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REMARKS AND STRICTURES

ON THE

Measures of Government,

RELATIVE TO

TRADE AND CURRENCY

AS CONNECTED

WITH THE PRESENT CRISIS.

BY ROBERT BUSK.

SUGGESTED

BY A LETTER SIGNED L. ON THE SUBJECT OF PECUNIARY
DISTRESS, PANIC, &c. WHICH APPEARED IN THE LEEDS
MERCURY, OF THE 11TH OF FEBRUARY, AND A COPY OF
WHICH IS PREFIXED.

Effodiuntur Opes, irritamenta malorum.

LEEDS :

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1826.

ERRATA.

In page 11, for *Republica*, read *reipublica*.

... 17, line 11, for *under these*, read *under such*.

... 20, ... 16, for *eastablish* read *establish*.

... 24, ... 27, for *palliatives* read *a palliative*.

... 32, ... 10, omit *again*.

PECUNIARY PANIC, DISTRESS,

&c.

TO THE EDITOR OF THE LEEDS MERCURY.

SIR,

THE present period of pecuniary and commercial distress is such as to arrest the attention of all classes of the community, and every one has his views and opinions as to its causes, its duration, and the means to be adopted for its alleviation and ultimate removal.

The causes then of the present embarrassment have their origin in the nature and character of our *money* and *currency*, which is partly real and partly representative. And, in short, I consider the general opinion quite correct, —that the Bank of England, and the Country Banks, some time back, extended the representative or paper money so much as to depreciate its value below that of the real or metallic currency. This turned the foreign exchange against us, and, consequently, produced an uncommon demand on the Bank of England for real money. Now it is evident that in this state of the exchanges, the bank must lose on every transaction, just the difference in value between the paper and metallic money. If, for instance, the

value of real money is higher than that of paper money by five per cent. the Bank of England would lose £50 on every £1000 it exchanged. Now it is evident that a continuance of this state of things must press heavily on the interests of the bank;—in fact, it could not be endured. Hence appears the necessity of its protecting its own interests—by lessening the quantity, and consequently increasing the value of the paper money. Hence its limitation of the banker's discounts; hence the banker's limitation of accommodation to commercial men; hence the scarcity of money, the embarrassment in trade, the failures, the decline in prices, the reduction in wages, and the scarcity of employment to the labouring classes. These things are in actual operation in the manufacturing districts. And this is only the prelude to agricultural distress, though agriculture, from its nature, is not so soon affected as commerce.

These opinions, Sir, I entertain in common with others; but as to most of the plans for extricating us from our embarrassments, I see reason to demur, and against one in particular, viz. withdrawing the small notes of Country Bankers entirely from circulation. I hope that our pecuniary situation is now much better understood than it was some time ago. I trust that the legislature possesses a more correct knowledge of this subject than when the House of Commons passed their ever-memorable resolution,—that paper was equal in value to gold, when the former was depreciated nearly 30 per cent.

If the contracting of the circulating money by the Bank of England had produced consequences, the fearful importance of which we now experience, what would its further

contraction, by the withdrawing of all the country notes from circulation, produce? Who can estimate its tremendous consequences? Let it be recollected that, with the exception of London, and a part of Lancashire, the main currency of the kingdom is that of local notes. It is impossible that these should be replaced with gold, without causing such a scarcity and advance in that metal as has not yet been experienced within our recollection. And if a return to cash-payments produced the ruin of thousands, by the stagnation and losses it caused in trade, by the change in the value of property—if it threw millions of our countrymen out of employment, and on their parishes for support—if it produced such distress as has no precedent in a time of plenty, and in a state of peace both at home and abroad—if it produced such disaffection as to be pronounced, by ministerial writers, the most dangerous period of any in our history since the commencement of the French revolution, and that these were the effects of that measure I think may be fully proved—the legislature ought to pause before it bring on us even greater calamities than these. If the taking a few millions of money from circulation by the Bank of England caused a panic, shook the country from one extremity to the other, and produced the effects which are now experienced, there is the strongest ground of alarm if the measure adverted to is attempted to be carried into effect.

