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SUBSTANCE  
OF  
TWO SPEECHES,  
MADE BY  
THE RIGHT HON. N. VANSITTART,  
ON THE  
Bullion Question.

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SUBSTANCE  
 OF  
**TWO SPEECHES,**  
 MADE BY  
**THE RIGHT HON. N. VANSITTART,**  
*On the 7th and 13th of May, 1811,*  
 IN THE  
 COMMITTEE OF THE WHOLE HOUSE OF COMMONS,  
 TO WHICH THE REPORT OF THE BULLION COMMITTEE WAS  
 REFERRED.  
 WITH  
**AN APPENDIX,**  
 CONTAINING  
 The RESOLUTIONS moved by FRANCIS HORNER, Esq. and  
 the Right Hon. N. VANSITTART;  
 The AMENDMENTS moved by F. HORNER, Esq.  
 AND  
 Various ACCOUNTS referred to in the SPEECHES.

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TO THE  
 HOUSE OF REPRESENTATIVES  
 IN SENATE CHAMBERS  
 ON WEDNESDAY, MAY 7, 1811,  
 BEFORE THE HOUSE OF REPRESENTATIVES,  
 AT THE CITY OF NEW-YORK.  
 BY  
 JOHN C. CALVERT,  
 CLERK OF THE HOUSE OF REPRESENTATIVES.  
 PRINTED AND SOLD BY  
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 AT THE CITY OF NEW-YORK.  
 1811.

**S P E E C H,**

MAY 7, 1811,

ON THE

RESOLUTIONS MOVED BY F. HORNER, ESQ.\*

MR. LUSHINGTON,

**N**OTWITHSTANDING the evident fatigue of the House, in which I fully shared, when I addressed you at a late hour last night, it was not without some reluctance that I could forego the earliest possible opportunity of expressing my astonishment at the extraordinary manner in which this important discussion has been brought forward.

It was, indeed, with no less surprise than regret, that I first found that the Bullion Committee, composed of men so sagacious, so well informed, so conversant in business, so respectable in every point of view, had formed conclusions so different from those which the evidence before them, as well as the public and well-known state of things, would have pointed out to me. I was again sur-

\* See Appendix, No. I.

prised to find that my Learned and Honourable Friend, the Chairman of that Committee (Mr. Horner), should, after an interval of reflection, of near a twelvemonth, during which time, an active and intelligent controversy had been constantly carried on, respecting their Report, still feel his confidence so undiminished, as to propose to make it, without further inquiry, the ground of a legislative proceeding of the utmost importance. But above all, was I astonished last night, to find that the Learned Chairman, after recommending to the House, in a speech of unusual eloquence and ability, to adopt and record upon its Journals, all the principles and reasonings of the Bullion Committee, should propose to stop short there, and to postpone the only practical conclusion to which those principles and reasonings were designed to lead. The last Resolution is the substantial practical recommendation of the Bullion Committee. The other Resolutions are only explanatory and introductory, and might, if they were well founded in fact and law, be admitted, and placed on the Journals, with perfect innocence, but perfect uselessness. The Learned Chairman, however, wishes to establish his premises, but he hesitates about his own conclusion. He asserts the existence of an enormous evil, for which he says, we have a safe and certain remedy in our

hands; yet he desires us to recognise the existence of the evil, but to postpone the remedy.

I can only see one method of accounting for such conduct, consistently with the known talents and character of the Committee; namely, that they are not serious in the Propositions they have brought forward; that they either suspect some latent fallacy in their own doctrines, or think them inapplicable to practical purposes. While they feel desirous of saving the credit of the theory, they shrink from the hazard of its application; and we now see those gentlemen trembling on the brink of the precipice to which they have led the nation, under the delusive hope of safety, and afraid either to advance or to recede.

But this suspicion, that the Committee are already fearful of the practical effects of their own doctrines, is strongly indeed confirmed by two other circumstances observable in their late conduct.

The first of these is, that the Learned Gentleman has not thought proper to introduce his motion for a repeal of the Bank Restriction Bill, by a previous motion for a repeal of the laws which prohibit the melting and exportation of our current coin. It is, indeed, very remarkable, that the Committee have in the Report shown great caution and reserve on this subject. They have not, usually, been so *diffident*,

but on this point they rather hint at, than express, an opinion\*. They call it a law of *ancient, but doubtful policy; of questionable policy*; but they do not recommend its repeal, nor has the Learned Gentleman proposed it.

Yet it is undeniably certain, that if that law can be effectually enforced, the repeal of the Bank Restriction must, upon all the principles laid down by the Committee, aggravate the very evil for which they propose it as a remedy. For it is evidently impossible for the Bank to resume its payments in cash, without the importation of a considerable supply of bullion for the purpose of coinage. This importation must depress the exchange to at least as great an extent as the purchase of any other article to an equal amount, and we should thus, at a great national loss, only make our condition so much worse. For the purposes of exchange it is perfectly indifferent whether the circulation of the country consists of paper, or of coin which cannot be exported.

The only mode in which a metallic currency can have a favourable effect on the exchange, is by its exportation. In that manner it will undoubtedly operate to the same extent as an equal quantity of bullion. And, therefore, an abundant currency of coin, by furnishing a sup-

\* See Bullion Report, page 6.

ply for exportation, will produce an effect. But if the exportation is prevented, no effect can be produced. To foreigners it is indifferent whether our internal payments are made in gold, or by any other contrivance.

Do the Committee then mean that the law will be ineffectual, and that a real though clandestine exportation of coin will take place? I will not do the Committee—I will not do the Learned Gentleman the injustice of suspecting they can mean to countenance a system which gives the *illegal* a decided advantage over the *fair* dealer, which habituates and hardens the trader in the evasion and breach of the law; nay, which is carried on by direct fraud and perjury.

