuracy, to omit those years in which any extraordinary scarcity had been felt. It appeared in page 71 of the Report, that from 1771 to 1785, the average price was 46 shillings the quarter of wheat. From 1786 to 1797 the entire average was 52 shillings; but

omitting 1795, and six years of peculiar dearth, the average would be 47 shillings and two-pence. Since 1797 a very different rate of increase would be found to have taken place. During an equal period of twelve years from 1798 to 1810, leaving out the two years of dearth, 1800 and 1801, the average price of the quarter of wheat was 71s. (*Hear! Hear!*) and including the years of scarcity 79s. What could furnish more palpable or indisputable evidence of the fall in the value of the currency? An unfavourable state of foreign trade had certainly a tendency to lower the foreign exchanges, but only to a certain degree. Admitting, which, however, he knew was not the case, that the whole of the depression of the exchanges was a real depression, he must yet deny that it could have the effect of raising the price of gold in this country. In the return from the Mint of the prices of gold for the last hundred years, no evidence could be discovered of the alterations of the exchange producing any corresponding rise in the prices of bullion. The present state of the exchange required itself explanation. It was a state, of which no example existed, except in those periods when the national currency had been debased. (*Hear! Hear!*) With Holland the exchange had once fallen 25 per cent. and it was precisely under the circumstances which he had mentioned. He would not at present go into a detailed examination of the question relating to the balance of payments. He admitted that an unfavourable balance existed, and that in the last year a very enormous importation of grain had taken place, amounting to upwards of two millions of quarters. A most important consideration seemed to him to grow out of this fact, for if by any unforeseen interruption of supplies from the Continent, we should be left with an unsatisfied demand of corn to that amount, what must be the condition of the country? It was worthy of attention, while upon this subject, to observe that in 1793 an alteration was made in the corn laws, and a protecting price of 56s. was enacted for the home grower. In 1804, it was found necessary to raise this protecting price to 66s. and the same necessity clearly existed now for a further rise to 71s. These importations of grain must be paid for in some way, and although he was disposed to allow that the balance of payments was

against us, when he considered the great excess of our exports above our imports, as shewn by the papers before the Committee, he could not believe that the balance could be very considerable. The official value of the imports in the year ending 5th Jan. 1811, was 36,400,000*l.* including Irish manufactures, and their real value might be 33,000,000*l.* The exports amounted to more than 45,000,000*l.* leaving an excess above the imports of 12,000,000*l.* He was informed that the amount of cotton cloths exported in the last year, was 18,000,000*l.* and with the addition of the yarn exported, made a sum of 19,400,000*l.* thus furnishing a most triumphant proof of the impotence of the enemy's attempts to crush or destroy our commerce. Either it must be shewn then that our military expenditure is so large, as more than to equal the excess arising upon our exports, or the statements of the quantity of bullion sent out of the country must be incorrect. He well recollected when a Right Honourable Gentleman, then at the Board of Trade, had given a most sanguine description of the flourishing and prosperous state of our commercial relations, he, at that time, had ventured to express some little distrust of that statement. He was told, however, that great as was the foreign expenditure of the country, the extension of our trade had more than counterbalanced it. What, however, he must continue to assert was, that whether our foreign trade had or had not declined, the present state of the exchanges could not possibly be produced by any such cause. That there was a necessary limit to the fall of exchange was a principle admitted by practical men themselves, and might be found in the evidence before the Lords' Committee and the Committee in Ireland. It was then stated that the expence of sending bullion to India was ten per cent. and that to no part of Europe it could exceed seven. The Bullion Committee were thus then compelled to resort for a solution of the difficulty to fixed and determined principles, since no circumstances of a partial or temporary nature could be found to explain it. The immediate inference was that it originated in the state of our domestic currency. The value of a domestic currency might be depreciated by debasement if it consisted of the metals, by excess if it consisted of paper. (*Hear!*

Hear !) During the whole of the seven years war the value of gold coin was depreciated by debasement in relation to bullion. Spain supplied at that time the rest of Europe with silver, and there the relative value of silver compared with gold was one per cent. lower than in any other country. A paper currency being liable to depreciation only from excess, was perfectly secure so long as its convertibility into the precious metals was free and unfettered. Any accidental tendency to excess was instantly corrected by its being exchangeable for gold. By this principle the Bank had been governed in their issues before the restriction. That restriction, by removing all control on their issues removed every limit to the depression of the foreign exchanges. The doctrine of the exchanges was now as clear and indisputable as any question in mixed mathematics, and the only means of repelling its deductions was by the production of mutilated facts, and imperfect statements, with the quotations of parts of cases, the remainder being either unknown or studiously concealed. This practice had been pretty generally adopted out of doors ; but at least it was incumbent on those who set up their new cases to account for those brought forward on the other side. The alteration in our currency had not communicated itself to the currencies of other nations. With Portugal the exchange last year was at par, and in Portugal there was then a paper currency depreciated 26 per cent. It was at an open discount to that amount. The Swedish exchanges had fallen 70 per cent., for she, too, had a paper currency depreciated to that extent. With America the exchange had been about 11, and was now 10 per cent. against us. The premium given for an English bill in the West Indies had been reduced from 15 to 5 per cent. in the East Indies, it was about 22 per cent. against us. The exchange with Palermo and Lisbon when no obstruction existed to our intercourse, was equally low.—He had likewise compared the exchanges on the Continent. Between Hamburg when there was no paper currency, and Vienna, when there was, the difference was striking. The par was as 144 guineas to 200 francs. The exchange had risen against Vienna to 950. Between Sweden and Hamburg the par was 48 stivers for a dollar, the exchange was now 136. Between Copenhagen and

Hamburgh the par was 125 rix dollars for 300 Banco, at Copenhagen they now paid 6 or 700. In all these places there was a depreciated currency.—Between Paris and Hamburgh, however, the exchange was 4 per cent. in favour of the former. In the period of issuing the assignats in France the exchange fell from 22 progressively to 17, 15, 9, 4, and nothing. Every body then ascribed this fall to the depreciation of the assignats. No such fall had ever been experienced in France since the famous Mississippi scheme in 1720. Even then, however, the price of gold never rose above 4*l.* 1*s.* 6*d.* per oz. The depreciation of paper currency might proceed either from an issue of more than the circulation could absorb, or by not diminishing the issues according to any diminution in the amount of the metallic part of the currency. And here it was incumbent on him to state that although our trade and commerce had been represented as in so crippled and unfavourable a state, the Bank so far from restraining their issues had increased them by no less a sum than two millions since the publication of the Bullion Report. In 1809, the average amount of notes in circulation was 19 millions—in 1810, 21 millions two hundred thousand, and for the first 17 days of the present year, twenty-three millions and a half.—He must term this a most wanton and unnecessary addition to the circulating medium of the country, since he was well assured money had never been more plentiful in the market. The recent doctrines and the practice of the Bank, unless checked, must inevitably soon bring down the most complete ruin in the financial relations of the country. The restriction in 1797 certainly placed the Bank in a novel situation ; but the mischief was infinitely aggravated by its being afterwards made a permanent war measure.—In his opinion it was much more dangerous in a time of war than in a time of peace. The task of ascertaining the precise quantity of circulating medium required by a nation, was one which no human wisdom could perform, and could only be properly regulated by the natural influx of the precious metals. (Mr. Horner then proceeded to read extracts from the evidence of Mr. Whitmore and Mr. Pearse, the late and present Governors of the Bank,) in order to shew that these Gentlemen acted on the erroneous opinion, that the

issues of the Bank could not be excessive while confined to the discount of mercantile securities, and that they had contemplated as a possible event of no injurious tendency, the rendering the suspension of payments in cash a permanent measure. He did not believe, however, that all the practical men had fallen into this delusion, but that the old capitalists who had supported, in good and evil times, the commercial credit and prosperity of the country, looked with anxiety for a restoration of the ancient order of things. Among men of this description who had concurred in the conclusions of the Committee, was one (Sir F. Baring) not less eminent for wealth than for the characteristic enterprize of British merchants, but whose evidence on this important subject they were now unfortunately prevented from obtaining. With respect to the remedy, he still adhered to his former opinion of the necessity of fixing some positive period at which the Bank should be compelled to resume their cash payments. Until that was done, we should continue to pay one fourth more of foreign expenditure than in a different state of the currency. But it was not only the disadvantages under which Government itself must labour in making those future exertions which might be necessary in the maintenance of our proper character abroad that ought to weigh with the Legislature. Let them also attend to the manifest shame of defrauding the public creditor, and of impoverishing the annuitant. Let them remember the obligations of public faith, the sanctions of parliamentary virtue, and all those principles on which the industry of the people, and the confidence between man and man so essentially depended. If the restriction had been necessary originally as a strong but salutary medicine to a diseased state of the circulation, it must infallibly prove a poison, if the application should be continued long after the disease had been removed. He was convinced, that if the House should content itself with a remonstrance on the negligence of the Bank Directors, in not sufficiently adverting to the appearances in the foreign exchanges in regulating their issues, it would not have the effect of checking the career which they were pursuing, and which threatened with the most formidable consequence, the most substantial interests of the empire. The Hon. Gentleman,

after a variety of further observations, concluded a very able speech, to which the lateness has prevented us from doing justice, by moving the first of his series of Resolutions.

Mr. ROSE began by complimenting the Honourable and Learned Gentleman on the remarkable eloquence of his speech, and on the knowledge he had displayed of the subject, which was infinitely superior to that which was shewn in the Report on which his propositions were founded. He differed entirely, however, from the Honourable and Learned Gentleman in a variety of facts, and in the greater part of his conclusions. In his opinion there was no depreciation of the circulating medium of this country, nor was the present high price of gold occasioned by an excessive issue of the paper of the Bank of England.—If he had the power to go through the Report, he had no doubt he should be able to shew the present Committee that never had a more fallacious document been submitted to their consideration by any Select Committee of that House. He should shew that the committee by whom this Report was framed, desired of the Bank what it was impracticable for them to comply with, and what, if they could comply with it, would not have the effect of putting a guinea more into circulation. The Honourable and Learned Gentleman had begun by observing that there were two descriptions of persons in this country who entertained very opposite opinions on the subject of a circulating medium, one of them going the full length of thinking that there was no occasion for any other circulating medium but paper, and the other going to the opposite extreme of contending that no other medium ought to be employed but gold. If there were any such persons in the country, he (Mr. Rose) was not aware of their existence. He confessed that he was of neither of these two opinions, but inclined to a medium between the two, preferring that our issues should be in specie, where that could be done without danger, and that where there was a deficiency of specie that deficiency should be supplied by paper. He was satisfied if the measure recommended by the Hon. and Learned Gentleman was adopted, that we should soon cease to have the assistance of the Bank. The Honourable and Learned Gentle-

man had said that gold was at 4*l.* 10*s.* an ounce. He (Mr. Rose) could not conceive where he had received this information, for, from the evidence on the table, it appeared that, at the time of making the Report, the price was from 4*l.* 4*s.* to 4*l.* 5*s.* The Honourable and Learned Gentleman alledged that there was a depreciation in the value of Bank notes. For every transaction in life, however, Bank notes were equal to money in every respect. That there was a drain of gold in the year 1797 he did not deny; but that was the cause of the suspension. The Honourable Gentleman observed, that the price of corn had risen greatly, but he questioned much if the rise was to be attributed to the cause to which the Honourable and Learned Gentleman assigned them. He thought the increase of price was rather to be traced to the prices fixed for importation. If the rates at which these prices were fixed had had the effect of raising the rents generally throughout the country, the landlords had not greatly benefited by the circumstance, as every thing else had risen almost in an equal degree. In this way we must either have submitted to the difference of exchange, or to the chance of a scarcity. If there had not been an importation of grain, the quartern loaf would have been at half a crown. He himself did support this system, and he still thought it right. The Honourable and Learned Gentleman had stated the amount of the exports and imports, and, from a comparison of the two, alledged that there was an excess of exports to the amount of 12 millions. Nothing, however, could be more false. On a fair comparison of the two, the balance would be found to amount almost to nothing. The exports of 1810, however, were not to be taken as the exports of other years. The Hon. and Learned Gentleman had blamed him (Mr. Rose) as if he had deceived the House with false statements of those exports. He, however, was not liable for the amount of our foreign expence, nor for the actual produce of our exports.—By the present state of things they were liable to great losses, and to be totally destroyed by the burning ^{Berlin} and other decrees of the Tyrant of the Continent. It was impossible, therefore, to have made an estimate of what might be the amount. The Honourable and Learned Gentleman had also referred to the Portuguese exchange, and

to the exchange of other countries. This, however, had nothing to do with our circulating paper here. The Portuguese paper had lately risen in value, in consequence of the French having been driven out of that country, it having formerly been at enormous discount. The Honourable and Learned Gentleman brought in to his aid the opinion of the great capitalists of this country. His (Mr. Rose's) intercourse had been with the great capitalists, and with them only, and he could take on him to assert, from every thing he had heard and could learn, that not one of them agreed in the opinions of the Honourable and Learned Gentleman, as he had expressed them to night. He had referred to a Gentleman, who was unfortunately now no more (Sir F. Baring). That Gentleman he (Mr. Rose) had known from his earliest public life, and there was no man more ready to declare than he was that a man of higher honour, or one who had acquired a larger fortune more creditably to himself, never existed. The opinion of that highly respectable capitalist, however, would not support the Honourable and Learned Gentleman through the whole of his doctrine. That Honourable Baronet had declared, that in the event of such a measure being resorted to, there would be occasion of a great increase of the circulating medium. As to the idea of the time of war being no less favourable for the passing such Resolutions as those proposed by the Honourable and Learned Gentleman than a time of peace, he had no objection on this head. Let such circumstances occur as seemed to render the measure practicable, and he should think the period of war or peace a minor consideration; no notice, however, to the effect now proposed, he was of opinion, ought to be given by Parliament to the Bank, till there was a prospect at least of the near approach of such a favourable crisis.—He should proceed to the Report, and should refer to parts of it which he deemed of extreme importance. Such a train of errors and mistakes, from first to last, he ventured to assert, had never yet been exhibited in any document submitted to that House. He should endeavour to point out some of them, beginning with the first paragraph, and proceeding on to the end; and should then ask of any Honourable Gentleman how the Committee could be called on to adopt any Reso-

lutions founded on a Report so extremely fallacious in every respect? The first paragraph in the Report makes the market-price of gold, in the year 1809, to be from 4*l.* 9*s.* to 4*l.* 12*s.* per ounce. Now, in the year 1809, the price of gold paid at the Bank was from 3*l.* 19*s.* ; 4*l.* ; 4*l.* 4*s.* and 4*l.* 6*s.* 6*d.* at the highest. The Report goes on to state the price in 1810 to be nearly the same, namely from 4*l.* 10*s.* to 4*l.* 12*s.* whereas the price paid at the Bank was, in the earlier part of the year 4*l.* 5*s.* and fell in December to 4*l.* 2*s.* 6*d.* It was to him perfectly inconceivable where the authority came from to warrant these statements in the Report ; there was nothing in the Appendix which went in the smallest degree to support them. The Report then went on to state a variety of circumstances, suggested by all former experience ; but these he should not dwell on. It was natural for Gentlemen to be best pleased with their own reasonings ; and from first to the last of those Gentlemen who had written on the subject, there were some of them who differed from themselves—there were none of them who did not differ from each other. He should, therefore, proceed to facts. On looking into the state of our paper issues, and of the rate of our exchange, from the year 1718 down to the year 1797, our paper had been increasing from one million to 12 millions, and the rate of exchange was at 12 per cent. In July 1800 our paper amounted to 14 millions, and there was a rise of 15 per cent. on the exchange. In 1809, the price of gold fell four shillings per ounce, notwithstanding there was a coinage of 4 millions of foreign gold, and the exchange fell 15 per cent. These were facts which put at a distance all the theory now held on the subject. So the increase of the bank paper, it appeared, had no effect on the rate of exchange. The issue of paper had nothing to do with it, and the alteration in the rate of exchange arose from circumstances unconnected with any extraordinary issue of bank paper. By the addition of 11 millions to the bank issues, no effect had been produced on the rate of exchange, which was often favourable ; and no advance had thereby been made on the price of gold. The unfavourable state of exchange, so far as regarded this country at present, and the advance in the price of gold, were attributable to

a variety of other and different causes from those to which it had been attributed by the Hon. and Learned Gentleman. We were now in a very different situation from that in which we were last war. The situation of the continent, and the risks and means of exporting articles to it were different. Formerly when a merchant sent a cargo thither, he could draw at once for part of the price. Now the only mode of proceeding was to send it round in a circuit ; and if a bankruptcy took place among any of the various hands through which the cargo itself, or the proceeds of it must naturally pass, the party here must sustain the loss thence arising. Besides this, there were a variety of other causes which contributed to the same end. The foreign expeditions which we were obliged to undertake had turned the balance against us. Last year, the money sent abroad on this account could not be less than 11 millions ; for corn about 8 millions ; foreign trade $5\frac{1}{2}$ millions, with some trifles, amounting in the whole to about 25 millions, and a considerable part of it was gold. In page 4 of the Report, there was another erroneous view of the cause of the dearness of gold, as arising from its scarcity. Mr. Merle, the person on whose testimony this part of the Report is founded, having spoken only of the home market ; and Mr. Goldsmid, in his evidence, stating that the home market was not even as the twentieth of the whole. In the next page, the Report went on to state the rise in all other commodities, and that gold had only risen with them. The price of all other articles had doubled, and it continued uniform ; and yet the Report told them that it had risen along with them. He believed that the prices of commodities in every other country had risen in the same proportion. In page 7 of the Report, reference was made to the evidence of the same respectable character to whom he had already alluded (Sir F. Baring), as proving that there had never, at any former period, been a great scarcity of gold, or any measures taken to prevent a drain of the gold coin out of the country. In the time of the American war, however, when Lord Lansdowne was in office, and Sir F. Baring had the whole management of money concerns between this Country and America, he recollected to have had frequent conversations with him on the best mode of preventing gold

from being withdrawn out of the country ; and he (Mr. Rose), in consequence of these communications, wrote to the Custom-house, calling upon them to prevent coin from being carried out of the country, thereby to take care that a drain should not take place. Looking back to the evidence of Sir F. Baring, he observed that the whole of it went to this, that there never was, at any former time in this country, a want of Bullion. If the Honourable Baronet however, was mistaken in this respect, this must cease to avail the Honourable and Learned Gentleman as an opinion on which to ground that part of the Report, and of his own argument. The Honourable Baronet, however, did admit in his evidence that there must be a representative of the circulating medium, in some shape or other, equal to the demand. The Report, in page 11, states, as an indisputable fact, what he (Mr. Rose) asserted to be indisputably untrue—and it went to this, that specie sent from one country to another must always be subject to a loss equal to the freight, insurance, &c. This he illustrated by supposing two cases of 1,000 oz. of silver or of a proportionate quantity of gold, sent from this country to the continent, on which, according to his calculation, there would be a clear profit of 16 per cent. on the one, and of 20 per cent. on the other, after paying all charges. Lest there should be a mistake in this, he sent to Mr. Goldsmid for a similar calculation, and it was as nearly as possible the same. In page 12, the inference of the Committee relative to Exports and Imports was directly contrary to the fact. In page 13, too, there was an assertion relative to Exports and foreign Expenditure, for which there was not the slightest foundation, it being a fact, that in the two highest years of foreign Expenditure there was a short-coming of three millions in our exports, instead of an excess. There was a Continental Gentleman, on whose evidence the Committee who framed the Report seemed greatly to rely ; and how did he propose to remedy the evils arising from the present scarcity of Bullion ? Why, by a free circulation, and liberty to export ! This was his expedient ; and, according to his view of the subject, it could answer no good purpose to allow the Bank to pay in cash, unless you also allowed a free circulation and liberty to export ; in other

words, unless you countenance fraud and perjury. The Honourable Gentleman next referred to page 17 of the Report, in which an account is given of circumstances which occurred in the time of King William, and where, speaking of the expences of the Bank, it is stated that their notes fell to a discount of 17 per cent. and stock sold at an advance. Where the Committee got the latter fact, if fact it was, he could not say. On the margin he saw the names of Dr. Drake and Mr. Godfrey. He suspected the one was no better authority than he should be able to prove the other to be.

