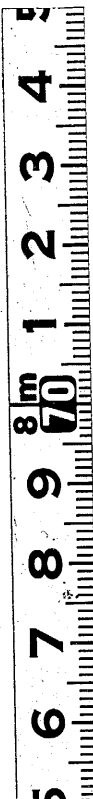


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AN ESSAY

**MONEY-LENDING;**

CONTAINING  
**A Defence of Legal Restrictions**

ON THE  
**RATE OF INTEREST,**

AND  
AN ANSWER TO THE OBJECTIONS OF MR. BENTHAM.

BY  
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Sanè vetus fenebre malum, et seditio-  
num discordiarumque creberrima  
causa: eòque cohibebatur antiquis et  
minus corruptis moribus.  
TACITUS. Ann. VI. 16.

LONDON:  
WILLIAM PICKERING, CHANCERY LANE.  
M.DCCC.XXVI.

## INTRODUCTION.

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THE letting money to hire, by whatever name it may be called, must always be an important subject for the consideration of those who are directly or indirectly concerned in the framing of laws. Because the convenience of the practice to private individuals will always obtain for it many advocates, and make it general to the utmost extent of its allowance by the law; and, when it is general, the consequences resulting from it are most important; as all men allow, the only difference of opinion being as to the nature of that importance, some thinking it to consist in good, others in evil effects. But this subject is of tenfold interest at the present day; because the practice is now carried to an extent that was not formerly considered possible; because the public and private debts are of such a magnitude that they are but feebly described as having no parallel in the history of the world; and because it seems almost certain that these things will not long remain in their present state; because there are so many and so great prognostications of an approaching change. There are many evils in our present political economy, which are almost uni-

versally ascribed to some defect in our usury laws, and attempts are in consequence repeatedly made to effect a mighty alteration in them, and with increasing prospect of success.

For these reasons I hope for some share of indulgence to the following opinions, and offer them to the public without other apology than my acknowledgment of them all for the sincere convictions of my humble judgment. It is true that they have been hastily written to meet what I conceived a great occasion, which might never return; and therefore I doubt not that some out of the many arguments which presented themselves to my mind will be found fallacious. A calmer examination might have shown them so to myself. Yet I would not presume to ask for public attention had not all the principal of my propositions been long and continually the subject of my thoughts. I have only to ask the candid reader, when he detects an error, to recollect the confession I have here made; to wait till the conclusion; and then to deduct no more from my arguments that depended on such erroneous positions. That which fails may possibly have been but an intended illustration or ornament, uselessly or foolishly added, and it were not just, for its sake, to proclaim my whole structure a ruin.

So much with regard to all my ensuing opinions. But it may be necessary, before I con-

clude these introductory remarks, to say something more particularly concerning a proposition which it will be my first endeavour to establish; a proposition militating against the express opinion of almost all the writers, moral, political, philosophical and legal of the present day. For I know the value of first impressions; and would, if possible, shield myself from the imputation of arrogance that might otherwise be cast upon me at the commencement. I would not then have it for a moment supposed that I am a general enemy to fixed principles; or that it gives me pleasure to remove those stepping-stones in the road to truth, which men have long thought firmly laid. On the contrary, I consider well-established principles to be the only spring of real virtue, the sole support of rational happiness. And in truth, in the present case, my real contest is not to introduce novel opinions, but rather to restore what once obtained at least as universal assent amongst the learned and the wise, as the opposite principle does now; to vindicate the thoughts of an Aristotle; perhaps of a Bacon; of a host of great men to whom, in other things, we are accustomed to attribute the inclination and power of judging rightly; and to justify the practice of former and simpler ages. Moreover, though I may provoke the wrath of great antagonists, my presumption shall find some excuse in that I come armed against them with weapons, however antique, yet such as

have not yet been used against them, such as they have not had an opportunity of breaking. I shall use many arguments which I have not found, after some search, to have been even alluded to in the modern debates concerning this question; and more which I have seen either too slightly urged, or unfairly handled. Once for all, if any reader shall find one of his sound opinions attacked, even one of his prejudices too rudely shocked, to him is my apology offered, even before the offence committed.

### AN ESSAY, &c.

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AFTER making the preceding observations, I shall no longer hesitate to avow my intention of opposing the removal of legal restraints on Usury, upon this bold and uncompromising principle; that the practice of money-lending is altogether a terrible evil to the state; and that, therefore, if its entire prevention be impossible, in our present state of things, it should yet be controlled and kept within some bounds; and that our Usury laws do so control and keep it within bounds. Before adducing proofs of my principal position that money-lending is a public nuisance, I desire to be permitted to remove some of the difficulties at present besetting my path.—I consider that much of the obscurity which is supposed to surround this subject, is owing entirely to the erroneous views taken of it. Usury has been almost invariably treated as a question of morality or religion. I think that this is improper; because money is altogether of so artificial a nature, that religion and morality might certainly have existed in as great perfection had it never been invented. It had its origin in public convenience, and to

that alone should all its qualities be made to conform, so long as no positive precept of morality or religion be impugned; which may be declared the case with regard to its artificial fecundity.

It may not be a loss of time to show the origin of this common error; as many will not believe they have gone astray, unless you can show them the commencement of their deviation, and the impulse that caused it. I have not, then, the least doubt that theology became entangled with this question in consequence of the peculiar nature of the Jewish State, a Theocracy, in which it was easy to confound the religious with the political institutions; or rather, as far as the Jews themselves were concerned, no such distinction existed at all. It was for those nations who, like us, have adopted the essential parts of their religion, to separate that from the merely political rules. And though, for the reasons before mentioned, it seems to me quite clear that the prohibition of interest for money, contained in the Jewish Law, should be classed with the latter; it is not wonderful that it should sometimes be mistakenly placed amongst the maxims of religion. Let me here observe, by the way, that though I would, by discarding religion from the question, strip the rule against usury of a dignity rashly conferred upon it, and which it proved unequal to bear, I would yet claim for it another sort of honour, that of having been once established as a perpetual rule of policy by

the wisest government in the world. This consideration would probably have deterred any man, less confident of unerring wisdom than Mr. Bentham, from asserting, as he has done, that he was unable even to conceive a substantial argument against usury.

That men should think the cause of morality necessarily involved in the question of interest, is an error which may be easily accounted for. The mistaken opinion which makes it a point of theology may be one cause of it; from the natural tendency to confusion between religious and moral rules. But the mistake is principally occasioned by confounding the thing with its too frequent concomitant. It is easy to imagine the legal rate of interest to be given and received, with advantage to both the parties concerned, and with mutual honour and probity. I cannot see therefore, how the practice in itself can be justly called immoral. But, on the other hand, it is easy to see, that cases of this sort are likely to be very rare, in comparison with those in which the practice is very differently accompanied; in which avarice, cruelty, and pride are its close attendants. For the most frequent borrowers are the thoughtless, the extravagant or the speculative. And it may be assumed that no borrower would find it quite as convenient to return the money immediately after the loan; else he would have refrained from borrowing. This inconvenience of

repayment may easily be permitted by the thoughtless, the extravagant, or the speculative to extend itself to the appointed day of reckoning. The borrower has then subjected himself to penalties which he perhaps of all persons is the least willing to undergo. His mind is therefore subdued, and from time to time prepared to accede to harder and harder bargains, and to account them as favours. Thus avarice and cruelty find a rich field to work upon. It also generally happens, and most naturally so, that the lender is inferior to the other in rank and station. And thus pride, if not a worse passion, composed of ancient envy and newly formed contempt, have room to work. And if those vices, or any of them, be permitted to range unrestrained, the assistance of another, cunning, will not be long unsought for to renew or to extend the dominion of the others. These great temptations to vice which are opened by this practice, have confused in men's minds the ideas of vice and usury. This is the true account and reason of that feeling against usury, which Mr. Bentham condescends to notice, but only for the purpose of designating as vague and unaccountable and absurd. A feeling nevertheless which he himself allows to be so general, that, after acknowledging the stage to be a very conclusive evidence of popular sentiments, he makes a question "whether, in all the instances in which a borrower and money-lender have been brought

together on the stage, from the days of Thespis to the present, there ever was one in which the former was not recommended to favour in some shape or other, either to admiration or to love, or to pity, or to all three, and the other, the man of thrift, consigned to infamy."

Perhaps a further cause of the mistaken opinion which places usury amongst questions of morality may be found in the imperfection and poverty of language. The correcter application of the term usury now seems to be to express an illegal taking of interest, for it is the only word we have to denote that practice. And illegal actions, though they are but a breach of the positive law of the land made in matters indifferent, savour much of immorality. But, as the laws of certain countries and times forbid the taking of any reward for money lent, when speaking with reference to them, the terms usury and interest for money are synonymous, both illegal, and both therefore immoral. It is not surprising therefore that they should be falsely identified upon other occasions, and consequently that some should think even legal interest immoral.

Abandoning therefore the arms which religion and morality are by some supposed to offer for this combat against money-lending, excepting indeed so far as the interests of those great principles are intimately blended with all true policy,

I profess my intention of viewing the subject in a purely political light.

For the sake of precision, I shall study to employ the term usury, according to what I have before stated to be its correct signification. And when I speak of money-lending, I shall mean lending at interest: with gratuitous loans the legislature will never be justified to interfere, either by their extent or their effect.

The foremost of the public evils of which I accuse money-lending as the cause, are; a destruction of public confidence, and public security: and an usurpation of public rights, and avoidance of public duties. And thus I trace their pedigree. In the first place, a borrower is but the steward or farmer of his lender, to the value of the money lent. Nothing can be more clear than this. For he must, as other stewards do, restore what has been committed to his charge, without loss, at the appointed day. And the payment of the profits, or a large proportion of them, in the mean time, shews that he is never to consider himself as even a temporary owner. That he is allowed to retain all the profits which he can contrive to obtain out of the principal beyond a certain rent is after a very usual manner of appointing salaries in other matters. It signifies not in the least, that the borrower has this power beyond the stewards of other things, namely, that he is able

to make the Proteus placed in his hands undergo a vast variety of changes; for that is the peculiar nature of money, and without taking advantage of it, he could neither get profits for his principal nor for himself. Nor does it at all signify that the money may at one time be entirely consumed, and leave not a vestige behind. A clear apprehension easily traces the lender's property, whether it exists in the present possessions of his debtor, sinks into his services, extends to his expectations, attaches itself to his returning prosperity, or is paid in his pain and punishment. And in common parlance the lender always justly considers the loan as a part of his capital in the hands of his creditor. There certainly exists, in short, a relation of stewardship or trusteeship between the parties. In the second place, this relation is a secret one. The world is not aware of it, for the world does not know of the occurrence which has occasioned it. In proof of this, it might be enough to say that money-lending is always in fact a secret transaction. But, to obviate an objection that might be made to my argument as though it affected the mode rather than the matter, I shall undertake to show that it is necessarily secret; that it not only now is, but must for ever continue to be an obscure transaction. Suppose then that an efficient law were made for giving the greatest imaginable publicity to loans and repayments. And let borrowing be

as much in vogue as it now is ; the probability of which my opponents had better allow, lest secrecy should appear to be a great consideration in borrowing ; for I hope presently to show that secrecy is in this case deceit, and it would be a strange recommendation of the practice they defend, to allow that it administers much to deceit. Contemplate then for a moment the number of these transactions ; or rather observe that they reach beyond the bounds of human contemplation ; they are infinite. For they are not only, from their allowed convenience to private parties, and from the magical celerity with which they may be accomplished, a hundred-fold more frequent than transfers of real property ; but, as they relate to debts, a creature of the imagination, which may or may not exist at all, and may exist to an indefinite extent at the mere word of the parties, they are absolutely infinite. The law then would establish a register of these transactions, to which every man upon occasion might resort for information. When we consider what sort of a register it would be, deposited in one place ; and that most men might find daily occasion to search therein (for the information of yesterday would not serve for to-day) the absurdity of the scheme will need no amplification. It must be conceded therefore that by the lending money at interest there is a secret stewardship set up ; he who seems to the rest of the world to be absolute owner, is not