To repeal the law, would, on the contrary, lay a fair foundation for *their system*; and that they have not proposed to do so, affords to my mind a strong presumption, that they feel a latent doubt of its soundness or of its tendency.

Another circumstance not less remarkable, is the conduct of those gentlemen with respect to a measure which lately received the sanction of the Legislature, and which is now carried into execution (so far as I can learn), with the happiest effects—I mean the Act for the relief of trade by an Issue of Exchequer-bills.

The Learned Mover of the present question was indeed absent during the progress of that

Bill; but most of the other members of the Committee were present, and several of them took a considerable share in the discussions upon it.

Yet not one of those Gentlemen opposed that Bill, on account of its direct opposition to the principles laid down in their Report; or indeed voted against it on any occasion. The great evil complained of in the Report, is a supposed excess of the paper currency of the Bank. Now what were the object and the effect of that measure? Its *object* was to afford relief to the embarrassments of the merchants and manufacturers, by an issue of paper; and its *effect* may be, to increase our paper currency in a few weeks, more than the Bank has ever done in the course of several years.

Will it be said that these Exchequer-bills are not a *paper currency*, when they are issued for sums so small as twenty pounds, for the express purpose of being passed in ordinary payments; and when it is obvious that the whole effect and utility of the measure, depend on their being rapidly thrown into circulation, either directly in the way of payment, or indirectly by means of sale or pledge to the Bank, or other issuers of circulating paper? Or will it be said that the Committee were taken by surprise, and not aware of the nature and tendency of the measure, when it appears from their Report,

that they had the subject distinctly under consideration, with reference to the former Act of 1793, and have reported a clear, and, as it seems to me, an accurate opinion upon it?

What says the Bullion Report itself? Adverting to the circumstances of 1793, it contains the following passage:—"In the year 1793, a distress was occasioned by a failure of confidence in the country circulation, and a consequent pressure upon that of London. The Bank of England did not think it advisable to enlarge their issues to meet this increased demand; and their notes previously issued, circulating less freely in consequence of the alarm that prevailed, proved insufficient for the necessary payments. In this crisis, Parliament applied a remedy very similar in its effect to an enlargement of the advances and issues of the Bank. A loan of Exchequer-bills was authorized to be made to as many mercantile persons, giving good security, as should apply for them; and the confidence which this measure diffused, as well as the increased means which it afforded, of obtaining Bank-notes through the sale of the Exchequer-bills, speedily relieved the distress both of London and the country. Without offering an opinion on the expediency of the particular mode in which this operation was effected, your Committee think it an important illustration of the principle, that an enlarged

“accommodation is the true remedy for that occasional failure of confidence in the country districts, to which our system of paper credit is unavoidably exposed.”

How then could those Gentlemen, feeling and expressing as they did, in common with others, the obvious objections which presented themselves against the late creation of Exchequer-bills, and knowing likewise that it was utterly subversive of the doctrines of their Report, yet concur in voting for the Bill, but that they entertained so much doubt of the expediency of carrying their own theories into practice, as to give way to a measure, which the public opinion seemed to call for, as required by the extraordinary circumstances of our present situation?

I applaud this instance of their caution and moderation, and it leads me to hope, that though they have thought it necessary, for whatever reasons, to propose the present most extraordinary proceeding, they will not feel any disappointment if they find the sense of the majority against them.

My Learned Friend has accused me of having drawn the Propositions, which it is my intention to submit to the consideration of the House, in case they shall concur with me in rejecting his proposed Resolutions, in such a manner, as to give no clear view of the prin-

ciples for which I mean to contend. In the first place, it is not my object to pledge Parliament to the recognition of abstract principles, but to record facts. I believe the British Parliament to be the most intelligent and enlightened body of men in the world, and it is so happily composed, that no subject either of science or of practice can be introduced, which will not meet with many adequate judges. But I by no means think that it is in any large assembly, even so composed, that abstract principles are best discussed and decided.

In the next place, it is not so much to the principles of my Learned Friend's Resolutions, that I object, as to the application of them; I perfectly agree in principles which he has applied to facts, to which, in my opinion, they can have no reference, or which I think wholly unfounded; and this will be evident to any Gentleman who will compare his Resolutions with mine\*.

I agree with him, for instance, when he says, that he is desirous of reverting to the state in which our currency was, previously to 1797; and though I do not allow that my sixteenth Proposition goes the length of admitting, that cash payments are the *only* security against excess of circulation, I agree that it strongly expresses an opinion, which I strongly feel, that

\* See Appendix, No. I. and II.

a circulation of cash, and of paper convertible at pleasure into cash, is the most secure and advantageous to the public interests. But we differ about the means of returning to this state. He is for attempting it positively and absolutely, without regard to consequences, or even to practicability: I am for waiting till a violent and unnatural state of things shall have ceased, during the continuance of which, our object cannot be obtained, and the attempt would only aggravate the evil.

Another point on which we agree, is, that it is *most important to preserve the assistance derived from the Bank.* But how does he propose to preserve it? By reducing the Bank to a situation of distress and ruin, by cramping its operations, and making it a burden, instead of a support, to the public.

I will not now dwell on a point to which I must hereafter revert, but proceed to one on which the Learned Gentleman has reasoned largely, and with the greatest confidence, which has been most strongly relied upon by those, who, in this long controversy, have reasoned on the same side of the question, and to which no fewer than the first seven of the proposed Resolutions seem exclusively directed. I refer to the standard of value. We are told that our standard is changed or lost, and triumphantly asked, where we shall now find it? One should suppose the

standard was something visible and tangible, which had been accidentally mislaid, and that we ought to offer a reward for bringing it back again. But I affirm, that a standard in the sense used by these Gentlemen, namely, a fixed and invariable weight of the precious metals, as a measure of value, never existed in this country. In order to afford some ground for the argument, the Learned Gentleman is obliged, in his very first Proposition, to affirm, in direct contradiction to the fact, that the "*weight at which any such money is authorized to pass current, is fixed.*" Now I would ask, at what fixed weight silver money is authorized to pass current? For any sum not exceeding twenty-five pounds, it is a legal tender at whatever weight; and certainly of payments made in actual cash, at least nine hundred and ninety-nine in a thousand, are for sums under that value, and were so before the Bank Restriction; and can *that* be denied to be a true standard of value, which is the actual measure of payment in a vast majority of transactions?