I am, however, no advocate for a paper currency abstractedly considered. I admit the evils generally attributed to its present imperfect character; but we have only a choice of evils. The paper currency is interwoven into all our individual and national pecuniary transactions, and

any measure that would operate on the former, would operate with equal effect on the latter. The question is not, whether a metallic or a paper currency is to be preferred, but whether a metallic currency, with a charge of 20, 30, or 50 per cent. in the value of all the property of the kingdom, is to be preferred to the currency in its present state. I do not enter on the question whether the present currency may not be rendered more secure without diminishing its amount, such a measure is certainly most desirable, if it be practicable.

There is one most important consideration in every augmentation in the value of our currency that has seldom if ever been a subject of animadversion: it is of the greatest consequence that it should be rightly understood, as it is of paramount importance to the community, viz. the addition it makes to our taxation. If the currency is augmented one-third in value, (and that was nearly its rate of augmentation caused by the return of the Bank of England to cash-payments,) then taxation was increased one-third in its real amount; so that if we estimate the revenue of the nation at sixty millions, the increase in taxation will be twenty millions or upwards annually, caused wholly by the increase in the value of the currency. We complain of the tax on windows, malt, and a number of such taxes, which do not produce a tithe of this sum, and yet we quietly allow the minister to introduce a measure which takes twenty millions out of our pockets, to be put into the pockets of the fund-holders and tax-receivers, and this too at a period of great national distress.

Taxation, and the national debt which is upheld by

it, are to this country the greatest of all its political evils. They are the mill-stone round its neck that will, without great caution, plunge it in the gulph of ruin. Our funding system has attained a magnitude unparalleled in the annals of the world.

I fear we scarcely allow ourselves to contemplate the precarious foundation on which the present system rests; its management requires great care, attention, skill, and punctuality. Any failure in these would prove fatal. War abroad, or general discontent arising out of general distress at home might prove fatal: of the former we appear in no immediate danger; but the latter would certainly be produced by any material aggravation of the present distress, and to Ministers and to the Parliament I would say, beware.

L.

REMARKS,

&c.

Saturday, Feb. 18, 1826.

SALUS REPLICÆ—SUPREMA LEX.

THOUGH an utter stranger to the writer of an Address headed "*Pecuniary Panic, Distress, &c.*" and signed L. which appeared in the Mercury of the 11th February, I find his view of the present state of the country so accordant with common sense, and his style so free from the sophistical jargon of most writers on the subject of political economy, that I cannot refrain from wishing he may know, that, how severely soever his statements and his reasoning may be condemned by some, both are fully approved, not to say, highly admired by others. To myself, I must confess, they appear peculiarly forcible and just, and, moreover, so important, that, inadequate as my humble efforts may prove, to increase or extend their influence, I consider it a duty I owe to my fellow-townsmen and the public at large to exert

them to the utmost for that purpose. A duty of this kind seems the more imperative upon individuals in the middle or humbler classes of society on occasions like the present, where *their* interests are not less nearly concerned than those of the higher classes; and, especially, where the former, though not in reality, are certainly in appearance, at variance with the latter. That there is in fact any real ultimate difference of interests amongst the different classes of a community in regard to any question of political economy, I am by no means disposed to admit; because the general good of all must, in the end, infallibly prove for the final benefit of every particular class. Still, there are frequent cases in which this final result is too obscure or too remote to be clearly discerned or admitted; and where the immediate effects of particular principles and measures undoubtedly must be very different upon different classes. The present confusion and panic which pervade every branch of trade and manufactures is clearly a case of that description; and may, therefore, justify every sincere and well-intended attempt, feeble as it may prove, to elucidate their causes and to appreciate duly the various remedies proposed for the evils of which they are productive.

Under this impression it is, that I venture, thus publicly, to announce my firm persuasion of

the truth and correctness conspicuous in the statements and remarks contained in the letter I have alluded to. There is no doubt whatever in my mind, but that the fundamental, though not only cause, of all the embarrassment and alarm the commercial and manufacturing public are labouring under, exists in the nature of our *money and currency*, or what is technically termed our *circulating medium*; this being, as Mr. L. says, partly real and partly representative, or (if I may use the term) fictitious. A circulating medium of this double description must inevitably be liable to more sudden and more violent fluctuations, both in its extent and value than one altogether real or purely metallic; for by *real* I understand *metallic*, and by *representative*, (or fictitious) paper of *all* denominations, that of Government and public Companies, Bank of England and private Banks or individuals, in the shape of notes or bills payable on demand, or at certain dates. That the quantity of this paper-part of the currency is constantly varying from a great combination of causes which cannot affect a purely metallic currency, being, I imagine, universally allowed, to advance a single proof, would surely be a complete waste of time. The fact is self-evident. But the conclusions drawn from it are strangely various, and even contradictory. Each class of the community is influenced in its deductions by the effect