so in reality ; on the contrary his interest in that thing of which he appears to be owner may perhaps be nothing, or worse than nothing. Therefore, whether it be the borrower's object or not, his fellow-creatures are deceived by a false show of wealth. To the full extent of those deceitful appearances, and in all those manifold instances in which the world is prone to trust appearances, he has it in his power at least to injure all men. And a worse thing is, that the evil consequences of this deception are not easily to be checked. An individual may possibly preserve that fallacious exterior which borrowing enables him to show, without any bad motive, or with one no worse than simple pride, and he may carefully shun the selfish advantages thrown in his way. But having lent himself to deceit, it is not for him to appoint how far the mischief shall flow. The meteor light of his false credit may illuminate other objects, and some perhaps of a more baneful nature, such as shall abundantly make up for the treacheries from which he himself forbears. He cannot tell what use his relations, friends, and dependants in various degrees may make of that fallacious reputation which their connexion with him confers. A man so upheld by credit, may be likened to what a tree might be, (if the laws of nature would permit so great a mockery) not distinguishable by any outward sign of inferiority amongst the proudest sons of the forest, but



without internal strength and substance, standing by the courtesy of the winds, ready to fall before the slightest storm, and perhaps to precipitate the ruin of other phantoms like itself; at all events the sure destroyer of a host of inferior creatures that flourished beneath and around it. The annals of our own country and times will unfortunately afford us good store of examples of all the evils attendant upon money-lending. Thus, in the present case, they will not allow us to believe that this ruinous effect of false credit is an airy speculation of what might be, by exhibiting to us actual daily instances of the utter failure of estates, which no other contrivance but this could have so ordered as that they should have seemed, but yesterday, to vie with the earldoms of old, and be manifested to day as worse than nothing. They show us, in every day's account, as much misery as the total confiscation of property can bring with it, inflicted upon the most meritorious classes of the community, the laborious peasant, the ingenious mechanic, for no crime, but only for their too great confidence in their superiors. For this worthy cause are they subjected to a penalty anciently reserved for atrocious offenders. And the evil, though it be most severely felt in particular spots, is not without an universal effect. For a suspicion of unsoundness attaches itself to the most sure; a doubt of treachery to the most true. Is it strange? is it to be expected

that men, who find they have lost security, should yet retain confidence? And perhaps in the case of this species of suffering alone, it will be found that painful experience may be without its useful lesson. Disaster will indeed beget foresight, but that foresight will suggest no means of future safety. The honest artizan, who has seen the earnings of his industrious days sink in the nothingness of his magnificent neighbour, will be taught to suspect and hate grandeur wherever he may see it for the rest of his days; but will any one show him a practical mode of shunning the danger from which he has already not escaped unhurt? I should like to hear of such, but think it must be some other expedient than that which most readily occurs to our thoughts, namely, to employ his skill and industry only where he has promise of immediate payment. In such case, as things are now constituted, every man expecting to reap some of the advantages of the universal system of credit, he would run the risk of too much time unemployed. I hope I have now said enough to prove that money-lending, when extensively practised, is naturally productive of insecurity and mistrust. That those evils do now exist, in a degree of baleful vigor, requiring some such important cause to account for them, is evident to daily observation. But, were any further proof of them required, I would allude to our bankrupt laws, and those for the relief of insolvent debtors. It is too much the

spirit of the present day to admire things in a ratio inverse to their antiquity. Thus many, no doubt, are inclined to pity the rude and savage state of our ancestors who were either unacquainted with these laws, or who knew not the perfection to which they might be brought. But I should say, that, if our ancestors wanted the remedy, their unhappiness was much alleviated by ignorance of the disease to which it is adapted. For, what is the object of those laws? It is well known to be, the mitigation of ancient severity against those, if not their entire relief from all punishment, who will *honestly* confess that they have not ability to pay their debts. What, has it been found in modern times to be a just action to contract engagements which we cannot fulfil? Is there any honesty in deceiving and disappointing our neighbour? Or has indeed the rage for a circulation of property been carried so far, that he is thought to be well entitled to lenity and protection, who by any means extracts money from another and sets it afloat? If so, why has the spirited race of banditti and highwaymen been extinguished? No! the answer is at once obvious and satisfactory. In these days, an utter failure, bringing with it the distress and ruin of many creditors, does not necessarily imply any crime or fault, aught worthy of punishment. In the present state of things, that catastrophe may very possibly happen in spite of the strictest

honour and integrity, of far-sighted prudence, of indefatigable diligence, and consummate skill. For it may, as we have seen, be entirely accomplished by others. Our best legislators are not themselves exempt from the danger, and should they add punishment to misfortune, might have occasion to exclaim "in nosmet legem sancimus iniquam." These considerations have given birth to the bankrupt and insolvent laws, with all their concomitant blessings.

Let us now consider the claim which money-lending may have to the credit of the next evils on my catalogue, usurpation of public rights and evasion of public duties. The ancient law, the law not yet formally abrogated, has decreed that a variety of rights shall be inseparable from a certain possession of substantial property, such as, from its nature and qualities, was deemed in the greatest degree both certain and lasting, and was therefore called real. Such a portion of property, calculated to supply all his simple wants, and guaranteed to him by the power of the state, upheld by the strong arms of himself and his fellows, was supposed to render a man free and independant of every human being. His possession was therefore called a freehold, or a freeman's tenement. Therefore his voice might be heard in the conclave of freemen. To him was committed an important share in the most honourable and delicate of all the trusts

which can exist in civil life, the formation of the supreme power of the nation. He was called upon to decide in every case implicating the life and fortune of his fellows, when all legal subtleties had been removed, and nothing more was wanting than a freeman's sound discretion and fearless voice. Such was the law in its simplicity and unevaded; and such constitutions as these sometimes awaken my admiration so forcibly, that I am tempted to exclaim with Sir Edward Coke, "Nil sine permagna fecit ratione vetustas." I forget for the moment to believe that our ancestors had many errors, and that we have greatly reformed and improved our condition. I fancy myself to regret the times when a few mighty intellects employed themselves in thinking deeply for the benefit of the community, and the community were so modest, if not so wise, as to acquiesce in the opinions of that chosen few; appreciating the advantages of a grand connected system. I am, for the time, induced to think unfavourably of the contrast we now present, when it is the fashion for every man to form and promulgate his own notions concerning government and legislation. But these observations are from the point. The laws of which I speak may be wrong in principle and pernicious in effect. They are, nevertheless, still nominally unrepealed and a part of our code. Daily do our judges appear to support them with almost religious

zeal. And continually do all classes of Englishmen take occasion to boast of them. But, by the allowance of money-lending, these laws (startling as the position may at first appear to some) are, in effect, almost entirely abrogated and made null and void. For the same deception, the same false credit that practice gives rise to, and which I have shown to be so ruinous to individuals, is able to lift itself against our very laws and whole community, and with more dangerous consequences. For by this means it is most clear that a man may appear, according to all those evidences which the law does, and perhaps can, notice, to possess that due qualifying property, that sensible foundation of the most important rights, though he be really in perfect penury. In spite of the freeman's boasted privilege, his life may now be tried by one that is even worse than penniless, by one that has sold his very services and labour for a long time in anticipation, sold them perhaps to the deadly enemy of him whose life is so arraigned. He may wait for awful judgment from the mouth of one, who, if he be not a slave, is only to be distinguished from such by a very slight shade; instead of the lash, he is made to feel the constant dread of a sudden bursting of that bubble on which he swims. If the usurpation of the right of judgment by such a man as this be dangerous, incomparably more so is his meddling with the sacred trust of appointing legislators. Some think the

spirit of liberty to be of so jealous a temper that she will forsake that temple on which one slavish hand has been laid, and return no more until the perfect expiation of so great a pollution; as some delicate birds are known to desert their nests that have once felt human touch. Not to enlarge upon what is too clear already, let these be deemed an usurpation of public rights and privileges.

It is the lender who evades public duties. His secret and shifting income is beyond the reach of taxation of every sort; and all burthens, whether lasting or temporary, fall with double weight on the rest of the community. Of this our government are well aware by experience; and of this any man may be convinced by a few moments' reflection. And perhaps this single unsupported consideration ought to have great weight against the encouragement of such a modification of property.

The evils before-mentioned, are principally owing to the secrecy of money-lending. I shall proceed to mention some arising more especially from their subtilty. Amongst the first of these, I would place the loss of nationality, and extinction of patriotism.

And here I shall again avow myself the advocate of antiquated notions. Would to heaven I could think some of the speculations of the present age were of such a nature as ever to arrive at the

dignity of being antiquated. But the least fragments of the castles of our forefathers, though they be even now shattered and dispersed, shall continue to excite the curiosity and admiration of posterity, long after every vestige and remembrance of our dwellings shall have been swept away together. I am ashamed to think it necessary here, in the first place, to prove my assumption, that the loss of nationality and patriotism is an evil: but many are found directly or indirectly to deny that position. We have witnessed, in modern times, a struggle between patriotism and philanthropy; and to the latter many pay the honours of victory. The kindest name that some, even of her supporters, can now find for patriotism, is but that of an amiable weakness; as though it were something allowable to human frailty; but far short of that love which we ought to entertain for all our fellow-citizens of this world. A senseless broil, a childish appellation! For what is this great philanthropy? Is it an equal and indifferent affection towards all mankind? As much kindness to the bad as to the good? An equal love for the wife of your bosom, for your friends and relations, and for those beings that may possibly inhabit some island in the wide Atlantic, as yet undiscovered by us? No greater fondness for your own children, than for the descendants of any Laplander or Ethiopian, who are to live a thousand years hence, if the world

shall last so long? He who answers these questions in the affirmative, and claims to be a philosopher, let him not be deprived of the bauble he has invented, since putting alchemy and astrology on the shelf, so long at least as he is contented to keep it to himself, and trouble not others. If he transgress that rule, and take every occasion to force it upon our consideration, let him be informed that his play-thing is not half so ingenious or innocent as the Berkeleyan system, converting into air the world, and all that it contains. Let him be told, that the brevity of life will not allow ordinary men leisure to attend to his wanderings; but that he might find in Bedlam an audience sufficiently sublimed for his purpose. If a man of sense and of the world should so answer those questions, he would give us good grounds for suspecting that he knew not what love was; and that he meant to shroud his dark misanthropy under the pretence of an affection so widely extended that no individual could feel its pressure. If, on the other hand, any of those questions I have asked concerning philanthropy be answered in the negative; if any where a distinction be allowed, that I may love this person more than that, then, farewell for ever to the phantom. For where shall we end this power of graduating our love? If we may, with the beasts of the field and the fowls of the air, follow the dictates of nature in loving our parents and our offspring

first, and those with whom we have always associated next, why should we not, by similar degrees, proceed to the love of our remoter relations and friends, and their friends and relations, till we arrive at the great feeling of patriotism; some of whose principles are, the springing from, and habitation of the same soil; the probable descent from common ancestors; participation in the blessings of the same laws and liberties, purchased and transmitted to us by the blood and toil of our united forefathers; common enjoyment of the advantages and improvements invented for us by our countrymen; joint experience of the vicissitudes of climate, of abundance, and of want; similarity of manners, of customs, and of feelings; utterance of the same language; honour of the same king; adoration of the same God. Beyond all these motives to the love of our country, and a thousand more than reason can suggest, there would appear to be something at least mysterious, if not sacred and innate, planted in our breasts, for ends whose wisdom and beneficence are obvious even to human eyes. Else why should it happen, that modern philosophers only excepted, the inhabitants of every clime in every age, have felt this passion so strongly?

“Such is the patriot’s boast; where’er we roam,

“His first best country ever is at home.”

And wherein after all, is the difference between love of our country and philanthropy well under-

stood? Patriotism is a desire of doing all manner of good to our country, and advancing the general interests of humanity, by a glorious example of national virtue, and honour, and happiness; exciting amongst the nations a generous spirit of emulation. Genuine philanthropy is a spirit of kindness towards all our race; but nature and reason, every thing but modern ambition and hypocrisy, confine her exertions within the sphere of every man's country. How few should presume to know what is good for other nations; and of those who possess that knowledge, how very few have power to introduce that good without the attendance of ten times the mischief.