The degree in which our silver coin is reduced in weight is familiar to every one; and a paper lately laid before the House shows the great inequality of that reduction in different coins. But they all continue to be equally a legal tender. A note for five pounds may be paid, either in silver new from the Mint, and weighing, ac-



ording to the average weight stated in that paper,

	lb.	oz.	dwt.	gr.
	1	7	7	2; or in
20 crowns, weighing	1	6	14	7; or in
40 half-crowns, weighing	1	5	8	2; or in
100 shillings, weighing	1	2	13	9; or in
200 sixpences, weighing	1	1	3	3.

The sum of twenty-five pounds may be legally discharged in sixpences, weighing five pounds, five ounces, and fifteen pennyweights; but to pay twenty-five pounds and sixpence would require no less than eight pounds and fifteen pennyweights of the same coin.

Now I would ask my Learned Friend, which of those different weights of silver, all of which would be equally a legal tender, is the true standard?

But in 1797, when my Learned Friend admits the true standard to have existed, the case was still stronger. The Act of 1774, by which the legal tender of silver money was limited to twenty-five pounds, a limitation then first introduced, had expired in 1783, and was not revived till 1793. Therefore, at the very time when our standard is supposed to have been most perfect, silver money, of whatever weight, might be tendered to *any* amount. The whole interest of the national debt might have been paid in crooked sixpences, if the Directors of

the Bank had thought fit. It is said, that, in 1745, they actually had recourse to such an expedient for a temporary purpose, and it was perfectly legal for them to do so.

It is therefore evident, that, so far as relates to silver money, the first of my Learned Friend's Propositions is wholly unfounded, and that with it the six next, and indeed all the remainder, must fall to the ground. And as the silver coin was, till within modern times, the only legal tender in payments (Mr. Locke even contending that no other substance was fit to be made the standard of value); and as it is still as much a standard in law, and more so in practice, than the gold coin, I might be contented to rest my argument here; but I shall say something respecting the gold coin.

In the first place, no limitation of the current weight of gold coin existed down to the year 1774; and, therefore, all my reasoning with respect to the silver coin applies with equal force to the gold coin down to that time; and this *ancient, established, invariable* standard so much talked of, had no existence till within the period of His present Majesty's reign. But what was then made the standard? Was it five pennyweights nine grains and a half (the Mint weight of a new guinea); for one pound and one shilling; or five pennyweights eight grains, the current weight? The difference is not great;

but it destroys the principle of a fixed standard as much as if it were. A fixed standard must be something accurately defined, certain, and invariable; and such a standard the metallic currency of this country has never been.

I am not inquiring whether on general principles of policy we ought not to seek to establish such a standard, but I am contending that the Learned Chairman's Resolutions are false in fact, and his complaints groundless; for we cannot have lost what we never possessed.

This discussion is not only important in itself, as overturning the basis of the Learned Chairman's proposed Resolutions, but it is closely connected with the leading doctrine of the Bullion Report, that of the depreciation of Bank-notes. He says that my Propositions are an evasion of the question, and that I ought distinctly either to admit or deny the *fact, that Bank-notes have lost their standard value.* Now, I do not conceive myself bound either to admit or to deny, that Bank-notes have lost a value which they never possessed, and which the legal coin of the country never possessed, namely, a value estimated by a fixed weight of gold or silver bullion. They never had any other than a *current* value founded on the public confidence in the Bank, and this value I firmly believe, and have distinctly stated in my third Proposition, that they possess as much as ever,

Even in current *coins*, as I have shown, in the instance of the silver coins, the current value is by no means regulated by the intrinsic or metallic value, and this applies as much to the purchase of bullion as to any other transactions. And I contend that, for all legal and authorized transactions within the kingdom, even such purchases of bullion, Bank-notes are considered and accepted as equivalent to legal coin. My Learned Friend, indeed, denies them to be equivalent to coin in public estimation. Now, I should like to know in how many cases he has himself found them not equally available for all the purposes to which coin would have been applied?

But before I proceed in this discussion, I should be glad to put a question to an Honourable Gentleman opposite (Mr. Huskisson), a leading member of the Bullion Committee, who has written with great ability on this subject, and which, though a little irregular, he will, perhaps, have the goodness to answer, as it may save much time, viz. in what sense the term Depreciation, as used by the Committee, is to be understood? For it appears to me, that, in this controversy, the word *depreciation* is used by those who assert its existence, in different and even incompatible senses.

They sometimes appear to mean that Bank-notes have lost a part of their current value as

compared with the legal coin which they represent; and this is the obvious and popular meaning of the word, and the only one which is intelligible to the greater part of mankind. But sometimes the meaning seems to be, that Bank-notes, although passing current at an equal rate with the legal coin, have lost a part of their value as compared with all articles of purchase. I hope the Honourable Gentleman will answer, that the word is to be understood in the latter sense, because he has told the public, "*that the value of the gold contained in a guinea, in its state of coin, and when used as currency, is only one twentieth more than that of a pound note* \*;" and if so, I shall not only think it less necessary to enter into a length of discussion, but, which is of much more consequence, I shall consider it as a very important point decided in favour of the public credit of the country.

