GOLDEN RULES

FOR

BANKERS;

WITH A

Postscript on the present Panic,

AND ON

THE DESTRUCTION

OF

COMMERCIAL CREDIT.

By SIR RICHARD PHILLIPS.

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PREFACE.

THE 'GOLDEN RULES FOR BANKERS' were written in the autumnal months of 1825, during the halcyon days of British prosperity, when any successful impugnment of the system was little suspected by the Author, as either practicable or probable. They were designed to be connected with a series of similar developements of the absolute and relative duties of other classes of society, the whole of which the Author has just published in a volume, under the title of "Golden Rules of Social Philosophy."

The revolutionary convulsions of December, continued with accelerated violence to the present hour, led him, on publishing that volume a few days since, to annex a

Postscript, the temporary interest of which has, on the suggestion of several friends, induced him to print both articles in this separate form, with some additions growing out of subsequent events.

Such an exposition of the catastrophe which has befallen the population of the British empire, cannot fail, in a public sense, to be useful, though hastily written under the impressions of the moment; because any efficient remedy must depend on a correct knowledge of the causes, symptoms, and state of the disorder.

It will tend, also, to correct the evil, by exculpating defaulters, assuaging the vengeance of sufferers, diminishing the number of cruel and useless appeals to law, and facilitating all those mutual concessions which

men must be called upon to make to one another. The due understanding of the whole subject will prove that, under such circumstances, honest and solvent traders may be unable to meet pecuniary engagements, without being culpable; and that the strength of single fortunes is incompetent to resist the hurricane which has so unexpectedly assailed the whole community.

If any persons are blameable it is his Majesty's Ministers, who beheld the panic of the people, who saw them rush on one another with senseless fury tending to universal destruction, and who adopted no efficient measure to allay the alarm, but described the probable calm, which might follow general desolation, as the unavoidable cure of the evil. What would be thought of the manager of a crowded thea-

tre, who, on a false alarm of fire, heard, in his green-room, the shrieks of the audience, rushing on death in the avenues, and who, when besought to adopt some measure to arrest the panic, should decline interfering, and coolly reply, that the "evil would speedily cure itself?" It would be still more extraordinary if he had ordered the lights to be extinguished, closed the doors, and walked home to his supper, as though nothing had happened; yet something like this was the conduct of Ministers, in adjourning the meeting of Parliament from the beginning of January, till the beginning of February, and leaving the people without hope or information, to tear one another in pieces during the interval.

The Cabinet may have been ignorant of the real extent of the calamity—they may

have been misinformed in regard to the true nature of the mischiefs which were operating—they may have been misled by malevolent persons, instigated by sinister motives—but a heavy responsibility rested on them; any error was of the most fatal character, and they could be no strangers to the artificial system on which depended the financial and commercial prosperity of this empire. The sword of Damocles was at all times suspended over their heads, in the delicate existence and hazardous perpetuity of commercial credit; yet they presumed to play with the thread, and have, in a certain degree, contributed to bring the country into danger.

I feel it my duty, therefore, to ARRAIGN them for errors in theory, information, and practice, before the British people, whose happiness and prosperity have been com-

promised—to ARRAIGN them to the Parliament, whose wisdom and guardianship they dispensed with in the hour of peril—and to ARRAIGN them to their royal master, whose paternal affections and well-known solicitude for the welfare of his subjects they have unhappily violated.

In thus undertaking the onerous task of becoming the accuser of men secured by power, and flattered by numerous bands of sycophants, I am duly sensible of the weight of the responsibility which I take on myself: but I am a Father, who for forty years have laboured with the approbation of my candid contemporaries, for the welfare of my children, and I see their fortunes suddenly placed at hazard—I am a Citizen, and have done my duty, in my station, and behold my labours destroyed—I am an Englishman, and love my country;

—I behold, therefore, with grief the foundations of her prosperity removed, and a matchless fabric suddenly reduced to chaos.

Of course, I look about me for the cause of such misfortunes, and I discover none but a senseless frenzy of the people. I then enquire into the conduct of the guardians of the people, and I find, that, if they were not sleeping at their posts, no signs are visible of their energy to avert the evil. I cannot, therefore, consider them as blameless, and ARRAIGN them, not in the spirit of faction or malevolence, but in the name of truth and justice; and, in the charitable language of the law, invoke heaven to send them, if guiltless, a good deliverance—and, if guilty, a merciful judgment!

I am, moreover, called upon by another duty; that of correcting some public pre-

judices in regard to the system of Banking. I decline to discuss the questions about paper-money and artificial circulation, for on those subjects I should not disagree with the doctrines of many popular writers; but viewing our national position as a whole, and considering that position as working together for good, in spite of admitted defects, I regard the system of Banking as the MAIN-SPRING of our social machine, and in that sense, and that sense only, I am its advocate. If it has been abused, I am far from justifying its abuses; but, as connected with our general prosperity, our national wealth, and our public revenues, it is the essential and operative part of the entire system; and, if destroyed, the entire fabric of British society must tumble in pieces, and crush, in the wreck, two-thirds of the living generation!

74, St. Paul's Church-yard;
February 6, 1826.

GOLDEN RULES FOR BANKERS.

I.

The Banking system is the foundation of the wealth and ascendancy of Britain. It constitutes the financial strength of the government, and sustains the industry and prosperity of the people.

II.

It is the peculiar feature of the Banking system of England, that its Banks are Banks of deposit, or reservoirs of the floating money of the population; insomuch that all money

is assembled in them, and available by them, for direction and appropriation to whomsoever it is most wanted, who is creditable for its punctual repayment.

III.

It is another feature of Country Bankers, that, to augment their capital and resources, they are enabled to issue small notes as cash on the credit of their establishments; and this system affords them additional means of sustaining the industry and prosperity of their respective neighbourhoods.

IV.

Other European nations possess neither of these advantages; and they never can possess them, owing to the capricious and uncertain character of their governments, and the consequent want of confidence and security on the part of the people. There is, therefore,

not a Bank of deposit on the English system from Petersburgh to Cadiz.

V.

In England, the banking system has grown by slow degrees till it has engrafted itself on the habits, prejudices, and practices, of the entire population; and credit, with a Banking-house, establishes a man in society, and facilitates his enterprizes in all legitimate concerns of life.

VI.

In France, and other countries, no such *point d'appui* of credit and character can be enjoyed: hence capital is limited to actual property, credit is low, and enterprize is impracticable. The public revenues and the financial resources of the government are, from the same cause also, proportionately low and inefficient.

VII.

A fixed rate of interest is the basis of the Banking system; and all the concerns of Bankers and their clients would be involved in confusion, if the interest of money was undetermined and unfixed by law. An unsettled rate of interest is a chief cause of the impracticability of carrying on a Banking system on the Continent with the co-operation of the whole population, as is done in England from the equality and certainty of all transactions.