In speaking of patriotism, I cannot refrain from quoting a short passage from the letters of the great Lord Chatham, who on the subject of this, his master-passion, says, "It is true, indeed, that the maxim, *Omne solum forti patria est*, has supported some great and good men under the persecutions of faction and party injustice, and taught them to prefer an hospitable retreat in a foreign land to an unnatural mother country. But how dangerous is it to trust frail, corrupt man, with such an aphorism! What fatal casuistry is it big with! How many a villain might, and has masked himself in the sayings of ancient illustrious exiles, while he was, in fact, dissolving all the nearest and dearest ties that hold societies together, and spurning at all laws divine and

human! How easy the transition from this political to some impious ecclesiastical aphorisms! If all soils are alike to the brave and virtuous, so may all churches and modes of worship; that is, all will be equally neglected and violated. Instead of every soil being his country; he will have no one for his country; he will be the forlorn out-cast of mankind."

Let then the loss of patriotism and nationality be deemed a superlative evil. It is now a very easy task to shew how that is occasioned by money-lending. I shall prove that loss to be a necessary consequence of the admission of all classes of foreigners to those extensive rights which the practice of money-lending enables them to assume. That they are so enabled to assume such rights, depends upon these propositions; that money-lending admits foreigners to unbounded wealth in this country; and that wealth necessarily draws with it those rights. When it is recollected that the permission to borrow and lend at interest is extended to aliens as well as natives, and that from the instant of a debt contracted, the real beneficial property of the debtor, whether it consist in land, goods, or labour, becomes to all intents and purposes transferred to his creditor, (as I have already shown) then it will be no longer doubted that foreigners are enabled, by the simple contrivance of lending money to acquire unbounded wealth in this kingdom. But why need

I resort to argument for proof of this, when I can refer to the funds, and that stake in our country which foreigners have there alone! It would be better to anticipate the objection that our ancestors are accountable for this state of things, in having allowed to aliens unlimited property in chattels. Surely, when they contemplated the insignificant quantity of their personal property, they could never dream that one half of all the real wealth of the kingdom should one day be brought within that description. They are not answerable for the funding system. It is easy to see how the unlimited possession of property by aliens is followed by their assumption of extensive rights. The bare enjoyment of that property, beneath the full protection of our laws, is in itself no mean privilege. And we are unable to conceive that, without the accompanying ideas of many more, all springing from the strong though gentle influence of wealth. Indeed riches and power are almost identified in our imaginations. If it were necessary to look at particular cases, how possible does it seem that the rich alien should participate even in our dearest and most boasted right, that of sending representatives to parliament! For, is it too much to suppose that his debtor, holding that property to which the elective franchise attaches but as a steward for him, should not so deal with its appendant right also? No doubt it was the

inseparable connection between wealth and power that made our ancestors so jealous in forbidding aliens the possession of real estates. That the free admission of strangers to the principal rights of the natives has a tendency to destroy patriotism is very evident from the mere terms of the proposition. For how can there be a city without its privileges, and how can there be citizens without a city? What is the patriot required to love and protect and adore, the walls of his city, or those contained therein? if the latter, surely the gates should not be opened wide to all who may choose to enter. Let me not be called illiberal. I praise that hospitality which affords shelter and protection, entertainment and kindness to the friendly stranger. But I may reasonably object to that which places him on a level with the children of the house, which divides their birth-right with him; as things at present are, each foreigner who pleases may find a home in England and share in most of our privileges. Who stays away does it from free choice. The Mahometan, the Pagan, or the Jew may come, the soul-enslaved subject of despots or the furious citizen of a mushroom anarchy may come; the bigot or the atheist may come; the bitterest enemy of the state, or the villain who breaks all social ties may come, and every man shall experience the welcome of a brother here. When a man sees his mansion, the abode of his forefathers

converted into a common inn, and himself reduced to the condition but of a fellow-lodger with all, whether they be good or bad, whom chance has thrown that way, can it be supposed that he will long continue as assiduously to adorn, as boldly to protect that edifice as ever? A general system of money-lending has indeed a strong effect in the destruction of the patriotic principle.

Another evil of money-lending is the neglect of certain great duties implied in the very constitution of property; which neglect arises from the nature of that stewardship which I have already shown to be established by this practice. Stewardship has at all times been very justly considered as an invention much more for the interest of individual proprietors, than for the good of the public. For it always implies, in some measure, a separation of the enjoyment from the natural duties of property. In the generality of cases of acknowledged stewardship, indeed, the evil may be tolerable; because, from the power usually reserved in the hands of the lord, there will always be a great similarity between his character, and that of his steward. And therefore, if the peasantry have a good master, he will, according to his judgment, appoint a good steward; and their condition will not be bad, though it might have been better, had their lord chosen not to delegate his power at all.

For those benefits, which they would have had a right to expect at his hands were he present, they will still, though he be absent, have a chance of receiving, upon the representation and by the means of the steward. If, on the other hand, the landlord be a tyrant, though he will surely appoint an extortioner, the sum of exaction and oppression will not be thereby much increased upon the peasantry. But, in proportion as the power of the steward increases and becomes irrevocable, in proportion as the distance between him who tills the ground, and him who reaps the harvest is made greater, so do the evil consequences magnify. This too unreserved delegation of power it must be confessed, has in modern times, been too much encouraged by other means, by other alterations of our ancient code, sincerely to be deplored. But by no mode in the world, has it, or can it be produced to such an extent as by this money-lending. For, by it is established a stewardship the most complete and universal that can be conceived. It is complete, inasmuch as the steward, in nothing except his payment of rent, differs from the most absolute owner; he has even the power of repeated sale. It is universal, because it may exist in all things, from which human ingenuity is able to derive a profit, in things of the most corruptible nature, in things which have no material existence, in promises and in expectations, in toil and thought, in things



which men would never dream of either giving in charge, or holding in trust, but for this indirect way of money-lending. Let us turn our attention to some of the consequences which ensue. In the first place, the merely monied man, under which description may now come a great proportion of the wealthy of the kingdom, escapes all the moral duties attendant upon property. For that there are such duties, and those of the most interesting and beneficent kind, all who look upon the institution of property with other than the most sordid eyes will allow.

But the monied man is cut off from the performance of these duties by a complete barrier interposed between him and their proper objects. He abates not the rents of his tenantry, when unpropitious seasons or sad mischances befall them; he retrenches not the splendour of his table, to save his wretched peasantry from starvation, when famine stalks the land; because he does not know, because it is impossible for him to discover who they are that have a right to this bounty. Therefore no reproach attends him for the neglect of these duties. And if he should happen from some natural impulse to feel uneasy under this dereliction of duty, it is doubtful whether he may have it even in his power to fulfil it; for it is a melancholy reflection, how few of all the numerous modes of charity exercised by those who lead an artificial town-life are really beneficial, and con-

sonant with virtue and true policy. It is certain that the sort most usually found amongst them is but the hand-maid of ostentation, of deceit, or indolence. And were it otherwise, were the supplicants invariably what they represent themselves, that is, in the lowest depth of misery and distress, yet the relief of such objects is not the only nor the most interesting task of charity. The virtuous few, with honest passions rack'd, the husband struggling for the support of his declining wife, and scantily subsisting on coarse and unwholesome food, that he may administer to her every comfort; the parent striving for the honest maintenance and virtuous education of a numerous offspring; such men as these, though sinking beneath an unequal weight, yet with souls too noble to obtrude their sorrows on the stranger's notice, are the chosen objects of true charity. For these are the true sons of freedom, these most truly exalt and dignify humanity. Yet can the sorrows of men like these be only probed by the hand of the kind, the constant, the acknowledged friend or patron. Even the landlord who absents himself too much from his estate will find himself excluded from this sphere of exalted charity, of never-failing satisfaction. But the wandering stranger, though he have the wealth of Cræsus, shall never know it.

The separation of the rich from the poor, produced, as we have seen, more extensively and

completely by a general system of money lending than by any other means, is followed by a thousand ill consequences, besides that which we have just considered. In the necessity however of my haste, I shall content myself with having merely suggested what will be readily discovered by reflecting minds

Another evil, apparent in the view of the case just taken is, the total irresponsibility of the monied man as to the manner in which his affairs are managed and his revenue increased. If it be, as I know not how it can be denied, that his debtor is in reality but his steward or trustee to the amount of the debt between them, then certainly it follows that, to that extent, in whatever method the debtor may be making money, he is but managing the affairs and cultivating the income of the other. If therefore analogy with all other cases were to be preserved, the creditor should be bound to see that his debtor acts justly and honestly, and should be punishable as a principal for the other's transgressions. For the reasonable old rule of law is, "qui facit per alium, facit per se." And civil justice demands that all who have reaped any part of the wages of iniquity should be amenable to its penalties and disgrace; and is not satisfied with the sacrifice of poor and wretched instruments whilst the proud and wealthy, who made use of them, escape unhurt. But in the case of

money-lending, strange to say, these sound principles are entirely overlooked; and the money-lender is quite irresponsible, nor required even to ask a question as to the intended trade of the borrower, though he himself is in fact to become a partner therein; no, not though he might guess from the character of the man, the rate, or other circumstance, that the business to be carried on is not of an usual complexion. The only consideration that is ever supposed to trouble him, is whether or not he can have a sufficient security. Thus in fact an apparently harmless and respectable individual may be deriving great gains from the flourishing state of a brothel; or thriving in the successes of pirates; and should a discovery eventually take place, the circumstance will, by himself and the world, be laid rather to his misfortune than his fault, and he will by no means be deprived of that consolation which his wealth already so gotten, may afford. However this is a twofold defeat of the ends of justice, in withholding that reparation which should be made as far as possible to the aggrieved, whether they be individuals or the community, and in encouraging carelessness at least, and indifference in an important trust, the employment of wealth. Neither in my opinion, is this incident separable from money-lending. For I think that to make the creditor responsible would be equivalent to a prohibition of the practice.

The destruction of the strongest of all local ties appears, from the view now taken, to be another consequence of money-lending. For I think that the most efficient of all motives for inhabiting any particular spot is the known possession of property there. By living on his own estate, each man's wealth, respectability, and power, is increased; so that it must be a powerful cause that can overbalance all these advantages and draw him away from it. Thus, were these things not interfered with, there would be a good provision for a pretty even spread of rich and poor population throughout the land. But the practice of money-lending does interfere with and counteract these principles. For by it, as we have seen, the estates of a great many are thrown into so complete a state of stewardship, every iota of power being so entirely delegated, that their real beneficial owners can never guess in what quarter of the land they are situated; or rather they have no fixed, no certain situation at all. Their owners look but to the persons of their stewards as to the reservoirs of their income; and think not of the remoter sources from which they originally flow; caring not though those should experience a daily change. The natural consequence of this want of local interest is wandering. For, if a principal cause which would have rendered a man stationary be subtracted, it seems but a truism

to say that he will in consequence wander the more. In considering the effect of this, let us first suppose the wanderings of the monied man to be confined to his own country. Even in this, the most favourable case, they are highly pernicious; for they leave this trace behind them, the universal unsettlement of property. The value of all stationary property is in a great degree rendered more precarious and uncertain. For, in whatever spot the wealthy wanderer may chose to rest, there all the natural effects of an increased expenditure are speedily seen to arise. Demands are increased in the markets, and supplies are raised to meet them. Property of every sort in the neighbourhood of course experiences a proportionable rise. Nothing in short can equal the prosperity of the time, but the distress which suddenly succeeds it. For the show of happiness was but as a fairy palace, melting into air at the sound of mystic words. The monied man removes; for by the hypothesis he is a wanderer, and it was that character alone which brought him there; and if he found poverty and contentment upon his approach, he leaves poverty and bitter disappointment at his departure. It is well if he leaves nothing else, and his course be not traceable by the ruin of many. That property of all sorts should return to its former low value, and hopes of sudden wealth be broken, might be tolerated, were it certain that the inhabitants of the places he has honoured with his presence, too confident

in patronage bestowed without merit, withdrawn without fault, have not made irremediable sacrifices to his wants or his pride; that they have not altered their course of husbandry, or addicted themselves to new pursuits, or raised houses and buildings, now rendered useless. That these are the effects of wandering wealth, we are taught by a sterner instructress than theoretical speculation—by sad experience; which has shown to us, at the voice of capricious fashion, the sudden rise of numberless towns and villages, and their no less precipitate ruin.