If the Honourable Gentleman cannot be induced at present to give an answer to my question, I must trouble the Committee by arguing the case both ways. It cannot, indeed, be expected that I should bring direct proof of the negative. It is for the Committee to prove the depreciation of our currency, in whichever way they choose it to be understood; and if they mean it in the first and obvious sense, namely,

\* Question stated, p. 99.

that Bank-notes are become of less value than legal money in ordinary transactions, it seems particularly reasonable to hold them to strict proof of the fact, because it is not only most important and alarming, but because, in the first instance, it strikes me as contrary to every day's experience, and it seems to be a fact which, from its nature, cannot be doubtful or concealed. When we are told that a Bank-note of one pound is only worth *seventeen* shillings, it seems obvious to answer, that no man has ever hesitated to give us *twenty* shillings for it, either in money or in goods. Yet the only proofs of this important fact attempted by the Committee, rest on intricate and abstruse reasoning, and are entirely drawn from circumstances attending the exchange.

They produce a calculation to show, that the fall of the exchange has considerably exceeded the expense and risk of sending gold bullion to Hamburgh; and they also show, by a calculation of the prices of bullion here and abroad, that there is a similar difference between the actual rate of exchange, and the comparative prices at which gold bullion could be sold in the one country, and bought in the other; and this coincidence they state as a *demonstration* of the depreciation of our currency.

It seems unnecessary, for our present purpose, to detain the House with any criticisms on the

calculations themselves, or even to enter into the abstract reasoning on which the supposed demonstration is founded; for one thing is indisputably clear, viz. that Bank-notes could not be depreciated while they were convertible at any time into their nominal amount in cash; and therefore that whatever circumstances attended the course of exchange, while they were so convertible, they could not be occasioned by the depreciation of Bank-notes. And it evidently follows, that if the same circumstances which occur at present can be shown to have taken place while the Bank continued to pay in cash, their existence now is so far from a *demonstration*, that it does not even afford any *presumption*, of such a depreciation. Among many instances, I shall only cite two or three, and leave it to the cool consideration of the Bullion Committee to reconcile them to their theories as they can. And I am the less inclined to take up the time of the House with any detail on this subject, as my Right Honourable Friend the Treasurer of the Navy has entered into it so fully, and as it seems unnecessary to multiply examples of a circumstance which occurs so frequently, as that of a rate of exchange, much exceeding the expense and risk of the transportation of gold from one country to another\*.

In January 1760, for instance, the exchange between London and Hamburgh was near eight

\* See Appendix, No. IV.

per cent. in favour of London. The expense and risk of importing gold from Hamburgh to England, could not at that time have much exceeded three per cent.; so that, according to the principles laid down by the Committee, this fact amounted not to a *presumption*—not to a *ground of inference* only—but to a *demonstration*, that the currency of Hamburgh was depreciated. Yet it is well known, that no paper currency was then, or has ever been issued by the Bank of Hamburgh; and it is as little possible that the effect can have been produced by any debasement of the metallic currency of Hamburgh, because all bills of exchange are paid there in *Bank money*, which represents a deposit of fine silver by *weight*.

The very same year, however, the exchange varied so much, that in November it was six per cent. against England. This therefore was, according to the arguments of the Committee, a *demonstration* of a depreciated currency in England. Yet there was at that time and long afterwards, no paper currency in England, but what was immediately convertible into cash at the will of the holder.

One later instance, however, deserves particular notice, from the peculiarity of the time when it happened, which was that of the restriction of cash payments at the Bank. This, as most of us must remember, at first produced a great

alarm, and was considered as a formidable crisis of public and private credit. Among other effects, a great fall of the exchange was confidently, and, I will allow, not unreasonably expected from it. Yet, after the first intelligence, the exchange continued gradually to rise; and within a few months, in November 1797, became more favourable than it has ever been known; being above thirteen per cent. in favour of England; and this at a time when the expense and risk of sending gold from Hamburgh to England amounted to about three and a half per cent. only, and when the circulation of England was principally carried on in a paper currency, which might have been supposed to have suffered some diminution of its credit, by the novel and extraordinary circumstance of its being no longer convertible at pleasure into cash, and when there was at Hamburgh no paper currency whatever.

So far as the supposed demonstration rests upon calculations respecting the price of gold bullion, I will venture to say, that its variations have been too irregular to afford any certain ground of reasoning whatever.

In England, for instance, it has usually happened, that when the exchange became unfavourable, the price of gold rose; and when the exchange has been favourable, that it has fallen (though by no means in any certain and assign-

able proportion); and this is intelligible, and consistent with theory.

But in Hamburgh the very reverse has been the case:—the price of gold continued to rise from January to September 1809, though the exchange was growing more favourable the whole time; it then fell, without any material variation of the exchange, and continued at the lower rate when the exchange became less favourable.

But what is more remarkable, the price of gold at all the places respecting which the Committee seem to have made any inquiry, at Hamburgh, Amsterdam, and Paris, has considerably exceeded the par price. At Amsterdam, it has been no less than seventeen and a half per cent. above par, which exceeded the highest price in London\*. Now, if the high price in London be a proof of the depreciation of our paper currency, the high price at all those places must be equally a proof of the depreciation of their paper. But at no one of those places does any paper currency exist, excepting the notes of the Bank of France, which are inconsiderable in their amount, and payable in cash.

Instances are also mentioned in the Report itself, in which gold has been sold in England, previously to the restriction of the Bank payments, at eight, ten, and even twelve per cent.

\* See Mr. Rutherford's Hints from Holland.

above the Mint price †. In these cases, as well as in the foreign cases I have mentioned, and in many others which might be referred to, the effect could not arise from the depreciation of paper currency. It must have had some other cause; and why should not the same effect be now ascribed to the same cause, whatever it may have been, which produced it in these different instances?