Mr. HORNER said, the information alluded to would be found in Lord Somers's Tracts.

Mr. ROSE said, the Honourable and Learned Gentleman had found fault with the Governor and Deputy Governor of the Bank, because they did not wish to discount at 3 or 4 per cent. when the legal interest was 5 per cent. He confessed, however, that he was not surprised they should not wish to be cross questioned on subjects of opinion for which they had not been prepared by some previous intimation. Let the Committee see what Mr. Godfrey said on this subject.—He told you that at a period when the Bank charged the public 6 per cent. they charged to those who kept cash with them only 3 per cent. Would the Committee who made the Report, have the Committee of the House to take this as a proof that the Bank was at that time well managed? The Right Honourable Gentleman then proceeded to notice what was stated by Dr. Drake relative to the same period. The Doctor said that they could not effect a reduction in the price of guineas. Two Acts of Parliament, however, did reduce them. He stated too that bank-paper was then narrowed, but in fact it was not. Surely it was not excusable when Gentlemen were making Reports to be laid before that House, to do so in this extraordinary way, by mis-stating every fact! The Report then went on to shew, that at a particular period the trade was unfavourable to Ireland, and then refers to a paper to shew that the issue of bank-paper was the cause. Here again, however, the statement was unfounded, and the fact lay the contrary way. It did so happen that when the issues of the Bank of Ireland were at the lowest the exchange was

13 $\frac{1}{4}$ per cent. ; and when the Bank issues were at the highest, the rate of exchange was at 9 or 9 $\frac{1}{4}$ per cent. being about par. He should not go the length of saying that this was occasioned by the larger issues of the Bank, but surely the fact was sufficient to repel the contrary inference. Mr. Rose proceeded to state, that the assertion that the conduct of the Bank Directors affected the exchange, and price of bullion, was the most unfounded that ever was uttered. To shew that there had been an excessive issue, the Report had adverted to the discounts since 1797. What they were from that period to 1802, he did not exactly know, but from 1802 to 1809 he knew that the Bank notes had only increased 397,000*l.* and the Learned Gentleman himself would confess that if discounts could be facilitated without any material increase of paper, it would be a benefit to the community by the accommodation it would afford to the manufacturing and trading interests. It appeared further, that Sir Francis Baring had admitted, that if trade and revenue increased, an addition to the circulating medium would be required. The trade and revenue of the country had unquestionably increased greatly since 1798, and therefore a larger amount of Bank-paper became necessary. Besides, till the year 1797 not a Bank-note was paid into the Exchequer. Since that period they had been received, and sometimes considerable quantities were thus locked up. The increased trade then demanded a larger issue of Bank-notes ; and one reason why he would not restrain the Bank in their issues was, that unless they furnished the requisite quantity of paper, the demand would be supplied by paper of a much worse description. A Gentleman had said that they ought to have another Bank. That might answer, perhaps, if he were to have the management of it ; but then they did not know who the managers might be. They knew the managers of the present Bank, and could repose confidence in them. It had been justly stated, that a given amount of commerce required more circulating medium in time of war than in time of peace. Mr. Bosanquet had said that an addition was required in the present circumstances, owing to the long credit necessarily given to the continental purchasers. He next adverted to the quantity of coin brought into circula-

tion from 1773 to 1798, making nearly 44 millions altogether, subject to whatever drains might be made upon it during that period. But then it would be observed that except in the year 1783, gold was not in all that time above the Mint price, so that there was little temptation to melt or export. Allowing, however, eight millions for these purposes, which was much beyond the mark, there would still remain in circulation in 1798 upwards of thirty-five millions of coin. He wished this to be noticed, because he had found that Mr. Blake and others had stated it at much less. This circumstance the Learned Gentleman did not appear to have considered—and indeed there could hardly be an instance of a stronger love of theory than what he had displayed in opposition to facts. The misfortune was, that when Gentlemen had formed a strong theoretical opinion, they shut their eyes to facts and evidence, and would see nothing but what favoured their own view of the subject. The Right Honourable Gentleman then called the attention of the Committee to the present scarcity of specie, and as a proof of it, adverted to the very small comparative quantity received by the Revenue Collectors. In the collection of a revenue of 3,640,000*l.* in the county of Lancaster, only about 11,000*l.* of specie had been procured. From this circumstance, the Committee must be aware, how very necessary it was, that the paper currency should be large enough to supply the drain of specie. In 1797, the circulating medium, including coin and bank-notes, was about 46 millions. At present, the amount of specie in circulation could hardly amount to 3 millions. Taking the Bank notes at 24 millions the whole circulating medium was only 27 millions instead of the 46 millions, which must have been in circulation in 1798. The Committee then must be aware of the incalculable inconvenience that would result to trade and manufactures, from checking the issue of bank-notes. Such a measure would, besides, injure the exports, and occasion a most pernicious reduction of the exchange. (*Hear, Hear! from Mr. Perceval and others*). Let the Committee then consider whether it could be justly said, that there was an excess of bank paper? Whether it would be wise policy to fetter the Bank Directors in their issues of notes? If an excess had been made out, then there

would have been some foundation for the remedial measure recommended in the Report. But so far was this from being made out, that the very reverse was the real truth of the case. Instead of being surprised at the large amount of bank notes in circulation, his wonder was that the issues had not been much greater. Considering the previous extent of the circulating medium, and the increase of trade and revenue that had taken place since 1798, one would rather be tempted to conclude that the Bank had not been so liberal in its issues of paper as the circumstances required. Notwithstanding then his high opinion of the Learned Gentleman's talents, he could not help saying, that such a Report as this, so directly in the teeth of facts and evidence, he had never known. How could the Learned Gentleman imagine that they could adopt his resolutions, founded on such erroneous opinions as he had taken up? They were not to proceed upon the credit of the very able and eloquent speech which he had just delivered. They were to look at the Report, and see how far the evidence supported the allegations. These allegations were not supported by the evidence; and he had proved, from undeniable facts, that the issues of bank notes had nothing whatever to do with the exchange, or price of bullion.—The Report was against every syllable of the evidence, except that of Sir F. Baring and the continental merchant. But even the continental merchant had given it as his opinion that the Bank Notes had nothing at all to do with the fall of the exchange. He had been pressed upon this point, but had always persevered in his opinion. But he said that the large amount of Bank-notes had some effect in preventing the rise of the exchange; for if the Bank issued gold it might be exported, and thus render the exchange more favourable. So that the way in which the exchange might be prevented from rising was to export the gold as fast as it was issued from the Bank. The Committee had not sanctioned the fraud and perjury which this would have involved—but without fraud and perjury such exports could not be made. Then, as to Sir F. Baring's evidence, he said that it would be proper to resume payments in specie as soon as the Bank could conveniently do it. He did not say that a positive law should pass, com-

pelling the Bank to resume the payments in specie, but only gave it as his opinion, that the issue of cash should be resumed as soon as it was in the power of the Bank. If the Committee turned aside from the evidence of the best informed witnesses, and considered it as extravagant nonsense, their Report could not form a proper ground for any proceeding in that House—but independent of the evidence of the rest, even upon that of Sir F. Baring, and the continental merchant, the Committee had not made out the allegations in their Report.—The Right Honourable Gentleman then adverting to the statements of an Honourable Friend of his (Huskisson), expressed his firm conviction, that in publishing those statements, his Honourable Friend had been actuated by no improper motive. His Hon. Friend, he was sure, had nothing in view but the public good, but though he gave him full credit for the purity of his motives, he could not help regretting that such a publication should have gone abroad. With the best intentions on the part of his Honourable Friend, it had, he was persuaded, done much injury to public credit.—To all those who had talked to him on the subject of the publication in question, he had always said that his Honourable Friend could have had nothing else in view but the public advantage; but still it had done much injury. If such a publication had come from an indifferent person, it would have signified little; it would have passed away without doing any mischief. But from the high character of his Honourable Friend, his great knowledge of financial concerns, and the confidence which many were disposed to place in his opinions, his statement had excited peculiar attention, and its bad effect had been more extensively diffused. His Honourable Friend had said that there existed a strong resemblance between the doctrine upon which the Bank Directors proceeded, and that of the celebrated Mr. Law. The Bank Directors might possibly be wrong in the notion, that they could never issue to excess as long as they discounted only on good commercial security. But what resemblance existed between their proceedings and these of Mr. Law he was at a loss to conceive. Mr. Law's Bank ended in not leaving a shilling to be divided among the holders of its securities. The Bank of England, as ap-

peared by the examination before the Committee of Lords, had, in 1797, a very large surplus beyond all claims that could be made upon it. No two things could be more different, therefore, than this and Mr. Law's scheme. If the Bank Directors were to be examined to-morrow, he believed it would appear that they had 15 millions surplus property beyond all the demands against them. He could not, therefore, but say that the observation of his Honourable Friend had much better have been omitted. The Bank Directors did not deserve it. This was another proof that when Gentlemen had formed certain theoretical opinions, they could see nothing but what made in favour of their theories. If they once abandoned established law and usage, they got into inexplicable difficulties. The Right Honourable Gentleman then read some sentences from the publication of Mr. Wheatly, reflecting upon the financial doctrines of Mr. Pitt, who, as he said, having taken up wrong views of the subject, was consequently wrong in the measures which he adopted. Whatever difference of opinion might have existed on other points, he confessed his surprise that Mr. Pitt should be charged by any one with ignorance of the finances and resources of his country. He did not stand there as the advocate of the Bank; his only object was the public interest. If the Bank Directors had not done their duty he would have been as ready to censure them as any man. But as to their resumption of cash payments it was altogether out of the question. It was impossible for them to find specie to pay. If there existed a possibility of their resuming cash payments, he would be willing to compel them to do so at whatever expence. If they could find specie at any price, their profits had been so large that he thought they ought to pay in cash. (*Hear! Hear!*) But the truth was that specie was not to be found.—The Committee in their Report proposed that the Bank Directors should reduce their issues of paper. How could they do this when gold was not to be had? In his opinion they could not possibly do so without the most material injury to trade and manufactures, and the most serious inconvenience even to labourers and almost every description of persons in the community. His Honourable Friend had said that gold might be had in exchange

for other commodities. But every thing that the country could spare was sent out for other purposes. They could not send more, and how was the gold to be procured? His Hon. Friend said that it might be procured here, but it was well known that foreigners purchased it here at the rate of 4*l.* 15*s.* per ounce, and one of them had a commission to take it at any price.—Whatever the price might be, his instructions were to give a shilling more, but to get the gold. It was impossible, therefore, for the Bank to procure it—and if the Bank could not procure it, what did they propose? He had seen an order under the administration of the Earl of Oxford, by which a ship was directed to proceed in search of gold. This order had appeared to him sufficiently whimsical; but he protested that he did not think it more extravagant than the proposition now made to compel the resumption of cash payments by the Bank within a certain period, when gold was not to be had. Mr. Locke had stated, that the only way to procure gold was by the surplus of trade. If more commodities were exported than imported, gold must be imported in order to equalize the balance. But at present the balance of trade was against us. If the issues of bank notes were not checked, our difficulties might be surmounted (*Hear! Hear! from Mr. Perceval and others*)—but if they should be checked, the worst consequences would follow. Gold could not be procured. The balance of trade was not only against us, but the system of tyranny prevalent on the continent prevented the payment of money there even when it became due. This was so monstrous, that it could hardly continue. One would hope that it would soon find its own end. But even if the Bank could find gold, would the country be the better for it? How long would the coin issued remain in this country? The price of gold was 4*l.* 16*s.*; but supposing it only 4*l.* 14*s.* or 13, or 12, it would be melted and exported. Unless then they could reduce the price of gold, it would be perfectly nugatory to call upon the Bank to pay in the precious metals. If the public were to derive any advantage from it, he would have no hesitation in diminishing the profits of the Bank: but when no advantage could be gained for the public by the measure, he had no inclination to interfere. He would

only farther say, that under this system of Bank Restriction, the country had flourished for 14 years, with the exception of the two last years as far as concerned the exchange. That had fallen, but it was owing to the unexampled tyranny, under which the Continent at present groaned. Were they to assist the enemy in this monstrous work by checking the issues of bank-paper at a moment when the scarcity of the precious metals rendered them essential to the commercial and manufacturing industry of the country? In the whole history of Parliament he had never heard of a report so totally contradicted by facts as this. Having prospered so long under this system, he hoped they would not now put an end to it, at a time when it became of the greatest consequence to continue it. He trusted Gentlemen would take care that whatever mischief was done us, should be the work of the enemy; and that we should not madly assist his schemes by bringing that destruction upon ourselves in which he vainly attempted to involve us (*Hear, hear!*)

MR. HENRY THORNTON said it was impossible at present to follow the right Honourable Gentleman who had just sat down through the variety of calculations which he had submitted to the House. Neither would he attempt at present to decide the accuracy or the inaccuracy of the Bullion Committee Report. The question had been certainly ably and fully opened that night by the Learned Chairman of that Committee; but however ably and fully he might have opened the question, there were some parts of his speech which perhaps, required farther amplification. The main question it was to be observed was not whether cash payments were to be resumed at the Bank of England, within a limited time; or whether this resumption should at all take place; but it was, whether they ought to agree to the sentiments of the Learned Gentleman on this particular point; namely, that the present high price of bullion was to be attributed to the quantity of paper circulated in the country? It is necessary, therefore, that the House should decide as to this point between the Bank Directors and the Bullion Committee. He himself had already given an incidental opinion in the House on this subject; but it was a subject which could not be too fully canvassed in the House; because when they gave the Bank an unlimited and dis-

cretionary power to issue out paper, it was their duty carefully to guard against any excess in that issue. It became necessary then in the first place, to enquire in what manner quantity had an influence on exchange. He had to shew what, in his opinion was as plain as any point could well be, nay, that was demonstrable; that the quantity of paper must necessarily influence the price of commodities. The Irish Bank Directors, though they denied that the Exchange was any wise affected by the issue of paper, did not deny that the price of commodities was affected by it. One of the English Bank Directors said something to the same effect. Indeed he had never met with any one who denied that the quantity of paper influenced the price of commodities. The same effect was produced by the quantity of gold. Indeed, the general principle of quantity was admitted the other day in the House, when a certain amount of Exchequer bills was voted to prevent some persons in Scotland, engaged in manufactures, from experiencing a fall in the price of their commodities. They had heard that the paper of all the Banks of Ireland had been diminished. The consequence of this measure was a fall in the price of commodities, but it was also a rise in exchange. Here he wished to be understood, that he did not mean to say that a great diminution of paper might not be a great evil; but at present it was to be kept in mind, they were searching for principles—they were enquiring whether the augmentation of the circulating medium of the country did not diminish the value of that circulating medium. Of this principle he could no more doubt than he could doubt of his own existence. On the 31st of December 1795, the exchange was unfavourable to this country. The Bank immediately limited their paper. He found at that time a general refusal to discount. It would have been very convenient to himself at that time to have received an accommodation from the Bank. He had goods which he was compelled, in consequence to sell at a loss. He found, when he went to the Bank, a sugar baker in the same predicament with himself, who was compelled to have recourse to the same remedy. Now if this fact be established, that the augmentation of the quantity of paper increases the price of commodities, was it possible to deny that bullion shared the fate of all other

commodities? Why should not the produce of the mine be affected as well as the produce of the earth? What was exchange but the relative value of the circulating medium of one country compared with the value of the circulating medium of all other countries? Now this country had taken a different relative value in her circulation to that of other countries, and therefore the exchange with those countries identified itself with the price of bullion in them. This it was to be remarked, was the great fundamental question. It was like a primary law of nature, and ought to be constantly kept in mind. Not that he meant to say an invariable proportion was maintained between the price of bullion and the issue of paper. • (*Hear! from the Ministerial Benches*). He could suppose that on any great alarm the proportions might be doubled—even tripled. There were indeed a variety of causes which might operate more strongly at one period than another. But to this point he wished to call the attention of the House, that they had never on any former occasion had any thing like so great an excess as now. If at any time the balance of trade was against us, and the value of gold rose in consequence, the temptation to export occasioned a drain on the Bank. The Bank then drew in their issues. He wished to call to their recollection three periods illustrative of this. The first of these periods was 1782, when, as appears from the evidence given before this House in 1797, there was a considerable fall in exchange, and the Bank refused to make any payments on the loan of 1782. The second of these periods was 1795, when the exchange was also unfavourable. The Bank began immediately to restrict their loans. The third of these periods was 1797, when there was a drain on the Bank from another cause, not connected with an unfavourable exchange. To have then extended their issues, would have been highly liberal, but the fact was, that they on the contrary drew them in. It was necessary then to enquire how they would be freed from this drain of gold, and not permit the evil to go on enlarging, in the same manner as if the present period were antecedent to the restriction. If there were no restriction at the Bank, and no law against the exportation of gold coin, no Parliament to interfere with the course of proceedings, how would nature act? Supposing

that the stamp of the coin merely ascertained the quantity and quality of the metal contained in it ; supposing an unfavourable trade and an unfavourable harvest. If people from abroad send articles hither, something in return must be sent to them, commodities as far as they go, and if any gold in the country some of it must also be sent, but just so much as would put the gold on the footing at which it might be in the exporting country. This might be very inconvenient ; but he was merely shewing the course that would be taken. The gold going abroad would occasion it to be cheaper there, while the high rate of interest here would gradually restore the balance between this and foreign countries, so that the standard would still continue to be the same, as if all was but one country. He asked, whether in such a case there would not necessarily be a limitation of the circulating medium ? Surely there would. The law, no doubt, would prove some obstruction to the exportation of coin ; but the value of that difficulty was known. How did this stand antecedent to 1797 ? It was necessary to examine the principle of the thing. They knew for a hundred years back there had been a constant tendency to excess in the issues ; but that excess had always been prevented by limitation. He had already stated three cases where the Bank had limited their issues. When the Bank felt an alarm, they very naturally reduced their issues. It was altogether out of the question to think of ascertaining the excess from the quantity ; for there were a variety of circumstances which made the quantity elude their discovery. The situation of Europe might make a diminution indispensibly necessary. The war had such a tendency. Between 1783 and 1792, years of peace, the exchange was always in favour of this country ; and accordingly it would be found, the years of excess were during the war in 1795 and 1797.—Gentlemen might consider what a low rate of interest five per cent. was, in time of war, and what a temptation it afforded to apply for discounts. The legal rate of interest was, no doubt, five per cent. and it might be imagined that all the money that was borrowed during war was borrowed at that rate ; but no man could borrow money, except from the Bank, without paying additional sums, in name of commission, which really went to increase the rate. A person who bor-