VIII.

In England, credit is the prime criterion, and it cannot be commuted for a high rate of interest; hence credit is studied by all men who would be prosperous, and money can be raised on commercial securities on terms which

the profits of trade will justify; while the high rates of interest in foreign countries, taken as a substitute for credit, destroy credit by the inevitable ruin of borrowers.

IX.

Interest can be allowed to vary only when the securities are defined and exactly equivalent, as on government securities, and on estates of ascertained income; but ruin must attend borrowers on fluctuating interest, in all cases wherein the securities vary in quality or estimation, as in Bills of Exchange, and the general run of commercial securities.

X.

The fixation of interest constitutes the stability of trade, and the maximum ought never to exceed what trade can afford to pay, while real scurities will find a lower level. The law ought to fix a maximum,

and not a minimum; and a maximum is justified, because money is a mere conventional article, and it ought to be subject to conventional law, in subservience to the general benefit.

XI.

As credit constitutes the wealth of Bankers, they ought at all times to respect public opinion. They have the command of indefinite funds in trust from the public; and they require public confidence in the circulation of their notes. The eye of the public is therefore upon them, and their chief luxury must be the power which money confers, and the possession of money. They may be enabled by their actual profits to display large and expensive establishments; but such things are neither essential nor useful to their credit as Bankers.

XII.

The most successful and wealthy Bankers have, in all ages, been those of the smallest personal expenditure. Nothing is considered at hazard in such hands, and public confidence is the wealth of Bankers. If a passion for personal indulgence and expenditure exists, and can be afforded, the parties should abandon the occupation of Bankers.

XIII.

In every pursuit, certain self-denials are necessary: a clergyman must not keep a mistress, a judge must not get drunk, a magistrate must avoid profligacy, and a Banker must never be seen in a brothel or a gaming-house. Many a solid establishment has been brought to the verge of bankruptcy, by its being reported that a junior partner had had a run of ill-luck or good-luck at play, or had

lost or gained large sums by gambling in the public funds.

XIV.

The valuable Banker is he who sets an example of moderation in his own household; who studies the characters and pursuits of his connexions; who patronizes prudence, industry, probity, and well-directed enterprize; who hazards something when the prospects of virtue are at stake; who hazards nothing in support of audacious folly and extravagance; who is content with the legal interest afforded by creditable private securities; and who does not grasp at inordinate gains, by illusory speculations of his own, whatever may be the chances of success.

XV.

The country Banker, who employs the capital of which he is the focus and depository, in

sustaining the private industry and valuable enterprizes of its vicinity,—who discriminates character with reference to trading qualities, and without reference to political or religious parties,—who returns the capital into the vicinity, as the husbandman does his produce for manure, and who refrains from distant speculations in the public funds, other uncertain chances of profit, is a public benefactor, and a patriot in the best sense of the word.

XVI.

The worthless and mischievous banker is the man of capricious temper, who deludes one day with promises, and withdraws his good-will before plans are matured which he has encouraged; who envies the prosperity of others; who, confounding his balances with his gains, considers the possession of wealth as a title for pride; who makes use of it to display his power; who employs it in distant securities, rather than in per-

forming kind actions among his neighbours; or who engages in speculations in the necessaries of life for the purpose of increasing his gains.

XVII.

In runs upon Banks, it is the bounden duty of Bankers to sustain one another in spite of their general jealousies, and local and temporary bickerings. The fate of the weakest to-day may be that of the strongest to-morrow, for it is impracticable at once to realize dead and remote securities. The shock created by the failure of a weak rival is not recovered for a considerable time; while the prosperity of all Banks depends on the weather-cock of public opinion. An ungenerous conduct in a moment of alarm is always resented by the public, and retaliated on other occasions.

XVIII.

The failure of creditable and solvent country Banks might be rendered impracticable, if

they were to make their notes payable either in London, or the country; and if, in London, there existed one general depôt for paying them, which might operate in averaging the resources of country Banks, just as they themselves operate in regard to the traders in their own vicinity; that is, if in London there existed, with reference to small notes, one focus of all the country Banks, in which each should lodge real securities for occasional advances from the common stock of currency.

XIX.

It is the vast accumulation of capital, more or less in 1000 Banks, which, when poured forth by the seductive advantages of a small per centage and government security, enables the minister of England to raise annual loans of twenty or thirty millions by various competition, to the astonishment of other nations; while, as the whole returns into immediate circulation, the operation is capable of being repeated an indefinite number of times, with-

out sensible effect on the elasticity and energy of the system.

XX.

As long as the Banking system continues, as long as Bankers are enabled by their balances and public confidence to discount commercial securities at not more than five per cent., England will continue what it has been during the last half century; but, whenever the banking system is destroyed by want of general confidence, and whenever commercial bills and securities cease to be discountable at a rate of interest, which accords with the profits of trade, then the revenue of England will fail, her social improvements will be arrested, and she will sink to the level of other nations, or, by acceleration, even below them.

XXI.

The minister, or the economist, who, ignorant of the practical operation of the Banking system, is ignorant of the multiplication of wealth by means of credit, is unfit to influence

the fortunes of such a country as England; and, whenever it is the fate of the English people to have their public fortunes in such incapable, or unprincipled hands, universal misery, general insolvency, and social disorganization, must be the consequence.

XXII.

As long as a national debt calls for an annual interest of twenty, or thirty millions, and the public exchequer finds it necessary to issue vast amounts of accommodation-bills, an artificial credit and circulation must subsist in British society; and commercial credit becomes in consequence the foundation of public credit. The former cannot continue to exist without the latter, because a great revenue cannot be raised without corresponding circulation, and great circulation depends on Banking and commercial credit.

XXIII.

Commercial credit multiplies currency tenfold in its practical effect; and the same

amount of currency may maintain an effectual commercial currency of ten times the amount. Hence wealth is as credit, and, whenever credit is destroyed, currency rises proportionately in value, and prospective, or time engagements in nominal wealth inevitably ruin all by the change of value. Practically considered, a currency of forty millions may maintain a commercial credit of four hundred millions; but if the latter, owing to the ignorance, or imbecility of the government, is destroyed, then all prospective engagements fall from 20*s.* to 2*s.* in the pound; and he who pays in a higher ratio must soon become insolvent.

XXIV.

In fine, it is the Banking system, and its able and public-spirited practice, which make Britain what it is, in trade, enterprise, and prosperity, and, by contrast, the continental nations what they are: it is the useful pride which every Englishman feels, that he has a

good balance and good credit at his Banker's, opposed to the useless pride which the inhabitants of the Continent feel, that they have a few rouleaux locked up in their bureau. This small difference of social practice constitutes the Samson's hair of England, and is the fulcrum of her power, and the talisman of her financial strength.