The monied man also occasions the inordinate growth of towns. It is one of the commonest of observations that man is a social being. It is clear that he will make great sacrifices for the sake of society; and it must be therefore much more certain that he will enjoy that gratification whenever he can without any loss. And the monied man, not having the tie of local estate, may gratify the bias of his nature in this particular, without any, or at least without that, which the generality would consider as the most painful sacrifice. Therefore he will have society. And though by these terms it can never be meant that he will cultivate a friendship, or preserve any sort of intercourse with a hundred thousand or a million of friends; though the sociality of each individual must necessarily be circumscribed within a very small circle, yet will it impel him, in the absence of any counter-

acting motive, to resort to a large town or even the largest town. Because, where the greater assembly of our fellow creatures is to be found, there will each man have a better choice of that few, of similar opinions and habits and feelings with himself, with whom it is the wish of his heart to associate. Thus does the practice of which we speak manifestly contribute to the increase of towns. The truth of this reasoning is strongly confirmed by the testimony of history; which will show, in our own country, a very exact proportion to have been preserved between the growing amount of the debts, public and private, of the nation, and the extension of great cities and towns; after making the most ample allowances for the increase of population and trade and commerce. And in that proportion has the country been drained of its wealthy inhabitants. I am aware that many will consider what I now advance, by way of accusation, as a just cause of praise. The reasons for my contrary opinion are principally these. It must be premised that I speak of a strained and artificial enlargement, beyond all the useful purposes of government, of arts and sciences, of trade and commerce. In the first place, and by no means beneath the consideration of the legislature, great towns are an encouragement to vice. They are principally his, on account of the centre, or focus which they form. For men, of whatever description, like

fire, are much more confident and more powerful when congregated. Few, even of the most despicable of our species, are contented to be entirely outcast from society; they would rather reform than be wicked at the price of eternal solitude. That cost, however, must frequently, to say the least, be paid by the notoriously criminal in country places; in large towns it need never. There, whatever may be their offences, they will be certain of finding others fully qualified to be their companions; there, they may obtain that society which alone they wish for, and can enjoy. Thus, for instance, in our own great metropolis, it is well known that those who obtain their living by irregular and unlawful means have not only made up for the loss of honest society by a friendly intercourse amongst themselves, but have actually formed a sort of organized community, with their own rules, I will not say of law or honour, but of mutual advantage; which they find, to a certain extent, sufficiently binding. They have their several ranks, determined by the various modes of villany pursued, from that which, being the most bold and hazardous, is also, when successful, attended with the greatest profit, down to that most sordid and most secure. It is also certain that they have their distinct provinces or walks, on which others forbear to trespass; their schools for the preservation and improvement of art; and their peculiar language. In these respects,

it is doubtful whether extensive forests and uncultivated tracts, would afford so many advantages to vice as densely populous towns. There is also another way, though not so direct, perhaps no less powerful, in which great cities give encouragement to vice. It is, that they prevent those distinctions in favour of the virtuous and honest, which, in a less artificial state of society, every good man feels himself bound to make. For instance, in cities who ever thinks of inquiring, or can inquire with any tolerable prospect of discovering the truth, as to the moral character of all those whom he may have occasion to employ, from the first tradesman down to the meanest mechanic. A few questions, hastily put, though they should be honestly answered, do not bring back any certainty in this particular. Yet this is known and acted upon by those who inhabit the country in a manner somewhat similar to that of our ancestors. Such naturally know, not from vague report, or short acquaintance, but from the experience of a life, both the conduct and character of their inferiors around them. Such therefore, so far at least as employment implies patronage and exaltation, may in all things, make an honorable distinction in favor of the good. I object to the unnecessary extension of towns on another account also; the sacrifice of human health and happiness which they occasion. That they have this effect, scarcely any man will deny;

however ready he may be to excuse it on account of counter-balancing advantages. Their insalubrity indeed is matter of plain arithmetical proof. And the rate of longevity to be found in them is highly extolled, if it remotely approach to that which obtains in a commonly salubrious part of the country. I would here anticipate an objection that men are not obliged to dwell in large towns, notwithstanding that such are permitted and encouraged; and that those who voluntarily adopt a mode of life, alone are answerable for the consequences. It is not strictly true. For there are other modes of compulsion besides physical and legal force; and one of these is the influence of wealth, which draws men to do a thousand things contrary to their natural inclinations; to leave their clear skies and verdant fields for murky air and black streets, to plough the stormy wave, or descend into the bowels of the earth. Indeed the very idea of a rich man brings to our imagination a crowd of dependant poor, who are morally obliged to follow in his steps, and pursue their thousand avocations wheresoever he may please tacitly to direct them. If the health of her subjects be of any concern to a state, of much more must be that effeminacy, that feebleness of body and mind which are proverbially the effects of entire residence in towns. There, the energy of which our frames are susceptible is scarcely ever fully developed. There, perhaps, more than

half the muscles and powers, which were not intended to be given us in vain, are allowed to shrink and decay for want of use. In consequence, men become quite incapable of enduring any extreme of heat or cold, of hunger or fatigue. A consequence which the ancient legislators laboured to prevent; thinking the strength of a nation to consist, not so much in the number of individuals, as in the amount of brave and active men.

Thus far I have been supposing the person to whom the law, by allowing money-lending, has given wealth without employment or local ties, to live in his own country, either as a general wanderer, or an inhabitant of great towns. But suppose that taxation, or some other cause, has rendered things in general much more expensive in his own country, than they may happen to be in some foreign place, unobjectionable as a residence; the monied man, from the nature of his property, will not experience the smallest inconvenience in taking up his abode there; therefore, the different value of money may be said to be a premium or bribe for him to do so. Of this he takes advantage; effectually escaping, when he deserts his native shores, his share of the public burthens, his portion of the general distress; and not only so, but heightening the one, and giving new occasion for the other, by draining his country of all that quantity of her means which

passes into his hands. Lesser evils ensuing are, the alienation of his affections, and the acquirement of foreign and anti-national prejudices and manners. Let it not be said that I would forbid or check the freest intercourse between nations at amity. I believe a natural communication to be productive of the greatest mutual benefit. Such an intercourse could but little affect the revenues of a country, the place of our own inquisitive and enterprising travellers being probably supplied by foreign visitors. But did the advantage on either side preponderate a little, that might indeed be estimated but as a just tribute paid to a superiority in arts or sciences, natural advantages, cultivated manners, or any of those circumstances which attract admiration and curiosity. What I really object to is a mode of property, which, whenever there happens to be a difference in the value of the currency of two nations, holds out a positive premium to a large portion of the subjects of one, for the desertion and oppression of their country; encouraging an intercourse, if it may be so called, in which no reciprocity can take place; the same accidental circumstance which acts as a magnet, drawing men from their home, having a double power in preventing others from filling the deserted places: the only intercourse, in short, between the nations which can be carried to an alarming extent; from which no public good can possibly arise; and which is really ruinous.

Many very weighty objections to money-lending may also be founded on the circumstances of the title to that new species of property which it introduces. The means by which that property is secured to its respective owners is merely by a few words written on paper or parchment. I here speak generally, and take no notice of the peculiar and anomalous practice of mortgages. The written instrument is also sometimes backed by the memory of one or two living witnesses. Before shewing its disadvantageous consequences, I would observe that this mode of title is peculiar to that property which consists in the debts of others. It does not prevail with regard to real estates; though it may at first sight appear so to do. True it is that feoffments, and all those impressive solemnities which used to accompany the transfer of real property, have been virtually abolished by the allowance of conveyances more easy and agreeable to individuals; a circumstance which many great men have taken frequent occasion to deplore. Yet, notwithstanding those alterations, such transfers are not, nor ever can be, reduced to the condition of the changes of property in debts; for these reasons. The existence of land is known, and visible to every eye; and men cannot, to suit their convenience, make it disappear from the mass of things; neither can they diminish or increase it. It is also a known and established principle that

every acre of land in the kingdom has its owner. Therefore the neighbours have these two facts, at any rate, to build upon; the existence of such an estate, and the certainty that some one owns it. Who this may really be, curiosity, if not utility, or even necessity, is constantly impelling them to inquire. And, however secret the transfer might originally have been, their hope of success in this investigation must continually improve, as what are called acts of ownership will from time to time be required to be performed. And, when the proprietor has been once ascertained, all who dwell in that quarter become his living records; and thus the effect of the ancient investments is, in some measure, though tardily, restored; and thus, the written instruments becoming unnecessary, the law has wisely, considering their frailty, ordained that their loss or destruction shall have no effect in restoring the estate to its former owner. This effect of public knowledge also becomes the more remarkable in proportion to the extent of the property. The reverse of all these circumstances may be affirmed of an estate in the debts of others. It may exist or not at the will of the parties; its extent is indefinite; it is invisible; in no way does it attract the notice of strangers; its muniments are continually growing weaker, from the death or failure of memory of those who were summoned to bear witness to the transaction

which gave it birth; no better security is afforded in the most important case than in the most ordinary; the written instruments become by progress of time more and more necessary, and their loss restores the estate to its original proprietor. The title to this species of property therefore may be said peculiarly to depend on written paper or parchment. Now it seems hardly fitting that such things should be the sole support, of perhaps a great share, perhaps half, perhaps, the whole (for that is possible) of the wealth of the kingdom. For, in the first place, they are miserably insecure. Scarcely any thing is more liable to loss or destruction in a thousand ways. And it is a great evil that men should be liable to be reduced by the most ordinary accident, in one moment, from great wealth to abject penury. To this consequence also those are the most exposed, of whom the legislature is bound to take the most especial care, the widow and the orphan. For parents are not commonly anxious to acquaint their children with the full extent of their means. The extent of property of this description therefore which they may have amassed, being of itself secret, may very often be allowed to remain so; there cannot be a more probable supposition. If it should happen, then, that such a parent should be taken from the stage at a time when he did not expect it, and none of the documents substantiating his property should be apparent, his widow



and children are not only deprived of it; but, having no suspicion of its existence, make no effort for its recovery. No man can tell how frequently these things may happen; nor how many an ancestor may, in consequence of this policy, have left a memory behind him, indifferent or ungrateful to his posterity, though he fondly hoped for their tenderest recollections, as the best reward of a frugal and industrious life. The usurers title to his property is also productive of cruelty. For, as a scrap of paper may be the sole pledge of his enormous wealth, to make up for the natural weakness of his title he has recourse to the strength of the law. And though she has, in his favour, written with a finger of blood, and ignominious death is legible in every gloomy line, she has as yet proved totally incapable of supplying the excessive weakness of his security. For what can be easier than to imitate the writing of a few words, and what temptation can equal the ability to a starving wretch of pouring by such easy means a whole fortune into his lap. I forbear to aggravate this topic by a calculation of the amount of lives annually sacrificed in support of a system which I hope to show not only entirely and in every respect useless, but extensively pernicious.