rowed at 5 per cent. would find, on balancing his books, that, independent of the profits of trade, his goods were, from time to time, worth more and more in value, so that in time, by the mere rise in stock alone, he would be enabled to pay off the debt. In the same manner, a person who in 1790, laid out 100*l.* in the purchase of land, if it were traced back, would be found soon to have got the whole into his own pocket. It was easy to see then what a great temptation there was for borrowing. It was well known in the banking business, that nobody lent to the full extent of the demand, for it would be perfectly impossible to equal the measure of the demand. The borrower pays more than 5 per cent: interest to any other person than the Bank. It may easily be imagined then, that if the Bank with such a low interest measure their issues by any thing like demand, they must run into excess. In the Hamburgh Bank the limitation against excess is found in the rate of interest ; and it may be said, that the Bank of England will be constantly in danger of excess, if the rate of interest be ever so little higher than the legal rate. Since 1797 there had been no limitation whatever on the Bank ; and this was the turning point. The Right Honourable Gentleman (Mr. Rose) was displeas'd at the comparison between the Bank of England and the Mississippi Scheme of Law ; and he agreed with him, that nothing could be more opposite in general than they were. But though, in many points, they might be opposed, it was no less true that there might be certain points of similarity between them, and that this country may be in danger of suffering from the same calamity which befel France, from Law. Mr. Law looked to security, and the Bank looked, in 1797, to security. Law did not issue paper for more than two thirds of the value of the land. The rate of interest fell to 3 per cent. Many good things resulted at first from this ; but he got at last more than all the circulating medium of the rest of Europe. He thought he could not issue too much, while he lent at low interest on good security. In the same manner—let the Bank look that they do not lend too much at low interest. Another case applicable to the present was the Bank of Paris. The Bank of Paris was not the Government Bank. It lent out money on moderate interest, and was founded on good

security. In 1785, the Government, wishing for money, contrived to borrow from the Bank, and to interfere with the paper currency. The Bank having furnished loans to Government, augmented their paper. This again produced a run on the Bank; at last the Bank stopt. But the Bank immediately limited their paper; and though the exchange had fallen 10 per cent. the Bank felt no difficulty. This example was made for the instruction of this country. A Committee was appointed to inquire into the business, and they stated three things as particularly to be attended to. The first was, that Government should not borrow from the Bank, very different from the practice in this country. They next stated that the Bank Funds should only be laid out on short securities, that they might always have it in their power to restrict their issues; and in the third place they stated that the Bank should draw in their discounts in case of a drain, for the meaning of a drain was, that more notes had been issued than were required. This could not be difficult if attention were paid to the first symptoms of superabundance. Gentlemen would perhaps say that this case was not similar to ours. But he would maintain that drain was a proof of superabundance. The paper of the Paris Bank amounted only to ninety millions when it stopped, while 100 millions at another period was not found too much; but then there arose circumstances, such as war, which totally altered the relation of the sum wanted. He protested, therefore, against the laying down a particular maximum: The only rule of guidance was necessarily the drain. They were exactly like the Bank of Paris. There were a variety of other circumstances to the same point, and he believed Sweden was one. The Swedish Bank, like the Bank of Paris, lent at interest. It had been said that the difference between this country and the Continent made all these foreign instances inapplicable; but were there no limits to this proposition: were there no countries on the Continent situate like ourselves? The Swedish Bank, he was persuaded was of that description—they lent at interest; but they lent somewhat too largely, and stopt at a depreciation of 70 per cent. They also say a great difference in the price of commodities is highly inconvenient, that trade would suffer, they wish to temporize, and are indisposed to

reduce their issues of paper. The excess of America was also in point. Their paper was also issued on very good security. Demerara and Surinam were also in point. It was very natural for us to think that we were the centre of our own system ; in the same way as was supposed that the sun kept running round the earth, and not the earth round the sun, we always imagine that the bullion keeps on rising, and not that our currency goes on depreciating. He said he understood that in Sweden also bullion was said to rise. He remembered when he was in a Russian counting-house, he had no ideas how the exchange, now down to 11, and now up, was continually against that country, in the same manner as a leading tide, though it appears for a little to go back, keeps gradually gaining more and more ground. The general unfavourable exchange was to be attributed to the paper money issued by several successive rulers of Russia, and these variations had their origin in causes that might somewhat reduce, but could never substantially effect that unfavourable exchange. Will it be said, that the same measure may be favourable here and unfavourable there? It appears from Marshall's Life of Washington how unwilling the Americans were in 1791 and 1792, to own the depreciated state of their currency. They were all inclined to impute their unfavourable exchange to an unfavourable state of trade. It was true, that there were continual variations of trade, which produced minor changes in the state of exchange. But the Bank must take the hint given by nature, and limit their issues. This was the gate which they should open for the evil. When the question was with regard to so great a body as the Bank of England, it became of immense importance to look to the general principle.—If they did not calculate this operation of nature, they would bring the greatest danger on the country.—He did not think the Bank of England guilty of any particular excess ; but what he blamed them for was, that they did not lately look to the exchange, taking a hint from it, and act as they would otherwise have done.—But they felt no pressure on themselves.—Supposing the Bullion Report contained all the blunders imputed to it by the Right Honourable Gentleman, still if it had done nothing else but call the attention of Parliament to the sub-

ject, it had done immense service to the country. Mr. Adam Smith said, that if any man had an exclusive power of supplying the currency of a country, it was in his power to give any price he pleased. He granted, a great deal of distress would arise from the removal of the restriction, but he merely wished to put this question: Would they rectify the exchange? (*Hear!*) He did not say that distress might not follow; but he said, that the Bank of England would do great mischief. One of the objections was, that no gold was to be had. Nobody felt more than he did, the difficulty of procuring gold. It might be true, that gold was dear all over the world, and was likely to remain so, and that might be an argument for altering the standard; but if they had 20 per cent. above paper they had taken leave of gold. If gold is dearer all over the world, then depart from the standard.—He wished to concede something to the Bank. If, with increased issues, the commerce and prosperity of the country had increased, it was well; but when the exchange became unfavourable, it was to be considered, whether to maintain our currency at its standard at home, we have to suffer a depreciation in its foreign relations.—He asked, whether it were better to wait under an idea that some chance should relieve us, or to act like men who understood the subject, and seek a remedy for our danger? He said the Bank Directors seemed to be ignorant of certain principles. He derived some hope when he saw how we had recovered our exchange in 1801 and 1802, but it was to be remembered that in 1801 and 1802, there was much gold in the country, and that by the subtraction of that the country was benefited, though the bank notes were not reduced. But the departure then was only 7 or 8 per cent. It is now 20 per cent. It has also remained so for two or three years. It was then peace, and it is now war. It seemed, therefore, a matter of prudence to submit to the only means of guarding against a greater evil. He adverted then to the state of our trade; and according to the shewing of the Right Honourable Gentleman last year, being the most favourable balance of trade ever known, the exchange ought to have been favourable, while it was, on the contrary, as was well known, so very unfavourable.

Tuesday, May 7.

Mr VANSITTART regretted that a Committee, consisting of such respectable Members should have come to a conclusion so far different from his. But he was more surprized at the manner in which this had been brought before the country ; for a bolder experiment on public and private credit he had never known. He was surprised, too, at the mode in which the Gentlemen had acted on their own Report. They had suggested a remedy for the evil, the application of which was deemed of the last importance. Yet they had allowed a long interval to elapse ; and, from this, he could not help concluding, that they had trembled at the effects that might result from their own proposition. There were two circumstances which strongly tended to corroborate this idea. When they stated that the state of the exchange might be altered by a repeal of the restriction, how was it that they did not, in the first place, propose to repeal the statutes against the exportation of coin to foreign countries ? As to foreign nations, the exchange would remain the same, while the gold continued here. But then he would be told, that the coin would find its way abroad in spite of law. That might be ; but still he could not imagine that they could willingly connive at what must have its foundation in fraud and perjury. Another circumstance was the line which they adopted with regard to the late issue of Exchequer Bills for the relief of trade. That issue was large, and must have added considerably to the amount of circulating medium. If it was of so much importance to restrain this, how was it that this was not strongly urged in opposition to the measure ? The question had not come upon them by surprise, and he could only suppose that they themselves were so well aware of the danger of acting on their own principles to the utmost extent, that they yielded to the sense of the country, and refrained from pressing them on that occasion.—He himself was desirous that cash payments should be resumed as soon as circumstances would permit.—(*Hear ! hear !*)—But he was far from agreeing that the suspension was attended with the injurious effects ascribed to it. His Honourable and Learned Friend measured bank notes by a standard by which it was never intended that they should be

measured. It was never intended that they should be measured by gold. The Sovereign had the power of fixing whatever standard was found most convenient for the public; and beyond this he knew of no standard. The bank notes might not conform to the standard set up by his Honourable Friend.—He himself had said that there was now no standard, and yet he would ask how often he had found a bank note pass at a fair current value? The bank notes, as he had stated in his Resolution, had suffered no depreciation in current value as far as depended on public estimation and general acceptance.—He (Mr. V.) and those who thought with him contended that paper had not depreciated. It was for his Learned Friend, and those who concurred with him, to prove the contrary. But there was almost positive proof that they had not really depreciated. It was well known, that though the tender of bank notes protected from arrest, they were not a legal tender. Any individual might be compelled by process to pay his debt in coin, and yet he would ask whether such a process had been ever pursued? He was not aware of a single instance. But even if an instance or two could be pointed out, he could build nothing upon it without inquiring into the circumstances. The cause might be very different from a depreciation of bank notes. It might be a wager, or any other capricious motive. He still said, therefore, that the notes held in public estimation an equivalent value to coin.—They distinguished depreciation into two sorts;—first, what arose from a debasement of the coin, and what arose from excess. When the ordinary currency was below the appointed standard of the coin, there was a failure of confidence in it among foreigners, and thus the exchange was depressed. But an excess of paper would not affect the exchange at all, unless the imports were large and the exports small. Such was the opinion of Sir Francis Baring, to whose memory he paid a high compliment.—The Committee had referred to the case of the Bank of Ireland as a proof of the depreciation. He had been a Member of that Committee, and there it had been proved that the paper was current at a different value from the coin. But that was not owing to excess, but to the want of confidence in the paper, arising from the previous disturbances in that country, and also from the cir-

circumstance that a want of confidence in the several inferior establishments had extended even to the Bank of Ireland itself. An increase of currency might undoubtedly produce a rise of prices, as the Committee had said. But that principle, he apprehended, had been stated in much too broad and general a way. A rise of prices from this cause could not suddenly take place all over the world, or in any extensive country. Great experiments of different kinds had lately been made in several countries, and among others, experiments on circulating medium.—He referred to the prices in France and Prussia at different times, both with a paper and a cash circulation, and stated that the effects were very far from corresponding with the principle laid down by the Committee. This clearly proved that the principle was subject to be circumscribed by circumstances. With regard to the exchange, he contended that it was perfectly absurd to reason on that point at present, as one might fairly do in ordinary times. The exchange was the last of the commercial refinements of civilized nations. It depended on free, uniform, and uninterrupted intercourse. But the state of commerce was the reverse of all this. It had been disturbed by the despotic measures of the tyrant of the continent, and in some places entirely annihilated. The practices of barbarous ages had returned; and commerce was carried on through the medium of armed depôts, as on the coasts of Africa and some parts of America. The wonder was, not that the state of the exchange had been unsteady, but that it should retain any thing approaching to a fixed character. That it did so, he was convinced was owing to the integrity and high character of the London Merchants. When the profits upon other articles sent abroad were so high, was it surprizing that 15 and 16 per cent. should be made on bills of exchange?—Before he entered on a short review of the resolutions of his Honourable Friend, he would just touch upon the subject of the temptation to which the Bank was said to be liable to issue notes to excess in consequence of the profits derived from the practice. He wished to distinguish between the profits made in a fair commercial way by the Bank and those arising from the restriction. It was well known that of late years 15, 16, and 18 per cent. profit had been made by capitalists upon pecuniary trans-

actions. The Bank had almost an unlimited command of capital, and it was natural that their profits should be large. Let Gentlemen consider what profits must have been made upon deposits to the amount of eight millions. Yet these were all fair commercial profits, and the Directors would not have done justice to the Company if they had neglected to avail themselves of their advantages. He could not allow that the Bank profits were of an invidious nature, unless it appeared that they issued notes with a view to profit from their excess. It was true that the amount of Bank notes had increased, but then other currency had diminished in a much greater proportion. As his Right Honourable Friend, the Treasurer of the Navy, had stated last night, the increase between 1802 and 1809 was only somewhat beyond 300,000*L*. Could this be considered as more than the public necessity called for? The state of the funds and floating securities, together with other circumstances, proved that there was rather a scarcity than redundancy of circulating medium. The Right Honourable Gentleman then proceeded to comment upon the Resolutions of the Learned Gentleman (Mr. Horner). To the 10th Resolution he objected, in so far as it went to set up a standard for measuring the value of the Bank of England notes in bullion. He would affirm, that these notes were intended as a representative of the legal coin, and nothing else; and so long as the Bank of England notes did not fall below the value of that coin, the Bank had completely fulfilled every engagement. To the 11th Resolution, though he of course could not but object, he would observe, that with respect to country bank paper there were many instances in which it had been carried to excess; but yet he could not think the excess was of the nature of that described in this resolution, nor was to be cured in the way there pointed out.—Much individual distress was no doubt occasioned by the facility of country banks, and by the partners of these banks themselves engaging in trade. The consequences of these indiscreet adventures were indeed frequently to be deprecated; but still nobody would say that any thing like depreciation took place. It would be found that one kind of paper supplied the place of another; and that an over-issue was replaced by another currency, or was returned upon the issuer.

Some restraint, no doubt, ought to be imposed on the issues of country banks ; but it was to be kept in mind that this was a point of extreme difficulty. Perhaps the best measure would be to prohibit country banks from entering into any other speculation ; but still this would be so easily evaded, that no great good could be expected from it. To the 12th Resolution it was not necessary to advert. That the exchange was at present unfavourable would be admitted by every body, though he could not see any necessity for entering this circumstance on the Journals. The 13th was somewhat extraordinary. It admitted that there were other causes co-operating in the present state of the exchange ; while the main part of the Resolution turned on the loss of the relative value of our currency. But he denied that the currency had lost its relative value. With respect to the 14th Resolution, he would admit that if the Bank could, by any limitation of their issues, produce an alteration in the exchange, then it would be their duty to attend to this ; but the fact was that the issues of the Bank had no effect upon the exchange. This circumstance was illustrated by such a great variety of instances last night, that it was now unnecessary to enlarge further on it. It was seen that the rise and fall of exchange had no connection with the augmentation or diminution of issues, frequently rising when the notes were augmented, and falling when they were diminished. With regard to the 15th Resolution, he had to say, that the only adequate security against the effects of alarm in such a situation as ours was a restriction. What would be the effects of a resumption ?—Unless coin could be exported, no beneficial effects could be experienced on exchange ; and no effect, at any events, would be produced on our internal relations. But he wished the House to consider what the state of things would be in the intermediate interval between the resumption of cash payments, and the time when that resumption was resolved on. The Bank would have to provide a quantity of Bullion, by every means possible ; and the exchange would be depressed still farther by these large purchases of Bullion. In the mean time these purchases would be locked up for two years in the coffers of the Bank, without any advantage to the country. By this the Bank must sacrifice its profits and incur great expences

Now in such a case he wished them to consider what other currency would remain. Either some other worse currency must supply the place of the Bank, or the country would be deprived of every other circulation whatever. He wished to refer them to the opinion delivered in 1797 by a Member of that House; that if any very considerable proportion of the Bank paper were to drawn in, for instance, five millions, it would be necessary to have its place supplied by some other substitute of paper. Now he would ask, if any thing could be apprehended in the case of such a reduction without an equivalent, but a general bankruptcy; of bankruptcies there had been already enough to make the heart ache.—The Right Honourable Gentleman then proceeded to illustrate his own propositions. With regard to the first, whatever might be the prerogative, he thought that without a breach of public faith, no change could be made in the currency. In his second he proposed to the House that the engagements of the Bank of England to the public, were to pay their value in the legal coin, and nothing but the legal coin; and that the Bank had always, without the intervention of the Sovereign authority, been willing to pay their value in the legal coin. In the case of the Bank restriction in 1797, it was the principles of foreign policy alone by which it was dictated. From our foreign wars, and the prospect of invasion, it became exceedingly important to guard against the danger of alarm. Whenever, upon the cessation of hostilities, circumstances should admit of calling upon the Bank, it would then be allowed. So far from any thing in this Resolution going against this principle, it admitted that whenever the relations of this country might render it expedient, that the resumption should take place. The third Resolution was proposed to Parliament, to declare that the Bank of England notes had been always hitherto accepted and held as coin. It appeared to him consonant to the wisdom of Parliament, to declare their opinion on this subject. The following proposition states, that exchanges were in many former instances unfavourable; while there was no excess of paper currency, and while there was no depreciation, because the paper currency could be convertible into specie. This appeared from the documents on the table. He then went on to declare, that there were cir-

circumstances now affecting our commercial relations with the Continent, which rendered our situation so different from what it was on former occasions, that the same effects could not follow. While the Continent was open, he admitted, that there was a continual tendency in things to correct themselves; that the exports and imports would bring things about to their regular channel; and that the exchange could not fall below a certain degree, because the profit on importing would gradually tend to raise it. But these circumstances were now altered. And here it might be observed, that nothing formerly was like the present importation of coin. He had finally proposed, that the situation of the country was sufficient, without any alteration in our currency, to affect the rate of exchange. Under the present circumstances, could we foresee what events might happen during the three years to come? (*Hear! from Ministerial Benches.*)—Would our military operations be finally triumphant? Would our trade flourish? Would our internal state be the same? Would we be in a state of greater prosperity than that in which we were at present?