it experiences in its own contracted sphere, and upon its own immediate interests. The stockholder sees, in the general advance of nominal prices, occasioned by extra issues of paper, a proportionate reduction in the value of his dividend, while the manufacturer experiences in every contraction of such issues a proportionate reduction in his means and his profits. The former naturally exclaims against all paper as ruinous; while the latter feels it indispensably necessary for his support and that of all the labouring classes, who depend upon him: the land-owner and the merchant, though not so soon affected by, nor so sensibly alive, to every fluctuation in the currency, must indirectly participate in its effects; the one with regard to his rents has rather a fellow-feeling with the stockholder, who looks to his dividends; the other anxious chiefly to extend the field of commercial operations, is led to make common cause with the manufacturers and labourers.— Hence, in my humble opinion, it comes, that upon this vital question of paper or no paper, the four principal classes of this kingdom are arrayed, as it were, two and two, against each other. The stockholders and land-owners on one side, the manufacturers (with whom I include farmers and labourers) and the merchant on the other. As to professional men, or persons in official situations, the greater or less value of the currency can pro-

duce no lasting effect, seeing that fees and salaries naturally rise or fall in proportion. The grand contention rests with the four classes above enumerated; and, to reconcile their apparently jarring interests and views, is the grand difficulty Ministers and politicians are called upon to overcome. That the former, in their measures, and many of the latter, in their writings, may sincerely intend to promote the general good, I will not presume to dispute. But, that both often fail in accomplishing that desirable end, they must, I think, have the candour, themselves, to admit.

How far the general conduct of Government has been judicious and salutary for a series of years, it would not suit my limits, nor perhaps answer any useful purpose, to discuss. That there should be a general bias in favour of the stockholder and land-owner, in a parliament composed like ours, is not surprising; and, that there have been frequent manifestations of such a bias cannot be denied. But in the proceedings of last session, and the commencement of the present, this bias appears to have obtained a more decided preponderance, and its baneful effects to have been augmented by a spirit of innovation which threatens most disastrous consequences. The principles of free trade, however plausible in theory, or just in themselves, are, yet untried in practice, and their

partial application to a system with which their full adoption is incompatible (but on which our trade, navigation, manufactures, and agriculture, have been established and regulated for centuries) must, at best, be a hazardous experiment. The trial that has been made, though, in some instances, perhaps, harmless, has certainly, in others, proved ruinous to thousands, and in none as yet clearly or essentially beneficial.

Laying manufactures open to foreign competition, even in the home market, while corn continues enhanced in price, by heavy duties or rigid restrictions, is surely an anomaly, bordering on downright absurdity in politics, never before equalled or heard of. The natural consequences of such a strange departure from common sense, and from all former practice, are already sufficiently manifest in the present alarming state of the silk business. A similar attempt, if not opportunely checked, would have occasioned equal mischief in the linen trade. And, what possible ultimate good, let me ask, can the warmest advocates for such wanton rashness, show in *prospect*, to compensate and atone for the hopeless misery to which whole districts are thus instantaneously and most inhumanly consigned? When all the support poor famished families can obtain, is a scanty allowance from an over-burdened parish-rate, or a

pitiful subscription from a few benevolent individuals, who *cannot* relieve half their distresses, is it not adding insult and mockery to folly, to answer their earnest intreaties for labour or for bread, by a pompous boast of visionary blessings anticipated, by speculative theorists, from introducing these liberal principles of trade into every branch, excepting *that*, where alone they could be productive of permanent or essential benefit to the community at large.

Under these circumstances, can these ill-fated victims themselves, can, indeed, any considerate or impartial observer of events, forbear exclaiming, why not apply those liberal principles to corn? Why is labour depreciated, while food is enhanced. What reply ministers or political economists can give to these queries, I know not. As yet they have given none calculated to satisfy a suffering public, and the only solution common understandings can devise, is, by ascribing to the weighty influence of land-owners, what seems wholly irreconcilable with the dictates of sound policy, or the general interests of the community.

But, strongly as these regulations respecting trade savour of partiality towards the owners of land, or of ignorance as to the general interest of the community, what has of late years been done,

and what is now proposed to be done, certainly indicates a still stronger bias towards the holders of stock or a still more fatal disregard of the wants and welfare of all other classes.