POSTSCRIPT,

Written in January, 1826.

After the distresses occasioned by the change of circulation at the close of the war, by which many thousands were ruined, and after the Country Banks and the Bank of England had assisted the agricultural interest through 1822 and 1823, the nation began to assume an aspect of general prosperity.

Through 1823,4, and the first eight months of 1825, credit and confidence were unbounded; money was so plentiful that the Bankers preferred bills to cash, and generally discounted them at four per cent. The Bank of England, in the useful spirit of competition, extended its discounts from two to three months, and lowered its rate from five to four per cent. Hence there was capital for every kind of promising enterprize. The three per cents rose to ninety-six, and not to flourish was to seem to lack wisdom, industry, or knowledge of the world.

During the winter of 1824-5, various nostrums or schemes were presented to the public, many highly useful, and others highly absurd. The multitude of the latter, and the gullibility of dabblers in puny speculations, in accordance with their intellects, led to a re-action of public feeling; and a contest of folly with prudence threw discredit on the entire system of joint-stock companies, while they had uselessly absorbed the means of adventurers. To restore this abortive capital, bills and accommodations were resorted to; and in the summer of 1825, British society was like a vessel with all her sails set, even her sky-scrapers, therefore easily disordered by any squall or ruined by a hurricane.

Some cross-purposes, jealousies, and jarrings in September and October, between the Bank of England, the Jews, certain branches of trade, and the Bankers, in which, perhaps, neither were to blame, as neither could anticipate a result so unprecedented, impeded discounts, and created embarrassments. Through

November, a general anxiety was experienced, and the country sympathized with London. Some Country Banks gave way, some mercantile houses stopt, and a feverish excitement through the nation led Country Bankers to call in their loans, to refuse accommodation and discounts, and to assemble sovereigns to meet their one-pound notes. Other Banks, who had not time to provide, or who could not convert their securities, stopt, thereby adding to the panic; and at length it became universal, because some Bank or Banks stopt in every county.

The newspapers, in promulgating these facts, spread the dismay, and many of the editors, under the impression of theories adverse to the artificial system of the country, increased the alarm by observations and prognostics. The mass of the people, who have no comprehensive views, concurred in the hue-and-cry against paper circulation, as tending, in their opinion, to keep up the prices of pro-

visions, not duly feeling, that, without that circulation, there could be neither enterprize nor employment. Hence, the run upon Banks became general, and alarm was increased by mistaken views, till nearly one hundred Banks had stopt payment, and the rest were so crippled as to be unable to continue their usual accommodations to their dearest connections.

At length, the finishing stroke was given, by the public stoppage, on the 12th of December, of the great and hitherto powerful Banking-house of Pole and Co. Every man now began to take care of himself, and fearful of being the last, all endeavoured to be first. A sort of Banking hunt now commenced in town and country, and few were generous enough to forbear. Unable to resist the torrent of alarm, by which all was drawn out and nothing paid in, on the subsequent day the old and respectable firm of Williams and Co. gave way; and these were followed by Wentworth and Co.; Everett and Co.; Sikes and Co.; Hodsoll

and Co.; and a multitude of commercial firms, whose concerns were nearly as extensive as those of Banking-houses.

Of course, the Bankers had, for some days, declined to discount, while they collected their bills, as usual, through the town. But, as the bills of a fortnight are equal to the floating currency, and the Bankers, in self-defence, held fast every pound in hand; so, in ten days, between the 5th and 16th of December, the town was swept of money; and few men had five pounds to spare for any purpose whatever.

Pawnbrokers and money-lenders were resorted to, till their capitals were exhausted, and then a general stoppage of payment ensued, though most of the parties were abundantly solvent in their stocks in trade, now unavailable; in book-debts not recoverable; or in bills, either useless for want of discount, or rendered nugatory by the stoppage of drawer, acceptor, and endorsers!

In the mean time, all trade was at a stand. Few shop-keepers received so much as paid the current household expences of their families. Despair reigned in most countenances, and florid complexions were turned into sallow ones. Few men could sleep—every one felt the ground slip, as it were, from beneath his feet—he saw losses and ruin on every side—he rose in the morning worth thousands, and went to his chamber at night reduced to beggary.

At the same time it was a frightful lottery of all blanks. Those were irremediably ruined who *happened* to have bills or liabilities due at once; while those had chances in their favour who *happened* to have no responsibilities for a few weeks. Of course, as the pressure existed on all, so every one, who held a dishonoured bill, became, in his own defence, furious against the defaulters; old friendships were therefore destroyed and all men "set together by the ears." It was like a bee-hive overset, or an ant-hill

broken into, by which, each insect felt inclined to charge on another the cause of the injury in which all were sufferers. In such a state of things, a golden harvest was, of course, presented to the legal profession; but, to their honour, and to the general credit of the country, few have been so malignant as to aggravate the general suffering by legal expences, though it ought not to be concealed that the prisons have been filled with unfortunates, whom none could help.

The suddenness of the blow at once aggravated the mischief, and increased the sense of personal calamity. Property, in good times, cannot be advantageously converted into money in a few days; but now, it became altogether unsaleable. Money was out of the question, and bills were useless. Again the blow found men in all kinds of mutual entanglements, and confidential engagements. Loans, made for a few days, ruined the lenders—bargains and contracts could not be completed—

preparations and prospective arrangements were rendered nugatory, no one would sell on credit; money was not to be had, and universal stagnation, affecting the highest and the lowest, was the miserable consequence.

On the evening of the memorable 13th of December, the Author, by an express from his family in London, found himself, by this social earthquake, placed in new relations to his connexions and contemporaries. In 1823, after a life devoted to the diffusion of knowledge, and after writing, editing, and supervising, innumerable books, tending to make the next generation wiser than the last, he disposed of a third share in his principal literary property, and retired on a moderate competency to Brighton.

His tranquillity had been for several weeks disturbed by newspaper-reports of the wrecks of commercial fortunes, and by accounts of the increased distresses of his old connexions in trade. Yet, as there appeared no immediate

cause for these difficulties, he had no suspicion of the consequences inevitable on a general SOCIAL PANIC, in which all were excited to save themselves, and rush on the bankers of the empire, and on one another, by a scramble at once ruinous and fatal.

The ministers had, in the preceding sessions of Parliament, disturbed all the staple establishments of the country by their empirical schemes about free and open trade, and by various projects to lower the interest,—the Parliament had given sanction to stock companies out of number, by their repeal of the Bubble Act—and every thing had been put to hazard in subordination to Scottish theories of political economy, which at best are applicable only to nations in equal condition. Yet no one had anticipated a total breaking up of the commerce, credit, and industry of the country; much less, that the King's ministers would contemplate in perfect tranquillity the destruction of a fabric not likely, amid

the rivalry of other nations, to be raised again.