Mr. HUSKISSON declared, that considering the present state of the discussion, and the circumstances attending its progress, he could not content himself with a silent vote on this occasion. The right Hon. Gent. had indeed called on him in a manner somewhat unusual, as if he could have any right to claim an immediate answer from him on any new and intricate point, and reserve to himself the privilege of reply. He should, however, direct his attention to the plain question before the Committee, and state his views on the subject of the existing state of the currency of the country. No person could be more sensible than himself of the disadvantage of following so many able speakers; but adhering, as he did, to those established principles on which our financial policy had till lately been maintained, he could not have heard without surprise the doctrines of the Right Honourable Gentleman; doctrines which shook those principles to their foundation. He had thought proper to charge the Bullion Committee with having made an experiment of the boldest description, with having led the Bank to the verge of a precipice, from which they now betrayed a wish to save it. He begged leave to remind the Committee

that when the House of Commons appointed a Select Committee to inquire into the causes of the high price of bullion, it was done with the full concurrence of all sides. He was himself absent when he was nominated a member, and proceeded therefore to discharge the duty of the appointment with no other view or motive than should influence the conscientious feelings of a Member of Parliament. The consequences therefore of the Report, whether good or evil, ought not to be visited on the Committee, who had only acted in obedience to the orders of the House. But was there any thing like fairness or justice in any part of the charge? Must not the discussion at all events have taken place out of doors, and was it possible that the public could have remained blind to the new appearances in the state of our currency?—He would call the recollection of the House to the period of 1696, when the Lords of the Treasury directed their Secretary, a man of great ability, Mr. Lowndes, to make a Report on the state of the currency at that time. The report was made, and what was the conduct of the Lords of the Treasury? Far from being influenced by the apprehensions now expressed, they ordered the Report to be published, they invited discussion and that publicity and that discussion led to the complete refutation and overthrow of the principles on which it was founded. He should now proceed to define, and he trusted to establish, the legitimate principles on which our circulating medium was founded. It would not, he conceived, be denied that the legal currency of the country consisted of gold and silver; and secondly, that its standard was quantity of ascertained weight and fineness. It followed from this statement, that the coin must be deteriorated in proportion as it departed from that standard. What abundant testimony did our history furnish of the vigilance which the Legislature had always exercised in preserving that standard as the only fixed criterion of value. If we turned back to earlier times, we should find that the names of coins were all derived from the names of particular weights and measures. The pound, the shilling, and the penny, all originally signified certain standards of weight. There was a statute of Henry the Third, which enacted that the loaf of bread, weighing 6*lb.* should be sold at the rate of one farthing, i. e. one fourth of one penny-

weight of silver. He might quote several antient proclamations directing an abatement to be made in tale for all defects arising from wear and tear in the weight. But the Right Honourable Gentleman surely had not overlooked many modern Acts of Parliament, and yet his doctrine of the current value of the debased shilling seemed to argue an utter forgetfulness of the 14th Geo. 3, and the provisions there made for securing the true standard of our currency. The guinea was now the legal measure of value, and the great instrument of commerce, although the law had certainly always intended that the standard of silver likewise should be measured by its weight. The gold currency passes in the same manner by tale, but by tale constantly referable to its weight. Our shillings he could not call, in their present state, currency, and would therefore denominate them counters. It had often been said that money was merchandize, and he agreed that the true definition of price was the value of one commodity measured by the value of another. Money might therefore consist of any commodity. The precious metals were generally used in consequence of their peculiar advantages. He differed with his Honourable and Learned Friend who opened the discussion last night, in supposing that this preference was derived from conventional selection; he believed it to be the effect of their natural qualities and aptitudes, and that they, in fact, constituted money before they were coined. Being, however, once a common measure, price was nothing more than the value of every other commodity, in reference to the value of the precious metals, while their value was measured in reference to each other. (*Hear! Hear!*) If he made himself understood, it must be evidently absurd to suppose, that any numerical amount of circulating medium could ever be fixed on to suit the varying wants of society. In proportion to the quantity, must be the rise or the fall of prices; there could be no absolute limit to the amount of currency. He knew that some had promulgated opinions, importing that there never could be any excess of currency, because nobody would ask for money who did not want it. He did not see how this affected the question; if the denomination of the half-guinea were raised to a full guinea, men would be still desirous of the half-guinea, but prices

would be certainly doubled. We never heard of the increase or diminution of the circulating medium, or of the amount of issues of the Bank previous to the restriction. It is only since that even that some gentlemen had contrived to furnish themselves with a scale for gauging, Excisemanlike, the contents of the country. He would endeavour to explain what he understood by excess. Our coin had no value but in reference to the gold contained in it; our paper currency had no value but in reference to the coin which it represents, and the necessary inference was, that a currency consisting both of coin and paper ought not to exceed in amount what it would be if it consisted only of coin. (*Hear! hear!*) Any excess above that amount must be at once the proof and the measure of the depreciation of that currency. The value of the circulating medium must be in the inverse ratio of its quality. Coin, the standard of the value, of which was weight and fineness, could not be depreciated, and the excess of the paper was necessarily the only cause. (*Hear! hear!*) He would here strengthen his argument by the authority of the late Lord Liverpool; an authority eminently entitled to respect from the talents and experience of that Noble Person, but still more worthy of attention, since it exhibited the result of a long and official inquiry which he had been directed to make. In the letter addressed by the venerable Peer to his Majesty, on the subject of the coins of the realm, he states, that the circulation consisted of paper and coin, that the price of all commodities was in reference to the standard value of the coin, that is, the quantity of gold for which they would exchange. When the Right Hon. Gentleman talked of paper having a current value, he contradicted all the authorities of law, and published a doctrine infinitely more novel than any which had proceeded from them who had been accused of poisoning the public mind. If the paper was not convertible into gold, where was the measure of its value to be found? It was undoubtedly true, that fresh supplies of the precious metals would have a tendency to depreciate their value, but this effect must be slow, it had great and natural limits. These metals could not be imported without great labour and expence. The present depreciation was of a very different kind, it was a depreciation of the currency compared

to its standard, a deterioration of its value compared to itself. (*Hear!*) If our metallic currency were so debased as to cause a depreciation of 25 per cent. at the present period, then this inequality could not exist, and paper would be a fair equivalent for coin. In William's reign the silver coinage was depreciated by debasement 30 per cent. below its standard value, and the notes of the Bank, which were payable in silver, were equally depreciated. He was at a loss to conceive what was meant by the current value of bank notes. What value could the creditor get from the Bank? The law had indeed given them its sanction, and the Exchequer received the notes at par, a circumstance which probably served very materially to sustain them in circulation. A most able Report was prepared in 1776 by direction of the Lords of the Treasury, on the subject of the difference which then took place, of half an ounce of silver in the relative value of that metal and gold. In that Report several very important facts were stated. This difference operated to send the coin out of the country, and a fall of only one farthing in the value of the Louis d'or in Paris had been the cause of their being brought to a large amount to our Mint and coined into guineas. We have now two currencies, one of them depreciated twenty-five per cent. below the other, and for the statement of this fact and its necessary consequences they were almost charged with holding out encouragement to perjury and fraud (*Hear! hear!*) The truth was that the existence of the law on this point was itself the encouragement of fraud and perjury. (*Hear! hear!*) A sound currency needed no such laws, and an unsound one rendered them useless. The statute of 1774 constituted weight the ultimate criterion of the soundness of our currency; how nugatory then must be those penal laws applied to a period when we had a currency not referable to weight! (*Hear! hear!*) Notwithstanding all the well-understood opinions of the most eminent accountants, and the practical experience of ages, the denomination of the dollar had been lately raised. Its intrinsic value by assay was 4s. 6d. Thus while our own coin was subject to certain conditions of weight and fineness, foreign silver might be sold in the market for 6s. 6d. and foreign gold for 4l. 15s. (*Hear! hear!*) Could any man then expect or

conceive our own gold can under such circumstances, remain in circulation? Had his Majesty's Ministers by Proclamation raised the denomination of the 7*s.* piece to 9*s.* and left guineas at the present rate, would it be believed that the guineas would not be immediately bought up? Perhaps he should be told that the dollar was not current coin; but what were Bank-notes? If a stranger were to ask him, what was the currency of this country? he should probably reply, guineas, divisible into certain aliquot or multiple parts of silver coin, and that the relative value of gold and silver being as 15 one-fifth is to one, in general the proportion between our gold and silver currency, by a reference to the legal standard weight. But when he should also be informed that we have introduced a foreign coinage worth 4*s.* 6*d.* and passed it current at 5*s.* 6*d.* then it would be necessary to confess that our own silver currency is so debased that the gold has disappeared, and in its place we have a paper circulation at par with our debased and depreciated silver. (*Hear! hear!*) If an English Merchant had a debt to discharge at Amsterdam, of 500*l.* and purchases a bill that enables him to discharge it in one hundred ounces of gold, how is this transaction accomplished?—In what manner but by the purchase of guineas?—He would read the Committee a few extracts from a correspondence between a person in Paris and a person resident in this country, whose names he was not at liberty to mention. They stated that the latter had succeeded in purchasing for his correspondent the several sums of 10,829 and of 5,000 guineas, which he had shipped, and hoped would go safe to hand, that the charges were $\frac{1}{2}$ per cent. for commission, and another $\frac{1}{2}$ per cent. for guaranteeing the bills, and offering afterwards to provide them to any amount which might be desired.—(*Hear! hear!*) The balance of trade could not possibly account for this state of things. In the reign of William, about 1696, the real value of the guinea, compared to the debased silver currency, was 25*s.* or 26*s.*, but the gold was permitted to pass at its intrinsic worth; notwithstanding the then unfavourableness of the exchanges, the gold never disappeared. Lord Liverpool observes in his publication, that if the gold coin at that period had not been suffered to pass at its sterling value it would doubtless have been all melted down. It was

certainly well worthy of consideration what might have been the condition and financial difficulties of this country, then engaged in exertions not less arduous than those of the present period, and what might have been the fate of the liberties we enjoy, had not this wise proceeding been adopted. He was indeed well apprised of the difficulty which must be felt if the gold and the bank note were admitted to an equal competition, in any longer supporting the assertion that the paper was not depreciated. (*Hear! hear!*) He was well aware what would then become of that current value and public estimation by which the advocates of the restriction endeavoured to support their argument; a current value and a public estimation which were in fact derived only from the rigorous prohibitions of penal enactments. (*Hear!*) Was this then a proper state of the currency of the country, was it one in which it was the duty of Parliament to suffer it to remain? The fact was undeniable that guineas were sold in every street. The evidence of a respectable goldsmith stated that he had continual applications made to him for their sale and purchase. What was this public estimation of bank paper in Ireland, where landlords often insisted on receiving their rents in gold, and their tenants were obliged to pay 2s. 6d. premium for guineas accordingly. (*Hear! Hear!*) [The Right Honourable Gentleman here made some allusions to the compulsory alterations of the standard value in coin during Henry 8, and Edw. 6, but in so low a tone of voice that we could not distinctly hear him.]—After having thus laid before the Committee precedents from the earlier period of our history, shewing from the statutes enacted in former reigns, so far back as the reign of Henry the Eighth, the rigorous jealousy with which the Government looked to the preservation of the legal currency, and having endeavoured in what he had already said, to shew that the criterion of the existing state of that currency was to be judged of with reference to a fixed and unvarying standard. (*Hear! hear! from the Ministerial Benches.*) He repeated it—a fixed standard.—What! was there then no standard? He put a plain and distinct question. He begged of those Gentlemen who differed from him in their views of this question, to answer him as plainly and as directly. Was there, or was there not

a standard? And here he could not help remarking, that among the varicus pamphlets professedly written against the Bullion Report, this word "standard," which, in his view of the subject, comprehended every thing most essential to its discussion, seldom if ever occurred. Therefore, he was now the more anxious to ascertain the real opinion of gentlemen upon this part of the question. If, however, it could not be denied that there was or ought to be some standard, he should then ask what this standard was? Was gold the standard? Were bank notes the standard? If bank notes were the standard, why not say so? and then they might argue with reference to something known; they might then, if they pleased, announce, agreeably to such a standard, the guinea to be equal to the twenty-one-fortieths of a two-pound note; this, bad as it might be, would be still something, as it were, to measure by, and therefore certainly more tolerable than an abundance of indefinite talk about abstract currencies, and he knew not what else of unintelligible jargon. Abstract Currencies! What was meant by this odd union of two words that were never meant to be brought together? He would ask the gentlemen who were so fond of using them, if they had ever heard of Abstract Payments (*a laugh*): and if so, would such payments, made in this new sort of abstract currency, obtain for a man any other than an abstract dinner (*a laugh*)? The reputed authors of the publications most learned upon the subject of abstract currencies were said to be in office, and he thought that his Right Honourable Friend the Chancellor of the Exchequer could not more appropriately reward their ingenuity than by remunerating their official exertions with abstract payments in the abstract currency; where, though the injury might be virtual, the profit would be real (*a general laugh*). The standard which had been attempted to be substituted in the place of the true one, seemed to rest itself upon this principle, that whenever there was an extraordinary increase in the price of gold and silver, that then they were to countervail the effects of that increase by a proportionate increase in the issue of paper. Admitting then this principle in its full extent, and preserving the due ratio between the price of gold and silver and the issue of paper currency, he asked if this principle would not apply.

to the doubling of the denomination of our currency? If the principle was to countervail the increase in the price of the gold and silver by the issue of paper, the sooner such a principle was generally known, the better. But here he could not help asking, though the price of gold was so increased, was there such a scarcity of gold? (*Hear!*) Where were the proofs of this scarcity? He was aware of none; but of this he was confident, that where gold was scarce, other commodities must become cheap. Would gentlemen try it by this test? Was it the fact that other commodities had become cheap? But if they were to entrust this fearful discretion to the Bank, of countervailing the effects of the rise of the price of gold and silver, he thought that then the best criterion of the required standard would be found in taking the average price of corn for a given period jointly with the average value of labour. Here he read a statement of the average prices of wheat, imported for the fourteen years, since the Bank restriction in 1797.

Throughout this period, the progressive rise in the average price of the wheat at stated periods, proved the gradual depression of our domestic currency. He did not mean to insinuate, that the power to which he had alluded could be vested in men who would use it with more prudence and wisdom than the Bank of England; but in looking at this power as a member of Parliament, he viewed it independent of any considerations respecting the persons in whom such power was to be vested; and viewing it in this light, it appeared to him as a power that enabled a single Corporate Body to change, at will, the relative proportion which the real money of the country should bear to all other commodities whatever. He should not stop now to consider the vast consequences that might one time result from the political effects of the exercise of such a power in bad or imprudent hands. The contract for the payment of money was a stipulation as to quantity fixed and invariable, altogether independent of the circumstances of the time at which it is so contracted to be paid. If he had not already wearied the Committee, he could cite to them various antient precedents of contracts, wherein it was stipulated, that if, owing to any intervention of untoward public events, the obligee could not be paid by money in tale, that he should

be paid in so many ounces of silver in standard weight and fineness. There were two kinds of banks, banks of deposit and banks of discount. If the Bank of England limited its issue of paper to paper convertible into specie, it would then embrace in itself all the advantages of both kinds of banks; and however unjustly he might have been represented as an enemy to that great Corporation, he thought it, under such limitations, as one of the most perfect models of the banking system. He next adverted to what had fallen from a Right Honourable Friend (Mr. Rose) in the course of the last night's debate, respecting the injuries likely to result from certain statements in a publication of his (Mr. Huskisson); his Right Honourable Friend had acquitted him of every culpable intention, and therefore it would not be necessary for him to enter into any vindication of his motives. But when his Right Honourable Friend spoke of some of the passages as having a tendency to degrade the national character, he thought that his Right Honourable Friend was bound in candour to have pointed out those passages which struck him in so objectionable a point of view. This, however, he (Mr. H.) would say, however unwilling he was to provoke such a charge, that if such a currency could be made a legal tender, without reference to a fixed standard, it would amount to a breach of the public faith—it seemed, however, that he had given offence by his comparison in that publication between the Bank of England and the Mississippi scheme, but the principles avowed by Mr. Law were the same as those adopted by the Bank of England. Here he read several passages from Mr. Law's book, laying great stress on that passage, where Mr. Law laid it down as a principle, that "few, if any, borrow money to lay by."—A Right Hon. Gent. had said, that the price of gold for the years 1809 and 10 had not varied from 4*l.* an ounce; but he forgot to add, that the Bank of England had come to a resolution not to purchase gold at a higher price than 4*l.* an ounce (*Hear!*) But this had nothing to say to the market price, which had been proved before the Bullion Committee to have been so high as 4*l.* 10*s.* an ounce at the same period. He gave it then, as his deliberate opinion, that if they did not raise the denomination of the gold, or approximate the currency more to the

standard, no laws, no penalties, however severe, could put a stop to the exportation of bullion—it must go on progressively. He asked what could be admitted as a criterion of the depreciation, if the difference between the standard value of coin, and the price of the current paper, was denied to be that criterion? Were we to be told that our currency was not depreciated at a time when the exchange was against us to the amount of 25 and 30 per cent. and when there were so many trials and convictions for the sale and purchase of guineas? Here he begged leave to refer them to a recent instance scarcely yet generally known; an edict had been lately issued by the Emperor of Austria, declaring the value of the paper circulation in his dominions to be reduced 4-5ths from the day of the date of this edict, a debt previously contracted, to the amount of 500 florins, suddenly fell to the value of 100 florins, so that the national debt of 80 millions of florins was at once reduced to nearly 15 millions. This edict referred to a table at the end, stating the price at which all pecuniary contracts shall be liquidated, subject to the depreciation of the paper currency, month by month. The depreciation had gone on very gradually and slowly from 1799, when it had fallen 3 per cent. till 1801, when it fell to the rate already stated. The effect of this must be to lower prices and raise exchanges, and yet would it be said after this, that the quantity of paper had nothing to do with the price of bullion? With respect to the means of the Bank to resume cash payments, he believed that they possessed a large quantity of gold, and it would be remembered that they were ready to resume their cash payments in the October of the year in which they had been suspended. If they looked at the great change in the scale of profits now made by the Bank, he thought that that increase of profit might open a way for enabling the Bank to resume their cash payments. When Parliament had given to them in the Restriction Act a letter of licence to suspend their engagements to the public, he thought that it was not asking too much of the Bank to require of them to make use of the profits arising out of that suspension so as to restore them to that situation which would render the continuation of that suspension no longer necessary. (*Hear! hear!*) If they make an extra profit, let them use it in replacing them-

selves in their former situation. The Honourable Gentleman then proceeded to shew that he had been singular in none of the opinions he had advanced upon this subject. These opinions might be wrong, but they were not new. If he was in error, he was in error with Burleigh—with Bacon—with Mr. Locke—with Sir Isaac Newton—and with Mr. Pitt ; and if the Right Honourable Gentleman and the Bank were right, they were right with Mr. Lowndes and Mr. Law—for precisely the same principles, theory and doctrine, were maintained by both. It had been said by one of them, that at one period the price of standard silver had risen 77 pence per ounce. What was standard silver? He could not understand what was meant by standard silver—there was, in fact, no such thing—but it had been more than insinuated, that the wealth of the country depended on the continuance of this depreciated currency. This could not constitute the wealth of any country—it could never be the wealth of this. If every ninepenny shilling could be converted into coin of the first standard of weight and fineness, they could not make the wealth of this country. The wealth of a country consisted in the number of her industrious people, (*Hear ! hear !*) in the wisdom of her laws, in the impartiality of their administration—in the security of her liberties, in the buoyant vigour of her public spirit, and the unfaded splendour of her national character (*Hear !*) These were, indeed, the sterling qualities of which the real wealth of nations was made up, and in which this country was then, and he trusted would continue long, proudly, and enviably rich (*Hear ! hear !*) He concluded by an earnest exhortation to the Chancellor of the Exchequer to look again and again at this great and important question. For his own part, let whatever might be the present fate of the question, no adverse decision now could tempt him to despond ; if the existence of the evil could not be disproved, the only object for dispute could be the propriety of the remedy.

Wednesday, May 8.

Mr. BARING thought it perfectly superfluous in him, after the able discussions which the principle and details of the Report had undergone, to enter at length into that part of

the subject which had been so fully gone into. He begged, however, to throw out his opinion, and view of a question, which he conceived of the most extreme importance. His opinions as to the exchange, were certainly conformable to those stated in the Report, and detailed in the speech of the Honourable and Learned Gent. who had brought forward the question. He certainly agreed that there was a depreciation of our paper currency, for no other term except that of depreciation, could be found capable of conveying his meaning; his wish by the use of the term depreciation being to convey that it no longer bore that value which attached to the precious metals it purported to represent. He did not agree, however, that this depreciation was to be attributed solely to the excess of the circulation of paper, but to the state of trade, and the balance of exchange being against us. This depression, however, could not exist, if it were not for the state in which our paper had been placed. His mind was so firmly made up on this subject, that he did not feel it necessary to trouble himself in reading the publications of those who argued otherwise. If any person were to tell him that gold bore one price in London and another in Westminster, he should not believe him, convinced as he must be that he laboured under misinformation or misapprehension of the subject. That there must be an excess of paper he did not deny, and he also confessed that this excess of paper had raised the price of every commodity, and of gold with the others. The reason was obvious. Any country having a circulation of the precious metals, it naturally corrected itself, but no such limit applied to paper. The grand origin of the rise of gold, however, was the state of trade, and balance of exchange being against us. As this point was disputed, and as it was doubted whether it was the excess of paper or the balance of trade which had turned the exchange against us, he should beg to read the opinion of the editor of Smith's Wealth of Nations on this subject, who says, "Hitherto notes answer our purpose, and so will they so long as there is a balance of trade in our favour; but the moment the balance of trade is against us, and there is not a circulation ready to meet it, that moment there will be a depreciation of our notes."—Now, though this was but the opinion of a writer upon this subject, still being expressive

of his opinion as to what would happen, he was more inclined to give credit to it than any of the 50 pamphlets brought forth since the thing has actually taken place. He did not deny that there was an increase of Bank paper; but this was occasioned by circumstances which rendered the increase necessary. The evil was not attributable, in a principal degree, to the paper, but to the state of trade, and if a change in trade took place, the exchange would in a great measure rescue itself. It had been said there was no difference in value at present between notes and gold in shops. If the system to which he should shortly allude, however, was suffered to go on, no doubt there would soon be a difference. We should see mutton to be sold for 8*d.* per lb. if to be paid for in gold; at 9*d.* if to be paid for in paper. If a remedy of a proper kind was not speedily adopted, the House must be obliged to make this paper a legal tender for debt; else we might see a person sent to prison for debt with his coffers full of Bank paper. A Right Honourable Gentleman (Mr. Huskisson) in his speech of last night had talked as if he was proposing what would be a proper circulating medium for a new country which had never yet had any political existence. He seemed as if he had slept during the last and present most calamitous and extraordinary of all wars, and told us what Sir Isaac Newton and Mr. Locke said on subjects. They, however, had argued only on speculation, and could have had no conception of such a country, or of such a state of things as that which we now witnessed. When the Right Honourable Gentleman came, however, to the time of Mr. Pitt, he told the House that he never had an idea, nor ever intended for a moment that there should be an alteration in the value of paper compared with gold. He (Mr. Baring) said it was impossible; Restriction itself implied a difference; and the only question that could remain must be merely this, should it be more or less? To what extent should this difference go? This implied a depreciation. Excess always found its own check; but the moment Restriction came all check ceased. No extent of trade could ever require a Restriction Bill; but when the people came to raise a fictitious property, they must give it a circulating medium, and as the circulating medium here selected could not support its value abroad, it

must lose the requisite elasticity, and produce a balance of exchange against this country. An Honourable Gentleman on the bench beneath him (Mr. Vansittart) had said that the funds had nothing to do with this. He (Mr. Baring) on the contrary, thought they had a great deal to do with it. A comparative view of the money raised during the present war would shew this. In the year 1793, immediately previous to the war, the sum raised was 17 millions and a half. In the year 1794, the sum was 45 millions; and from this sum it continued to increase, amounting in one year to 96 millions; and in the present year, by taxes and the loan, the sum raised would be upwards of 90 millions! He, for one, entertained serious doubts if any circulation could be found, not leading the Country to ruin, to supply an increase of from 17 millions and a half in the year 1793, to nearly 100 millions in the year 1811. The Honourable Baronet opposite (sir J. Sinclair) might boast of his improvements in agriculture—of his highways and canals—and surely the Country was in a high state of improvement—but what degree of improvement would be necessary to feed such a system? To do so, we must put a fictitious value upon every thing in the country—Land let at 20s. must be supposed to be worth 40s. and so on in proportion. He recollected the Income Tax was calculated to be raised on a capital of 100 millions; but now we raised 90 millions within the year. The Income Tax produced about 12 millions, but we raised 90 millions, nearly to the extent of what was once dreaded as the extent of the whole National Debt, and to which when the National Debt should amount, it was thought the Country must be ruined. To support such a system, we must give a fictitious value to property, and must have a fictitious medium of circulation for carrying it on. The first grand step taken by Mr. Pitt was an artificial system of finance. Suppose this to go on, and that instead of 90 millions, we must raise 180 millions.—Then that it should require to be raised to 360 millions. If it could last till we saw this, would the Right Honourable Gentleman say that all was right? Yet to this it must come, unless a change of system immediately took place. Yet when a depreciation of our paper was stated to have taken place, what said the Right Honourable Gentleman? “ Oh, it is all through

the Bank." He (Mr. Baring) said, it all arose from the system of finance. The Right Honourable Gentleman himself said last year, that every thing depended on a reform in our finances, and bringing our expenditure and income together. Here, however, he had begun at the wrong end. He should have begun first with finance, and from that have proceeded to paper. In this country every thing was done by funding. The mass of the evil was to be found in the National Debt, and not in the circulating medium. No person could look at 24 millions being the amount of Bank paper in circulation with any degree of apprehension ; all we had any right to look to with apprehension was the mass of National Debt. Till he saw the attention of Parliament called to our finance system, he could not think the country safe ; but if we set zealously about it, the object might yet be accomplished, with comparatively trifling sacrifices.

The CHANCELLOR OF THE EXCHEQUER (Mr. PERCEVAL) observed, that he should feel himself guilty of an inexcusable neglect of duty, if holding the situation which he had the honour to hold, he refrained from expressing his sentiments at some period of this important discussion ; and he did not conceive that he could seize a more advantageous opportunity than that of following the two Honourable Gentlemen who had last spoken. The Committee were now in possession of the opinions of two highly respectable individuals, both of extensive knowledge and great practical experience. From the one they had heard a decided opinion that there was no remedy for the existing evil, but the adoption of the measure recommended in the Report of the Bullion Committee. From the other they had heard an opinion as decided, that if the measure recommended in the Report of the Bullion Committee were adopted, it would be impossible for the country longer to carry on those foreign exertions, which, until the present discussion, he was not aware that any one wished should be discontinued. The first of the Hon. Gentlemen to whom he alluded (Mr. Baring), gave it distinctly as his opinion, that the idea of making the Bank capable of paying in specie by new purchases of bullion, was impracticable ; and that in the present state of the country, it was out of the reach of the Bank to substitute gold for paper currency. The other Hon. Gentleman (Mr. Sharp)

said, that nothing but such a measure could save the country from the evils which threatened her. On this difference the question rested. For his part he agreed with both the Hon. Gentlemen that the subject was of the utmost importance, intimately connected as it was with the honour and interests of the empire. He was satisfied, whether parliament did or not countenance that which he thought as absurd as the first Hon. Gentleman thought it was impracticable ; that if they adopted the Resolutions of the Hon. and Learned Gentleman opposite, such an adoption would be tantamount to a declaration that they would no longer continue those foreign exertions which they had hitherto considered as indispensable to the security of the country. He begged to be by no means understood that he considered the question could be discussed without a distinct reference to the present circumstances of the country, and he had, therefore, felt great astonishment at the manner in which an Hon. Friend of his (we presume Mr. Huskisson) had divested it of all such reference. It was not his wish to go much into detail on the subject ; but it was necessary that he should explain his feelings to the Committee, and recal to them the real state of the question before them. He conceived that the proposition of those who advocated the Bullion Report, was, that the currency of the country was depreciated ; that that depreciation was attributable to the excess of paper ; and that the evil resulting was so great as to make it incumbent on Parliament to take immediate measures for averting it, which measure must be the reduction of the quantity of paper in circulation.—On the other hand it was contended that the supporters of the Report advanced no proof of the excess of the general circulation of the country, nor any proof of the depreciation (in the sense in which they understood the word) of that currency ; but that what they substituted for direct and legitimate proofs, was capable of being explained by other circumstances which the Bullion Committee had certainly not kept quite out of sight in their Report, but on which they had merely touched and then affected to consider them as unimportant. Such was the state of the question which he would now proceed to consider. In the first place, he asserted, that there had been no proof given of our existing excess of currency. Of this term “ excess,” as well as

of some other terms, it was necessary to know the precise meaning intended to be affixed to it. Excess beyond what? His interpretation was, that there had been no excess beyond what he conceived absolutely necessary for the circulation of the wealth and revenue of the country. No proof had been advanced of an existing excess of circulation beyond the circulation which existed at the period of the suspension of cash payments at the Bank. But even if the advocates of the Report could prove that there was an existing numerical excess of circulation, beyond the circulation which existed at the period of the suspension of cash payments at the Bank; yet if that increase was not beyond what the extended commerce and augmented revenue since that period required, then it was no excess. (*Hear! hear! hear!*) His Hon. Friend near him seemed to conceive that there was an existing excess beyond what would have been the state of the currency had that currency been confined to gold, or to paper immediately convertible into gold. Let the Committee consider after the drain of wealth which many years of war must occasion, what would be the state of circulation in a country in which no paper was issued to supply the deficiency. Unquestionably, if things could have gone on in this country without such a supply, the existing circulation would have been much less than it was at the present moment. But if for domestic purposes we had occasion for a circulation as large as the existing circulation, he then could not allow, situated as the country was in other respects, that the circulation ought to be diminished. He was prepared to expect that his Hon. Friend near him would admit that the circulation could not be excessive, as long as the paper circulated was immediately convertible into gold; and consequently that there was no excess in our circulation before the suspension of the cash payments, at the Bank. But although this was the opinion of his Honourable Friend, it was not the opinion of all the Members of the Bullion Committee. The Hon. Gentleman who commenced the discussion of that evening (Mr. Parnell), contended that the circulation in the year 1797, before the suspension of the cash payments at the Bank, was excessive, and that it was indispensable to reduce our present circulation below the circulation of that period. In his (the Chancellor of the Exche-

quer's) opinion, however, any attempt to reduce the circulation, and still more to reduce it below what it was in 1797, would be productive of the greatest practical inconveniences. The advantages of a large circulation were the means which it afforded, of invigorating agriculture, commerce, and manufactures. Adverting to some of the arguments of his Hon. Friend near him, he would suppose a case in answer to them. He would suppose a country, possessing a circulation of 60 millions, all in coin, to enter into a war, that this war should continue for four years, and that the expenditure of wealth beyond the balance of foreign trade should be ten millions annually ; the circulation would thus be reduced to twenty millions. He would suppose that during the four years an issue of paper was made to the amount of ten millions. The country would therefore possess at the end of the four years' war, a circulation (composed of 20 millions of coin and 10 millions of paper) of 30 millions instead of 60, as at the commencement. It was evident that but for the issue of paper this country would have possessed but 20 millions of circulation. According to the interpretations of the term " excess," therefore, by his Hon. Friend, this supposed country would have an excess of ten millions. His Honourable Friend's notion, therefore, of an excess was not always that it was an increase, but was compatible with the fact of a considerable decrease of circulation even to a moiety, (*Hear ! hear ! hear !*) This appeared to him to be rather a novel kind of argument. He certainly had not the least doubt, that if paper had not been issued, the currency of the country would not have been so large as it was. In that interpretation of the term, therefore, there was an excess of circulation, though, for any thing that had been proved to the contrary, more gold had been taken out of the circulation since the year 1797 than paper had been introduced into it ; and this he really believed was the fact. The proposition came to this—whether, in the existing state of affairs, having proceeded for four or five years in a course generally considered as essential to the security and independence of the country, namely, the carrying on of the war by a foreign expenditure to a very considerable amount, it was advisable to supply the domestic deficiency in circulation,

which that expenditure must occasion, by a paper currency. This was a plain question of policy. Nothing could be more clear to his understanding than that if the foreign expenditure were deemed necessary, the domestic currency must be considered inseparable from it; for where our foreign commerce was so circumscribed, and we had not the opportunity, as in ordinary circumstances, of bringing back the wealth which we expended, the only way to provide the means for a future re-purchase of the coin that now quitted us, was by giving a vigour to our agriculture and commerce, to which an increased internal circulation alone was competent. (*Hear! hear!*) If this was called an excess, he would say that it was an excess without which we could not carry on the great contest in which we were engaged, as we had hitherto done. In no former war had the expences of the country been so great, or the means of supplying those expences so limited. The question, therefore, for the Committee to decide upon, was, whether or not the country should continue to make the exertions in which she had hitherto persevered. Were the Committee prepared to say that the evil of not having the balance of exchange nicely adjusted was so tremendous as to make it necessary, and, Great God! to make it necessary at the present moment to withdraw from the contest which the country was so gloriously maintaining? (*Hear! hear! hear!*) The Hon. Gentleman who had last spoken, had done the Committee the favour of giving them a fine opportunity of contemplating what the situation of Great Britain might have been, compared with what it actually was. He had characterised the conduct which this country had pursued as absurd and timorous.—He had called upon the Committee to look at Hamburgh; to look at Holland. Happy Hamburgh! happy Holland! They, it seemed, had not had the cowardice to imitate the example of Great Britain.—“Sir,” exclaimed the Chancellor of the Exchequer, “without any intention of denying that our present situation is one which demands the most serious consideration, I have no hesitation in declaring, notwithstanding the imputation of cowardice on the manner in which the finances of the country have been conducted, that I prefer that situation to the situation in which the prowess of Hamburgh and of Holland have placed them.”—(*Loud*

eries of *Hear! hear!* from all parts of the House.) So much for the question of excess; now for the question of depreciation. And here again he begged leave to say something on the meaning of the word, as it applied to the currency of the country. Some, he conceived, by the term "depreciation," meant that the whole currency of the country was depreciated, gold and paper equally. This opinion had the sanction of high authorities. By the advocates of the Bullion Report the term was not so applied. They thought paper depreciated below coin. There was a strange confusion in the Report, in the reasoning upon which this opinion professed to be founded. The different members of their syllogism were unconnected with each other; and beginning in their premises with a reference to coin, they applied their conclusion exclusively to bullion. —(*A laugh.*)—This was not quite so logical as might have been expected in a performance affecting such minute accuracy. It was perfectly fair for Gentlemen on the other side to contend, for the purpose of maintaining their own propositions, that there was no difference between gold in coin and gold in bullion; but it certainly was not fair to commence the proposition by a reference to gold in coin, and then, without any notice, to substitute bullion in the room of it. If Gentlemen meant merely to maintain the self-evident truth that abstractedly speaking, an ounce of gold was worth an ounce of gold, he for one would have no difficulty in agreeing with them; but if they meant to say that gold neither acquired nor lost any thing in value, when it was stamped as coin, in comparison with gold in bullion, was an assertion to which he could by no means accede. What was the extent of the difference, or under what circumstances it might be increased or diminished, was another question; but that there was a difference between gold in coin and gold in bullion, was a point upon which he could hardly think it possible to entertain a doubt, as long as the present system of our coinage laws remained in force. It might be argued, that that system was a bad one, and that it ought to be changed. Some Gentlemen had advanced that opinion in effect, if not in terms. They thought that it would be wise and politic to remove all the impediments which the laws at present threw in the way of the exporta-

tion of our coin. If the Legislature were to adopt that opinion, and to repeal all the laws now existing upon the subject, and if the guinea were to circulate abroad precisely for the same value that it did at home, in that case, and in that case only, would the proposition be true, that there was no difference between gold in coin and gold in bullion. But the question, as it appeared to him, could only be properly decided by taking the facts as they did really exist, and not as some Gentlemen might think they ought to exist. Now what were the real facts of the case? This country was under the necessity, from the nature of the war in which it was from necessity engaged, to carry on extensive military operations which required that a considerable quantity of gold should be sent out of the country. By the law, as it now stood, gold in coin could not be applied to this purpose, because it prohibited, under severe penalties, the sending it abroad. If then gold must be employed, and you could not send it in coin, it followed of course that you must send it in the shape of bullion. This circumstance created an increased demand for bullion, and therefore gave it a higher value than gold in coin. Was it then true that gold in bars and gold in coin was of the same value! His Hon. Friend (Mr. Huskisson) certainly had advanced that opinion, and seemed to think gold was natural money, and of the same value in whatever shape; but the fact was, that coin was not of the same value abroad as bullion, because it could not be exported; and bullion was not of the same value at home as coin, because it was not a legal tender. He therefore contended, that there was no proof before the Committee that the paper money of the Bank of England was depreciated in the sense in which he understood and had explained that term; that is to say, that the Bank note bore the same relative value to a guinea that it always did, for all the purposes for which a guinea was legally applicable. If the paper of the Bank, which was only intended for internal circulation, was equal to the guinea considered only with a view to internal circulation, for which it was also exclusively intended, then most assuredly the Bank paper could not be said to be depreciated in value.—All, therefore, that his Honourable Friend (Mr. Huskisson) had said about the superior value of a light guinea to a heavy one, which ap-

peared so very ingenious to an Hon. Gentleman opposite to him (Mr. Parnell), had, in fact, no bearing upon the real question. Because if a guinea from the deficiency of weight was put completely out of circulation, it lost its character of coin, and thereby became bullion; and then, for the reason he had just stated, it would acquire an additional value. Much had been said about the word "standard," and some Gentlemen on the other side had displayed a strong desire to be facetious upon the subject. If he were asked what he understood by that word? he should say that he did not consider gold as a standard or silver as a standard, but he understood gold and silver bound down by law to a particular and relative value with each other; not gold alone, but gold tied down to a given relation to silver, which also made part of the general standard. And here he begged to make an observation or two with regard to the literal accuracy of the first proposition of the Hon. Gentleman:—If the House were called upon to record a solemn statement of the law of the country, they ought undoubtedly, to take care that that statement was accurate. Now the assertion in the Resolution was not strictly true; it asserted, that the only money that could be tendered in Great Britain above the value of twelve pence must be gold or silver; and that the amount at which it was to pass current was to be fixed by the King's prerogative. This was not, strictly speaking, the law; because silver to the amount of 25*l.* was a legal tender, though it was not of standard weight. Now, as 999 out of every 1000 payments in this country did not exceed that sum, it would be most improper for Parliament to record upon its Journals as a truth, a proposition which was erroneous in such an immense majority of cases.—Gentlemen had talked about scales which regulated the silver and gold coin. But with regard to silver, there was no law which said that a shilling should not be current when it was under the standard weight; on the contrary, up to the extent of 25*l.* it might by law be circulated, if not of standard weight. But there was another point to be observed with regard to silver. It was legal to tender to any amount shillings at 5*s.* 2*d.* an ounce, yet the price of silver in bullion was 5*s.* 11*d.* an ounce. He mentioned those as facts which certainly ought not to be lost sight of in the consideration

of the present question. He knew how much the patience of the House was exhausted, and therefore he would confine himself as much as he could to the most important points of the case.—The really important question then for Parliament to determine, was this, what ought they to do? What, under all the circumstances of the case, would it be wise and politic for them to do? This at least was his view of the object to which their deliberations ought to be directed; and he thought he acted with wisdom in referring to the conduct of our ancestors in circumstances which were considered to be similar to the present, as a guide for our conduct under all difficulties of the country. He did not differ from those Gentlemen who maintained as an abstract proposition, that a diminution of Bank paper would have a tendency to diminish the balance of exchange; it would probably produce that effect; but it would be at the expence of the most dreadful calamities to the country. The case of the French bank, at a former period, had been referred to. In that case, the Bank had involved itself in difficulties from an over issue of paper; the Directors diminished the quantity of their paper, and the consequence was, that the credit of the Bank was restored; and it was also said that the diminution of the paper had had an effect upon the exchange. The latter part of the statement might be true, but he very much doubted it. The original capital of that bank was two millions; it had issued paper to the amount of four millions, which had involved it in embarrassments; to relieve which it withdrew two millions from circulation, and it was not very probable that such a sum could affect the general exchange of France. But the Hon. Gent. who had adverted to this bank admitted, that though the narrowing its circulation had removed its difficulties, yet it produced very great embarrassments among the commercial part of the community. The bank, said he, had the courage to narrow its circulation; or in other words, it had the courage to take care of its own interests, without any regard to those of the community. Was that the principle which he would recommend Parliament to adopt in the present instance? But if the withdrawing of two millions from the circulation in France, had produced such disastrous consequences to her trade, what would be the effect in this country under all the

circumstances of the present times, if the Bank of England were to withdraw its paper, paper which it had been said formed the whole circulating medium of the country? Would it not ruin the manufacture? Would it not destroy the agriculture? Would it not dry up all those sources of wealth which enabled this country to make exertions proportioned to the exigencies of the awful period in which we lived? And for what object was parliament to incur the risks of all these dreadful calamities? why, for the purpose of making an experiment to bring the rate of exchange nearer to par!!! But the Gentlemen on the other side, in calling upon parliament to be guided by the wisdom of our ancestors, had referred particularly to the events in 1796 and 1797. If there was any one passage in the Report which excited his astonishment more than another; if there was one part of it more unguarded, more inaccurate, more unfounded, than another, it was that which referred to the transactions of the period alluded to. Unless he totally misunderstood the question, the case which had been quoted, if it applied at all to the present question, made directly against the arguments of those by whom it had been adduced. [Mr. Perceval read an extract from that part of the Bullion Report, which stated, that soon after the establishment of the Bank of England its notes were depreciated, and considerable embarrassments ensued, and that those embarrassments had been removed by a new coinage, and by reducing the quantity of Bank notes. The two operations then, in the opinion of the Committee, which relieved the Bank in 1693 and 1697, were the coinage and the diminution of the number of Bank notes, and this was recommended to the notice of the House as a case in point. He begged to observe, however, that if it was a case in point, that that case had occurred when there was no restriction upon the cash payments of the Bank. But it was said there was at that time an excess in the issue of Bank notes, he could hardly believe that the Bank would so soon after its establishment issue more notes than was necessary; the real fact was not that the Bank had issued more notes than were necessary, but that they had issued more than their credit would bear. Now, what were the remedies? First, the coinage. The new coinage certainly did turn the balance of exchange in our favour, because almost

the whole of it immediately found its way out of the country. In three years not a shilling of it was left in the kingdom; and he begged to observe, that this new coinage cost not less than between two and three millions. The other remedy applied was the diminution of the Bank notes. Now, what was the fact? The capital of the Bank originally was 1,200,000*l.*: in order to relieve its embarrassment, the capital was augmented to two millions, and the subscription for the additional 800,000*l.* was to be paid four-fifths in Exchequer tallies, and one fifth in Bank notes; so far, therefore, the Gentlemen were right; one-fifth of the value of 800,000*l.* in notes was taken out of circulation: but by the very same operation the Bank were authorised to issue 800,000*l.* in fresh notes, so that the *diminution* of paper, which had produced such beneficial effects, consisted in withdrawing about 160,000*l.* worth of notes, and issuing fresh ones to the value of 800,000*l.*!! This was the precedent which the Committee had recommended to be followed in the present instance, for the purpose of diminishing the quantity of paper in circulation! (Mr. Perceval read an extract from Tindal's Continuation of Rapin, which stated that the great commercial embarrassments in the reign of King William had been relieved by an issue of paper).—The Right Hon. Gentleman then took a view of the case of Ireland in 1804, which had been so often alluded to. The evil then complained of arose, not from excess of paper, but from a want of confidence. That it was not the effect of an excess of paper was proved, by the circumstance of its being cured before any diminution of paper had taken place. Subsequently there was a small diminution in the paper currency, and then the exchange became unfavourable to Ireland. He did not mean to say that this was caused by the reduction of paper, though afterwards, when the issues of paper increased, their exchange was greatly recovered. From the view which he took of the subject, he apprehended that there could be nothing found in the three cases mentioned, those of the Bank of Ireland, the Bank of France, and the Bank of England, that could encourage them to adopt the line of conduct recommended by the Committee. It was quite impossible for him to go through all the points on which he could wish to speak, he therefore would confine

himself merely to those which it might seem improper for him to pass by. Adverting to what had been said with respect to dollars, he wished to know what those who censured the late proceeding were of opinion should have been done on such an occasion? That a something was necessary to be done, he believed no one could deny; and he had no hesitation in saying the measure adopted was wisely preferred to any other. On the subject of the exchanges, there was one point which he wished to bring before the Committee. How was it possible the principle of the Bullion Committee could be right, namely, that the excess and depreciation of Bank paper could occasion all the difficulties which had occurred within the few years which had elapsed since the passing of the Bank Restriction Act? That Act, as they all knew, was made in 1797. No alteration in the exchange was felt for some time; but in the years 1800 and 1801 the scarcity of, and great demand for coin, occasioned a great sensation in the exchanges, and a great increase in the price of bullion. The scarcity, however, which was felt in 1800 and 1801 ceased in 1802, and the pressure which it had caused ceased also, or at least was diminished in a very considerable degree. He would now call the attention of the Committee to the eleventh resolution of his Right Hon. Friend. "That the average price of wheat in the year 1798, was 50*s.* 3*d.*; in 1799, 67*s.* 5*d.*; in 1800, 113*s.* 7*d.*; in 1801, 118*s.* 3*d.*; and in 1802, 67*s.* 5*d.* That the exchange with Hamburg was in January, 1798, 32*s.*; January, 1799, 37*s.* 7*d.*; January, 1800, 32*s.*; and January, 1801, 29*s.* 8*d.* being in the whole a fall of 22 per cent. In January, 1802, 32*s.* 2*d.*; and December, 1802, 34*s.*" Now from the history of those five years, and the manner in which the exchanges recovered when the scarcity which had led to the pressure of them had ceased, he thought with an extraordinary foreign expenditure for the last few years, occasioned by the war in Spain, and expences incurred in the Baltic, the effect produced on the exchanges might reasonably be ascribed to causes similar to those from which the evil was known to arise before. The Committee did condescend to admit that these causes might, in some measure, contribute to the effect produced; but they could not deny this; they would not allow them

their due weight. The resumption of cash payments was impossible. Gold could not be procured, and if it could, the Bank would immediately be drained of it, without any advantage to the public; and that proposed as a remedy would but aggravate the evil, and accelerate that it was their most anxious wish to avoid. Under these circumstances, however, the rational Resolution proposed by the Committee was to do away the Bank restrictions, which acting singly, had produced before no sensible effect, in order to get out of the difficulty; while those causes which were known to have given birth to it before, were to be disregarded, though they had been felt for three years, and were still increasing in force. If this were rational, he confessed his capacity was not framed to understand it. If such a measure were unhappily adopted, it might restore the balance of trade, but it would destroy the foundation of the country, and render it impossible to continue that contest which all were agreed ought not now to be relinquished. From what had been heard in the course of the debate, it was clearer than ever that that course recommended by the Committee was not practicable; and if it were practicable it would be most ruinous. It had been said, the proposed line of conduct ought to be pursued, in justice to the public creditors; but if a proposition were adopted which would ruin the country, he thought it was not very likely that it would then find itself in a situation to do justice to its creditors. The state in which we were placed at present, was one which if it rendered us unable to do them justice, was one which had resulted from unforeseen circumstances growing out of the adoption of a line of conduct which was indispensably necessary to the salvation of the country. Would it now be justice, with their eyes open, to take a step which must eventually be prejudicial to the interest of the creditor, and most injurious to the community at large? Were those who had made contracts to be subjected to ruin by the adoption of a new system? Having now stated, not all he could have wished to have said, but that which appeared to him of the greatest importance, he now came to this conclusion; that the measure proposed was a measure which, if adopted, would be adopted without proof of its necessity or expediency, against the evidence on which it

was founded, and contrary to the examples of former times; and they, in adopting it, would disgrace themselves for ever by becoming the voluntary instruments of their country's ruin.

Mr. TIERNEY said, in rising to propose his Amendment to the third Resolution, he would avoid entering into any general discussion of the question, which he considered as completely exhausted by what had fallen from the different Members who had spoken on it, and especially by those who had spoken on his side of the House. He could not avoid, in particular, complimenting his Honourable and Learned Friend who had opened the debate, of whom it was but justice to say, that in his opinion a greater reach of mind, greater industry, or a greater power of forcible and impressive eloquence, than he had displayed, had rarely ever occurred in the Parliamentary History of this country. He agreed most cordially in the doctrines laid down by his Honourable and Learned Friend, on the principles of the question; and if he had not differed with him on the last Resolution, with respect to the remedy, he should not now have troubled the House. Perhaps the wisest course would have been, not to have done any thing upon the Report, and left the Bank to have profited by it; and if the Report had been suffered to work its own way, he would not have been disposed to suggest any other method of giving efficacy to it; but when not content with the rejection of the Resolutions of his Honourable Friend, it had been thought adviseable that the House should declare an opposite set of Resolutions, the utmost danger was to be apprehended to the country if they were to be adopted. He, therefore, conceived it necessary to come forward with an Amendment, which should do away all the ill effects of such Resolutions, and to save trouble, he would introduce it at the third Resolution, which professed to set the question of depreciation at rest. It did not, however, set the question at rest; nothing could be farther from it. It was proposed as an answer to a Resolution of his Learned Friend (Mr. Horner), which states, that the actual value of the paper currency was depreciated in comparison with standard gold; but instead of controverting that Resolution, it escaped from it, and referred to the public estimation. What could be more

idle than such an answer? What did the Right Honourable Gentleman mean by the public estimation? Did he mean the estimation that attached to currency throughout the world?—Or did he mean the estimation in this country in particular?—He certainly meant the latter, for nobody denied that our currency was depreciated in the estimation of foreign countries. The Resolution was therefore not correct, if not limited to the internal transactions of the country. But he would ask how could a currency be sound in one country and unsound in another?—How could that be an equivalent in one country which was not an equivalent in another? This was the question for consideration. How far, even in our own limited circle, the currency could be considered as a fair equivalent, was a matter of doubt. The Right Hon. Gentleman had indeed said it was, but there had been brought forward several instances to the contrary. It might be said, that these instances were too easily believed by those who held opinions which they countenanced. But a paper had been put into his hands which threw considerable light on the subject. The Right Honourable Gentleman had a deputation some time ago from several of the most respectable traders in London, when they stated that a great part of the evils which the commerce of the country were suffering, were owing to the depreciation of the currency. They stated expressly to the Chancellor of the Exchequer, that there was a depreciation, and that the evils of the low exchange was to be attributed to it. The paper containing their resolutions was signed by the house of Wm. Mellish and Co. by Thornton and Co. by Sir Chas. Price, and by several of the most respectable houses in London. Whether that opinion was right or wrong, he would not say; but when it was expressed by a deputation from the most respectable houses in London, it was rather singular, that a Resolution should be brought forward, asserting that there was no depreciation in the public estimation. But he did not mean to enter upon the general principle at present; for he could add nothing to what had been so well laid down by his Learned Friend (Mr. Horner). He believed the cause of the depreciation was an excess; and he could have no doubt of the excess. This would be the conclusion in ordinary times, and it was incumbent on the Right Honour-

able Gentleman opposite, to shew that the effect was to be attributed to some other cause.—There were at present 777 country banks, endeavouring to circulate as much as possible without any check, and the circulation was to be presumed always full. An Hon. Gentleman stated that a country banker wished lately to circulate notes for 50,000*l.* in addition to what was already in circulation, but that he could only circulate 1,000*l.* more. This failure was attributed by that Hon. Gentleman and himself to quite different causes; for he (Mr. Tierney) could only attribute the failure to the circulation being already full, and that there was no room for more. When there are so many country banks, they will always be on the watch for profit; and if there is a tendency to filling, it became necessary to shew that they had not overshot the mark.—When they came to consider depreciation, which was no more than a presumption of excess, how could any man doubt that excess had given occasion to it. He would say one word as to ‘depreciation.’ He should be glad if any other word in the language could be found to answer the purpose; for it might be understood to mean discredited. There was no one word, he believed, could express the precise idea, but the proper idea, he believed, which was meant to be conveyed, was ‘lessened in value.’ Paper was lessened in value by the price of gold rising above the price of the currency. Though he himself, for instance, in his individual dealings might find no difference between guineas and paper, would any man say, in discussing the estimate of value, that paper was equally valuable with gold. It had been urged that this supposes the laws of the realm to be broken; but every day they were broken; and though this might be lamented it could be no surprise. No human being could doubt, that if gold in bullion was more advantageous than paper, that bullion would be preferred to paper. When persons were seen every where alive to the smallest variations of stock, and ready to take advantage of an eighth per cent. was it reasonable to think that they would, in this case, be so much asleep as not to convert 20*s.* into 25*s.*? Go to the bullion merchant, and see if the same quantity of bullion can be got for paper as for guineas. Supposing a person to have connection with Ireland, which would he prefer? How then

could it be said that they were equal? On this subject he should say less, because nothing was ever more happily exposed and ridiculed than the proposition was by a Right Hon. Gent. (Mr. Canning). There was no Resolution he more objected to than that which attributed the unfavourable exchange to the state of our trade. Was it thought that the opinions of the Bullion Committee were dangerous, and that an opinion publicly expressed, and which would be circulated throughout all Europe, that the enemy of this country had been able to effect the destruction of our trade, was not much more dangerous.—All this would be much better if passed by. It is acknowledging, that although we may have put the enemy to great distress, he has put us to still greater distress.—The Bullion Committee had been called theorists; but they pointed to a remedy; but their opponents point out no remedy, which is not in the power of the enemy. Every person would ere long, however, become convinced of the soundness of the opinions of the Bullion Committee, and although a sudden reduction of issues might be dangerous, yet it would be necessary that a reduction should somehow or other take place. He did not deny that the evil might partly originate in our embarrassments abroad; but that could be nothing like the whole cause, and ordinary effects could only be ascribed to ordinary causes; and their causes were the issues.—A reduction, no doubt, would occasion a certain inconvenience, but what was the sort of trade it would principally affect? the Right Honourable Gentleman (the Chancellor of the Exchequer) would wish that in the midst of an expensive war we should feel no inconvenience; but no madman in Abyssinia or any where else could imagine that in war it could be so managed as that we should not know whether we were at peace or war. This is the project of the Right Honourable Gentleman opposite, and the Noble Lord (Castlereagh) under the Gallery. They support the Bank Restrictions on a new system, against which he should raise his voice as pregnant with ruin. He could not conceive how any country could be going on more certainly to ruin than this, if the stoppage of the Bank should be adopted, not from principles of safety, but from principles of benefit. Supposing a year of scarcity, what would become of us?—If the coin be

gradually leaving the country, the day would come when nothing but paper would be in the country. How then should we be able to procure any thing from abroad?—Lord Liverpool seemed to have written with a prophetic eye to some future Chancellor of the Exchequer, who should venture to maintain that we should have paper at home that we might send all our money abroad. That respectable writer stated the danger of the idea, that we possessed the alchymy of turning paper to gold, and that we might export all our gold to those countries who did not possess that alchymy. He could not help speaking with disdain, when he heard a British Chancellor of the Exchequer maintain that such a system should be persevered in, not for safety ; but for benefit, and for the more effectually carrying on foreign war. This was, he owned, more than he expected to hear. That was the first thing for which Parliament ought to provide a remedy, and it would be doing much, if he could prevail on Parliament to discountenance such an opinion. The Resolution which he should propose would avoid the difficulty of the last Resolution of his Learned Friend (Mr. Horner.) It was impossible to say what would be the situation of the country at the end of two years ; definite periods too could be easily enlarged, as there were already but too many instances of. The best thing, therefore, at present, was to declare that nothing could justify the restrictions but the public safety. He believed a hint would go a great way with the Bank of England. It had been stated by a Bank Director, that they had advanced three millions without interest to Government, and this was renewed at the end of three years ; so that we entered into a disgraceful partnership with the Bank. The Bank had totally left the principles upon which they acted previous to 1797, when Mr. Pitt, in the plenitude of his power, could not prevail on the Directors to lend him money on the land and malt-taxes, to enable him to assist Austria. He did not blame the Directors, but it was certain there was an entire change of principles. If there was no change, however, there could be no objection to his motion, which was to declare, that it was highly important that the Bank restriction should be removed at the earliest period at which it could be done consistent with the public safety ; and that, during the re-

restrictions, the Bank should continue to act upon the principles upon which they acted previous to 1797.

SIR JOHN SINCLAIR would not have risen at so late a period of the discussion, and after so many speeches of extraordinary ability, but for one or two considerations. He had been called by an Honourable Gentleman, some evenings before, a proselyte. He did not believe that it was his intention to throw any slur or imputation on his (Sir J. Sinclair's) conduct, not being conscious of having acted upon any other impressions than might naturally operate on a mind open to conviction. He had opposed the restriction in 1797, from a principle of public duty, conceiving it to be injurious to the public interest; having since changed his opinions, he now opposed with similar motives a new measure, which he was confident would be attended with the most ruinous effects. Notwithstanding all that had been said in daily, in monthly, and in quarterly publications on this subject, his persuasions remained unaltered. He held that there were two sorts of currency in the country, a metallic and a representative currency, the latter of which was applicable to all the purposes of the former, and to others beside. He wished Gentlemen to turn their attention to those countries which did not enjoy the advantage of this representative, or paper currency. In China, he begged leave to observe, in the first place, there was a population of 333 millions, and yet there was in that extensive empire no coinage, nothing but cash; he did not know whether they borrowed the word from us, or we from them. (*A laugh.*) Bank money might be described as money issuing upon good security, and always returning in a limited time to the coffers whence it was issued, thus constituting an unobjectionable and perfect circulating medium. Would not paper make purchases of every description, as well as coin, at the present moment, and would it not go just as far, provided it was in sufficient quantity? The advantages of a paper currency he conceived to be these; first, That it might be increased according to the demands of circulation; 2dly, That it made us independant of foreign countries for our currency; and lastly, That it exerted a magical influence on all internal improvements, trade and manufactures. Loans were in consequence easily made at low interest, in the midst

of expensive wars, new roads and canals undertaken, and the spirit of enterprize universally diffused. (*Hear, hear, hear, from Mr. Perceval.*) With one hand Great Britain appeared spreading cultivation over the land, and with the other extending foreign commerce, and defeating a foreign enemy. (*Hear, hear!*) Already was Portugal delivered, and he ascribed this glorious event to the abundance of our circulating medium. Our modern Midasses might dwell, indeed, upon the mischief of an excess of currency, and assert its existence in defiance of the clearest and most indisputable evidence. (*A laugh.*) He regretted, however, that the effect said to have been wrought upon the antient Alchymist, by dipping in the river Pactolus, was not at the present period likely to follow the immersion of the Bullion Committee either in the Thames, the Tweed, or the Shannon. (*A laugh.*) A work had been published by a Mr. Du Pont, entitled, “L’Etat de France,” upon the subject of the Paris Bank, which failed in 1806. By this it appeared that its capital had never exceeded 2,000,000*l.* not more than that of the Bank of Scotland, and less than that of Ireland. Was this case, then, deserving of a comparison to that of the Bank of England? (*Hear! hear!*) The same writer made another very striking observation. The quantity of Bullion in India was enormous—it was constantly increasing, and yet interest was at twelve per cent. ; and to use his own expression, ‘Les Pauvres sont miserables, et les riches sont mechants.’ (*A laugh.*) He would now mention three tests by which an excess could be judged; did Bank-notes pass currently from hand to hand?—Were they received at the Exchequer?—And did the circulation not exceed in amount the revenue? If these questions were answered in the affirmative, no excess could have taken place. Having made these remarks, he would now simply state a few facts. During four years our funded debt had only increased 12,000,000*l.* and since 1801, the whole increase of our revenue amounted only to 13,373,000*l.* (*Hear! hear!*) Was it possible then that men of common understanding could any longer assert that our resources were declining, or that there was any evil in our present system of currency? It was a saying of Frederick the Great, that it was a happy thing the systems of metaphysicians

had no influence on the price of the quartern loaf; and in the same spirit he earnestly deprecated the adoption of the counsels of the Bullion Committee, whose reasonings, however ingenious, led to the most pernicious consequences. The greatness and welfare of a State were all comprehended in the preservation of its established religion, its established government, and its established currency.—He must resist, therefore, any innovation upon the last, as one of the three important links of society; and he was deeply impressed that on the event of this discussion depended the prosperity and the best interests of the British Empire.