Without entering into minute calculations of the specie or paper in actual circulation, or of what ought to be in circulation, for the purposes of trade, (than which nothing can be more vague or unsatisfactory) it is perfectly self-evident that the tendency of making all the *paper* convertible into *specie*, must be, more or less, to narrow the circulating medium, and cramp the operations of traders and manufacturers. It raises or enhances, to a certain degree, the value of money; and, in a like degree, lowers that of labour, of land, and of every article raw or manufactured. The holders of property which yields a fixed interest or rent, are, in fact, enriched; while the holders of every other species of property are, in an equal ratio, impoverished and embarrassed. At the same time, taxation, (as the writer I have alluded to, justly remarks) is rendered more burdensome in exactly the ratio of the advance in the value of money or currency. From these premises, which, I imagine, nobody can dispute, may we not fairly (and to use a favourite expression of the present day) most *legitimately* infer, that every contraction of the currency, whether paper or

metallic, is tantamount to increasing all incomes arising from rents or interest, at the expense of every member of society, who, for want of such an income, is compelled to support himself and family by trade, agriculture, manufacture, or labour. If this inference be so just and *legitimate* as I cannot help thinking it is, what a tremendous responsibility rests with an administration, who embrace every opportunity of favouring one and that, surely not the most active or useful order, to the prejudice of every other. Such a system would be sufficiently unjust and offensive towards the parties who suffer by it, even, were the evils, which those who profit by it, would experience from a change of measures, equally serious and severe. But this, I will venture to affirm, is by no means the case. The depreciation of currency caused by its excess is never, I believe, so sudden or so great as the depreciation of every other kind of property often proves from a contraction of the currency. The depreciation, for instance, of the Russian Bank Assignats from 52d. to 9d. (in exchange against Sterling money) was so gradual as not to cause any general or sudden ruin amongst individuals of any class in that vast empire. Here, during the term of the Bank restriction, (a space of above twenty years) when paper issues were not regulated by any obligation to pay for them in specie, the average depreciation did not, I under-

stand, exceed five or six per cent.; and the greatest, (though nearly 30 per cent.) caused no violent convulsion nor absolute ruin.

That a purely metallic currency, however, and a trade as free as air, are blessings most devoutly to be desired, and justly to be envied by every nation on the face of the earth, far be it from me to deny. I know and admit their inestimable value, and their paramount importance. Were they to be found established and permanently secured in any quarter of the globe, however barbarous in other respects, I would fly thither with rapture, and most willingly forego, for their sakes, all the luxuries and refinements, for the sake of which every civilized nation seems doomed to forfeit them. Still, to talk of establishing either, with a weight of 800 millions debt upon our shoulders, is, of all political absurdities, the most preposterous imaginable. As well might a mountebank pretend to dance on a slack-rope with a millstone tied about his neck.

Circumstanced as we are, the writer I have more than once quoted already (and cannot, perhaps, quote too often) most truly affirms we have only a choice of evils. We must submit to occasional fluctuations in the value of things, and an occasional depreciation of either our currency, or

every other species of property. That the former is the least evil of the two, is, in my humble opinion, perfectly evident from the effects which have been universally experienced in other countries, as well as our own. An abundance, or even a redundancy of circulating medium, provided it does not exceed all reasonable limits, (as in the case of the French assignats at the beginning of the French revolution) though it may curtail the means of enjoyment to persons who live only on fixed incomes, improves the condition of all other classes, by affording amongst them increased means both for the employment of labour, and the consumption of whatever that labour produces. The merchant, the manufacturer, and the farmer, are all enabled to extend their operations, while the industrious poor find full employment in their extension, and are enabled to purchase their due share of the comforts as well as the necessaries of life. Yes, say the economists of another school, this is all very true. General prosperity and happiness, we admit, are the never failing results of the facilities for enterprise a redundant circulating medium supplies. But, unless these facilities, they say, are checked, the spirit of adventure they foster leads inevitably to excesses which occasion a glut, surfeit, and reaction in the body politic which involves thousands in confusion and ruin. Such I grant and regret is the fact; and here is, I