Never were the vital energies of a great and prosperous empire so suddenly destroyed. Credit and mutual confidence had been unbounded, and growing for fourscore years; and industry and useful enterprise seemed to be assured of their proper reward. Under this state of things, the Golden Rules for Bankers had been written; but, in a single month, they became more like Utopian dreams than realities. All national improvement was suddenly arrested—all industry was at a stand! Tens of thousands of families, who on the 1st of December had been in comfort and affluence, were on the 1st of January either ruined, or on the brink of ruin. The healthful and cheerful character of the population of the British Islands was changed. No man would trust his neighbour for as many pence as but a month before he would for pounds. Self-preservation, by means of law, actuated man against

man, and a civil and social war was engendered, fatal to this empire of credit and industry.

The Author hastened, under such circumstances, to London, and found it a Pandemonium! Several opulent banks had been run down by the public phrenzy on that day; and commercial houses of established credit had stopped payment by dozens. The panic spread over the nation, and the stoppage of a hundred country banking establishments has ruined or paralysed the active generation of British traders, agriculturists, and manufacturers.

The Author made immediate communications, *pro bono publico*, to the Bank Directors, and the Ministers. The salvation of commercial credit appeared to him worth the hazard of half a million. The die, however, was cast; and, strange to relate, it appeared to him that an experiment of policy was making. O! Machiavel, how thou sinkest into insignificance!

Never did'st thou suggest an experimental means of ruining a people by a single blow!*

The Author suffered his full share of the general calamity. Two banking-houses with which he was connected stopt on the same day; and, to complete his disaster, an agent to whom he had confided the sale of his literary property was involved, at the same hour, in the common ruin! Ease and domestic comfort were thus, as by the wand of enchantment, exchanged for anxiety and sorrow; and the luxury of doing good ceased to be indulged by the mistrust of all, the distress of all, and the apparent necessity that all would be destroyed,

* He mentions his plans with deference. 1. That the Bank of England should guarantee any bank run upon; and, as such guarantee would have stopped the run, it would not have cost the Bank Company a single pound. 2. That there should be a week of open discount for good and approved bills sent in by any person. 3. That five or six millions of £100 Exchequer Bills should be issued on the joint notes of three house-keeping traders for £300 each, at three months, and with five or six names at longer dates.

to discover and expose the sterling or naked worth of each!

The extinction of commercial credit had thus, at a stroke, annihilated full four hundred millions of the circulating wealth. All nominal obligations remained in their legal relations to that four hundred millions; but only forty millions of bank-notes and coin existed, to meet at least ten times the amount; and as the disorder augmented and still augments itself, so commercial bills and time engagements, without regarding other considerations, were reduced to *two shillings in the pound*, if paid in money, or to stocks in trade, at depreciated values, with the intermediate ruin of the unhappy owners.

Such a state of a great people, great as they had been by their union and confidence, might, it would have been supposed, have drawn forth the energies of the men entrusted with the conduct of the government. But, on the

contrary, a frigid and incomprehensible indifference, judging by their actions, marked their practice; and it was reported that a leading minister observed, *that the evil would work its own cure!* If any man did make such a remark, it was a climax of political apathy. It must have been a false report, or a misconception of its auditors! Yet little could be discovered as an act of the government, unless the pouring out of millions of bank-notes in an indiscriminate and utterly useless manner could be traced to them; not, however, to the efficient trading community, but to capitalists, bankers, and others, who, in self-defence, or in alarm and fear, abstracted the whole from general use!

From the exultation expressed at the steadiness of the public funds, it might be supposed that the ministry regard the nation as a society of stock-jobbers; that they consider *the debt* as the wealth of the nation, and their Exchequer-Bills as the key-stone of its pros-

perity! A more heartless abandonment of a people to a panic, in which they necessarily destroyed themselves—and less skill in relieving and restoring the talent and property overwhelmed in the struggle—cannot be conceived.

The whole is to be regarded as a phenomenon in the history of nations. The state of England was itself a phenomenon. It stood before the world as the most wealthy and most improving of all countries—not in population, in natural productions, or in specie; but in CREDIT, INDUSTRY, and MUTUAL CONFIDENCE. The contingency of such a country destroyed in a week, could never have been anticipated, either by reason or experience; but it is to be lamented that such an effect should have been allowed to take place without the smallest display of energy to parry and ameliorate the blow:—for credit and confidence are reared only by the good conduct of successive generations, and as that which has happened may at any time happen again, so the bases of British greatness are shaken; and that power which flowed from such qualities, has suffered a shock which it can not soon, if ever, fully recover.

Those who are ignorant of the true secret of British wealth and strength, will be taught by the Golden Rules for Bankers. In this peculiar system has lain the means which distinguish England in the reigns of George the Third and Fourth from those of Charles I. and II. Stop the credit of banks, obstruct the regular means of discounting commercial bills, and England falls to the state of Poland and Spain; that is, of a country without available capital.

The vulgar have on this, as on other occasions, been the easy dupes of their short-sightedness. They aided by their folly in the run upon the banks, and actually rejoiced in their overthrow; but, as an immediate consequence, they have been discharged from

employment by hundreds and by thousands. The narrow-minded land-owner, and the petty-fogging trader, fearful of his own shadow, imagine that something is gained by the destruction of that extent of credit which they never possessed the magnanimity to enjoy; but in a few months they will feel their error, and perish in the muck of their own selfishness. The purse-proud capitalist exclaimed, for a few days, "thank God, I am not as other men;" but by these, by the public funds and revenue, the entire loss must be ultimately borne.

If any of the nobility should, by the prejudices of their caste, or their habits of thinking, conceive that they have, on this occasion, any opportunity of exulting over the misfortunes of trade and commerce, they may rest assured that their triumph will be short-lived. They should read, as a lesson, the fable of the Belly and the Members, and learn that in society one interest depends on another, and that the

body politic works like the body natural. If the lords of trade, commerce, and money are ruined, the lords of the soil will soon be involved. Without a commercial and manufacturing population to consume, and without the artificial circulation which sustains prices, the produce of the land will soon fall in the markets 15, 30, and 50 per cent. and rentals in the same proportion; while the taxes will reduce the owners of the land to splendid misery and a state of beggary. They do not wish to be such lords as we witness at this day in other ruined countries, like Greece, Italy, and Asia Minor.

The hue and cry about accommodation bills, and false credit, is irrelevant. They were unavoidable adjuncts of the system, and tended essentially to support the false capital of eight hundred millions in the pretended public funds. If a few banks or commercial houses enjoyed a factitious and unwarranted credit, such excrescences would, in due

course, have been cut off; but it is at once base and foolish to convulse the whole nation, and destroy all the just and necessary relations of society to effect a purpose which, in itself, was of no general consequence, and to correct an abuse which grew up with the funded system, and was identified with it.