Mr. MANNING defended the conduct of the Directors of the Bank of England, and denied that the Bank had any interest distinct from that of the public. In speaking from himself, which he had done in all that he had said upon this subject, and not as a person commissioned to state to that House the sentiments of the Bank, he was free to say that his situation as a Director, derived to him no advantage whatever, save what flowed to him in the channel of the public interests. He was no farther a stockholder than as holding that portion of stock which was necessary for him to qualify himself for his situation as Bank Director, and he had no connection with the stocks but as a Bank Director. In order to shew that the arguments which had been resorted to, to prove the depreciation of the paper currency, from the high price of guineas, he stated there was a Dutch gold coin, called the ruyder, which was worth fourteen guilders, but which, by the laws of Holland, was not exportable. It was well known that a piece of bullion, of equal weight and fineness, would in Holland sell for 12 per cent. more than the ruyder, because the ruyder was not exportable. He repeated his vindication of the Bank, and contended that their paper issue was not regulated with a view to the raising of any excessive or unreasonable profit.

Mr. HUSKISSON rose merely to make one or two observations upon what had fallen from the Right Honourable Baronet and the Hon. Gentleman who had just sat down. He apprehended that the Right Hon. Bart. had in his zeal for the paper cause let out considerably more than the advocates of paper could wish to have disclosed. He seemed not only to deny the evils of an excessive paper issue, but

to hail it as another and most promising system of finance ; and that, as for the vulgar prejudices in favour of gold and silver, that they ought to be at once exploded or left merely to those modern Midasses who would ruin the country in the fury of their speculations ; this glorious paper system was to rescue us from all the horrors of gold and silver which the Right Honourable Baronet had proved by a quotation from a French pamphlet must inevitably make “ the poor miserable and the rich wicked and powerful.” With respect to the Dutch coin mentioned by the Honourable Gentleman (Mr. Baring) the ruyder, he believed, was the oldest coin in Holland. It was certainly prohibited from exportation by one of those absurd laws which were allowed to continue in many countries without one reason to warrant the continuance of their operation. But the instance put by the Honourable Gentleman, could not apply unless he was prepared to state that the ruyder had not become deteriorated. It was certainly a very old coin ; and the coin to which the Dutch directed their attention chiefly was the ducat, which was exportable, so that the probability was, that the ruyder had become deteriorated.—With regard to the 3rd Resolution, he wished to know from the Right Hon. Gent. the meaning of the word “ equivalent” in that resolution ; was it the denominations were the same—of this there could be no question ; was it that their intrinsic value was the same, or was it that they had the same exchangeable value ? Are the two commodities interchangeable ? No ; then what was the meaning of “ equivalent ?” standard was the measure of equivalency. If the Assay-master, the favourite witness, Mr. Merle, was called and asked as to this point, he (Mr. Huskisson) should wish to put him two questions only ;—first, “ Are the dollars and the crown-pieces equivalent ?” and this he would certainly answer, no. The second question would be, “ By what process can you make them equivalent ?” the only reply he could give to this, would be perhaps, a laugh—because the thing was impossible—they could not be made equivalent. It was absurd to talk of a standard when it could be traced only to a penal law. An equivalent in such a case could only be compared to the story of the scholars, who complaining of the diminution of their commons, were desired to get a pair of magnifying

glasses, through which to view their allowance. Such was the case with the dollars—Gentlemen had only to view them through a different medium, and they would perceive them to be larger one day than they had been the preceding.

Mr. MANNING explained, that the Proclamation as to the rise in the value of dollars would put the Bank to a loss of 6*d.* upon every dollar then in circulation, amounting to several millions in number—a sacrifice of no trifling amount for the convenience of the public. The Bank was not desirous of continuing those issues; but, on the contrary, would be anxious to withdraw from them whenever the Executive Government found itself enabled to dispense with the Bank's services. He regretted the resolution as to the rise in the dollars had not originated in that House. To the Bank it would prove a loss of 50,000*l.* or 60,000*l.*

Mr. HUSKISSON explained.

Mr. S. THORNTON stated, that within these two days a banker had put into his hands 500 guineas in gold, requesting to have in exchange for them, from the Bank, tokens to the amount, at the rate of 5*s.* 6*d.* each; and a similar application had been made a few days before for an exchange as between guineas and tokens, to the amount of 300*l.* This was better than any reasoning as to their value could be supposed to be.

Mr. WILBERFORCE was satisfied the effect of the present discussion would be gradually to lead to true and just principles on the subject; and he was also satisfied that they would be found to be the best friends to the country who advised, that even in a state of prosperity, the present system should not be pushed too far.

Mr. BARING contended that the country was in such a fictitious state as to every part of political economy, that she could not go on with a circulation adapted to legitimate purposes. At the present, however, such was the state of the Continent, and of our trade, that it was impossible for us to bring back the precious metals into circulation. To talk in this situation, as a Right Honourable Gentleman (Huskisson) had done, of the Theories of Locke or Newton, was not more absurd than the reasoning of an Hon. Gent. last night, who carried the House back to the days of Moses.

Mr. HUSKISSON explained.—The House then divided.

For the Resolution - - - - -	76
For the Amendment - - - - -	24
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Majority in favour of the Resolution - - - 52

Mr. HORNER then proposed his several Amendments to the Resolutions of Mr. Vansittart, not with the view to any discussion, but that they might be entered on the Journals.

Mr. VANSITTART denied the facts asserted in Mr. Horner's Amendments.

Mr. HORNER was content that the matter should now rest on their counter-assertions, which would thus appear opposed to each other on the Journals.

Mr. Horner's Amendments to the several Resolutions were then put and negatived.

Mr. TIERNEY proposed his Amendment, as an addition to the Sixteenth Resolution; but this addition was also negatived.

The whole of the Resolutions being put, were agreed to.

MR. HORNER'S PROPOSED RESOLUTIONS.

22 April 1811.

1.—That the only Money which can be legally tendered in Great Britain, for any sum of above twelve pence in the whole, is made either of Gold or Silver; and that the weight, standard, and denomination, at which any such Money is authorized to pass current, is fixed, under his Majesty's prerogative, according to law.

2.—That since the 43d year of the reign of Queen Elizabeth, the Indentures of his Majesty's Mint have uniformly directed that all Silver used for Coin should consist of 11^{oz} 2^{dwt} of fine Silver, and 18^{dwt} of Alloy in each pound Troy, and that the said pound Troy should be divided into 62 Shillings, or into other Coins in that proportion.

3.—That since the 15th year of the reign of King Charles the Second, the Indentures of his Majesty's Mint have uni-

formly directed, that all Gold used for Coin, should consist of 11^{oz.} of pure Gold and 1^{oz.} of Alloy in each pound Troy; and that the said pound Troy should be divided and coined into 44 Guineas and one Half-Guinea, or into other Coins in that proportion.

4.—That by a Proclamation of the 4th year of the reign of King George the first, it was ordered and directed, that Guineas and the several other Gold Coins therein named, should be current at the Rates and Values then set upon them; viz. The Guinea at the rate of 21 Shillings, and other Gold Coins in the same proportion: thereby establishing, that the Gold and Silver Coins of the Realm should be a legal tender in all Money Payments, and a Standard Measure for ascertaining the value of all contracts for the payment of Money, in the relative proportion of 15 $\frac{3}{17} \frac{5}{8} \frac{2}{40}$ Pounds weight of Sterling Silver to one Pound of Sterling Gold.

5.—That by a Statute of the 14th year of the reign of his present Majesty, subsequently revived and made perpetual by a Statute of the 39th year of his reign, it is enacted, That no tender in payment of Money made in the Silver Coin of this Realm, of any sum exceeding the sum of 25*l.* at any one time, shall be reputed in law, or allowed to be legal tender, within Great Britain or Ireland, for more than according to its value by weight, after the rate of 5*s.* 2*d.* for each Ounce of Silver.

6.—That by a Proclamation of the 16th year of the reign of his present Majesty, confirmed by several subsequent Proclamations, it was ordered and directed, that if the weight of any Guinea shall be less than 5^{dwt.} 8^{gr.} such Guinea shall cease to be legal tender for the payment of any Money within Great Britain or Ireland; and so in the same proportion for any other Gold Coin.

7.—That under these laws (which constitute the established policy of this Realm, in regard to Money,) no contract or undertaking for the payment of Money, stipulated to be paid in Pounds Sterling, or in good and lawful Money of Great Britain, can be legally satisfied and discharged, in Gold Coin, unless the Coin tendered shall weigh in the proportion of $\frac{3}{17}$ parts of 5^{dwt.} 8^{gr.} of Standard Gold for each Pound Sterling, specified in the said contract; nor in Silver Coin, for a sum exceeding 25*l.* unless such Coin shall weigh in the propor

tion of $\frac{3}{8}$ of a Pound Troy of Standard Silver for each Pound Sterling specified in the contract.

8.—That the Promissory Notes of the Bank of England are stipulations to pay, on demand, the Sum in Pounds Sterling, respectively specified in each of the said Notes.

9.—That when it was enacted by the authority of Parliament, that the Payment of the Promissory Notes of the Bank of England in Cash should for a time be suspended, it was not the intention of Parliament that any alteration whatsoever should take place in the Value of such Promissory Notes.

10.—That it appears, that the actual Value of the Promissory Notes of the Bank of England, (measuring such value by weight of Standard Gold and Silver as aforesaid), has been, for a considerable period of time, and still is, considerably less than what is established by the laws of the realm to be the legal tender in payment of any money contract or stipulation.

11.—That the fall which has thus taken place in the Value of the Promissory Notes of the Bank of England, and in that of the Country Bank Paper which is exchangeable for it, has been occasioned by too abundant Issue of Paper Currency both by the Bank of England, and by the Country Banks; and that this Excess has originated, from the want of that Check and Controul on the Issues of the Bank of England, which existed before the Suspension of Cash Payments.

12.—That it appears, that the Exchanges with Foreign Parts have, for a considerable period of time, been unfavourable to this Country, in an extraordinary Degree.

13.—That, although the adverse circumstances of our Trade, together with the large amount of our Military Expenditure Abroad, may have contributed to render our Exchanges with the Continent of Europe unfavourable; yet the extraordinary degree, in which the Exchanges have been depressed for so long a period, has been, in a great measure, occasioned by the deprecation, which has taken place, in the relative Value of the Currency of this Country as compared with the Money of Foreign Countries.

14.—That during the continuance of the suspension of Cash Payments, it is the duty of the Directors of the Bank of

England to advert to the state of the Foreign Exchanges, as well as to the price of Bullion, with a view to regulate the amount of their issues.

15—That the only certain and adequate security to be provided, against an Excess of Paper Currency, and for maintaining the relative Value of the Circulating Medium of the Realm, is the legal Convertibility, upon demand, of all Paper Currency into lawful Coin of the Realm.

16—That in order to revert gradually to this Security, and to enforce meanwhile a due Limitation of the Paper of the Bank of England as well as of all the other Bank Paper of the Country, it is expedient to amend the Act, which suspends the Cash Payments of the Bank, by altering the time, till which the Suspension shall continue, from Six Months after the Ratification of a Definitive Treaty of Peace, to that of Two Years from the present Time.

MR. N. VANSITTART'S PROPOSITIONS RESPECTING MONEY,
BULLION AND EXCHANGES.

26th April, 1811.

I.—THAT the right of establishing and regulating the legal Money of this Kingdom hath at all times been a royal prerogative, vested in the sovereigns thereof, who have from time to time exercised the same as they have seen fit, in changing such legal Money, or altering and varying the value, and enforcing or restraining the circulation thereof, by Proclamation, or in concurrence with the Estates of the Realm by Act of Parliament: and that such legal Money cannot lawfully be defaced, melted down or exported.

II.—That the Promissory Notes of the Governor and Company of the Bank of England are engagements to pay certain sums of Money in the legal Coin of this Kingdom; and that for more than a century past, the said Governor and Company were at all times ready to discharge such Promissory Notes in legal Coin of the Realm, until restrained from so doing on the 25th of February 1797, by his Majesty's Order in Council, confirmed by Act of Parliament.

III.—That the Promissory Notes of the said Company have hitherto been, and are at this time, held to be equivalent to the legal Coin of the Realm, in all pecuniary transactions to which such Coin is legally applicable.

IV.—That at various periods, as well before as since the said Restriction, the exchanges between Great Britain and several other countries have been unfavourable to Great Britain: and that during such periods, the prices of Gold and Silver Bullion, especially of such Gold Bullion as could be legally exported, have frequently risen above the Mint price; and the coinage of Money at the Mint has been either wholly suspended or greatly diminished in amount: and that such circumstances have usually occurred, when expensive naval and military operations have been carried on abroad, and in times of public danger or alarm, or when large importations of Grain from foreign parts have taken place.

V.—That such unfavourable Exchanges, and rise in the price of Bullion, occurred to a greater or less degree during the wars carried on by King William the 3rd and Queen Ann; and also during part of the seven years war, and of the American war; and during the war and scarcity of grain in 1795 and 1796, when the difficulty increased to such a degree, that on the 25th of February 1797, the Bank of England was restrained from making payments in cash by his Majesty's Order in Council, confirmed and continued to the present time by divers Acts of Parliament; and the Exchanges became afterwards still more unfavourable, and the price of Bullion higher, during the scarcity which prevailed for two years previous to the Peace of Amiens.

VI.—That during the period of 75 years, ending with the 1st of January 1796, and previous to the aforesaid restriction, whereof, with the exception of some small intervals, accounts are before the House, the price of Standard Gold in bars has been at or under the Mint price 34 years and 5 months; and above the said Mint price 39 years and 7 months; and that the price of foreign Gold Coin has been at or under 3*l.* 18*s.* per oz. 31 years and 2 months, and above the said price 42 years and 10 months. And that during the same period of 75 years, the price of standard Silver appears to have been at or under the Mint price, 3 years and 2 months only.

VII.—That the unfavourable state of the Exchanges, and the high price of Bullion, do not, in any of the instances above referred to, appear to have been produced by the restriction upon Cash payments at the Bank of England, or by any excess in the issue of Bank Notes; inasmuch as all the said instances, except the last, occurred previously to any restriction on such Cash payments; and because, so far as appears by such information as has been procured, the price of Bullion has frequently been highest, and the exchanges most unfavourable, at periods, when the issues of Bank Notes have been considerably diminished, and to have been afterwards restored to their ordinary rates, although those issues have been increased.

VIII.—That during the latter part and for sometime after the close of the American war, during the years 1781, 1782 and 1783, the exchange with Hamburgh fell from 34. 1, to 31. 5, being about 8 per cent.; and the price of foreign gold rose from 3*l.* 17*s.* 6*d.* to 4*l.* 2*s.* 3*d.* per oz. and the price of Dollars from 5*s.* 4½*d.* per oz. to 5*s.* 11½*d.* and that the Bank Notes in circulation were reduced between March 1782 and December 1782, from 9,160,000*l.* to 5,990,000*l.* being a diminution of above one third, and continued (with occasional variations) at such reduced rate until December 1784: and that the exchange with Hamburgh rose to 34. 6, and the price of gold fell to 3*l.* 17*s.* 6*d.* and Dollars to 5*s.* 1½*d.* per oz. before the 25th February 1787, the amount of Bank Notes being then increased to 8,688,000*l.*

IX.—That the amount of Bank Notes in February 1787 was 8,688,000*l.* and in February 1791, 11,699,000*l.*; and that during the same period, the sum of 10,704,000*l.* was coined in Gold; and that the exchange with Hamburgh rose about 3 per cent.

X.—That between the 25th of February 1795, and the 25th of February 1797, the amount of Bank Notes was reduced from 13,539,000*l.* to 8,640,000*l.* during which time the exchange with Hamburgh fell from 36 to 35, being about 3 per cent., and the said amount was increased to 11,855,000*l.* exclusive of 1,542,000*l.* in Notes of 1*l.* and 2*l.* each on the 1st of February 1798, during which time the exchange arose to 38. 2, being about 9 per cent.

XI.—That the average price of Wheat per quarter in

England, in the year 1798, was 50s. 3d. ; in 1799, 67s. 5d. ; in 1800, 113s. 7d. ; in 1801, 118s. 3d. ; and in 1802, 67s. 5d.

The Amount of Bank Notes of 5*l.* and upwards,

In 1798, about £. 11,527,000	
under £. 5 . . . 1,810,000	
	13,337,000
In 1799, about 12,408,500	
under £. 5 . . . 1,653,800	
	14,062,300
In 1800, about 13,421,900	
under £. 5 . . . 1,831,800	
	15,253,700
In 1801, about 13,454,300	
under £. 5 . . . 2,715,100	
	16,169,400
In 1802, about 13,917,900	
under £. 5 . . . 3,136,400	
	17,054,300

That the exchange with Hamburgh was, in January 1798, 38. 2; January 1799, 37. 7; January 1800, 32. ; January 1801, 29. 8; being in the whole a fall of above 22 per cent.—In January 1802, 32. 2; and December 1802, 34. ; being a rise of about 13 per cent.

XII.—That during all the periods above referred to, previous to the commencement of the war with France in 1793, the principal States of Europe preserved their independance, and the trade and correspondence thereof were carried on conformably to the accustomed law of nations; and that although from the time of the invasion of Holland by the French in 1795, the trade of Great Britain with the Continent was in part circumscribed and interrupted, it was carried on freely with several of the most considerable ports, and commercial correspondence was maintained at all times previous to the summer of 1807.

XIII.—That since the month of November 1806, and especially since the summer of 1807, a system of exclusion has been established against the British trade on the Continent of Europe, under the influence and terror of the French power, and enforced with a degree of violence and rigor never before attempted; whereby all trade and correspondence between Britain and the continent of Europe has

(with some occasional exceptions, chiefly in Sweden and in certain parts of Spain and Portugal) been hazardous, precarious and expensive, the trade being loaded with excessive freights to foreign shipping, and other unusual charges: and that the trade of Britain with the United States of America has also been uncertain and interrupted; and that in addition to these circumstances, which have greatly affected the course of payments between this country and other nations, the Naval and Military Expenditure of the United Kingdom in foreign parts, has, for three years past, been very great; and the price of Grain, owing to a deficiency in the crops, higher than at any time whereof the accounts appear before Parliament, except during the scarcity of 1800 and 1801; and that large quantities thereof have been imported.

XIV.—That the amount of Currency necessary for carrying on the transactions of the Country, must bear a proportion to the extent of its Trade and its public Revenue and Expenditure; and that the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th of January 1797, was 51,199,141*l.* official value; the average amount of Revenue paid into the Exchequer, including the Profit on the Lottery, 19,495,945*l.*; and the average amount of the Total Expenditure of Great Britain, 42,855,111*l.*; and that the average amount of Bank Notes in circulation (all of which were for 5*l.* or upwards) was about 11,262,000*l.*; and that 57,274,617*l.* had been coined in gold during his Majesty's reign, of which a large sum was then in circulation.

That the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th January 1810, was 700,554,719*l.*; the average amount of Duties paid into the Exchequer 59,960,525*l.* and the average amount of the Total Expenditure of Great Britain, 77,802,674*l.*; and that the amount of Bank Notes, above 5*l.* on an average of the years 1808 and 1809, was 13,763,000*l.*; and of Notes under 5*l.* about 4,500,000*l.*; and that the amount of Gold Coin in circulation was greatly diminished.

XV.—That the situation of this Kingdom, in respect of its political and commercial relations with foreign countries,

as above stated, is sufficient, without any change in the internal value of its currency, to account for the unfavourable state of the foreign Exchanges, and for the high price of Bullion.

XVI.—That it is highly important that the restriction on the payments in Cash of the Bank of England, should be removed, whenever the political and commercial relations of the Country shall render it compatible with the public interest.

XVII.—That under the circumstances affecting the political and commercial relations of this kingdom with foreign Countries, it would be highly inexpedient and dangerous, now to fix a definite period for the removal of the restriction of Cash Payments at the Bank of England, prior to the conclusion of a definitive treaty of peace.

PROPOSITIONS RESPECTING MONEY, BULLION AND EXCHANGES.

May 3, 1811.

I.—THAT the right of establishing and regulating the legal Money of this Kingdom hath at all times been a Royal Prerogative, vested in the Sovereigns thereof, who have from time to time exercised the same as they have seen fit, in changing such legal Money, or altering and varying the value, and enforcing or restraining the circulation thereof, by Proclamation, or in concurrence with the Estates of the Realm by Act of Parliament; and that such legal money cannot lawfully be defaced, melted down or exported.

II.—That the Promissory Notes of the Governor and Company of the Bank of England are engagements to pay certain sums of Money in the legal Coin of this Kingdom; and that for more than a century past, the said Governor and Company were at all times ready to discharge such Promissory Notes in legal Coin of the Realm, until restrained from so doing on the 25th of February 1797, by his Majesty's Order in Council, confirmed by Act of Parliament.

III.—That the Promissory Notes of the said Company have hitherto been, and are at this time, held in public estimation to be equivalent to the legal Coin of the Realm, and generally accepted as such in all pecuniary transactions to which such Coin is legally applicable.

IV.—That at various periods, as well before as since the said Restriction, the Exchanges between Great Britain and several other Countries have been unfavourable to Great Britain: and that during such periods, the prices of Gold and Silver Bullion, especially of such Gold Bullion as could be legally exported, have frequently risen above the Mint price; and the coinage of Money at the Mint has been either wholly suspended or greatly diminished in amount: and that such circumstances have usually occurred, when expensive Naval and Military operations have been carried on abroad, and in times of public danger or alarm, or when large importations of Grain from foreign parts have taken place.

V.—That such unfavourable Exchanges, and rise in the price of Bullion, occurred to a greater or less degree during the wars carried on by King William the 3rd and Queen Anne; and also during part of the Seven Years war, and of the American war; and during the War and Scarcity of Grain in 1795 and 1796, when the difficulty of procuring Cash or Bullion increased to such a degree, that on the 25th of February 1797, the Bank of England was restrained from making payments in Cash by an Order of Council, confirmed and continued to the present time by divers Acts of Parliament; and the Exchanges became still more unfavourable, and the price of Bullion higher, during the scarcity which prevailed for two years previous to the Peace of Amiens.

VI.—That the unfavourable state of the Exchanges, and the high price of Bullion, do not, in any of the instances above referred to, appear to have been produced by the restriction upon cash payments at the Bank of England, or by any excess in the issue of Bank Notes; inasmuch as all the said instances, except the last, occurred previously to any restriction on such Cash payments; and because so far as appears by such information as has been procured, the price of Bullion has frequently been highest, and the Exchanges

most unfavourable at periods, when the issues of Bank notes have been considerably diminished, and they have been afterwards restored to their ordinary rates, although those issues have been increased.

VII.—That during the period of nearly 78 years, ending with the 1st of January 1796, and previous to the aforesaid Restriction, of which period Accounts are before the House, the price of Standard Gold in bars has been at or under the Mint price 28 years and 5 months ; and above the said Mint price 48 years and 11 months ; and that the price of Foreign Gold Coin has been at or under 3*l.* 18*s.* per oz. 36 years and 7 months, and above the said price 39 years and 3 months ; and that during the remaining intervals no prices are stated. —And that during the same period of 78 years, the price of Standard Silver appears to have been at or under the Mint price, 3 years and 2 months only.

VIII.—That during the latter part and for some time after the close of the American war, during the years 1781, 1782 and 1783, the Exchange with Hamburgh fell from 34. 1 to 31. 5, being about 8 per cent ; and the price of foreign Gold rose from 3*l.* 17*s.* 9*d.* to 4*l.* 2*s.* 3*d.* per oz. and the price of Dollars from 5*s.* 4½*d.* per oz. to 5*s.* 11¼*d.* and that the Bank Notes in circulation were reduced between March 1782 and December 1782, from 9,169,000*l.* to 5,995,000*l.* being a diminution of above one third, and continued, (with occasional variation) at such reduced rate until December 1784 ; and that the Exchange with Hamburgh rose to 34. 6, and the price of Gold fell to 3*l.* 17*s.* 6*d.* and Dollars to 5*s.* 1¼*d.* per oz. before the 25th February 1787, the amount of Bank Notes being then increased to 8,688,000*l.*

IX.—That the Amount of Bank Notes in February 1787 was 8,688,000*l.*, and in February 1791, 11,699,000*l.* ; and that during the same period, the sum of 10,704,000*l.* was coined in Gold ; and that the Exchange with Hamburgh rose about 3 per cent.

X.—That the average amount of Bank Notes in the year 1795 was about 11,497,000*l.* and on the 25th of February, 1797, was reduced from 13,539,000*l.* to 8,640,000*l.* during which time the Exchange with Hamburgh fell from 36 to 35, being about 3 per cent., and the said amount was increased to 11,855,000*l.* exclusive of 1,542,000*l.* in Notes of 1*l.* and

2*l.* each on the 1st of February 1798, during which time the Exchange rose to 38.2 being about 6 per cent.

XI.—That the average price of Wheat per quarter in England, in the year 1798, was 50*s.* 3*d.* ; in 1799, 67*s.* 5*d.* ; in 1800, 113*s.* 7*d.* ; in 1801, 118*s.* 3*d.* ; and in 1802, 67*s.* 5*d.*

The Amount of Bank Notes, of 5*l.* and upwards,

In 1798, about	£. 10,920,400	
under £. 5 - -	1,786,000	
	<hr/>	12,706,400
In 1799, about	12,048,790	
under £. 5 - -	1,626,110	
	<hr/>	13,674,906
In 1800, about	13,421,92	
under £. 5 - -	1,831,820	
	<hr/>	15,253,740
In 1801, about	13,454,370	
under £. 5 - -	2,715,180	
	<hr/>	16,169,550
In 1802, about	13,917,980	
under £. 5 - -	3,136,470	
	<hr/>	17,054,450

That the exchange with Hamburgh was, in January 1798, 38.2 ; January 1792, 37.7 ; January 1800, 32. ; January 1801, 29.8 ; being in the whole a fall of above 22 per cent. — In January 1802, 32.2 ; and December 1802, 34. ; being in the whole a rise of about 13 per cent.

XII.—That during all the periods above referred to, previous to the commencement of the war with France in 1793, the principal States of Europe preserved their independence, and the trade and correspondence thereof were carried on conformably to the accustomed law of nations ; and that although from the time of the invasion of Holland by the French in 1795, the trade of Great Britain with the Continent was in part circumscribed and interrupted, it was carried on freely with several of the most considerable ports, and commercial correspondence was maintained at all times previous to the summer of 1807.

XIII.—That since the month of November 1806, and especially since the summer of 1807, a system of Exclusion has been established against the British trade on the Continent of Europe, under the influence and terror of the French power, and enforced with a degree of violence and

rigor never before attempted ; whereby all trade and correspondence between Britain and the Continent of Europe has (with some occasional exceptions, chiefly in Sweden and in certain parts of Spain, and Portugal) been hazardous, precarious, and expensive, the trade being loaded with excessive freights to foreign shipping, and other unusual charges : and that the trade of Britain with the United States of America has also been uncertain and interrupted ; and that in addition to these circumstances, which have greatly affected the course of payments between this country and other nations, the Naval and Military expenditure of the United Kingdom in foreign parts, has, for three years past, been very great ; and the price of Grain, owing to a deficiency in the crops, higher than at any time whereof the accounts appear before Parliament, except during the scarcity of 1800 and 1801 ; and that large quantities thereof have been imported.

XIV.—That the amount of Currency necessary for carrying on the transactions of the Country, must bear a proportion to the extent of its Trade and its public Revenue and Expenditure ; and that the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th of January 1797, was 48,732,651*l.* official value ; the average amount of Revenue paid into the Exchequer, including Monies raised by Lottery, 18,759,165*l.* ; and of Loans, 18,409,842*l.* making together 37,169,007*l.* ; and the average amount of the Total Expenditure of Great Britain, 42,855,111*l.* ; and that the average amount of Bank Notes in circulation (all of which were for 5*l.* or upwards) was about 11,262,000*l.* ; and that 57,274,617*l.* had been coined in Gold during his Majesty's reign, of which a large sum was then in circulation.

That the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th Jan. 1811, supposing the Imports from the East Indies and China to have been equal to their amount in the preceding year, was 77,971,318*l.* ; the average amount of Revenue paid into the Exchequer, 62,763,746*l.* ; and of Loans, 12,673,548*l.* ; making together 75,437,294*l.* ; and the average amount of the Total Expenditure of Great Britain, 82,200,966*l.* ; and that the average amount of Bank Notes,

above 5*l.* was about 14,265,850*l.* and of Notes under 5*l.* about 5,283,330*l.*; and that the amount of Gold Coin in circulation was greatly diminished.

XV.—That the situation of this kingdom, in respect of its political and commercial relations with foreign countries, as above stated, is sufficient, without any change in the internal value of its Currency, to account for the unfavourable state of the foreign Exchanges; and for the high price of Bullion.

XVI.—That it is highly important that the Restriction on the payments in Cash of the Bank of England, should be removed, whenever the political and commercial relations of the Country shall render it compatible with the public interest.

XVII.—That under the circumstances affecting the political and commercial relations of this Kingdom with foreign Countries, it would be highly inexpedient and dangerous now to fix a definite period for the removal of the Restriction of Cash payments at the Bank of England, prior to the term already fixed by the Act 44 Geo. III, c. 1, of six months after the conclusion of a definitive treaty of peace.

AMENDMENTS, ON THE PROPOSITIONS RESPECTING
MONEY, BULLION, AND EXCHANGES, 26 *April* 1811.

May 3, 1811.

AMENDMENT to No. IV.

That, prior to the Restriction of Cash Payments, the Exchanges were never more unfavourable to Great Britain, for any length of time, than from 5 to 7 per cent. below par, the depression appearing to have never exceeded the whole expence of transmitting Specie abroad; except during a debasement of the Coins of the Realm.

That, prior to the said Restriction, the market price of Standard Gold in bars never rose above the Mint price more than 1½ per cent. and that only for a very short interval;

except in 1720, the year of the famous South Sea Scheme, when it rose to 4*l.* 1*s.* 6*d.* per oz. : and during the periods when the coins of the Realm have been debased.

That, in periods subsequent to the said Restriction, and particularly of late years, the Exchanges have been unfavourable to Great Britain much below the limit marked by the whole cost of transmitting Specie abroad, and have continued so for a considerable time together, being at present and having been for a considerable time more than 25 per cent. below par ; and in the same manner the market price of Standard Gold in bars has been and still is more than 25 per cent. above the Mint price.

AMENDMENT to No. V.

That, during the wars carried on by King William the III^d, the Exchanges did fall below the limit fixed by the expence of transmitting Specie, and the price of Gold Bullion did rise very considerably ; viz. during the debased state of the Silver Coin of the Realm ; but, immediately after the reformation of the Coin, the market price of Gold fell to the Mint price, and the Exchanges rose nearly to par, although the circumstances of the War and the foreign expentiture continued unaltered.

That, between the reformation of the coin in the reign of King William and the 4th year of the Reign of King George the First, the Guinea passed by law for 22*s.* ; during which period therefore the Mint price of Gold was 4*l.* 1*s.* 7*d.*

That, during the Seven Years War, and until the year 1774, the Gold Coin of the Realm was in a state of debasement.

That the price of Standard Gold in Bars never exceeded the Mint price, in any one year of the American War.

That, the Exchange with Hamburgh, which had been rather unfavourable to this country, during part of the year 1795, ceased to be so in March 1796, became more favourable in the month of October, and continued favourable till the 26th of February 1797, when the Restriction took place, and for some time afterwards.

That there was no rise in the price of Standard Gold in bars immediately prior to the 26th of February 1797, nor for a considerable number of years before.

That, the state of the Exchanges, and of the price of Bullion, for two years previous to the peace of Amiens, was subsequent to the said Restriction.

AMENDMENT to No. VI.

That, with regard to the period of 75 years ending with the 1st of January 1796, from the year 1721 to 1758, the market price of Gold never at any one time exceeded the Mint price by more than 1s. 2½*d.* per oz. and seldom by more than half that sum; from 1758 to the recoinage of the Gold in 1773, the market price of Standard Gold in bars was always above Mint price, and sometimes exceeded it by as much as 3s. 6*d.* per oz., being the period during which the Coins were in a debased state; from the recoinage in 1773 to the 25th February 1797, the date of the Restriction, the market price of Standard Gold in bars never exceeded the Mint price, except for part of the years 1783 and 1784, when it rose 1½*d.* above the Mint price; since the year 1804, the price of Standard Gold in bars has been always very considerably above the Mint price, and from the end of the year 1808 to the present time, has been progressively rising (with occasional fluctuations) till it has been as high as the unprecedented price of 4*l.* 18*s.* per oz. as appears from Wetenhall's Tables.

AMENDMENT to No. VII.

That, taking the issues of Bank Notes in circulation, not at their amount on a particular day, but on a fair average antecedent to any alteration of the Exchanges and price of Bullion, it does not appear, from the information which has been procured, that the price of Gold has been highest and the exchanges most unfavourable when the issues of Bank Notes had been considerably diminished, and have been restored to their ordinary rates subsequently to those issues being increased.

That since the said Restriction the price of Bullion has been highest, and the Exchanges have been most unfavourable, at times subsequent to the periods in which the issues of Bank Notes have most increased.

AMENDMENT to No. VIII.

That taking the average of Bank Notes in circulation in the years 1782 and 1783, from their amount in the beginning of the months of January, March, June, October, and December in each year, and that of 1784 from their amount in the beginning of the months of March, June, October and December, (which are the returns before the House), it appears as follows ;

1782	- - - -	£.7,599,570
1783	- - - -	6,583,560
1784	- - - -	6,209,855

That the exchanges with Hamburgh, and the price of Foreign Gold, during the same periods, were as follows ;

1782.		
	Exch.	for G.
January	- - - 31. 9.	- - - £.3. 18. 6.
March	- - - 32. 10.	- - - 3. 19. —
June	- - - 32. 7.	- - - 3. 19. 6.
October	- - - 32. 3.	- - - 4. 2. —
December	- - - 31. 10.	- - - 4. — 1.

1783.		
	Exch.	for G.
January	- - - 32. 7.	- - - £.4. 1. —
March	- - - 32. 5.	- - - 3. 19. —
June	- - - 31. 5.	- - - 4. 2. 3.
October	- - - 32. 7.	- - - 3. 19. 6.
December	- - - 32. 8.	- - - 3. 19. 6.

1784.		
	Exch.	for G
March	- - - 33. 9.	- - - £.3. 18. —
June	- - - 34. 4.	- - - 3. 17. 10. $\frac{1}{2}$
October	- - - 34. 7.	- - - 3. 17. 10. $\frac{1}{4}$
December	- - - 34. 10.	- - - 3. 17. 10. $\frac{1}{2}$

That the exchange with Hamburgh between the end of December 1784, and the 25th of February 1787, fell from 35.6 to 34.6.

AMENDMENT to No. IX.

That of the sum of 10,704,000*l.* stated to have been coined in Gold from February 1787 to February 1791, the sum of 8,084,982*l.* was a recoinage from the light Guineas of the Realm.

AMENDMENT to No. X.

That the average amount of Bank Notes in circulation, during the months of January and February 1795, was 12,452,451*l.* and the average amount from the 1st January to 25th February 1797, was 9,566,430*l.*; making a difference of 2,886,021*l.*

That this reduction in the amount of Bank Notes was principally effected between the middle of the month of May 1796, and the 25th of February 1797.

That the Exchange with Hamburgh fell from 36 to 32. 4 (its lowest depression during the period in question) between the 3rd of February and the 4th of August 1795, during which time the average amount of Bank Notes in circulation was 11,464,149*l.* having been occasionally, during the time, as high as 14,071,850*l.* and even 14,876,580*l.*

That between the 4th of August 1795, and the 1st of January 1796, the Exchange with Hamburgh rose from 32. 4 to 32. 7. during which period the average amount of Bank Notes in circulation was 11,415,653*l.*; and, from the 1st of January to the 3rd of June 1796, the Exchange with Hamburgh rose from 32. 7 to 34., during which period the average amount of Notes was 10,874,316*l.*

That from the 3rd of June 1796 to the 25th of February 1797, during which period the amount of Bank Notes was gradually reduced to the sum of 8,640,250*l.*, the Exchange with Hamburgh rose to 35.; and in the few months following the last reduction rose gradually to 38.

AMENDMENT to No. XIV.

That the average amount of Bank Notes in circulation, of 5*l.* and upwards, for three years, ending the 5th of January 1797, was 10,782,780*l.*; and for the years 1808, 1809, and 1810, was 14,265,850*l.*

That the average amount of Notes for 5*l.* and upwards, in the year 1796, was 10,240,125*l.*; and in 1810 was 15,421,310*l.*

THE END.

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