The Committee are unwilling to admit the fact of a general scarcity of gold. I can only say, that the rise of prices in countries in which the exchange is favourable, as well as where it is unfavourable, seems to afford a presumption either of scarcity, or of a generally increasing demand. But I do not affirm the fact, I am not assigning a cause for the high price of gold. It is for the Committee to prove, that it can have no other cause than that which they assign, and in this proof they have completely failed.

I have already observed, that the burden of proof ought to rest on those who assert the depreciation of Bank-notes. We who deny it, need only appeal to common observation and opinion. And it is difficult to have stronger evidence of the general opinion, than the Appendix to the Report contains. One gentleman only, of whom (as he is not named) we know nothing more, than that he resides abroad, and

† See Bullion Report, page 4.

therefore has not had the means of forming his judgment on the spot, states an opinion, that, "as he valued every thing by bullion (a mode of valuation wholly different from that which we are now discussing), he conceived the paper currency of this country to be depreciated to the full extent of fifteen to twenty per cent.;" but that "he never heard the solidity of the Bank of England doubted either at home or abroad;" while every one of the other witnesses (some of the most considerable bankers and merchants in England) states most positively, that Bank-notes are *not* depreciated. I do not refer to these testimonies as decisive of the fact, but as proof of a concurrence of opinion among persons extensively engaged in business. But I think we have something like *direct proof* to offer, in contradiction of the fact of depreciation, and that of a very simple and very decisive nature.

It is well known, that, as the law now stands, Bank-notes are not a *legal tender*. A person offering them in payment, is indeed protected from arrest upon mesne process; but the creditor may refuse to accept them, and proceed to judgment and execution, either against his person or effects, until payment is obtained in lawful money. Now in nearly fourteen years that this law has subsisted, I know of no instance of such a proceeding. It may be said, that in small payments the expense and inconvenience

of a law-suit would have exceeded the advantage. But this cannot be said of large sums—large mortgages, for instance.

A hint seems to be given me by a Learned Friend (Mr. Morris), that some such instances will be produced. They have certainly escaped my inquiries, and, I think, must be few and obscure. But I should not allow any such instance to prove the depreciation of Bank-notes, without fully considering its circumstances. It may have taken place in transactions notoriously illegal, or connected with the clandestine exportation of coin; it may have been the result of malice and vexation; or it may have originated in mere caprice, perhaps in a wager or some such motive.

Such a proceeding might indeed be considered as severe and oppressive. But is there no such thing as a rigorous creditor to be found? Are men universally, and without exception, so scrupulous in enforcing their legal rights to the utmost? But I will suppose they have been restrained by the fear of censure and of loss of reputation; and I desire no better argument; for in a matter, which, after all, is completely a question of *opinion*, to show that the general *opinion* and *feeling* of mankind is with us, is to gain the cause. Bank-notes, then, are established as equivalent to cash, not by law, but by the general concurrence and agreement of the nation; while in other countries, the law has fre-

quently attempted to fix a value upon paper currency, which opinion and practice refused to it.

Accordingly, it is not even asserted, that any difference is made between cash and Bank-notes, in any bargain or transaction whatever. I know of no illegality in such a bargain. A tradesman may lawfully say, "The price of such an article is six pounds, but I will take five guineas in gold; the price of such another is one pound, but I will take seventeen shillings in silver;" yet no instance of such a practice has been produced.

A few instances of this sort of dealing, would indeed be of no great importance. A small premium has long been given by bankers and others to collect silver coin, for their small payments, even in the present degraded state of silver money; yet it was never considered as a proof of the depreciation of guineas; and similar motives of convenience might lead persons to collect cash for a particular purpose, without any idea of its being generally of superior value to Bank-notes.

But if no such practice has in fact been introduced, it is impossible to have a stronger practical proof that Bank-notes are not in a state of depreciation.

On this subject we find a curious inconsistency in the reasonings of those who maintain

the depreciation of our currency. We are told at one time, that Bank-notes have really lost their value in the public opinion, and that if they still pass current at their nominal value (which no one has been bold enough to deny, though it is a fact destructive of their arguments), it is only owing to the force of law, and the fear of prosecutions. Yet we are told by the same persons, that it is utterly impossible to support, by the force of law, a paper currency which has lost its value in the public opinion, and that any attempt to enforce its currency, would be more likely to hasten than to retard its depreciation.

In this latter opinion I am much inclined to coincide. Such at least has been the result of experience in those countries, the paper currencies of which have by the Bullion Committee been so strangely compared with that of the Bank of England.

These are the American paper money, the French assignats, and the Austrian government paper. Abundance of other instances, just equally applicable, might be adduced, for they want almost every circumstance of similarity. The profusion with which, in those cases, the currency was multiplied, would alone take away any ground of fair comparison. The American paper began with an issue of 3,000,000 of dollars in July 1775;

one year they were increased to 20,000,000; yet they still circulated without any considerable depreciation. In December 1777, they were multiplied to 70,000,000; and were then fallen to half their nominal value. Yet the issue still went on, and in October 1779 there were 200,000,000, passing at ninety per cent. loss; and in the next year the issue ceased, as they were no longer accepted at any value whatever.

The progress of the assignats was similar. In April 1790, the first issue took place to the amount of 400 millions of French money. In September 1791, they had been multiplied to near 1500 millions; and in fifteen months more to 2300 millions; and the issue continued with increasing rapidity, till they were totally discredited.

Of the amount of the Austrian paper money I cannot speak with any precision; but from some late proceedings of the government it may be inferred to be not inferior to *any of the sums* I have mentioned.

Now if the notes of the Bank of England had been multiplied in the same manner, I cannot doubt they would have shared the same fate; but when I see that they have in fourteen years increased only about twelve millions (of which only three millions and a half are in notes exceeding £2 value), and can distinctly trace the causes of every step of that increase, I cannot forbear asking



the Gentlemen of the Committee, whether it was just, or wise, or beneficial, to make such an invidious comparison?

The amount, though a *striking*, is, however, by no means the *only* circumstance of distinction. The paper money alluded to, was in every instance a new paper, issued by a government already involved in debt and discredit, and struggling for an immediate resource—the notes of the Bank have for a century been established in full credit as issued by a corporation of the highest reputation for wealth and punctuality, and known not to be debtor, but creditor, to an immense amount, both to government and to individuals.

The paper of those countries was issued, not with any view to profit, but to supply the exigencies of war, and measured in its amount, not by any views of commercial advantage or public convenience, but by the necessities of bankrupt governments. The Bank never issues its paper but for value received, and for a certain profit, and regulates the amount of it by the demands of public accommodation.—*Their* paper was forced upon the people by the authority of government, though notoriously passing at a discount in transactions of all kinds—the notes of the Bank are no legal tender, but pass freely, and have not been discredited in any instance.

It is unnecessary to dwell further upon this

comparison, but I must shortly touch upon a case which arose near home.

I have been alluded to as a member of a Committee, which, in the year 1804, examined the state of the exchange with Ireland, and which was of opinion that the notes of the Bank of Ireland were in some degree depreciated at that time. I certainly was a member of that Committee, and concurred in their opinion; but the circumstances proved before us were too different from the present to afford any fair ground of argument from analogy in this discussion.

It appeared not only that the current coin was publicly sold at a premium, but that an established difference of price existed between payments in coin and in Irish paper, while the paper of the Bank of England produced the same premium as guineas. But if, from those circumstances, I infer that the Irish paper was depreciated, I think it doubtful whether that depreciation was owing to any excess of issue, although it appeared that the paper, both of the Bank of Ireland and of private banks, had been rapidly increased, and that an immense number of notes for very small sums, called silver notes, had been introduced into circulation. I rather believe that, from the apprehensions naturally remaining in consequence of the rebellion in 1798, and from some recent circumstances of alarm, a degree of suspicion and discredit at-

tached itself to all paper issued in Ireland, and had extended itself from the notes of the private banks to those of the Bank of Ireland itself. But from whatever cause the state of the Irish currency at that time might arise, no inference with respect to the notes of the Bank of England can be fairly drawn from it, unless the circumstances of the case were similar.

I cannot leave this first and most important part of the case, without reminding the Committee that I am not bound to prove a negative—that the Committee have undertaken to prove the fact (a most alarming fact, if it be true) of the depreciation of our currency, and that they have produced no proof but what is, in the highest degree, vague, inconclusive, and fallacious.

It is of the utmost importance in this discussion to keep the consideration of the two kinds of depreciation completely distinct, and it is by confounding them that the Bullion Committee appear to me to have puzzled their readers, and (if I may be excused for saying so) to have sometimes puzzled themselves. I shall, therefore, take the liberty of distinguishing them, by calling the one a depreciation from *discredit*, the other, a depreciation from *excess*. A depreciation from *discredit* can only take place in paper or other representative currency, and not in that which has an intrinsic value, and it would undoubtedly have the consequences attributed to

it, by the Committee, of producing an unfavourable exchange, and raising the price of bullion. It would also have other most injurious effects, for it has scarcely ever happened without leading to national bankruptcy; and I am not afraid of pronouncing that terrible word, because our situation is completely different from that of any country in which such a calamity has ever taken place.

But a depreciation from excess may equally take place in metallic currency; and though, when it arises from an increase of paper currency, it is always dangerous, because it has a constant tendency to produce discredit, yet, so long as it only shows itself in a general rise of prices, its effects will be of a totally different nature. Experience indeed has shown, that great variations may exist in the amount of circulating currency without producing that immediate effect upon prices, which the Committee represent as invariably and necessarily following even small and local changes.

In this age of Revolutions, in which the most tremendous experiments have been made on the structure of society and the happiness of man, great experiments have, among the rest, been tried upon currency. When the French Revolution broke out, the circulation of that country was almost wholly metallic, and abundant in amount. A paper-money was then introduced, and rapidly

augmented. But the price of commodities by no means increased in proportion to that augmentation, nor indeed varied much, till that paper became discredited. In the confusion which ensued a considerable rise took place. After some years the paper, being totally discredited, disappeared, and metallic money again took its place—at first in scanty proportions, and afterwards in greater abundance. Yet the price of articles did not fall in proportion to the scarcity of currency, but continued, and still continues, much higher than before the revolution, when coin was much more plentiful.

Another instance took place in Prussia. In that country, previously to the French invasion, money was in considerable plenty, and yet prices were generally low. It has since been drained by the exactions of the French to such a degree, as to occasion general poverty, and a great scarcity of cash, yet the price of most articles is higher than formerly.

I certainly do not mention these cases with a view of contradicting the general proposition, that an increase of currency will occasion an increase of prices, but to show that it is capable of some modification, and is rather to be understood as applying to the general system of nations, connected with each other by commerce, than to a particular nation, and still less to particular districts in the same country.

Assuming, for the present, that within the two last years, in which the exchange has fallen so remarkably, the prices of all articles have risen proportionally in this country (a fact which I shall presently examine), I take upon myself to affirm, that such a circumstance not only would not have the effect ascribed to it of lowering the exchange, but would have an effect directly contrary. I affirm this not only on what appears to me a clear principle of reasoning, but on an authority to which I should have expected the Bullion Committee to pay some deference—that of the late Sir Francis Baring. And I am happy that this reference to his evidence affords me the opportunity of joining in that tribute of regret for his loss, and respect for his memory, which was paid by my Right Honourable Friend (Mr. Rose).