know, an evil from which the line of policy I advocate cannot be exempt. But the recurrence of this evil, I maintain, is not very frequent, nor in its consequences half so fatal, when left to its natural course, as when aggravated by artificial clogs and restraints, framed by government for the purpose of limiting and fettering the circulation of capital. These clogs and restraints never fail to render the stagnation caused by the reaction in question doubly calamitous. Nay, I will venture to affirm, that they infallibly hasten the catastrophe they are intended to avert. This, in the nature of things, cannot be otherwise; for, if a contraction of currency or circulating medium be the efficient cause of the mischief, by the plainest deduction of logic, whatever brings forward or increases that contraction, must hasten and aggravate this mischief. Under this persuasion, I humbly conceive that the repeal of the bank restriction had a powerful tendency, from the first, to produce the crisis we now experience, and I apprehend such a crisis must have arrived much sooner, unless this tendency had been counteracted by the liberal accommodation afforded on the part of country bankers.

While that measure relative to the Bank of England necessarily narrows the limits of its issues; and, at a period, when, owing to a pecu-

liar combination of unfavourable events, the evils, always produced by a contraction of the circulating medium, are pressing with an intolerable force upon the trading and manufacturing classes; to adopt another, like that of withdrawing one and two pound notes, which must inevitably oblige country bankers to restrict still further their issues also, could not possibly fail to aggravate the mischief, which was already such as no practical man of business could behold without the utmost anguish and dismay. A step of this nature, and the arguments advanced in defence of it, betray such a blindness and obstinacy on the part of its advocates, as must extinguish all hope of influencing their opinions by an appeal either to reason or to experience. The voice of remonstrance must break forth. Should it be disregarded also, the cries of suffering thousands, though smothered for a while, will burst out, ere long, from one extremity of the empire to the other. Distress must be converted into despair; arguments and petitions, into reproach and menace; till, at last, it is to be dreaded, that a loyal and peaceful people may be compelled to seek redress or vengeance by the last resource, to which Britons are prone to apply, but to which, when they apply in earnest, they are never wont to apply in vain.

* A specimen of these arguments may be seen in an extract from Mr. Leicester's speech on this subject, as reported in the *Times* newspaper, of 14th February, inserted at the end of this pamphlet.

Be that as it may, and exaggerated as may appear, or, as I myself most devoutly wish, may prove, these gloomy surmises about futurity, that our present situation is distressing and alarming to an unprecedented degree, is a truth too obvious to be denied, and too important to be concealed or despised. It is equally certain and manifest, that, whatever has happened in other quarters, the suffering of this town and district, is not attributable to the improvidence of bankers, or to any spirit of rash speculation on the part of their customers. Not a note has been issued by the former, which they possess not funds to meet; not an adventure engaged in by the latter, generally speaking, beyond the ordinary routine of their business, or the commonly received opinion of prudence and discretion.

Little as Ministers may at present regard our awful prognostications, it is meet for them to know, that there are individuals who can affirm, (and thousands ready to attest their veracity), that, as far as regards this populous town and neighbourhood, every allegation, contained in their celebrated letter to the Bank, at all intelligible, is utterly false; every principle of policy laid down therein, inapplicable, if not unsound; and every measure suggested as palliatives for the evil, which a wrong application of even right

principles has helped to produce or to increase, wholly inadequate, and, in every point of view, inexpedient.

In the first place, our difficulties, so far from having subsided when that letter was penned, were then as great as before; and have since rather increased than abated. Secondly, these evils did not originate here, at least, in any over-issue of Bank paper, or wild speculations of individuals, or joint stock companies. Thirdly, no real benefit has arisen, or is expected, by any practical men of business, to arise, from a forced metallic currency, or the partial introduction of free principles of trade in a country oppressed, (I might say, *cursed*) with 800 millions of perpetual debt, and, nearly, 60 millions of annual taxation. Lastly, let me add, respecting the two remedial measures proposed, one (that of suppressing small notes) is a most palpable and instantaneous aggravation of our sufferings; and the other, though remoter in its operation, is, in some of its parts, impracticable, in many, injurious; and, in all, utterly useless and futile. Branch Bank of England Banks would only be an extension of an establishment already avowedly too cumbersome and unmanageable. Provincial Banks, unless chartered, no person of property could join; and, if chartered, they must soon fall under the controul of committees and

directorships, where arbitrary, self-interested, partial or prejudiced views never fail to gain admission, and to convert into sources of jealousy and mistrust, what should be devoted solely to the promotion of public prosperity and happiness.

Let the rest of the nation speak for itself; as an inhabitant of Leeds, well acquainted with its business, its late flourishing condition, and its present dreadful calamities, I will not hesitate to declare, in the name of my fellow-townsmen, and on behalf of multitudes reduced, in the course of a few weeks, from an enviable state of comfort and hope, to the frightful one of misery and despair, that not a shadow of reason exists for ascribing the smallest portion of this woeful reverse to an over-issue of bank notes, or to an over-speculation in trade; nor has, to my knowledge, a single labourer lost a single farthing these 20 years past, by accepting one and two pound notes in payment of his wages. So far from considering such paper money as injurious or objectionable, we are, I believe, unanimously convinced of its beneficial operation. Without its aid, we know not how the contraction of currency, which Mr. Peel's vaunted Bill was calculated to produce, could have been effectually counteracted; or how we could have continued to keep our capitals, our machinery, or our hands employed.

Notwithstanding this judicious and liberal accommodation for carrying on our accustomed business, in no instance has it, I am confident, been intentionally lent for the encouragement of wild speculation, or visionary prospects; nor can frequent, if any examples, be produced of a Leeds merchant or manufacturer embarking in schemes of that description.

So utterly unfounded, as applied to them, at least, are the charges indiscriminately preferred by Ministers or their adherents, against the commercial community in general; and which that body may, with the greatest justice, retort upon their accusers. Fully satisfied with the materials supplied by our flocks or flax of native growth, or brought from abroad in the accustomed channels of trade, we have never dreamt even of extracting silk from the bogs of Ireland,* still less, of ransacking the bowels of the earth under every clime, for precious metals, to the sight of which we have so long been strangers. Rendered indifferent to their use, and almost insensible of their value, by their long disuse, we have certainly exhibited no striking symptoms of that avidity for their acquirement and possession, which seems

* Allusion is here made to the establishment of a company for raising silk in the sister kingdom, of which Mr. Huskisson himself was a president or director.

to have tainted the hearts and turned the heads, as
Auri sacra fames, (Aulice) The sacred thirst of gold—
 often has done, of our wisest legislators, and gravest
 statesmen. Otherwise, how came so many senatorial
 names enrolled as directors and patrons of
 companies formed for working mines in Mexico
 and Peru, or whence such strenuous efforts to force
 gold and silver again into uses at home, from
 which they have, for a generation past, been most
 successfully excluded?

If a dangerous and criminal spirit of specula-
 tion and adventure has really existed (and that it
 has, no person can dispute), it is surely in London,
 rather than in Leeds; its origin can be traced; it is
 by members of Parliament, rather than by manu-
 facturers, it has been sanctioned and encouraged,
 it is by *city*, not *country* Bankers, that its misap-
 plied funds have been collected, and its delusive
 profits extorted from the unwary and the needy,
 to enrich the artful or the great.

While the crimes and follies of over speculation
 may, with such strict propriety be cast back upon
 our rulers and senators, who have the effrontery
 to lay them at our door, with much stronger
 reason still may we retort the charge of an *over-*
issue. What, in the annals of extravagance, can

be matched against the enormous issues which
 have poured, for a century, from the exchequer
 and the treasury-board of England? What quar-
 ter of the habitable globe have they not deluged
 with something far more costly than paper? Have
 not 800 millions (the full amount, according to
 Mr. Locke's estimate, of all the specie in the
 known world) been emitted within the last hun-
 dred years, and are not, still, between 50 or 60
 millions required, year after year, to support this
 system of unparalleled profusion?

But hold! Having already far exceeded the limits
 to which I originally intended to confine these de-
 sultory remarks, ample as the field may be for fur-
 ther reprimand and retort, I must forbear.
 Complete assy triumph might be rendered, I
 wish to show that I can be moderate as well as
 severe. Enough being said to expose the mistakes
 and faults I wish to see rectified, it only remains
 for me now to palliate the language of vitupera-
 tion I have been compelled to adopt. (as Ministers
 have palliated their reflexions on country bankers,)
 by implicitly stating, it is not so much to the
 individuals, as to the system, that my com-
 plaints and censures are chiefly intended to apply.
 It is measures, not men, that I arraign.

In their private characters, I believe Lord Liverpool and Mr. Robinson as respectable persons as England can boast; utterly incapable, I am sure, of falsehood or deceit. But in their official situations, they inevitably become the abettors of a system, which, (however rotten or detestable, they must know it to be,) they have no power, of themselves, to correct; and which their duty to the public requires them for a time to uphold; and every body allows that exigencies of state often justify expedients on the part of a government which, in its subjects, would be disgraceful and inadmissible. In the present case, I am fully aware a strict regard to good faith towards the public creditor may have been, and, in fact, has been the principal cause of measures the evil consequences of which most other classes have such serious reason to deplore. How, may be asked of the other classes, can you presume to condemn adherence to a course of policy which honour and good faith so imperiously demand? Here, I must again admit, rest the true merits of the case; and, unless prepared with an answer to even this formidable question, I would at once have abandoned the side I have espoused. But I can give an answer, and it is the same as I before quoted from the letter, signed L. viz. *that we have only a choice of evils*; and, if we are compelled to adopt

either *extreme*, we ought to prefer that which least affects the community at large, to one which risks the inevitable ruin of thousands for the partial and temporary benefit of a few. That such must be the effects of contracting our currency within such limits as are incompatible with the continuance of our trade and manufactures, I think is sufficiently proved. If, therefore, nothing short of such a contraction will satisfy the desires, or ensure the perfect protection of the stockholder, *sound policy*, or, in other words, *state necessity*, requires that his interests should suffer rather than that of the community at large.

But it is a source of great consolation to believe, as I most firmly do, that our financial embarrassments, though truly appalling, are not yet so desperate as that no middle course between these two violent extremes, can be adopted, to compromise the interests of all parties, and avert the ruin, to which some must, otherwise, be devoted. Had not above twenty years' practical experience, (and the greatest part of that period was a season of immense war-loans and tremendous taxation,) proved how little the bank restriction affected the value of the currency; and, on the average, how very slightly it injured the stockholder, or any other holder of fixed rents, to suggest such an expedient might, perhaps, be justly pronounced a

bold, if not an absolutely rash project. But, with that experiment to calculate upon, and with full evidence on record of greater fluctuations in prices and more alarming stagnations of business in 1793, and within the last three months (when no such restriction on cash payments existed) before our eyes, the charge of presumption and rashness may, in my humble opinion, fairly revert upon the repealers of that salutary act, and upon all who still avow a fixed determination never to sanction another of the same nature.

Here, according to my views, the grand fatal error has been committed. That law ought not to have been so hastily repealed—some actual reduction of debt ought to have preceded this repeal. It must again be re-passed, if taxes must be paid, and trade, manufactures, and agriculture preserved. All other remedies are quackeries; they may delude the patient for a while, but they will soon aggravate his disorder, and hasten his dissolution.

Retrace, then, your footsteps; re-enact this salutary bill, modified, if you will, as to its duration and its influence on the price of bullion and on foreign exchanges, as to the disposal of its extra profits, and as to the discretionary power of Bank Directors. But, as you hope to be saved, or to

save your country, re-enact this salutary bill. Create, at the same time, (or as soon as you can) a real substantial sinking-fund, (not an *ignus fatuus* like our present sinking-fund; the very existence of which is often disputed,) a fund established on a real, effective, property tax (not, like the last, a tax on income or imaginary profits,) but a clear per centage upon all real fixed, funded, productive, tangible property in the empire, to be, during peace, at least, exclusively and inviolably devoted to the reduction of our National Debt.*

Limit to the narrowest bounds your own issues, if you please, but leave banks and bankers free as air. Whenever their issues exceed the wants of trade, be assured they will soon return to their source, and bring with them a lesson of discretion which no law can teach. Ebbs and flows there must ever be; but to regulate these by art, or by acts of parliament, is to set nature at defiance, to stem the tides of the Atlantic with a straw. Accompany the re-enactment of this bill with a revival of judi-

*With respect to the modifications of the restriction act itself, and to the mode of employing a sinking-fund, there appears great room for improvement. Several plans have occurred to myself, of which, however, I cannot at present offer any detailed account; and I would fain hope, economists of superior talents and experience may, by directing their attention to these important points, devise expedients preferable to any my limited acquaintance with such matters can suggest.

cious restraints on the importation of all foreign manufactures, which can compete with our own, at least, in our *home* market, encourage the supply of all raw materials (not excepting corn, if you please,) on the cheapest terms; let gold and silver find their way into and out of the kingdom at libitum; lastly, vow never, while you live, again to adopt theoretical innovations, when in opposition to practice or experience, and rest assured, all will soon be rectified. This frightful scene of misery and desolation will quickly vanish, and bright prospects again open to our view. Universal activity will dissipate the torpid gloom now depicted on every countenance, and, once more, shed over this land of fairest promise, the cheering beams of contentment and of hope. While the poor obtain food, merchants and manufacturers profit, landowners their rents, stockholders their dividends, (though a few per cents. reduced) each will congratulate the other, and care not whether gold or paper be the medium for circulating their comfort and happiness. As for silk companies, and milk companies, mining companies, or diving companies, swimming companies, or fishing companies, steam-boat companies, and gas-coach companies, joint-stock companies, and no-stock companies, they may all go back to the father of evil, from whom they must all have originated.

These, and innumerable other blessings may safely be anticipated from the simple changes I have ventured to suggest; but for me to descant further on the subject would, I know, be vain and fruitless, in opposition to that obstinate predilection we hear every day announced in favour of the new fangled policy under the baneful effects of which we are now agonised. The utmost I dare look for, is, that my frankness may stimulate others to speak out, and manfully profess principles and sentiments which, if half as prevalent in other parts of the kingdom as in this, ought certainly to be avowed and proclaimed in accents too strong not to attract the notice they merit. Deaf as ministers may, for a while, remain to the warnings of individuals, ten times wiser than myself, a time may, and perhaps soon *will* arrive, when simultaneous shouts of indignation, from every quarter of an afflicted nation, may stun their ears, and convince their perverted minds, there is more danger in rejecting than even they now imagine would be incurred by adopting the policy I so strenuously advocate.

On my own part, I am, however, not unaware of the contempt, abuse, and ridicule my audacity will experience from certain editors of public prints, and from the bigotted partizans of a misguided administration. The former denounce, I

see, all *paper* as trash; the latter, all doctrines as treason but their own. Themselves the tools of faction, the slaves of prejudice, or the hirelings of government; they can give no credit to professions of independence or patriotism. Whoever pretends to the smallest spark of either, must, in their estimation, be a demagogue, a fool, or, to complete the climax of their scurrility,—a radical. To dispute a single tenet of their school is to be dubb'd, at once, a disciple of Cobbett's or of Hunt's. All indiscriminate deductions of this insolent kind, however, as applied to my own case, I must, once for all, apprise my opponents, whoever they are, can have no foundation in truth, or produce the slightest effect on my conduct or my feelings.

I know no more, personally, and I disapprove no less, politically, of those two worthy gentlemen, than of Lord Liverpool and Mr. Robinson. I consider the former equally, at least, in the wrong as the latter. But I attack the latter's errors while I leave the former's unreproved; because I believe them, though not the most absurd, clearly, at the present crisis, the most pernicious of the two; and in justice to his lordship and his colleague, I must add, because I hope they may, in the end, be found not the most incorrigible.

Time, only, can evince the correctness of my views, and, let who will presume to criticise or refute, be it known to all whom they may concern or affect, that *time* is the only *test*, and a *majority of an enlightened public* the only *tribunal*, by which political doctrines or creeds can ever be fairly tried, and finally sanctioned or condemned. To that test, and to that tribunal, mine, though most confidently, are most respectfully referred.

ROBERT BUSK.



Extract from Mr. LEYCESTER'S speech referred to in page 23:—"It was not necessary to sound the alarm before the mischief occurred. Why shut the stable door before the steed was stolen? He rose to oppose the two Hon. Gentlemen who had preceded him, and to offer his sentiments on the mischievous *anomaly*, the *prerogative* of every man who thought proper to call himself a banker, to issue paper money. That was, in his opinion, the cause of all the recent evils by its immediate operation on the value of labour, and all the necessaries of life. It was the prerogative of the country banks *clashing* with the convertibility of their paper into gold, which had produced that *crashing* amongst them, the noise of which still resounded

in their ears. It was radically wrong to confer without reservation this power of issuing nominal money. Only one body should be allowed in the country with so great a privilege. There ought to be but one *officina*, otherwise the monied interest of the country would be all afloat and abroad in its most material guide. If the matter were left to the discretion of the country bankers, the circulation would soon be at sea without rudder or compass to guide it"—and so on.

WHAT LOGIC! WHAT RHETORIC! WHAT POLITICS!

FINIS.