The title to that mode of property which the allowance of money-lending establishes is also objectionable in another important respect;

namely, the excessive celerity with which it may be transferred. By the invention of money, facility has been afforded to the transfer, in any portions, of that quantity of the national property ordinarily in circulation; which perhaps may be roughly stated as the whole annual increase, and a very small share of the capital. But by the invention of usury the same facility has been extended to the transfer of the entire capital. I would by no means restrain a free alienation of property, but nevertheless I consider those circumstances as by far too artificial and refined, which enable a few individuals to meet at a certain place, and pass through many hands, in the course of a few minutes, half the wealth of the realm. For, amongst other things, it is an excessive encouragement to gambling. The ordinary increase of property, by the frugality of its owner and the accumulation of the proceeds, becomes to be looked upon as slow and mean and spiritless, when facilities are afforded for speculating with the capital in a game where success is crowned with sudden and unbounded wealth. We should conclude that such an effect would flow from such a cause, without experience. But we stand not in need of her admonition. There is no man but knows what extraordinary fortunes are by these means, almost daily and hourly, made by stock jobbers alone, at the clear and entire expense of others. I shall not be so

tedious as to expatiate upon the general and well known evils of this spirit of gambling; but wish slightly to touch upon one or two circumstances which I believe to be attributable to it, though I have never seen the connexion traced. I think then, that a thousand moral discourses would not have so much effect in allaying that most distressing and debasing passion of envy, as the unbounded system of gambling introduced by money-lending, has in its encouragement. For it is not natural or necessary that men should suffer so tormenting a feeling, whatever may be justly said of the corruption of our race. A sufficient proof of this may be, that men do not always experience it at the sight of another's superiority, even in rank and wealth. If indeed a greater share of riches were a sufficient cause for it, it would prevail as extensively as property itself; since there can be no such thing as an exact equality of possessions. But it does not universally prevail, nor is it excited, in some cases, by excessive superiority in rank and fortune. Thus it may be said that the greatest splendour which a just and legitimate monarch can assume, provided things of consequence are not sacrificed for it, is so far from exciting this unpleasant sensation in the unperverted minds of his subjects, that they rejoice in it, as though the glory were their own; and each man would undergo no small share of labour to raise that apparent felicity to the utmost, without

any hope of personal reward—a circumstance which, if I rightly remember, has been noticed and well accounted for by the celebrated Adam Smith. A portion of the same kindly feeling, rather than of envy, is also experienced towards all those who, by legitimate means, in a well-regulated state, possess any superiority of good things. Whether by elevated birth, or any other of those circumstances which, though apparently merely fortunate, have been universally and for most useful purposes established as titles to rank or wealth, or by downright beneficial industry and skill. If this be the fact, and it seems incontrovertible, it follows that, where envy and every other disrespectful feeling are notoriously entertained against superiors, there, either unlawful roads to fortune are trodden, or else some are legal that according to the common opinion should not be so. Regal or baronial splendour are only painful to the eye when aped by the successful swindler or the desperate gamester. It might not be uninteresting, as a matter of curiosity, to enquire, how far that hauteur, or selfish overbearing pride, so generally placed to our credit in modern times, may not owe its origin to the many rapid and gambling modes of acquiring inordinate wealth so prevalent in these days. It is certain that our great ancestors possessed not this quality; and, though of modern growth, few will rank it as a virtue. For Christianity, not to say humanity, recommends us to be

respectful and obliging to our superiors, kind, gentle and hospitable to our equals, and generous, affable and condescending to our inferiors; and hauteur is compounded of the opposite principles to all these. I do not know whether the real English gentleman would not invariably offer this defence—that the exercise of those virtues is excused, when all probability of their correct application is gone; which happens when the distinctions of rank are no longer to be discerned. That it is against his principles to allow the mere possession of riches to constitute real superiority; though they are the only *prima facie* evidence of it; that anciently riches implied, with a sufficient degree of certainty, many things to which he would gladly have yielded obeisance; that in these days they do nothing of the sort; that the stranger, who, by his dazzling magnificence, lays claim to, and will accept no less than, our respect and reverence, may, very probably, on inquiry, be found entitled only to our condescension and forbearance. When a mistrustful reserve has thus become a part of the character of the well-bred gentleman, no wonder that those, who were themselves the cause of it, conform themselves with, and even greatly exceed their model, in a point of such easy acquirement.

Connected with the consideration of the money-lender's title, is that of his mode of cultivating and increasing his property, independently of the

gambling in which he might indulge. Though truly unfortunate, it is the fact, and, I suppose, past remedy, that the crowd always look upon the acquisition of wealth as the great object of their existence.\* Since such is the case, it is incun-

\* Let me show the extent of the reproach intended here to be conveyed. To contemplate a certain state of external circumstances though not as a principal, yet as one ingredient in the completest happiness the world can afford, and then to endeavour by the acquirement of that general medium, money, to place ourselves in that condition so apparently conducive to felicity, is neither foolish nor wicked; it may be both wise and good. But blindly to consider money, not as a means, but as the perfection of happiness, to lead a laborious, sordid, and useless life, and think it pleasant and well-spent, because we have stored a mass of treasure in our chests, is the very bathos of human weakness and fatuity. However, fools will never cease to despise all whom they may pass in their senseless career. Upon such men, could any reasoning make impression, the story of Thales the Milesian might do so. That philosopher's poverty was made a reproach to his studies, as if they served no useful, because no gainful purpose. But he thought it worth his while to set the matter right. His skill in meteorology enabled him to foresee an abundant crop of olives in the ensuing season. He therefore in the winter hired all the oil presses, consuming his scanty means in giving earnest to the respective proprietors. When the harvest approached, and the extraordinary abundance was seen, all men were eager, and at the same time to obtain presses, and Thales, letting them out at great rates, accumulated vast wealth, and proved that riches were not out of the reach of philosophers, but rather were not the object of their pursuit.

bent on a wise legislature to provide, to the utmost of their power, that this common object of ambition be not attainable by modes of pernicious consequence to the rest of the community, nor even by such as are merely useless and indifferent. For it well becomes the statesman both to prevent, as far as he is able, the bad consequences of any general passion, and also to contrive that it should be productive of all the good of which it may be capable. And in fact, every legitimate mode by which men in our country may increase their fortunes, (since the abolition of lotteries and gambling commonly so called) excepting this trade of money-lending, is harmless at least, if not beneficial to society. The farmer, the merchant, the mechanic, the lawyer, the physician, though they should happen foolishly to make money their "summum bonum," and internally to think nothing of consequence but as it leads to that prize, yet each, in running his peculiar course for it, performs functions of the greatest importance and benefit to all. But the case is otherwise with the money-lender—his art of growing rich is but the incessant shifting of money from one hand to another. The drudgery in which his life is consumed fulfils no office, either of utility or ornament, to the public. But his life is worse than merely unprofitable and unnatural; it deserves not the praise of indifference; for it is full of positive harm. In the first place, it is beyond measure sordid:—That Gre-

cian philosopher, the grand master of art, as Lord Shaftesbury, himself no mean judge, takes pleasure in styling him, declares that those employments are servile and sordid which hurt the health or deform the body; that those are truly servile which may be exercised by the corporeal powers alone. I will not determine whether the trade of usury may hurt the health or deform the body; but would merely observe that, if it do not both, poets and painters, and indeed their patrons the public, have great injustice to answer for in the portraitures of that race. As to the other mark of abject servility, I would premise that I know of no employment which may be pursued solely by means of the corporeal powers; that is, entirely without the assistance or consent of the mind; and therefore conclude, that the philosopher meant such occupations as come nearest to that description, such as require the least possible assistance from the mental faculties, never calling for a new combination of ideas, but chaining the mind to the minutest circle in which she can move. Taking this to be the sense of the passage, I think the usurer's business may claim the palm of baseness; that it need not, in its claim of abject servility, shrink from a comparison with the employment of the meanest artificer or rustic. For the only qualification, as far as I can see, indispensable to the money-lender, is the ability to count. I am not certain

that the lowest peasant can manage well without this accomplishment. But grant that he may; or that at least the usurer is expected to have greater skill in the art. Let it be considered that besides the power of counting sheep, and calculating the value of shearing them at so much a head, the usurer may have occasion for the more excellent mysteries of arithmetic. What does that amount to? Perhaps ten, perhaps twenty, or even a hundred times the skill of a well-educated parrot. I do not undervalue the mathematics; were my opinion of that science asked, I might chance to make a greater treatise in its praise than I am likely to do against usury. But vulgar arithmetic is no more the same with the mathematics; than an indifferent sample of fruit is with the tree from which it fell. It is but the mechanical remembrance of certain trite rules, and implies not the smallest knowledge of the principles upon which they depend; and I sincerely think, and do not make the assertion for the sake of the argument, that it would suffer no disparagement by a comparison with the several pieces of knowledge which must be possessed by the meanest rustic; or by him, whoever he may be, who fills, according to the Grecian philosopher's definition, the post of abject, of sordid servility. It may perhaps here be said, that, supposing the daily occupation of the usurer to have no greater tendency to the developement of the mental

powers than that of the boor, and that therefore it may fall under the philosopher's description of sordid and servile, yet, as we allow of the existence of the latter, why should we not of the former also? The reply is, because the business of the boor is natural and necessary, that of the usurer artificial and unnecessary; because the former is a mode of acquiring subsistence only, the latter a high road to fortune, to power and the privileges of rank and gentility; indeed, in the language of Lord Bacon, "a means of bringing the treasure of a realm into a few hands; for the usurer being at certainties, and the other at uncertainties, at the end of the game most of the money will be in the box." Because the trade of money-lending forms an exception to a rule which is otherwise well established throughout society, that the most liberal professions should be best rewarded; that an increase of fortune should be met with improved qualifications for the proper, useful, and ornamental enjoyment of it. The other sordid and servile employments do not elevate men to stations where their cast of mind may be extensively odious or pernicious. But the life of the usurer has not been painted in its strongest colours, when only represented as unprofitable to the community, and sordid in itself. It is wonderful if it can escape being wicked also. Let it be granted that his profession is lawful and proper in the fullest sense of the terms. Ne-

vertheless, of all honest professions, it is that most likely to make a man a rogue. In other avocations, undoubtedly, temptations to transgress the bounds of honesty do occur; but they are only occasional, by the way, and out of the ordinary course of business. For one instance; the farmer is properly employed in cultivating his fields and his flock; to make them more productive than his neighbours, is his mode of growing richer; and if he should find a weak or ignorant person upon whom to impose an inordinate price for his commodities, it is a chance quite foreign to his ordinary way of business. But the whole of the money-lender's trade is professedly to take advantage of the necessities to others. Whether he be honest or a rogue, depends upon the distinction between a moderate and an excessive advantage. A division which the philosopher's patient and disinterested investigation might hardly enable him to discern, and therefore not very obvious, in the hurry of business, to him who gains by overlooking it. This, as I have before said, is the reason, instead of the pretences sometimes offered, why such a general distaste is felt for usurers. If the seaman lives in hourly peril of his life, no less does the money-lender of his honour. And men will estimate them both, as if each could calmly contemplate the loss of what he so freely ventures. For these several reasons combined, the trade of the usurer has been called by Aris-

totle, the worst and most unnatural mode of accumulation, the utmost corruption of artificial degeneracy.

There is yet another consequence of money-lending for our consideration, the encouragement of prodigality; an effect which has always been much agitated, and whose prevention many pretend to suppose the only object of the usury laws, though I should hardly have produced it as one, but for the unfair manner in which I have found it lately handled. A certain learned defender of usury has the happy art of expeditiously deducing a simple proposition from terms which no man could have guessed to contain so much. But he repays himself for the pain of that effort, by a calm and complacent examination of the proposition so acquired, viewing and reviewing it on every side, and causing it to assume each variety of form of which it is susceptible, till at last we can almost believe that he came lawfully by that, with which he seems so much at home. So has he dealt with this question of prodigality. I shall endeavour to set my argument concerning it in the plainest light, so that, if false, it may need no further refutation, but stand self-convicted; if true, it may almost claim the dignity of a naked axiom. The allowance of interest then, encourages prodigality in this manner. It enables men in some way or other, to sell every species of property of which they can be possessed. For, as we have

already seen, no sooner is a debt contracted, than, in the contemplation of every sensible person, the right and title of the creditor attaches itself, to the value of the loan, to all that the debtor calls his own; extending itself, for want of sufficient present means, to his future expectations. Therefore men are enabled to sell their expectancies of every denomination. And it signifies not that these are contingent or excessively remote; those circumstances will be only a ground for abatement of price. Amongst the future interests of which men are thus effectually, however disadvantageously, enabled to dispose, are all those which parents, relations, or friends have intended to be a reserved supply, absolutely unattainable at present; for no restrictory clauses can guard against this mode of alienation. It may safely be affirmed that this power of tying up property, as it is technically termed, for a certain period, is beneficial. The law itself does the same thing in several general ways. It binds the hands of all persons until they have attained that period in their existence, when sound discretion is, in all ordinary cases, supposed to have obtained empire. It also puts the same restraint on all those who, of whatever age, are clearly and notoriously devoid of the usual share of discretion. And in neither of these rules has it ever excited one reasonable murmur. But general rules are only for general purposes. Though persons are usually quite capable of managing their

own affairs, by the twenty-first anniversary of their birth-day, as all men are not equally imbued with intellect, it follows, that particular individuals may not attain that ability till a later period. Though one may not be a legal idiot or lunatic, he may possibly require some share of guidance. Yet the law cannot attend to such minute distinctions. Therefore, it were wise to give to private persons, at least in matters nearly concerning themselves, the power to supply that in which the law, by reason of its universality, is deficient. It were but sensible to let parents and friends, in disposing of their own property, take advantage of their own personal observation and knowledge, however they might militate against the common intendment of the law; to allow them to provide against the slowly advancing maturity of one, by postponing the full enjoyment of his portion beyond the ordinary limit, or protect the half-sanity of another, by lasting restrictions. And the law does in fact ostensibly sanction these powers; determining, by innumerable decisions, the exact extent to which they may be carried, and the necessary circumstances to be attended to in their exercise. Notwithstanding, however, the pomp and precision of the law, these powers are rendered nugatory, and the obviously good effects they are calculated to produce, are entirely lost, by this practice of borrowing at interest; as I have already proved, and as every man who lives in the world, is sure to

know. The wild and thoughtless are enabled to squander on the instant, in foolish or disgraceful pleasures, what their fond ancestors meant as the reward of experience and reformation; the simple may consume in a day, the intended support of a life. It may be worth while, in this place, to make a few remarks on an objection urged by Mr. Bentham against all legal restraints upon usury, which are founded on this ground, the prevention of prodigality—namely, that they must be quite ineffectual. In the first place then, his argument, if worth any thing, would prove a great deal too much. For that law which professes to establish a private testator's pleasure, that his prodigal son shall not have the absolute disposal of the wealth given to him, until he has attained the experience of a certain age, is but a small extension of that general law which establishes the disabilities of non-age. If the latter, therefore, be effectual, I can discover no reason why the former should not be so too. Nice reasoning surely would be requisite to show that laws can bind persons till twenty-one years of age, but not till twenty-two. And to prove either the inefficacy or inutility of minority laws, is to prove the reverse of what every body knows or believes, to show that black is white, and white black. We shall find no reason to repent of this general preliminary conclusion against Mr. Bentham's objection, if we descend to a particular investigation of it. He

says, that the prodigal will find no difficulty in anticipating his future resources, however strictly tied up, in spite of any laws that can be made against usury; that the tradesman who deals in goods which he requires, will readily enable him to do this. To try this argument, let us put a strong instance. Suppose a man to have a remote interest, say, not to fall in possession for twenty years, let it also be contingent, that is, not certain, even then; this he is inclined to sell, and consume at the present moment, and he finds tradespeople willing to concur in a scheme for that purpose. First then, they must charge the value of the goods taken up by him. They must then provide against the certainty of a twenty years' delay of payment of that price. Now according to Mr. Bentham's account, the most ordinary profit on goods, is at least fifteen per cent., after deduction of all outgoings. The tradesmen must therefore wait that period for their money, of which they could make a clear profit of at least fifteen per cent. Of course they must charge accordingly. This per centage, at simple interest for twenty years, amounts to three hundred; though they would of course be entitled to compound interest. They have next to consider the risk of losing all, their debtor's interest being but contingent. If this chance be equal, the sum in risk must of course be doubled. All these charges are to be ostensibly added to the original



cost of the articles sold ; and ultimately the most moderate and least ambitious tradesman, without expecting to derive any greater advantage from a transaction of this sort, than from a ready-money affair, must come into a court of justice, and unblushingly ask at least six or seven hundred per cent. beyond the known value of his goods. We have heard, though rarely, of an attempt something similar to this being made ; but never yet of its successful issue. Moreover, if the possibility of some evasion is to be a fatal objection to every human law, we have need of wiser legislators than any that have yet lived on earth.

It remains for me to examine the alleged public advantages of money-lending. For, though I may have urged some true objections to that practice, it may possibly have peculiar advantages sufficient to counterbalance all these. And therefore the complete materials for a sound judgment upon this subject, may not have been collected. Such at least, is an usual mode of reasoning. And, though I am not inclined to think this method quite logical, at least in many cases in which it is applied, and especially perhaps, in questions relating to permanent political institutions ; though I consider in general, that if a measure be really good in any respect, it will be found so in all ; and that, if it be bad, little may be said in its favour, able to bear the test of close examination ; yet I can acknowledge this mode

of arranging questions with a double aspect, to be, in some instances, allowable from the intricacy of questions, perhaps convincing and popular in most. Without further discussion of this point, I shall, in the present case, be satisfied with the authority and example of Bacon, who makes his treatise on usury, a balance of good and evil.

In the bright side of money-lending, the advantage that government may derive from it is always described as a principal feature. Perhaps this circumstance may not be a necessary part of our present subject. The funding system differs much from any private money transaction ; and nations may, in some cases, for the public good, proceed further than they shall choose that individual subjects should follow. Should the utility of state loans be obvious, governments might fairly borrow, without universally permitting that practice. Yet, since private custom, in this respect, undoubtedly preceded and suggested the public, and since the latter has never in fact existed without the former, my distinction may not perhaps be readily allowed by some ; and a consideration of national debts may be expected in a treatise on the general subject of money-lending. I shall therefore bestow a brief attention upon this topic ; and the more willingly, as I have already left far behind me the fear of contravening popular opinion, in the assertion of what I firmly believe to be true ; and

as I doubt not, even here, by a free investigation, to find some confirmation of my conclusions already drawn. The power of borrowing in behalf of the nation, then, is said to be beneficial, inasmuch as it enables the government to meet any great and sudden emergency, with more effectual or more expeditious measures than they could otherwise adopt. For they can obtain by way of loan, a greater sum than they could hope to raise at one time by taxation; payment of the annual interest being lighter than an advancement of the principal. They can also get the sum required much more easily and suddenly. These are all the benefits professed to be derived by governments from this practice; at least to the best of my information. Let us, in this matter, put other nations out of the question; and consider how far the facilities, thus afforded to our own government, really deserve the name of a public advantage. Their sole end and effect then, is obviously this; that they enable government to act in opposition to the general voice of the nation. For if, upon any extraordinary event, the nation at large is willing and ready to furnish all the necessary supplies for strengthening the sinews of government, to the utmost of its demands, other means of accomplishing the same thing would be useless. It signifies not what precise meaning is here attached to the term government; or to whom this desire of contravening

the national feeling is to be attributed; whether it belong to the ministers of the king alone, or the legislative bodies may share it with them; whether the representatives of the people be the outwitted opponents, or the secret auxiliaries of government in these transactions; whether a parliamentary impeachment, or the election of other members of the Commons be the danger to be shunned.

It is only clear that, before such aid can be required, there must be an intention, wheresoever it may originate, to oppose the national opinion. Can then the ability of accomplishing this purpose be ever really desirable? Speaking according to the spirit of the constitution, (and I would wish for no other inspiration) I would boldly answer, No. For from the power, which that constitution gave to the people, of regulating their own taxation, we can find no exception made of extraordinary cases; but those, to whom was confided in times of peace and prosperity, the full care of upholding government with the hand of dignified liberality, were equally entrusted with the duty of meeting danger and distress by sudden and vigorous efforts. Therefore, indeed, we should be justified to deny the existence of a great emergency, though the authority of government should have affirmed it, when the people, freely deliberating and speaking by their proper organ, their own representatives, should have refused to see, and provide against it. Thus,

if we would appeal to experience, we shall find it far from certain; that all those causes of the great expenditure, which has swelled our national debt so enormously, were perfectly just.

It may be said that there are certain affairs of state requiring the utmost dispatch and secrecy; both which would be lost in a formal application to the nation for means: that our constitution fully acknowledges this position, and gives to the executive power authority for the sole management of such affairs. This I admit; but not that the practice of borrowing, without an intention of repayment, is therefore necessary to government. For the founders of our constitution, when they gave that authority, directed not, nor dreamt of such a practice. Their mode was to have a treasury, containing more than what was necessary for immediate and ordinary purposes, and enough to meet many unforeseen demands.

But grant for a moment it were fitting that government should now act of their sole authority, oftener than they were wont in former times. It may be yet well worth the while to question the present efficacy of borrowing, as a means of conferring that enlarged power. In what way has this practice ever given the ability of contradicting the national voice, with perfect safety to the ministers of the crown and the representatives of the people? Wherein has its virtue consisted? In occasioning the enactment of more forcible laws in favour of government? No! The legal prero-

gative has not, in this respect, been enlarged. In discovering a mode of raising supplies, really less burthensome to the people? No! It is not to be denied that the nation in reality pays at least as much in this way as it would have to do by direct taxation; and that, even at the very moment of the debt contracted. On this subject I shall use the words of Judge Blackstone. "What is the pledge which the public faith has pawned for the security of these debts? The land, the trade, and the personal industry of the subject; from which the money must arise that pays the several taxes. In these therefore, and these only, the property of the public creditors does really and intrinsically consist: and of course the land, the trade, and the personal industry of individuals, are diminished in their true value just so much as they are pledged to answer. If A.'s income amount to 100% per annum; and he is so far indebted to B, that he pays him 50% per annum for his interest, one half of the value of A.'s property is transferred to B, the creditor. The creditor's property exists in the demand which he has upon the debtor, and no where else; and the debtor is only a trustee to his creditor for one half of the value of his income. In short the property of a creditor of the public consists in a certain portion of the national taxes: by how much therefore he is the richer, by so much the nation, which pays those taxes, is the poorer."

Also, as with individuals, so it is with nations, that a manly and instantaneous payment of necessary expenses is always in the end found to be the most economical, as well as the most honourable, course. For a number of extraordinary expenses are attendant upon debts. Thus Judge Blackstone affirms, "that if our ancestors in King William's time had annually paid, so long as their exigencies lasted, even a less sum than we now annually raise upon their accounts, they would in the time of war have borne no greater burthens than they have bequeathed to and settled upon their posterity in time of peace, and might have been eased the moment the exigence was over." If then the practice of borrowing has not armed government with new legal authority; nor constituted a mode of raising the same supplies with less of real burthen upon the nation, how has it produced its boasted effect in enlarging the power of government! Simply by an advantage over the ignorance of the people. At the moment of obtaining a loan, the nation at large is conscious of no extraordinary consumption of its means; and even when payment of the interest is demanded, few perhaps notice the additional burthen thrown upon them at any one time; fewer think that it is to be perpetual; still fewer understand that they have, in reality, lost for ever a certain portion of their capital, in whatever that may consist. Open taxation, on the other hand, would be felt and under-

stood by every man. To take advantage then of the ignorance or simplicity of the nation, is at best but a base and unworthy artifice. It is also one continually liable to failure, from the fortunate insecurity of its foundation. That it has actually suffered that catastrophe in our country, is my sincere hope and belief; and I trust that the representatives of the people will never more dupe or be duped, by such means, for such purposes; and that they will henceforth consider the providing for the interest of a loan to be at least as great a charge as the immediate levying of the principal sum advanced. It is not for me to decide how long this event may not have taken place; how long this opinion may not have prevailed; and whether, many years since, the practice of raising money by loans was not followed by government, rather from habit and precedent, than for the benefit of an exploded artifice. On the whole, our examination of this alleged advantage of money-lending fairly leads to these conclusions, that the object proposed is unconstitutional, and that the means are no longer effectual for obtaining even that. On a subject so important, and so difficult as this, I shall bring, in aid of my own opinions, the great authority of Swift.\* After describing the origin of what he terms the pernicious and desperate expedient of borrowing money, he proceeds thus. "But

\*Examiner, No. XIII.

the war continuing, and growing more expensive, taxes were increased, and funds multiplied every year, till they have arrived at the monstrous height we now behold them; and that, which was at first a corruption, is at last grown necessary, and what every good subject will now fall in with, although he may be allowed to wish it might soon have an end; because it is with a kingdom as with a private fortune, where every new incumbrance adds a double weight. By this means, the wealth of the nation, that used to be reckoned by the value of land, is computed now by the rise and fall of stocks: and although the foundation of credit be still the same, and upon a bottom that can never be shaken, and although all interest be duly paid by the public; yet, through the contrivance and cunning of stock-jobbers, there hath been brought in such a complication of knavery and cozenage, such a mystery of iniquity, and such an unintelligible jargon of terms to involve it in, as were never known in any other age or country in the world. Power, which, according to the old maxim, was used to follow land, is now gone over to money; and the country-gentleman is in the condition of a young heir, out of whose estate a scrivener receives half the rents for interest, and hath a mortgage on the whole; and is therefore always ready to feed his vices and extravagancies, while there is any thing left. So that, if the war continue some years

longer, a landed man will be little better than a farmer of a rack-rent to the army and the public funds."

I shall now examine but one more of the supposed beneficial effects of money-lending. The encouragement of trade seems always to be considered its best and most certain property. To question its merit in this respect, will probably evince more hardihood than has been manifested in any of my preceding observations. Yet I cannot help remarking, that this point has always appeared to me, rather to have been assumed and granted, than legitimately discussed and proved. The most regular argument in its support, within my recollection, is that of the great Locke. The substance of a treatise written by him for the purpose of persuading the legislature to preserve a high rate of interest, (and which should therefore be of still greater force for allowing some interest or other) is this. "There being a certain proportion of money necessary for driving such a proportion of trade, so much money of this as lies still lessens so much of the trade. Now, it cannot be rationally expected, but that, where the venture is great and the gains small, (as it is in lending in England upon low interest) many will choose rather to hoard up their money, than venture it abroad, on such terms. This will be a loss to the kingdom; and such a loss as, here in England, ought chiefly to be looked after: for, we having no mines, nor any way of getting, or

keeping of riches amongst us, but by trade; so much of our trade as is lost, so much of our riches must necessarily go with it; and the over-balancing of trade between us and our neighbours, must inevitably carry away our money, and quickly leave us poor and exposed. Whatsoever, therefore, hinders the lending of money, injures trade: and so the reducing of the interest of money, which will discourage men from lending, will be a loss to the kingdom, in stopping so much of the current money, which turns the wheels of trade." I flatter myself with the exercise of some share of liberality in transcribing this passage at length, and thus, at one time, granting to my antagonists the aid of so great an authority, and the advantage of an argument disposed according to such a judgment. I confess however, that the reverential awe, with which I distantly followed our great metaphysician through those sublime regions, where none so well as he could trace a firm and brightening road, experienced no slight shock and diminution, when I found him busied with the little measures and temporary expedients of a particular state; when he,

"——narrowed his mind,

And to party gave up what was meant for mankind."

I can never sufficiently wonder, how he came to meddle with money and trade; and, as he himself freely gives what credit may be reaped from his labours on those subjects to the lords and great

men who instigated him to the undertaking, so it should seem that the blame also may, in fairness, be distributed in the same quarter. I cannot at all events, look upon the opposition of Locke the economist, as implying the same presumption with an attack upon Locke the metaphysician. Let me then in the present instance, be permitted to doubt the utility of increasing the amount of the money in circulation to an indefinite extent. Let me question whether it advances trade, or any other good purpose.

I will first allow one of Locke's assumptions; namely, that increasing the rapidity of the circulation of money in any proportion, and preventing its stagnation, are the same, to all intents and purposes, as adding so much to its quantity. He says truly, that a shilling may at one time pay twenty men in twenty days, and then it will have performed as much as twenty shillings would have done, which had only paid one man each within that time. Now it may be a startling proposition to make; that the increase of money in the realm is not certainly a public benefit; that it may be the reverse. Superficial reasoners, who make money in itself to be the chief of all blessings, will of course never believe that there can be any excess of that article; any more than there can be a superfluity of happiness. But those who look upon money in its real light, as a mere artificial convenience; as a thing, not necessarily of the least

worth in itself, but only valuable as a pledge and assurance that the bearer may have again, whenever he pleases, the value given for it, in the same or any other commodity, will easily be persuaded to think otherwise. For such men will, in the first place, readily understand, that an alteration in the quantity of the current coin of a kingdom, is not, in itself, either an increase or diminution of the real wealth of that nation, however it may ultimately be productive of such changes. For, suppose that an individual of immense wealth should be able, by selling all that he had, to collect the whole currency of a realm, and that, having done so, he should sail with it to other shores. Though there should not then be left one piece of coin in that kingdom, could it be justly called poorer, not having been bereft of one of the necessaries or luxuries of life, one valuable production of nature or art? (except, indeed, so far as the pledges taken away may possibly have possessed, what we worth know they may be without, an intrinsic from their materials or workmanship). Undoubtedly great inconveniences would instantly be felt, when men should have again to resort to the ancient custom of exchanges; namely, all that loss of time and labour, which money was originally invented to save. And those inconveniences, if not removed by a new currency, would soon produce an injurious effect on the real objects of wealth. Suppose, on the other hand, it should

please the ruling power to direct an issue of notes to any extent. Would the corn or the cattle or any other of the good things be instantaneously multiplied? Certainly not. If therefore the real wealth of the country (which, and not the false appearance of wealth, is the proper object of the legislator's pursuit) is not directly affected, either by the increase or the diminution of the current coin; it remains only to be considered how it may be consequentially influenced by such means; in other words, how may the greatest conveniences be obtained from a circulating medium of which it is capable. And, since the only use of money consists in the facility it affords to exchanges of property, the perfection of money is evidently the greatest degree of that facility. Now the facility of transferring property will be diminished as well by an excessive circulating medium as by an insufficient one. To perceive the truth of this assertion, let us first consider, that the whole currency of the realm at any one period, whether it be great or small, represents almost exactly the whole mass of things at that time circulating throughout the land. For, suppose that the whole currency does not represent such entire mass of things; it must be either of greater value than them, or less; suppose that it is of greater value; in that case, the transfer of such property would be effected by a portion only of that currency, the remainder lying idle; for it would be a contradiction in terms to

say, that men would use more money than the things bought and sold were worth. Now, as money lying quite idle is useless and barren, the owners of that unemployed remainder would find a considerable gain in parting with it below its supposed value for some commodities productive and profitable; and accordingly they would force it upon the market, and reduce the value of the whole currency to an equality with that of the property circulated. Suppose, on the other hand, the value of the current coin to be less than that of the property circulated. In that case, the coin would be the means of circulating a portion of that property only. The rest would be transferred by other means; possibly by the primitive custom of exchanges. But the convenience of money in that business would be so strongly felt, that the holders of that surplus of property would, from time to time, be fain to take less for their commodities than the supposed worth in money, for the sake of that convenience, until in this case also the money and property would be quite equalized in value. It seems therefore a very just conclusion, that the current money of the realm represents the amount of the property in circulation; as truly as the counters in a game at cards stand for the property at stake. From whence it follows, that, if the circulating medium consist entirely of paper, or anything else of no intrinsic value, to double its quantity, is, in every respect

but in name, the very same thing with dividing each of the former notes into two. This then can be no more a certain advantage to the nation, than it would were government to issue two half-sovereigns, in every instance where they have been accustomed to issue one whole sovereign, or two sixpences instead of each shilling. It depends entirely upon the question of practical convenience. To diminish the quantity of such a circulating medium one half, would be but to give twice the present value to the remaining notes, and might be as beneficial as the stamping of two sovereigns into one. If the currency be metallic, to double it's quantity, is to double its weight and divisibility also; in other respects, the whole mass so increased remains of the same value as it was before. And to double its weight and divisibility, is no more a certain advantage than to halve it. I hope, by this time, to have said sufficient in proof of the incorrectness of Locke's supposition—that an increase of the circulating medium, whether by coinage of new money, or by that power which he attributes to money-lending at high interest of drawing the old from the pools in which it stagnates, is a clear and positive advantage. Whether the state of national affairs when he wrote, or whether their present condition may be of that particular nature, that such a circumstance would be desirable, is another question; one which I



am neither called upon, nor competent to decide. I should, however, suppose, that, in general, the best state of the coin might be that in which it bears the greatest value it may attain, without occasioning the opposite inconvenience of scarcity. It is but the dictate of common sense, that the country in which may be procured, by means of one piece of coin, all that two of the same size and weight can purchase in another, if it have no counterbalancing inconvenience, will, in this respect, have a great superiority over the other. Exactly in the same way that if a game at cards be played, in which each man, upon every gain or loss, receives or pays two counters, the ease of all would be much increased by withdrawing half those counters from the board, and letting them, upon every such occasion, receive or pay one. To express a bolder and more particular opinion, I should imagine that, were our present currency to be entirely metallic, its amount would be much too large for all purposes, whether of trade or otherwise; on account of its enormous weight and bulk. Swift's anticipated effect of the circulation of Wood's coin in Ireland, would almost come to pass in our country, and a man of moderate fortune would require a sturdy porter to be his purse-bearer. But, whether my opinion, that our currency is not in such a state as to require augmentation, be well-founded or not; though there should even be some reason for

wishing the verification of that prophecy of a wise politician, that the time is not far distant when men shall give a hundred pounds for a China orange; yet it must be remembered that there are great and general evils to be counterbalanced in the first place; evils necessarily attendant upon every alteration of the currency, whether by increase or diminution; namely, a change in the terms of every private bargain already entered into throughout the kingdom, which is, though ruinous to individuals, an irremediable evil; and an universal confusion and unsettlement of the value of all commodities, which injurious consequence is but very slowly overcome.

But supposing, if, for the sake of argument, so absurd a proposition can for a moment be tolerated, that it should be advantageous to trade, that the circulating medium should be multiplied, until it become as bulky as most of the objects it is intended to represent; it would still be worth inquiring, whether the means, so confidently recommended by Locke, are efficient for that purpose. Interest, he says, forces into circulation that money which would otherwise stagnate in particular hands. Now, let us again reflect that money, in any body's hands, is perfectly barren and unprofitable; that every man practically knows the disadvantage of turning his effects into money, until he anticipates

speedy necessity, or advantageous opportunity of turning that money again into goods. From this it is a sound conclusion, that the generality of men will never keep in their hands a greater quantity of coin than sufficient directly to discharge their current expenses; whether those be great or small. Those persons who form an exception to this rule, and have idle money in their chests for a great while, are influenced by one of these motives; either the desire of making a large purchase; or the reckless extravagance of the prodigal, who prefers having his property, at whatever loss, in a state adapted to the quickest supply of his various passions; or the strange feeling of the miser in counting his gold. If usury has the effect of drawing into another course that money which was intended for a large purchase, it has an effect detrimental to every other interest in the kingdom. So that its advocates will hardly claim for it this consequence. If it checks the prodigal in his mad career, and induces him to forego those very luxuries for which he has already paid so dear, or if it cures the miser of his extraordinary passion, it must be allowed to have most miraculous properties. Again, if we should question whether trade is at all worth encouraging by forced and artificial means of any sort whatever, perhaps good sense and the whole history of mankind would proclaim it the negative. When each of two

nations in unrestrained intercourse with one another, possesses productions of nature or art which it can spare, and the other is in need of, it should seem of moral necessity that there should always be found a set of men to carry on the exchange of those articles; the profits they derive therefrom plainly shewing to them the exact extent to which they should carry their pursuits. My own idea of commerce is so exalted, that I can never understand why it should not be carried on in its fullest glory, without this, or any other species of bribery; why there might not be a race of honourable and substantial merchants, like Antonio;

— “ whose argosies with portly sail,  
Like signiors and rich burghers of the flood,  
Or, as it were the pageants of the sea,—  
Do overpeer the petty traffickers,  
That curtsey to them, do them reverence,  
As they fly by them with their woven wings;”  
—“ albeit,” like Antonio, “ they neither lend nor borrow,  
By giving nor by taking of excess.”

I shall now presume so far as to consider, that the whole of Locke's argument in favour of money-lending, drawn from its effect on trade, is perfectly erroneous; whether we consider the object proposed, or the means of attaining it. Yet it may be said, that the refutation of one author's reasoning, is not a necessary conclusion of the question. This I allow; and though the argument of Locke, which we have now con-

sidered, is the most plausible of any I have met with, I can still grant that the popular belief of the influence of money-lending over trade may have some solid foundation. I think also that I may be able to explain this connection; though not perhaps to the satisfaction of the advocates of the money-lender. To begin with a proposition of Locke's, "money is necessary to driving trade," and commerce, and manufactures, and every species of business also. Now the merchant, the tradesman, or the manufacturer who calls this necessary article his own, builds his fortunes on a rock; he who borrows, upon the treacherous sand. For every instant the foundation of the latter's prosperity is liable to be swept away; continually is he in danger of losing the necessary instrument of his business. For the sole aim of the money-lender is to have the greatest and securest profit upon his capital. He neither knows nor cares about any particular species of trade, or commerce, or manufacture; but lends his money to those who offer the most advantageous terms for it. If the situation of the borrower, when he has been thus bereft, is truly deplorable; the condition of the multitudes who were employed by him, and who perhaps have cultivated some particular business so long, that they are unable to acquire a sufficient degree of skill for the practice of any new one, and who are thus deprived of bread, is a more national concern;

for the principal knew, or might have known, the hazard he ran; his subordinates could have no apprehension of meeting with such a reward for their industry, or fear that, in an enlightened state, a skill in some honest art should ever fail to command the necessaries and comforts of life. This effect of the system of money-lending on trade is no idle speculation, but a fact evidenced by daily occurrences. I believe it to be the true reason of those terrible riots occasionally bursting forth in our populous districts, from secret and artificial causes, at a time when the hand of heaven is opened in its widest extent, so that greedy man should seem utterly unable to exhaust its stores. It is perhaps the true foundation of our poor-laws, with all their train of mighty evils. But if the tide of money, when it thus quits its channel, leaves famine and misery, it is no less mischievous in the new course it takes. For, admitting that some few more productive or beneficial pursuits are encouraged, they are a thousand times overbalanced by the ruinous and gambling speculations which accompany them, by frauds of the grossest and most extensive sort, and by huge monopolies overwhelming whole industrious classes.

If the general practice of money-lending be, in fact, half so pernicious as I believe, and have endeavoured to demonstrate it, its immediate and total prohibition would seem no extraordinary

thing to be asked. Yet such a law is far out of my expectation, my wish, and even my imagination. For money-lending would not be the thing I have painted, could it, in any modification, have been practised so long and to such an extent as we have permitted it, without acquiring a formidable, if not an irresistible strength. How potently it might be able to defend its present dominion, should it be compelled to change its character of aggressor, may be guessed from the vigour of the efforts it continually makes to enlarge its boundaries. The system has extended its hidden roots, and interwoven itself with all the interests of the nation. Its sudden and entire destruction would therefore be accompanied with such a sacrifice as must not be contemplated. And its gradual uprooting would seem an endless and hopeless work.

I am not even prepared to ask for any further restraints to be laid on the money-lender; I wage at present but a defensive warfare in behalf of my country, and every good and honourable principle; it is the summit of my hope that the present legal restrictions on the rate of interest be not removed.

It is necessary to consider the efficacy of laws in restraint of usury. Not in the regular course of my argument; for some would think it a childish waste of time, to prove by elaborate argument the force of a species of law, which has

existed in almost every civilized state of which we have a full account, from the beginning of the world. What demonstration, in matters of this sort, can be more perfect than the universal opinion, and consequential practice of mankind? But it is right to inquire into the efficacy of these laws; because it is now repeatedly and boldly denied that they have any; and because upon such denial has been founded a principal argument for the allowance of unlimited interest. It would be unreasonable to object to this mode of reasoning, if it may seem satisfactory to any one; but those who adopt it, may lawfully be required to relinquish all the advantage they might have made of a position diametrically the reverse. Which forbearance has not, however, been completely shown. Some of the warmest supporters of usury consider the restrictive laws as having very contradictory properties. They first take them to be absolutely ineffectual, and therefore to be expunged, in common with all other vain and nugatory matter, from the statute books. They then consider them as so far valid, "that the distresses of the country, particularly of the landed interest in all its branches, have been most materially aggravated (in many instances produced) by the operation of these laws;" and of course that they should be got rid of as a public nuisance. Surely but one of these charges should, at one time, be brought against these laws. In answer to the latter, I can only refer to

the whole of my preceding observations, and deny that they have occasioned the distresses of the country, excepting perhaps by their too great lenity. In support of the charge of inefficacy, great reliance has been placed on a passage from Locke. It is this: "The first thing to be considered is, whether the price of the hire of money can be regulated by law? and to that I think, generally speaking, one may say, it is manifest it cannot; for since it is impossible to make a law that shall hinder a man from giving his money or estate to whom he pleases, it will be impossible by any contrivance of law, to hinder men, skilled in the power they have over their own goods, from conveying them to whomsoever they please, or from purchasing money at what rate soever their occasions shall make it necessary for them to have it." In reply, it might be enough to say, that the conclusion here arrived at, is entirely without foundation, since the assumption, that it is impossible to make a law that shall hinder a man from giving his money or estate to whom he pleases, is not, for one instant, to be allowed; for our own law does actually prevent particular persons from getting rid of their estates in any way; and prohibits all from making effectual grants to certain descriptions of men. The real statement of the case is this:—It is due to humanity to say, that when the legislature has forbidden the taking of a certain interest, the great mass of the people will abstain from it, as they will not violate any part of those

laws under whose protection they live. Of the few who will be still inclined to follow a practice, which the state has declared pernicious and illegal, the greater part will be deterred by the fear of punishment and ignominy. The business of breaking the law will therefore be thrown into a very few hands; and it need not excite our surprise, that those should find it extremely gainful. To argue from the rate of their demands, that the regulation of the law "instead of preventing, increases the evil of usury," is no better reasoning than it would be to assert a prevalence of the crime of murder, as proved by the enormous charge of the bravo. It seems a mere usurpation of one of the strongest proofs of the converse of that proposition they would establish. The belief of some in the inefficacy of these laws would appear to partake largely of the nature of a wish. For what can have a greater tendency to defeat these, or any other laws, than that which weakens their best, their only true foundation, the respect of the people for the established constitutions of the country? And what can be more powerful to subvert this feeling, than such language as the following, applied by a professor of the law, to a branch of our code: \* "Should the effect of this page be to suggest an expedient, and that a safe and commodious one, for evading the laws against

\* Mr. Bentham's Defence of Usury.

usury, to some, to whom such an expedient might not otherwise have occurred, it will not lie very heavy upon my conscience. The prayers of usurers, whatever efficacy they may have in lightning the burthen, I hope I may lay some claim to."

To conclude:—If all or any of the foregoing opinions have been founded in error, the simple undisguised manner in which they have been set forth, will allow of their instant refutation. When objections that are either popular, or though new, are yet in any degree plausible, have been removed, the legislature proceeds on firmer ground. My Lord Bacon says, "The proceeding upon somewhat conceived in writing doth for the most part facilitate dispatch: for though it should be wholly rejected, yet that negative is more pregnant of direction than are indefinite, as ashes are more generative than dust." At any rate it is easier and safer to crush the noxious weeds of ill-founded opposition before new laws are planted, than it may be after they have taken root.

In this view of the case, therefore, I shall never regret the trouble which, for however contrary a purpose designed, may have had the effect of holding up the mirror to all those who unjustly entertain a general undefined opinion against usury; enabling them to eradicate so deformed a prejudice.

If, through the ardour of my zeal, which has driven me to collect a variety of matters in charge against money-lending, and attack propositions and impugn authorities before considered incontrovertible, I have but opened new sources of doubt upon this subject, I shall still be satisfied.

But if my foregoing opinions, or the greater part of them, be well founded, then I may think myself justified in the respectful but confident hope, that our wise legislature will pause before they release the money-lender from all legal restraints. I humbly exhort them against a step, which they will never have the power to retrace. Let them not be deceived into adding their sanction to more treachery and deceit, than false credit can even now practice. Let them not enhance the misery consequent upon failures, by making them more general, more sudden, and more complete. Let them not encourage a further infringement of civil liberty, and those rights that Englishmen prize most dearly! Let them not afford still greater means to foreigners, for draining away the prosperity of the most industrious, and spirited people in the world. Let them not increase, and perpetuate the necessity of the bankrupt and insolvent laws; those practical libels on the wisdom or honesty of the nation. Let them not extend the separation between the rich and the poor, destroying unanimity, that strongest bond of all communities, and adding to the fear

and insecurity of the one class what it takes from the happiness of the other! Let them no further spoil the hands of justice of her best, most natural, and most humane chastisement, the confiscation of property gained by unjust means! I reverently conjure the legislature, not to enact a law, which shall add to the already too great fluctuation in the value of property! A law which shall absolutely prevent every parent, whatever his rank, his deserts, or his industry may have been, from leaving his children better than beggars or exiles in the world! I humbly exhort the state against a measure which shall perhaps turn the thoughts and industry of all the ambitious spirits of the realm into one great road to certain and boundless wealth, at the expence of the acquirement of mean and debased principles, and of a total neglect of moral and intellectual cultivation; which shall make the heathenish jargon of the Stock Exchange, the only language of the rich and powerful; which shall introduce every where a contrast between upstart tinsel splendour and abject misery; which shall depress the most honorable arts and sciences! I supplicate the legislature not to aggravate that deep, though artificial distress into which the country is too often plunged, especially in the manufacturing districts, where the ebbings and flowings of the usurers' money are more particularly felt! I entreat them to consider well, lest their new law be followed by a

more frequent recurrence of those most terrible of all events, when the British soldier is roused from his midnight repose, not to repel foreign and natural foes, but to charge, in the bosom of our country, at our very doors, his brethren and his friends; not to chastise a violent impatience of any scourge of heaven, but at a time when health and plenty are smiling throughout the land; not to repress the occasional ebullitions of vice and indolence, or bring down upon wild ambition that woe she so well deserves; but to engage in fearful strife with him who was the industrious citizen, the virtuous parent, and who never thought that his useful hands should ever be employed in wielding rebellious arms, until he found his employment fail; his skill, the dear purchase of many a laborious year, perhaps the pursuit of his earliest youth, the foundation on which he reasonably hoped to raise his happiness and independence, set at nought; and instead of his decent and comfortable maintenance, the scanty and dishonorable pittance of legal charity, or the sordid wages of some base employment offered him; until, in short, he saw, or fancied that he saw, that the legislature, with all her enactments, had forgotten, or, for the money-lender's advantage, had despised the interests of her most virtuous and useful subjects.

At least I am perfectly satisfied, that, before any new law for the further encouragement

of money-lending shall be enacted, it will be duly considered; how mighty an alteration will be thereby made in our legal code. It is not the correction of any abuse, or the extended application of any of those maxims on which our laws rest, that is demanded; but an utter and scornful rejection of a principle, which has formed an important part of the British constitution, from the days of its foundation till now. I know that the glory of kingdoms, as well as all other sublunary things, must at length decline and pass away,

“Sic omnia fatis

In pejus ruere, ac retro sublapsa referri.”

and can therefore believe that the downward stride of this pernicious measure may possibly, in the course of time, be taken. Yet, though it should move *on slow* still, I can never bend my mind to the fear, that our generation is doomed to witness its ruinous accomplishment.

THE END.