To Sir Francis Baring the following question was proposed in the Committee: — “Supposing the excess of the circulation of paper to be in a degree such as to increase the price of commodities, would that increase of price produce any effect upon the foreign exchange, until it arrived to a degree so as to check the exportation of merchandise?” Sir F. Baring replied: — “An excess of paper circulation will, no doubt, affect and raise the price of the whole of the productive labour and industry of the country. The proportion that is exported will

“participate to the extent of its value; and as the  
 “necessary consequence of high prices is a reduc-  
 “tion on the demand, it must operate decisively  
 “on the foreign exchanges, unless they are sup-  
 “ported, or the fall counteracted, by an export of  
 “bullion. But until the demand or exportation  
 “is checked, an increase of price will produce a  
 “beneficial effect on foreign exchanges.”

This opinion, independent of the weight it must derive from the sagacity and experience of a person so distinguished among commercial men, seems to rest on the most evident reason; for I think it easy to prove, that if our currency had in fact become of less value, this circumstance could not possibly have occasioned a fall of the exchange. If indeed, in consequence of a rise of prices, a diminished exportation should take place, the exchange might eventually, and after a time, be lowered; but till a diminution happened (the contrary of which the Committee assert), it is clear that the effect of a rise of prices must be to *raise*, not to *depress*, the exchange: because any given quantity of goods exported would represent a greater amount in value, and therefore have a great tendency to turn the balance of payments in our favour.

It may indeed be said that the foreign consumer will not consent to give more for British goods on account of any enhancement of their value at home, and that the British exporter will be obliged to supply him at the former prices;

but if this be the case, it is obvious that any change of prices; or, to express it otherwise, any alteration of the value of currency at home, can have no effect upon the foreign market, nor consequently alter the balance of payments, or affect the exchange. But this can only take place in cases in which the foreign consumer can raise or procure from other quarters similar articles; so little inferior to the British in quality and cheapness, as to make it more advantageous to him to substitute them, than to submit to the increased price demanded by the British merchant.

It appears then, that a diminution of the value of currency at home, *may* have the effect of *improving* the exchange, but cannot by possibility *depress* it; and therefore the whole of this part of the reasoning of the Committee is erroneous.

But though the Committee have chosen to assume the fact of a general and recent rise of prices, for the sake of drawing from it the inference of a depreciation of currency, they have neglected to bring any proof of the fact itself. They seem to have made no inquiry on the subject, and have stated the comparative prices of no one article except bullion. Now the price of bullion depends on causes peculiar to itself, and has no connexion with the general prices of other commodities.

It may be, indeed, at first sight, supposed, that when the price of every thing else rises, that of bullion will rise too; but this is not the case, and for very simple reasons.

The price of gold bullion in the market must depend, like that of other articles, on the comparison between the supply and the demand, either for use at home, or for foreign exportation; but the demand for both is of a peculiar kind. The demand for use at home is two-fold—either for manufacture, or for coinage. The quantity of gold used in manufacture is too small to have any sensible effect upon the price: and as at present the price of gold which can be sworn off for exportation, is higher than that of gold not exportable, it is clear that whatever quantity may be wanted for manufacture, will be taken from such gold as cannot legally be exported. It is also a convenience to the goldsmith to make use of such gold as has passed through the Mint; because he is sure it is of the exact standard fineness; while, if he uses foreign gold, he must incur some expense and trouble in the refinement and assay. And though the manufacturer is prevented by law from melting coin of the current weight for his use, he is under no such restriction with respect to that which has lost its currency by being worn below the legal weight.

The demand for gold for the purpose of coinage must therefore regulate the price of bullion, so far as depends upon home consumption. This may be considered as a demand unlimited in point of amount; for the Mint is legally bound to receive and strike whatever quantity of gold may be brought to it. But it is evident, that this demand, as it must always prevent the price of bullion from falling materially *below* the Mint price, so it cannot, in any ordinary case, raise it above the Mint price; for no man will carry gold to the Mint to be returned to him in a less valuable state than it was before. I say, in any *ordinary* case, because I am aware that the Bank has sometimes been obliged to purchase gold for coinage at a considerable loss. But this has always happened in consequence of the foreign demand for gold, occasioned by an unfavourable exchange, draining away our coin by clandestine exportation; and has, therefore, no connexion with the demand at home, of which only I am now speaking, and I do not see that it can ever happen from any other cause.

Now, upon both these branches of the domestic use of gold, it is evident that a rise in the price of other articles can have no effect. It could not vary the demand for manufacture, and the Mint price would continue to regulate coinage; unless indeed, in consequence of any supposed excess of circulating money, the Mint should

be stopt by order of Government, which would of course lower the price of bullion.

But that which puts it out of all question, that the present rise in the price of bullion is owing to a foreign, and not a domestic demand, is a circumstance before adverted to, viz. that the price of gold which is legally exportable, is about five per cent. higher than that which is not so.

Now, the demand of bullion for exportation must arise principally out of the state of the exchange; and the price will be regulated by the rate at which bills can be obtained. Sometimes, indeed, an accidental scarcity of gold in some country abroad may occasion it to be sent there; although a remittance by bills may appear, on calculation, more favourable; and in a few instances, foreign importers may, for particular reasons, refuse payment of any other kind, as is said to have been lately the case with some of the importers of corn, and occasionally to have happened with contraband dealers in other articles.

But the regular and principal demand of bullion for exportation, arises from its being a more advantageous mode of remittance than bills, when the exchange is unfavourable. As soon as this is the case, gold bullion, which we will suppose to have been kept till then at the Mint price by the demand at home, begins to be

sought after for exportation; exportable gold rises higher than that which cannot be legally exported, and is first sent abroad. A clandestine or fraudulent exportation of coin, or ingots produced from coin, soon follows; and the price will continue to fluctuate with the variations of exchange (not, however, preserving an exact proportion), but remaining such as to afford, in general, some small advantage in remittance by bullion in preference to bills.

Now, neither in this case, nor in the occasional exceptions I have mentioned, can any alteration in the value of domestic currency, shown by a variation in the prices of commodities, produce any effect on the price of bullion, except by affecting the course of exchange: and as it has been already shown, that a general rise of prices has a tendency to *improve*, not to *depress*, the rate of exchange, it is clear that it must have a corresponding tendency to lower the price of bullion, and not to enhance it.

It is indeed clear, that the price of bullion, which is always convertible into money, and which is principally used for that purpose, has a much closer connexion with the value of the current coin than with that of commodities; and therefore, that a general rise of the prices of articles of trade, which indicates a diminution of the value of money, must tend to depress, and not to raise the value of bullion, and would

actually do so if not counteracted by the regulations of the Mint.

The price of bullion, therefore, affords no true test of the general scale of prices; and the Committee having given us no other, I have endeavoured to ascertain the fact by an extensive inquiry.

I have not only procured abstracts of the current prices of the principal articles of trade for several years past, but have obtained extracts from the books of Greenwich Hospital, the Foundling Hospital, and some other charitable institutions, with the view of tracing the prices of the ordinary articles of necessary consumption\*.

I will not trouble the House with a dry detail of the accounts, but state what appears to me to be the general result.

The general scale of prices had been progressively but slowly advancing for many years previous to the Bank restriction, and does not appear to have been affected by that event. But the scarcity in 1800 and 1801 produced a great and permanent effect, particularly on the price of labour. Since that period, the same gradual augmentation has taken place, as before it; and it has been so far from being remarkable in the two last years, that though the price of provisions has been high, from causes sufficiently

\* See Appendix, No. V. VI. and VII.

notorious, that of most articles of merchandise is considerably reduced. The last period of three or four years, is indeed remarkable for great and sudden fluctuations of the prices of merchandise, corresponding with the extraordinary and violent changes which have taken place in commercial policy; but the present state of prices is so far from justifying the opinion of a currency depreciated from its excess, that it would rather lead to a contrary inference, if it were not easy to be accounted for by obvious causes\*.

I think, therefore, that the Bullion Committee have as little foundation in fact for asserting, that our currency has lost its value in comparison with other articles, as for stating (if they mean to state it, which I am still unable to ascertain), that the notes of the Bank of England are depreciated in comparison with our legal money. The question is indeed of much less importance; and the fact, if true, would, as I have endeavoured to show, have produced effects wholly different from, and even contrary to, those attributed to it in the Report.

So much stress, however, is laid on the state of the exchange, that I think it necessary to recall your attention to it.

To any one who peruses the evidence and accounts laid before the Committee, without a

\* See Appendix, No. V.

disposition to seek for occult causes, there will appear no difficulty in ascribing the unfavourable state of the exchange, to circumstances notorious and undisputed.

All the witnesses examined attribute the fall of the exchange to the balance of payments being turned against this country, by the large importations from the Baltic, and of grain from France and Holland, by the operation of the French decrees, and of the American embargo, at once rendering exports difficult, and preventing the adjustment of accounts and remittances, and by the great expenditure of Government abroad, in subsidies, and military and naval services.

To go into the particulars of these accounts would lead to a tedious detail of figures; and upon the last head, one of the most important, the Committee confess their information to be imperfect. These circumstances also, were so ably discussed by my Right Honourable Friend (Mr. Rose) last night, as to render it less necessary to examine them in detail.

The effect of the American embargo I shall, however, touch upon, as I do not recollect that he explained that part of the subject; but it is so clearly stated in the evidence, as to require little elucidation. It there appears, that the Americans, who were uniformly debtors to Great Britain for manufactures exported to a

much larger extent than the value of their produce received in return, were also creditors to the continent of Europe to a considerable amount, and that their debt to England was usually discharged in part by bills on the Continent, which, of course, had the same effect on the exchange, as an export of British goods of the same value.

Our importations from the Baltic usually much exceed our exportations to the countries on its shores, and this is more especially the case in time of war, on account of the increased consumption of naval stores. The indirect mode of payment by means of the American bills, was therefore particularly valuable; and when it was stopped, an effect was produced equal to the loss of a great export of our own. The evil was also much increased by the sudden and unexpected nature of the interruption.

The same mode of remittance would also have been important, with reference to the importations of corn from France and Holland, many of which are stated to have been paid for in actual cash, from the impossibility of making any other return, and which might have been discharged by the American bills.

But even if I had not been able to assign any ordinary and well-understood causes for the present state of the exchange, and to show that they were capable of producing such ef-



fects by reference to former experience, I should not have admitted any circumstances attending the exchange at the present time to be satisfactory evidence of the state of our internal currency. For I cannot allow that principles and reasonings fairly applicable to the phenomena of exchange, in *ordinary* cases, have any application to a state of things so *novel* and *extraordinary* as that which now exists. The adjustment of exchange is, perhaps, the nicest and most artificial part of the commercial system. By a complicated arrangement of the various money transactions of all commercial countries, it finally determines the mode of payment most advantageous to each, and least chargeable upon the whole. It abounds, therefore, even beyond all other mercantile transactions, in distant prospects and intricate combinations, and far more than any other depends upon freedom of intercourse, and activity of correspondence. It is, therefore, in a peculiar manner liable to derangement from those measures of rigorous exclusion, by which the Ruler of the Continent has attempted to cut off all communication between us and the countries under his control. He has destroyed the modern improvements and refinements of trade; and in a great degree thrown it back to the practices of barbarous ages and uncivilized nations. We now trade with the Continent, by

means of fortified stations and armed *depots*, as we formerly did with the savages of Africa and America. