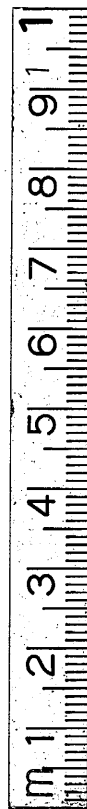


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S P E E C H
OF THE
RIGHT HON. LORD KING,
IN
THE HOUSE OF LORDS,
On Tuesday, July 2, 1811,
UPON
THE SECOND READING
OF
Carl Stanhope's Bill,
RESPECTING
GUINEAS AND BANK NOTES.

LONDON:
PRINTED FOR J. RIDGWAY,
NO. 170, OPPOSITE OLD BOND STREET, PICCADILLY.
1811.

SPEECH,

&c.

MY LORDS,

ENTERTAINING strong and decided opinions on the subject of paper currency, which I have never lost any opportunity of expressing, both in my place in this House, and by every other means in my power, I have always been ready to discuss the subject in general, and naturally feel, at present, most anxious to justify my own conduct, in consequence of the charges which, on a late debate, have, in my absence, been made against me.

Under these circumstances, I must crave your Lordships' pardon, if I feel compelled to speak of myself, and of my private concerns, in an assembly where such topics in general are so improper; but the course of the late debate renders that detail imperative on me, and,

indeed, the question has assumed that shape that it cannot be treated otherwise than by dividing it into two principal parts: 1st, My individual conduct; and, 2dly, the general subject of the present depreciated currency of the country, and the alarming projects held out of destroying the ancient standard of value, and of subverting the basis, and denomination, of the lawful money of the realm.

I shall therefore proceed to state plainly, and explicitly, my reasons for refusing at this time to receive Bank-notes at their nominal value, in certain cases, and to avail myself of the remedy provided by the law.

Since the late decision in the House of Commons, it appears to be the declared intention of the Government, that the restriction shall continue to the end of the war, however distant that period may be.

The subject is thus brought home to the individual interest of every man whose property is yearly, even monthly, deteriorated in consequence of the unnatural state of the currency of the country. Under these circumstances, therefore, I have thought this the proper time to make a stand in defence of my

property, and to endeavour to protect myself from further spoliation and injury.

During the last twelve years, we have seen the depreciation of Bank-notes progressively advancing in the most alarming manner; and every hope and prospect of amelioration being destroyed by the recent resolution of the House of Commons, there appeared to remain no other choice than either to submit with tame and patient resignation to receive payment in currency, of whatever value it shall please the Bank of England, in their forbearance and moderation, to permit henceforth to belong to the currency of the country; or to have recourse to the remedy which individuals possess by law, and which I shall hereafter show has been purposely allowed and secured to them by the law.

There is also another reason, which I confess has had some influence with me in this determination. It was asked, insultingly, in another place, whether any person had ever yet ventured to refuse Bank paper in payment or satisfaction of a lawful debt; and on that foundation, it was attempted to be argued, that, in point of fact, there existed no difference in value between paper and gold, and no actual

depreciation. By bringing this question to issue, at least one of the remaining wretched supports of this fatal system will be overthrown.

In this state of things, for the defence of my property, I have thought it advisable, in the management of my private concerns, to inform my tenants holding lands under old leases, and under old leases only, that I can no longer continue to receive Bank-notes at their nominal value, in payment, or satisfaction, for such contracts; and I am now prepared to assert, not the bare legality, for that is unquestionable, but, what I am much more anxious to prove, the justice and equity of the course I have thought myself obliged to adopt. The plain broad principle upon which I have acted is, to require payment in a currency of the same intrinsic value which the currency possessed at the date of each respective agreement; and, in order to ascertain this intrinsic value, I calculate the amount of gold which the stipulated rent was able to purchase at the date of the lease or agreement, and require the same weight of gold, or a sum in Bank-notes sufficient to purchase that quantity of gold at the present time. I offer this alternative as an accommodation to the tenant, in case he makes

the option of paying in paper money, instead of fulfilling his agreement by payment of his rent in the lawful gold coin of the kingdom.

The following is a copy of the notice:

“ By the lease dated 1807, you have contracted to pay the annual rent of 100*l.* in good and lawful money of Great Britain. In consequence of the late great depreciation of paper money, I can no longer consent to receive Bank-notes at their nominal value, in payment or satisfaction of an *old* contract. I must therefore desire you to provide for the payment of your rent in the legal gold coin of the realm. At the same time, having no other object than to secure payment of the real intrinsic value of the sum stipulated by agreement, and being desirous to avoid giving you any unnecessary trouble, I shall be willing to receive payment in either of the modes following, according to your option.

“ First, In guineas.—Secondly, If guineas cannot be procured, by payment of Portugal gold coin, equal in weight to the number of guineas requisite to discharge the rent.—Or, thirdly, By the payment in Bank-notes of a

“ sum sufficient to purchase the weight of
 “ standard gold requisite to discharge the rent.
 “ —The alteration of the value of paper
 “ money is estimated in this manner: The
 “ price of gold in 1807, the year of your
 “ agreement, was 4*l.* 2*s.* per ounce; the pre-
 “ sent market-price is 4*l.* 14*s.* arising from the
 “ further depreciation of the value of paper;
 “ in that proportion an addition of 14*l.* 12*s.* 8*d.*
 “ per cent. in paper money will be required as
 “ the equivalent for the payment of rent.”

In the above instance there is a difference of 14*l.* 12*s.* 8*d.* per cent. in the currency between the year 1807 and the present time. In the case of an agreement dated 1796, when the market-price of gold did not exceed the Mint-price, because the currency was then in a pure and perfect state, the difference between the payment in gold or in paper money amounts to the whole of the actual depreciation of the currency at this day; and if the market-price of gold was 4*l.* 14*s.* on the 10th of May, when the calculation was made, it follows, that in the proportion of 3*l.* 18*s.* the Mint-price of gold, to 4*l.* 14*s.* the present market-price, one hundred pounds will give one hundred and twenty pounds nine shillings.

The principle being thus clearly stated, the only dispute which can arise, as to the equity and fair dealing of the transaction, must proceed from a doubt as to the correctness of the data on which the calculation is founded. The prices of bullion at the different periods are taken, as far as they can be collected, from the returns made by the Mint to the House of Commons, as far as they reach; and since the 5th of March 1811, the price of gold is taken from Wettenhall's Prices-current, the same source from which the officers of the Mint derive their information: if there is any error, it is therefore open to correction.

Where, may I ask, is the hardship of this demand? The price of the produce of land, the price of labour, the price of every great staple commodity, are all affected by the value of the currency which serves to circulate the wealth and industry of the country. In proportion as the currency is depreciated, the price of wheat, of cattle, of all the produce of the land, and of every commodity, is augmented. Of course it must always be understood, that in all cases the price of every thing whatever is regulated by the supply and the demand, and, when so determined, is after-

wards affected by every variation in the intrinsic value of the currency by which they are circulated. The covenants of a lease secure the payment of rent in the lawful money of Great Britain, (these are the express words of the contract): the lawful money of Great Britain contains a certain known weight of gold of a certain known fineness of standard; and if Bank-notes, from any cause whatever, will no longer purchase that weight of gold which, according to the regulation of the Mint, ought to be contained in a certain given sum of lawful money, they will no longer fulfil an old contract according to the spirit and essence of the agreement.

In the case of a contract made for a fixed sum at a distant period, under the uncertainty and irregularity of a paper currency not convertible into gold at the will of the holder, the only equitable course for both parties to adopt appears to be, to ascertain the quantity of bullion which a pound note of the common currency was able to command at the date of the agreement, and for every pound of rent, or interest, or principal sum due, to require the same quantity of bullion, or the amount of debased currency sufficient to purchase that quantity of

bullion. This is the true and equitable payment and satisfaction of such contract.

On every sound principle of law and equity, the landlord is entitled to receive the real intrinsic value of the stipulated sum, in good and lawful money; or at least in currency equal in value to the currency at the date of the contract. He is strictly in law entitled to the legal gold coin of the realm, if such is the condition and obligation of the contract; as matter of favour and concession, he may consent to receive his payment in any other shape, for the convenience or relief of the party bound to the fulfilment of a contract; but a payment in a debased paper currency, is a payment in name only and not in reality. It formed no part of the stipulation of the bond. There is no limitation to the extent to which a loss, proceeding from that cause, may be carried. To put an extreme case, which no man can assert to be impossible, because in another country it has actually been exceeded: a note of one pound may not be worth or pass current for more than one shilling, consequently all commodities would be advanced to twenty times their former value. In a case so palpable, it would be impossible for any one to imagine, that a payment, in such degrad-

ed currency, would be in any sense a satisfaction for a contract concluded before the depreciation of the currency had taken place. It would be impossible to deny, that, by such a payment, the landlord would be defrauded of nineteen parts out of twenty of his just demand.

In order to prevent any misconception and false statement of my conduct, I take this opportunity of openly stating, that so far from taking any undue advantage by making, in this year, or last year, or at any time, an agreement for land at a greatly advanced rent, calculated on the advanced price of all produce in consequence of the debased state of the paper currency, and then taking advantage of the law, and calling on a tenant, under such circumstances, to pay in gold, or the value in gold, equal in fact to an addition of twenty per cent. at the present market price of gold; I am, on the contrary, ready to reprobate such conduct, as most unfair and unjustifiable. My conduct has been totally different; I have strictly abstained from making any such demand, or from requiring a compensation for any alteration in the value of the currency for two or near three years, though such alteration is not inconsiderable. I shall continue to receive payment in Bank-notes, until, by a further depreciation, the notes,

at some future period, shall become visibly and sensibly deteriorated below their actual value at the date of the leases in question; I shall then expect to receive that difference, if any, whatever it may be. And further, I am prepared to say, that if, by the unexpected event of the restoration of the currency to an improved state, I shall be perfectly satisfied to receive such rents, diminished in proportion to the improvement of the currency at any future period, compared with the currency at the date of such leases. For all land let to tenants at will I shall continue to receive Bank-notes, conceiving the land to be let for the price of the times, or that I have at least the power of obtaining, if I please, the fair price of the times.

To place this subject in a clearer light, and to remove any remaining prejudice, respecting the oppression or hardship of the proceeding, it may be useful to explain the nature of rent. Rent is generally defined to be the value of that part of the gross produce of a farm which remains, after making full allowance for all expenses, taxes, and profit of capital employed by the farmer in the cultivation. The gross produce is generally supposed to be divided into four shares, three of which are allotted for the

above purposes, and one for the rent: this last portion is then estimated at the average price of produce during some preceding years, and thus converted into a money price for the mutual convenience of both landlord and tenant.

But the effect of the depreciation of the currency is to augment the price of all the four shares of the gross produce of the farm, of those which are to defray the expenses, as well as of that portion from which the rent is supplied. It will be found that the tenant suffers no loss, if he is required to make only an equitable compensation, equivalent to the depreciation of the currency; he has already received an advance in the sale of his produce; he is only prevented from acquiring an additional profit, to which he can have no just claim. To any increase of price, in consequence of the increasing opulence and prosperity of the country, the tenant is in every sense justly entitled: the two causes of increased price are totally distinct; the one arises from the fair increased demand and consumption of the country, which may well have entered into the calculation of the amount of rent; the other proceeds from an anomaly in the currency, which never could have entered into the contemplation of the parties.