To insinuate that, in such an overthrow, things would find their own level, is as wicked as the observation of Louis the Fourteenth, who, when the Palatinate was ravaged, and 100,000 of its inhabitants massacred, replied that his good city of Paris would in a single night replace the loss. The expressions must have been made by kindred minds; and, if made by any minister of England, he is as culpable as Louis, and ought, at least, to be considered as unworthy of his station.

We hear of Bankers re-opening; but, though creditable to them and disgraceful to the public, yet, *cui bono*,—Have they the same capital

and the same spirit? Nothing of the kind: they are crippled for ever. Other banks, too, are crippled for years; and, if for years, for ever, as to any beneficial or efficient purpose.

Industry and enterprize can succeed only in countries where commercial credit is identified with the policy of the state; where the ministers of the crown duly understand and respect the identity of both interests; and where, when one is endangered by a public panic, the other is cheerfully and anxiously seen to lend its aid and effective counteraction. A man would rather live in the West India Islands, and suffer an annual hurricane, which affected his crops and out-buildings, amidst the sympathy of his neighbours, than be subject once in his life to a social tornado, which suddenly blasts his industry, involves his children and dearest connexions in hopeless ruin, occasions his resources to slip from under his feet, and almost renders suicide a virtue.

At the time of putting this sheet to press, the Author is enabled to state, that all the unhappy results which he anticipated in the previous observations, have been too fatally realized. No individual Banker or capitalist became, or could be expected to become, the forlorn hope of commercial credit; and the government, as the proper guardians of the public interests to men in trade, omitting to do their obvious duty by issues of creditable Exchequer-bills, the wealth, strength, and prosperity, which flowed from mutual confidence, have been destroyed; and, in a commercial and financial sense, general social disorganization has been produced by an irrational and uncorrected social dismay.

The evil is, at the same time, increasing every day, because new failures are constantly taking place in every branch of trade; these involve their connexions and dependencies, till whole trades are implicated; and universal inability to meet engagements in money is the consequence.

Thus, on a sudden, by the action and reaction of such a social conflict, the four or five hundred millions of bills of exchange which constituted the negociable assets of trade, founded on a thousand millions of stocks, and the very means which enabled the people to pay the taxes, and carry all the arts of civilization to the highest pitch, have lost their value. We have, therefore, a population of traders and manufacturers encumbered by time engagements to that amount, with no means of liquidating them, but in the remaining currency of forty millions of bank-notes and specie. It is evident, therefore, that the forty millions, even if in general circulation, and available, could only pay a TENTH, or TWO SHILLINGS IN THE POUND, on the bills in course of payment, taking the average of the nation; while the difference must intermediately fall on bill-holders and capitalists, and ultimately on insolvent stocks brought at once, and ruinously, to market!

Hitherto credit was sustained by circulation;

old debts were paid by new ones, and one set of bills were cancelled by a new set. A man, while in trade, generally owes as much one year as another; and this is the essence of trade, and its characteristic under the most prosperous circumstances. Such has been its uniform system in Britain; where its energies, thus acting, and thus supported, have produced and sustained our wonderful financial prosperity.

This commercial debt, let it be understood, has risen simultaneously with the funded debt; and has been an undesigned and unsuspected artifice of men in trade, by means of which they counteracted the operation of the public debt, and were enabled to meet its demands on their industry. One debt is a reflection and an effect of the other; and, if the commercial debt is destroyed, the funded debt would lose the support, prop, and buttress, which upheld it through the industry of the people.

Is the funded system to be supported? If so,

then commercial credit must be supported. They act in unison, like two ends of a lever. But it is absurd to affect to respect commercial credit, and decry the Banking system, and the credit of bills of exchange, which constitute the active circulating capital of men in trade. At the same time, the Author is no professed advocate of the funded system, nor of its necessary adjuncts; and society might, in his opinion, be more happy if no paper circulation existed: but let us be consistent—for, as great misery would result from the destruction of the funded system, as has arisen from the destruction of commercial credit; and it would be cruel to pass sentence of death and misery on the thousands of families who depend on the funds; and, if the funds are to be sustained, then must commercial credit be sustained.

With the credit of this generation, will necessarily disappear its trade and useful enterprises; and, as we have rivals both in Europe and America, and there are countries where

Governments would not turn their backs on the working bees of the community, it can scarcely be expected that the previous commercial prosperity of England can easily be recovered. Increased intercourse with France will not effect its restoration, because our only ground of ascendancy is our commercial credit, and the capital resulting from it; and this has been unwisely neglected, contemned, and destroyed.

Besides artizans employed in buildings and works of improvement, who have been discharged by tens of thousands, every report from the manufactories of London, and the country, proves that other tens of thousands have necessarily been discharged from them. The stoppage of Country Banks, and the maturity of obligations, will augment this class of miseries; and in this way, in the language of Ministers, "*the evil will work its own cure.*" The withdrawing of the loans of Country Bankers to farmers, and the various consequences of reduced circulation, will, of course,

soon paralyze the agriculturists; the landed interest will then echo the complaints of the commercial; and the distress, felt by that class three or four years ago, will be renewed through the nation.

In the ruin of the commercial and agricultural interests, must follow that of the REVENUE and FUNDED SYSTEM. The support of the latter lies in the prosperity of the two former; but it seems to be the policy of certain persons, and the irrational wish of others who hate the system or do not understand it, that an experiment should be made on commercial credit, even though, in "*working its own cure,*" it should place at hazard, or even destroy, the entire fabric of our national prosperity.

He again repeats, that it has proved utterly useless to pour forth millions of bank-notes to justly-alarmed Bankers and Bank-discounters. The middling ranks of traders and manufacturers constitute the vital strength of the com-

mercial system; and it was, and is, this class who require special support. Five millions of Exchequer-bills might have effected all that was wanted, in December; but twenty-five would, in January, scarcely effect the purpose.

As many persons may not have considered the purpose of commercial credit, and its effect in amount, it may be necessary to state, that of the three and a half millions of families in Great Britain, at least one million are engaged in trade, agriculture, or active employments, which require the aid of credit, and bills of exchange or notes of hand.

Trading stocks, on the average, may be taken at 1000*l.* each, or 1000 millions, and these turned twice a-year make the annual returns 2000 millions, out of which is mutually gained about 10 per cent. or 200 millions; and from this 200 millions are drawn 50 millions of taxes, or 25 per cent. on the income of the people.

The nominal value of these stocks depends, however, on the negociable currency. If this is great, the nominal value will be great; or, if small, the nominal value will be small. Twenty or twenty-five millions of bank-notes, twenty or fifteen millions of specie, and fifteen or twenty millions of country-bankers' notes, seem capable of sustaining the varied transactions connected with 2000 millions of returns. But if these amounts are increased or diminished, as, if the country-bankers' notes are reduced to five or ten millions, or a fifth of the whole, then returns become embarrassed, and prices must fall in proportion. If, however, the returns and profits diminish, then the fifty millions of taxes become more than a fourth of the profits, and the people are oppressed. Hence, while taxes are a fixed sum, the circulating medium ought to be abundant and proportionate.

But forty or fifty millions of currency are not competent alone to sustain returns of 2000

millions per annum, and bills of exchange and promissory notes have been adopted as a means of facilitating the circulation. The amounts of these in round numbers may be taken as beneath :—

100	London Banks	£6,000,000
850	Country Ditto	25,000,000
1000	Mercantile Houses	100,000,000
3000	Secondary Ditto	100,000,000
50,000	Traders and Manufacturers	150,000,000
24,000	Farmers, &c. &c.	72,000,000
		£453,000,000

These totals are, as may be perceived, taken very moderately, for every late failure has proved the acceptances of the concerns to be three, or even five times the amounts assumed. But, considering the excess as a cause of failure, the amounts may, without danger of exaggeration, be calculated as above.

These bills are a credit upon stocks in

trade, and essential to facility of negociation and sales, without which 2000 millions could not be returned, 200 millions gained, and 50 millions paid to the revenue. The foundation of such circulation is mutual confidence; while the same confidence secures on the average six months credit on all sales; so that CONFIDENCE in Great Britain is worth at least 1000 millions, and confidence is, therefore, part of the efficient capital of the country.

If by any error, folly, or miscalculation of the administration of the day, this mutual confidence is destroyed, the foundation of that circulation is removed, on which depend the returns, profits, and revenue of the country; nor is this all, for if the confidence is suddenly withdrawn, as was the case in December, 1825, and January, 1826, then the population necessarily remains under time engagements to the amount of at least 450 millions, with only 40 millions of currency to pay with, or only two shillings in the pound in money;

while the other eighteen shillings remain to be liquidated in commercial, trading, and farming stocks. As, however, nearly the entire amount of bills falls due within six months, so it is impracticable to convert stocks into money at once, particularly if the demand is unexpected; the effect, therefore, of loss of confidence, must be an universal stoppage of payment, or a general inability to pay bills in cash at maturity, such as has been lately witnessed.

To make up the difference in stocks is impracticable, because, under circumstances, which in credit is destroyed, and its destruction described as the cure of an evil, no means of purchase or sale exist but by the currency, and every attempt of the kind serves but to augment the evil; hence sales of stocks and property have been impracticable, and these assets to meet bills have hitherto proved utterly unavailable and useless.

Of course, therefore, bills revert on the holders, with no remedy but the cruel and unprofitable one of sending the acceptors and indorsors to prison; or making them bankrupts, and taking one shilling in the pound on their valueless stocks, which, when the bills were drawn, were probably worth forty shillings.

Under these circumstances, no man in Britain, who was solvent on the 1st of December, is blameable, or in the slightest degree culpable, for the non-performance of any engagement which depends on money. No one is or can be answerable, in reason or justice, for the performance of any impossibility, rendered so by circumstances of a general public nature which he could not controul; and the moral responsibility of all breaches of contract rests entirely on those who had the direction of the public weal, and failed to do every thing in their power to avert, counteract, and parry the mischief. The exigency has indeed been such,

that a wise and benevolent administration would have erected a Special Court, or Commission, to adjust claims, and examine into the condition of parties; so as, for a time, to have deprived unprincipled individuals of the power of oppressing persons solvent in property, and victims of the circumstances, but who were not in possession of the philosopher's stone, and who hesitated to coin or commit forgery.* To expect 400 millions to be paid with 40 millions is a palpable outrage of reason; and to leave it to the discretion and convenience of individuals, to contest and quarrel about the

* Persons who, in this season of distress, take advantage of the uncontrouled power given by our ill-digested laws to creditors, over the persons as well as property of embarrassed debtors, may be likened to thieves who plunder during a fire, to Cornish wreckers, or to Moors, who carry into slavery the crews of stranded vessels. An alphabetical list of such plaintiffs ought to be published, as soon as a better order of things is established, and these HUMAN WOLVES thereby made known, as proper objects of execration among good and honest men.

details of adjustment, is a neglect as cruel as impolitic and mischievous.

On this point it merits notice, as a fact which rebuts the fallacious statements of ministers, that nearly every person, who has stopt payment, has been perfectly solvent in his stock and circumstances. Of thirteen or fourteen worthy connections of the Author, eleven or twelve have suspended payment, and are reduced to the intolerable grievance of suing for arrangements with their creditors. They are all solvent, or were so at Christmas, and merely ask for time, which, in general, has been granted on the security of their stocks. It is the same thing in the connections of other parties, and in most other trades; while, among the trading friends of the writer, he is not aware of more than two who held any shares in any joint-stock company, and these in no degree injured them. Do the ministry expect that trade can revive, and that the revenue and interest of the public debt can be collected from a community of

persons thus crippled by debts, and who, by a false policy, have been left in a helpless situation, and obliged to compound with their creditors? At the same time, it may easily be supposed, that persons who have not stopt, are little less efficient for any operation of trade, or for any enterprize useful to their families and the public, than others who have formally called their creditors together.

Never, never, were a people or country before in so hopeless a dilemma, nor the victims of such desperate and fool-hardy policy. How is the evil to cure itself?—350 or 300 millions of bills are to revert on the holders! Who are the holders?—The bankers and the monied capitalists! How are they to pay so enormous a sum? It is more than half the national debt, and more than double the specie in the civilized world! If the bankers and capitalists must resort to the funds, how long will these continue at 80, or 70, or 60, or 50, or even at 40? for every 100*l.* sterling

sold out will accelerate the fall as the fall continues.*

How long can the most wealthy banker continue to retire 5,000*l.* per day of dishonoured bills, and this is but a small daily amount! Thirty thousand per week would soon exhaust all his balances.†

* This *must* be the result, and a panic take place in regard to the funds, if the Bankers and Bill-holders have their resources in the funds—if not, and their property is in land or houses, these must be brought to market, and prices fall accordingly—but if neither, or not sufficient of either, then a distribution of property must be the result, and the ultimate losses be equally borne by all who are concerned. In the mean time, every thing must suffer, and a frightful depreciation and stagnation take place.

† On Saturday evening, the 4th of February, above 3000 bills were noted, by notaries who live within 100 yards of the Mansion-house, and 380 for one banker! These 3000 Bills, at the average of 100*l.* each, may be estimated at 300,000*l.*, and adding others, returned in London and through the nation, the total may be taken at three millions. Supposing then that two millions were paid from various funds, we have five millions on that day paid and unpaid. But if other days are taken at three and a half millions, we have, in 100 days, a total of 350 millions. Tak-

General stoppage of payment—extensive ruin—universal loss of credit—general stagnation of trade and industry—extensive want of employment—threatened starvation of the people—the depreciation of the revenue, and public funds—the decay of the commercial, manufacturing, and agricultural interests—the overthrow of other interests, not to be named, must of course follow—and these are the cures of the evil, or the unavoidable consequences of allowing the credit of commercial bills, and commercial and banking credit generally, to be unprotected and destroyed.

What can atone to tens of thousands of ruined families, to commercial firms older than any of the families of ministers, wealthy when their ancestry were unknown; nor to a million of artizans, their wives, and children, who, from humble independence, have been sud-

ing, then, the next 100 days at 100 millions, and the next at 25 millions, we have, in 475 millions, a near approximation to the amount estimated on other data.

denly thrown upon charity and the work-house—to say nothing of suicides and broken hearts, all the misery and despair of ruined fortunes, and the sudden exchange of ease and affluence for hopeless penury. Such cures for an evil, must have been suggested by a disordered imagination, and never could have been invented even by a Dante or a Demon!

It is pretended that the remedies are difficult; but this is false. Where there is a will there is a way. If, as is pretended, more Exchequer-bills could not be issued, while those in circulation were at a discount, why not have funded those in circulation? Was the price of the funds more than a feather when contrasted with evils which involve funds and every thing? If it is pretended that the Bank of England might run hazard in guaranteeing private Banks—was the hazard equal to that of issuing millions on any securities, and making bad debts without limit or measure? If, by opening the Bank for a week to all holders of approved Bills, a few thousands

had been hazarded, was that commensurate with the making 5000 tradesmen in London stop payment! These were the neglected and contemned suggestions of the Author.

The people, therefore, look to Parliament, and that body ought not to be hood-winked or deceived by false representations. It ought to know and to understand that COMMERCIAL CREDIT IS DESTROYED—that credit, which constituted 1000 millions of public capital—which was the life's blood of the country—the sinews of its strength—and the fountain of its wealth and prosperity. This being understood, the remedies cannot be difficult; but, to be efficient, they should be prompt, and directed by public spirit. If the commercial interest is duly stimulated by its actual sufferings, and the landed and funded interest by those in prospect, we may hope that Parliament will give a salutary lesson to ministers; and that the plague which has fixed itself upon the nation will, without loss of time, be arrested in its frightful course.

If it be asked, what is best to be done by a people who, without any fault of their own, are on a sudden called upon to pay four hundred millions with less than forty, under the rigour of bankrupts' commissions, the ignominy of insolvent courts, and all the machinery of special originals, executions, extents, &c. &c.—the author replies, with the honest design of answering the question to the best of his judgment. He advises petitions and remonstrances to Parliament, individual and collective. If these fail, then he recommends that one hundred thousand fathers and mothers of ruined families make a procession, in all humility, from London to Windsor—seek the retreat of the sovereign in the recesses of the forest, and make the discovery to him of the condition of his people, and of their hopeless situation, under ministers who consider their distresses as sanatory!

If this expedient fail, then the example

of history points out emigration as the last resource. America is too distant for wives and children; but the accession of one or two millions of industrious families would probably induce the Kings of France and the Netherlands to build towns, with privileges, on the coasts of those countries, where, disentangled from the load of the national debt, British industry may find a land of Canaan, and, at least, live in the hope of enjoying its proper reward.

Such are the plans of the Author: they grow out of the existing circumstances; and, that extremities may not be necessary,—that better policy may govern the councils of the state,—and that the pending calamities of the country may be promptly averted, and its prosperity restored,—are his fervent wishes.

February 6th.

Parliament has met, and discussions have commenced, but the sentiments expressed in the preceding observations on the unskilfulness of ministers, have not been improved by their extraordinary language during the debates on the King's Speech. On the contrary, their unwillingness to propose any efficient measure of relief, excites in all minds the deepest concern. What can be more unreasonable, than to inform tens of thousands of ruined families, who have been expecting relief from the wisdom of Parliament, that their sufferings are consequences of the undue speculations and over-trading of others, over whose actions they had, and could have no controul? It is the admitted duty of A to protect B, C, and D; but because D may have done some act by which B and C are ruined, so A denies protection to B and C, because they merely exist simultaneously with D, who, it is alleged, has done some act over which B and C had no

controul, and which A pretends D ought not to have done. But if Lord Liverpool knew so well that D was doing that which might endanger B and C, was it not his duty to proclaim the danger in an efficient manner, to repress D by force of law, and to deprive him of the power of doing mischief; while having the fore-knowledge, and not doing so, is he not himself quite as culpable as D?

Moreover, it is an affront on the suffering community, to taunt them about the faults of others, even if the charge against the others were relevant. It is erroneous, likewise, to assert, that the present distresses arise simply and proximately from over-trading and speculating—for, as is notorious to every man connected with trade, the sole and immediate cause was an accidental panic, which, without reason, seized on the people, and which, like all panics, was the fault of no one. As well might a popular preacher be charged with the murder of twenty persons who were killed by

a false alarm during his sermon, as any over-trading be charged with the mischiefs of the late panic. As well might the fatal effects of a squall on a ship be ascribed to the sails and hull instead of the squall itself, as the miseries of the country be ascribed to any thing but the panic!

Are a million of families—are a whole generation then to be ruined and left without relief, in order that blame may be justified against somebody, and the minister proved to be a prophet, though he made no use of his foresight, and though every discreet man in the nation prophesied simultaneously with his lordship on the same subject.

Aye! but say these Seers and their partizans, if there had been no over-trading there would have been no panic—to which I add, and if no people to be frightened, no credit to lose, and no paper circulation to sustain an artificial system; for each were more directly

concerned in the panic than the contingency of over-trading.

Something may, it seems, be conceded to save the nation, if it can be proved that it is not criminal, or has not been *naughty*; for it is pretended that its sufferings are to instruct it for the future, and that owing to the alleged crime of over-trading it is not entitled to relief, and, therefore, not to expect any!

Were a million of families ever so taunted? What know they, or knew they, of these speculators—some dozen or score, or at most fifty needy adventurers, or *Chevaliers d'industrie*, in that mart of Government property, the Stock Exchange! Who, among the people, knew them?—what man in a thousand cared about them?—and, are the people of England to be confounded with such adventurers—charged with culpable participation, and told, when victims of a public panic, that they are on that

account entitled to no public measures of relief?

After all, is it a question about eleemosynary aid? Is it more the interest of the suffering community than of the King and Parliament, that the nation should not be embeggared and dispersed? The impropriety of the language of Ministers is equal to its cruelty. Nero set Rome on fire to avenge himself of the Roman people, but did it ever occur to any statesman or minister to avenge himself of his whole nation because a few individuals paid no respect to his common-place predictions? Such an act of political suicide, or something worse, is an historical novelty reserved for our own times! The people ask no charity—they demand protection and justice—they seek these of the King and Parliament, as a duty to the public weal—and no man worthy of the name and character of a Briton, desires any remedy as *the boon* of the official servants of the nation.

But the Ministers tell us they are going to relieve us! They say they will regulate the present system of Country Banking, and set up rivals of higher character, by which, in a few years, we are to have a sounder currency. Never was there such a mixture of indiscretion, presumption, and misinformation!

INDISCRETION—because, this is not the season to disturb the pecuniary relations of any Bankers with the community. Are the people to be apprized at this time, when an exquisite sensibility exists on such subjects—that the Government are not content, and that something more solid, &c. &c. &c. is to be set up? PRESUMPTION—because it assumes that the same relations of credit, trade, and confidence, exist now as before the panic, and that we may now, as then, "marry and give in marriage." Do the Ministers wilfully shut their eyes to the fact, that the bee-hive of British Society is actually overset, and that both have more pressing concerns than pro-

spective arrangements? MISINFORMATION — because Ministers seem to know little of the nature of a Country Bank, and of its actual system of working. They appear to have to learn that Country Bankers, as depositories of money, are the personal friends of their neighbourhood — that they lend more than they receive from the public — that without their fostering loans, every thing in a provincial district would be stagnant — that they are guagers of morals as well as credit, and sustain men more from personal knowledge than by the cold calculations of Banking—and, in fine, that one-pound notes, about which they affect to make restrictions, are a nuisance and loss to every Country Banker, and that the suppression of them will be a relief and not a concession.

To affect, therefore, to substitute at such a crisis, new companies unknown to, and unaccredited by the public; to attempt to supersede the established Banks and Bankers; to sanction

any distrust on creditable establishments; to convey an idea that they are in any way to be supplanted, to wind up their concerns, and close their accounts; in short, at such a sensitive period to do any thing which by implication or possibility disturbs what has been so long established, and, in spite of abuses, has on the whole worked so well,* is an act of political madness, which must tend to endanger all that remains of hope and order among us.

With reference to this entire project about Country Bankers, and the season for such poli-

* The Golden Rules will justify this assertion, although it does not accord with the clamours of the day, and with the opinions of many persons whom the Author respects. Country Banking, like other benefits, may have been abused; but, in nine cases in ten, Country Bankers are benefactors of their vicinity, and the soul of that spirit of enterprize and improvement which has so exalted the nation. All that was wanted, was a simple regulation to oblige them to give securities, real or personal, for the amount of their issues. This would have gratified them, and fully satisfied the public.

tical children's play, it is difficult to restrain one's-self within the language of good manners. Let it be recorded as a phenomenon of imperfect reason in persons called Statesmen, that at a time when the barriers of credit were broken down, when the whole nation was in a gulf of Bankruptcy, and when, with the privilege of having six partners, there are not more than three partners in thirty Country Banks out of eight hundred, nor six perhaps in a dozen—all that the ministers of the day proposed as a national relief, was a privilege to Country Banks, of taking more than six partners! The fact may be adduced as a triumphant proof that man is not a rational creature, unless it be admitted that ministers are of a different species, or a sort of mere automata, governed by precedents, or by plans kept in pigeon-holes, which they bring forward at random, or select in the dark.

Nevertheless, we are also told that something more is to be done—what it is, is kept secret,

and is not to be divulged till we have suffered enough to prevent our sinning again;—but if we are to judge by the erroneous reasonings which precede the remedy, and the specimen of improved Country Banks, it would seem that the secret is not worthy of much solicitude.

Nor did this appear to be a season for disturbing the establishment and the privileges of the Bank of England. It was a time, of all others, in which that Company should have been permitted to see its way clearly; and not have had its useful and important operations embarrassed by contingencies, on which it can found no precise calculations.

One cannot but wonder, that, amidst 420 peers and 658 representatives of the people, the cause of the country should have found so few advocates. Six or eight raised their voices, but one asks, without intending any offensive personality, where, on such an occasion, were the members for London and Westminster? Half

the constituents of the former are ruined, and a quarter of those of the latter. It might have been hoped, that all the members honoured by popular suffrage, would, at least, have had an eye to the pending general election; for it will behove the people to think of themselves at that time, since they are, in the hour of difficulty, so palpably compromised. What man of common sense ought to have sat with patience and heard members talk of *temporary* ruin, and have borne with congratulations on the ruin of families being but temporary!—What would the speakers or auditors think of *temporary hanging?* Would they congratulate a man with a rope about his neck, and about to be turned off, with the consolation that his misfortune was only temporary? To generalize on misery fatal to thousands of individuals, among whom there is no mutual compensation, is the climax of insult to their sufferings.

These observations are not intended, however, to pique pride and engender resentment,

for a man in a rage may "bite off his own nose to be revenged of his face." But they are written and published with the hope of exerting and drawing forth the energies of the legislature, and directing the public voice and feeling to one object, that of obtaining prompt and efficient relief from those who are capable of giving remedial direction to the public resources. Thousands are at this hour struggling against the overwhelming torrent, who might not only be saved from ruin, but be the means of saving thousands of others, who keep in employment their tens of thousands. This is an object worthy of an effort on the part of all the independence, patriotism, and wisdom of the legislature; and the egotism and blindness of the ministry ought to be conquered by the energies resulting from the dangers which threaten the prosperity of the country, and, above all, the welfare and happiness of its inhabitants.

The public spirit of the writer leads him to

lament the dilemma in which the country is placed. He cannot assume evil intentions in ministers, and is far from doing so; but the misfortune to the country is the same, whether their policy proceed from apathy or misinformation, from want of original talent equal to novel positions, or from a mistaken line of argument, in which passion and self-love have more influence than patriotism and public duty.

Perhaps ministers may be stunned, like the nation, by the force and suddenness of the blow which society has received; and, if that is the cause of their non-action, then these observations may prove useful to them as well as to all whom they concern.

THE END.

NOTICE.

It is the design of the Author of this Pamphlet, at a very early period, to publish a DAILY EVENING PAPER, *on a plan of great and decided improvement in all the features of such concerns; and on principles perfectly independent of party connections, and in complete devotion to the public welfare, on the broadest basis on which that welfare can be considered.*

Prospectuses may be had at his office, No. 74, St. Paul's Church-yard, and of all the Booksellers.

*** *His views of the duties of a Newspaper, and of the policy and economy of its conduct, may be seen in his Golden Rules for Journalists, lately published in his* SOCIAL PHILOSOPHY.

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