I presume it will not be denied, that paper currency is in its nature liable to depreciation, after having witnessed the example of so many countries on the continent, of the Assignats in France, of the paper-money of Sweden, of Portugal, and the most recent instance of Austria. The symptoms of depreciation have manifested themselves unequivocally in this country; they are apparent in the advanced price of bullion keeping pace with the excessive issue of notes, in the unfavourable exchange, and in the general rise in the price of all commodities. The average price of wheat, which, from the year 1771 to 1785, was forty-six shillings; and, from 1786 to 1797, was fifty-two shillings; has since that period, which it must be remembered was also that of the Bank restriction, increased in a very different ratio. In the twelve years, from 1798 to 1810 (omitting 1800 and 1801, years of dearth), the average price of wheat for England and Wales has amounted to seventy-one shillings the quarter.

At the price of fifty-two shillings the quarter, it required eighteen quarters of wheat to purchase a pound weight of gold, which by the Mint is coined into forty-four guineas and a half. It appears, that during five years, beginning in

the year 1802 and ending in 1806, the average price of wheat was seventy shillings; and as in the same years the mean price of gold bullion was nearly 4*l.* 2*s.* per ounce, or 49*l.* 4*s.* per pound, it required fourteen quarters and half a bushel of wheat, at seventy shillings, to purchase a pound of gold at that market-price of bullion. During the last five years, eighty-five shillings a quarter may be stated as the average price of wheat, and the mean price of gold has been nearly 4*l.* 7*s.* per ounce, or 52*l.* 4*s.* per lb.: it required therefore only twelve quarters and two bushels of wheat, at the price of eighty-five shillings, to purchase a pound of gold, even at the advanced rate of gold, during these five years.

It may be inferred from the highly advanced prices of wheat, compared with former times, and particularly its rapid increase since 1797, that the paper currency has suffered a material alteration of value. But from this examination of the relative value existing between corn and gold bullion, after making great allowance for the advance in the price of wheat in consequence of an increased demand, it may also be suspected that the supply of gold itself has been likewise very considerably increased; or, in other words, that the real price of gold has

been most sensibly diminished. This view of the subject has convinced me of the propriety of not submitting any longer to the loss which arises from the present great inferiority of the value of the note to that of gold, seeing that the gold itself, compared with the best standard of value, has in all probability become really much cheaper and more abundant than at any former time.

It must be kept in view, that payment in gold is the condition of the obligation, and that, in most instances, the option proposed is much to the advantage of the tenant, and intended as an equitable modification and abatement of the legal demand. In the North of Ireland it is not unusual to require rents to be paid in specie, and the effect has been to retain the gold coin in those districts where that practice continues.

Having acted on principles, such as I have described, and being satisfied with my own conduct, I shall not be deterred by clamour, or by any imputation whatever, by which it may be attempted to prevent me from insisting, at the same time with firmness and moderation, on a just and legal demand. It may suit the interest of some persons, by such unworthy

means, to attempt to put down that which they hesitate, and fear to do, by legislative interference, notwithstanding the facility with which, of late years, acts of parliament have been passed, to suit the convenience or inconvenience of the moment. It was attempted in France, to intimidate individuals, who preferred the good metallic money to worthless assignats, by branding them with the charge of incivism, or incivic practices, in the revolutionary phrase; and, to judge from the language of His Majesty's servants, who are endeavouring to inculcate the acceptance of paper money as a moral and political duty, we are here also to be governed according to the true Jacobin doctrine, which required individuals to regulate their conduct, not by their own proper interest and convenience, but according to some speculative principles. In a well-regulated state, the proper interest of individuals is inseparable from that of the Government, and it is the duty of Government to take care to avoid any system or state of things in which individuals, pursuing their own interest, and acting legally, shall have the appearance of acting at variance with the public interest. If the notes of the Bank of England are not depreciated in value, and if, in fact, there is no difference between paper and gold, the preference given to the latter will be an

idle preference, of no public inconvenience, because it will not be followed. If the value of the Bank paper is really at par, it is not in the power of any individual to alter the fact; and any attempt to do so would be despised as it deserved: but if, on the contrary, the Bank paper is greatly inferior in value to gold coin and bullion, it is highly meritorious to expose and resist a system, through which the whole community is impoverished and defrauded.

I must desire to be informed by what new rule, by what new order of things, an individual is bound to account in Parliament for his conduct in the management of his private affairs: if he has claimed his right only, it is his by law; and if he has demanded more than his right, the poorest man in the country may have redress against him.

Having now, my Lords, as I conceive, proved the justice of my conduct, by a statement irresistible in a court of equity, I shall proceed to the other part of the subject, and I shall, in the first place, endeavour to show, that in the year 1797, the law respecting legal tender was by design left without alteration. The Legislature, contemplating the inconveni-

ence to which individuals were exposed, by the Bank restriction, took away the power of arrest: as long as the value of gold and paper money was equal, there was no temptation to insist on gold; but if gold was demanded, the debtor had it in his power to buy bullion, and take it to be coined at the Mint, the law, in the mean time, protecting him from arrest. The Legislature, when it sanctioned the Bank restriction, in 1797, most assuredly never contemplated the depreciation of the currency as now existing to so great an extent. The association agreement, to receive Bank-notes, entered into by the Members of the Privy-Council, and the great merchants and bankers in London, was perfectly voluntary; it was entered into on the presumption that the currency was then, and would continue to remain at the full standard of value. At that time it was little expected that the Bank of England note of one pound, which had always been able to command a certain weight of standard bullion, would ever be so reduced in value as to contain sixteen shillings and seven pence only, instead of twenty shillings, its former intrinsic value; a defalcation of three shillings and five pence in the pound on all fixed income, a privation much greater than the income-tax, the

heaviest burden ever imposed at once on any country. That at least is paid for the public service: but is it to be endured, that a Bank-tax of near double the income-tax shall be taken from the income of individuals, not for the public service, but for the sole gain and benefit of that corporation? I am almost tempted to say, (if the Bank is so accustomed to the vast gains it has acquired, by the continuance of the restriction, that it will not consent to forego them), that the Government would make a provident bargain, by paying five or six hundred thousand pounds annually to the Bank, stipulating, in return, that the Bank should reduce the quantity of notes in circulation, until their intrinsic value was restored.

Some step must be taken to put an end to all the manifest injuries, both public and private, arising from the depreciation of the currency. To consider it in one point of view, the public expenditure this year of ninety millions is equivalent to seventy-four millions only of currency of the former standard; but as the interest due to the public creditor is a fixed sum, the extraordinary expense incurred in this single year, in consequence of the state of the currency, has been little short of ten millions

sterling. It is now evident, that it will be found impossible to avoid augmenting the pay of the army, of the navy, of all the servants of the Government, unless you speedily interpose and take effectual measures to restore the value of the currency.

In Portugal and Sicily, the loss incurred by Government, from the adverse exchange in the last year, is not less than twenty per cent. on all money remitted to those countries; and it is in vain to attempt to conceal the fact, that the expenses of the Government at home, in the supplies for the navy, and for the ordnance, are all equally augmented. The only advantages, indeed, which the Government derive from the continuance of the Bank restriction, are some certain accommodations which it receives from the Bank, in discounting Exchequer bills and Government securities, and the shameful profit of defrauding the public creditor, by compelling him to receive payment in depreciated paper money. It has sometimes been argued, that the value of gold, by some unusual circumstances, has of late years greatly increased; and it is contended, that gold, which is the common standard and measure of value in all parts of the world, is not in this country the best

suited for that purpose, or at all comparable in certainty and steadiness to the standard value of the Bank of England note. On examination, it will be found, that this alleged dear-ness of gold depends entirely on the commodity which you have to give in exchange for it. It is perfectly true, that if you have only Bank paper to give in exchange, the gold is extremely dear in the exact proportion, as the paper to be given in exchange is become cheap; but if you have corn or labour, which have been considered as the most perfect standard of value, it will be found that gold is really much cheaper than at any former time, as less labour and less corn will now command the same weight of gold. The same result will be found to take place universally in every quarter of the globe. In France, the money prices of all commodities appear to have risen one fifth since the revolution. In every country, it will be found that the prices of commodities, of food, and of labour, have risen, or, what is the same thing, that gold has in fact fallen in value. That the supply of gold imported into England is very large, may be seen from the evidence of the greatest bullion-merchants in London, who say you may procure any quantity, provided you will pay the price.

It is further said, that all the gold in England is clandestinely exported to France in payment for corn, which we must of necessity procure, and which they will not consent to give us except in exchange for gold. It is perfectly true, not only that the exports, but the imports of gold, are in much larger quantities than at any antecedent period.

All the bullion, which in the shape of tribute, and in the ordinary course of commerce, flowed constantly from Spain and Portugal into France, and through France to the other parts of the Continent, has now, from the total interruption of all intercourse, ceased to be carried in that direction.

A new and more easy channel has been discovered by which the produce of the gold-mines of South America can be distributed over the continent of Europe; the more open communication and intercourse which has lately taken place between Great Britain and the Spanish and Portuguese settlements in South America, has opened a new road, through this country, for the passage of the precious metals from the New World, where they abound, to the old Continent, which does not produce them. That this is the new course of com-

merce is obvious from the state of our commercial relation and easy access to South America; it must be so in the present state of the world. It follows of course, that the gold must be cheaper in this country than in other countries to which it is afterwards exported; it is in the nature of things that it must be dearer in France, by all the expense of transport, risk, and insurance, which is incurred by the export of bullion.

The proposal of introducing an alteration of the law of legal tender, which has been intimated with a view, I suppose, of feeling the way, before so dangerous an innovation of the general rules of law and justice shall be openly avowed, is the most pernicious and destructive ever ventured to be made by the wildest theorist in any civilized country. All the fatal consequences of such a measure, once carried into execution, no man can possibly foresee. But of this we may be well assured, that it threatens to subvert the whole system of the political economy of the country; that it will overturn all fixed and certain standard of value, and totally destroy the spirit and meaning of all contracts and engagements between man and man.

By such an act, you at once declare Bank-notes to be a *forced* paper currency, no longer resting on the basis of voluntary circulation; you will proclaim to the world that your Bank-notes are *assignats* to all intents and purposes, differing in degree only, and not in kind. Mr. Burke, when contrasting the paper money of England with the assignats in France, describes them as powerful on the Exchange, because impotent in Westminster Hall. How little did that great man imagine, when he was describing the horrible system of the French assignats, that he was also drawing the future picture of his own country!

A forced paper currency, once established by law, will leave no means of retreat; it will advance thenceforward with rapid strides towards that horrible system of finance which ruined millions in France; if once you start on the same course, you must inevitably run the same race. Your enactments must be either ineffectual, or intolerably tyrannical. The symptoms of rapid depreciation have already unequivocally appeared, and a legislative enactment, vainly intended to support the value of your paper money, will prove here, as infallibly as it has proved in all other countries where the same fatal measure has been adopted,

the immediate forerunner of the last crisis of the paper system.

Against such a monstrous proceeding we have the authority of Mr. Pitt himself. We have also the authority of Judges in Westminster Hall. In the Court of Common Pleas, upon a question whether Bank-notes were made a legal tender by the Restriction Act, Mr. Justice Heath held this language:

“ Whatever inconveniencies may arise, the courts of law cannot apply a remedy. I think indeed the Legislature acted wisely, having the recent example of France before their eyes, to avoid making Bank-notes a legal tender; for in France we know that legislative provisions of that kind, in favour of paper currency, only tended to depreciate the paper it was designed to protect, and were ultimately repealed as injurious in their nature*.”

We have indeed the experience and example of France, as a warning to avoid the same calamities: in support of the assignats, there was legislative interference, and penalties and terror ever ready at command, exercised with un-

* Bosanquet and Puller's Reports, vol. ii. p. 526. Case of *Grigby v. Oakes*.

relenting severity and unceasing vigilance. But I ask, did ever that system of terror stop the depreciation, or uphold the finances of France? Has the forced paper currency of Austria (the most recent instance) preserved the finances of that empire? on the contrary, their destruction is also nearly completed.

It may be instructive to us to know what has been done in other countries, to modify and correct the disturbance of all contracts occasioned by the progressive depreciation of their respective currencies. In France, and in Austria, it has been found necessary to establish a rule for the equitable performance of contracts. When the frenzy of the revolution had subsided, the French government, after the destruction of their assignats and mandats, and the consequent reappearance of metallic money, ascertained the value of the Louis-d'or, as compared with assignats at different periods. When the Louis of 24 livres purchased 600 livres in assignats, it is clear that an engagement made in assignats at that rate was 25 times the value in good money. When the Louis was worth 1200 livres, a contract made in assignats was 50 times the value of the metallic money. And in this simple manner, according to any given market-price of the

Louis at a given time, contracts were reduced to their real value.

The remembrance of the assignats has, however, in a great degree, put an end to leases in France; and if they are ever now made, the rent is stipulated to be paid in certain measures of corn. It may shortly be found necessary to have recourse to the same precaution in England. The practice has, no doubt, its inconveniences; no man can calculate the exact amount of his income for any particular year, because it will depend on the seasons and the casual supply of that year: but if, instead of the money in which the rent is paid actually containing or faithfully representing a fixed certain weight of gold of a certain standard, there shall be substituted a currency subject to depreciation, in that case the undefined loss will far outweigh any possible inconvenience, and the landlord in his own defence must again resort to the antiquated mode of former ages, and stipulate for a certain measure of the gross produce of the land.

It is said that some legislative interference is absolutely necessary to protect the tenants against the demand of their landlords, and on that account the Bill is favourably received by

those who profess to support the interests of the former. Little, indeed, do these men understand the interest of the tenant, who exhibit such total ignorance of the great and permanent interest of the agriculture of the country, to which the interest of the tenants and of those who follow agriculture as a profession is inseparably united. If once the impious breach is made in existing contracts, if once the Legislature interferes with a violent hand, and tears out of the contract those positive stipulations, in faith of the due performance of which one of the parties has resigned and delivered over his valuable property, in the firm reliance that he shall be permitted to receive what he considered as a valuable equivalent, but which condition is afterwards totally abrogated by an *ex post facto* law, there is an end of all faith both in public and private transactions. No man can henceforth place his dependance on the faith of contracts; the lands must be occupied by yearly tenants, for no landlord, after so dreadful a lesson of legislative injustice, will assign his property for a fixed term to the chance of an uncertain value. There has already appeared a visible and general unwillingness to agree to new leases for long terms; and any suspicion of the possibility of interference with existing contracts, will extend that unwilling-

ness to make leases even for the shortest periods.

My Lords, the difficulties of our situation have proceeded from long-continued legislative interference; from having deserted the old sound maxims and general rules: the further you proceed in this course, the more difficult is your retreat. I well remember the emphatic words in which our present situation was described in a former debate in this House: it was forcibly said, "that legislative interference was heaped on legislative interference, difficulty was added to difficulty, until at last the original object lies overwhelmed and buried under the incumbent mass and rubbish of superadded matter." It is in vain to imagine that any interference can uphold the value of Bank-notes, if they are deficient in intrinsic worth, if less gold is given for the paper than that paper promises to pay. The attempt is against the natural order of things, and is pregnant with every mischief. Whatever may be the consequences, I am convinced the discussion must do good; the subject has been suffered to rest for several years, and by that neglect the depreciation has gradually and progressively advanced; and no possible effect arising

from agitating this question, and bringing it to issue, can be so pernicious as the actual state of our degraded currency. In the year 1803 I opposed the Restriction Bill; I resisted it in Parliament, and endeavoured to expose the system, which I thought so injurious to all public and private interests. I foretold the consequences; and, having now unfortunately seen my opinion confirmed far beyond my expectation, of all men I am the last to be blamed if I have now had recourse to a remedy founded both in law and justice.

TABLE
To show the real Value of a One Pound Bank-note, at the Market price of Gold.

Market-price of Gold per Oz.	Real Value of Note.
£. s. d.	s. d.
3 18.....	20
3 19.....	19 8 $\frac{7}{10}$
4 0.....	19 6
4 1.....	19 3 $\frac{1}{10}$
4 2.....	19 0 $\frac{3}{10}$
4 3.....	18 9 $\frac{1}{10}$
4 4.....	18 6 $\frac{8}{10}$
4 5.....	18 4 $\frac{2}{10}$
4 6.. 10 per Cent... 18	1 6 $\frac{6}{10}$
4 7.....	17 11 $\frac{1}{10}$
4 8.....	17 8 $\frac{7}{10}$
4 9.....	17 6 $\frac{3}{10}$
4 10.....	17 4
4 11.....	17 1 $\frac{7}{10}$
4 12.....	16 11 $\frac{4}{10}$
4 13.....	16 9 $\frac{2}{10}$
4 14.. 20 per Cent... 16	7 $\frac{2}{10}$
4 15.....	16 5 $\frac{1}{10}$
4 16.....	16 3
4 17.....	16 1
4 18.. 25 per Cent... 15	11
4 19.....	15 9
5 0.....	15 7 $\frac{2}{10}$
5 1.....	15 5 $\frac{3}{10}$
5 2.....	15 3 $\frac{5}{10}$
5 3.....	15 1 $\frac{7}{10}$
5 4.....	15 0

POSTSCRIPT.

HAVING so plainly stated the principle on which I expected those, who had entered into contracts with me, to discharge their engagements; I hardly thought it necessary to add, that I consider myself as under the same obligation to those who have demands upon me under any old contract or engagement. I take this opportunity of stating, that I not only hold myself bound, and am ready, to satisfy all such demands, by payment of the same intrinsic value which the currency had at the date of each respective contract; but that I have already acted upon this principle in a payment of considerable amount.

The Bill now before Parliament will place some impediments in the way of those who desire to carry into effect an equitable adjustment in the payment of old contracts; but methods may be devised for an equitable ar-

angement without much trouble or expense. For this purpose, ascertain the weight of standard gold which the currency was able to purchase at the date of the contract, and let the payment be made in the same weight of standard gold. Coined money was invented for the general convenience; but if it cannot easily be procured, payments may be made in uncoined bullion of the same standard.

For instance, if the price of gold at the date of the contract was 4*l.* 2*s.* per ounce, then, in the proportion of 4*l.* 2*s.* to 3*l.* 18*s.* the Mint-price, it will require the weight only of 95 guineas and $\frac{10}{32}$, as the equivalent for 100 guineas; and as that weight of standard gold may afterwards be sold at the market-price, the landlord who receives it at that rate (an act of favour and concession on his part) will be indemnified for the increased depreciation of paper since the date of the contract, and at the same time will have regulated the payment according to the intrinsic value of the currency at the date of the lease.

For all contracts made before any depreciation had taken place, it will of course require the weight of 100 guineas in standard gold to discharge a demand for 100 guineas:

but if, instead of standard bullion, a preference, for the sake of convenience, is given to Portugal gold coins (which, as an article of commerce in demand, are more valuable), an allowance may be made in proportion to their superior price in the market, requiring the weight of 98 guineas in such coin for 100 guineas due.

THE END.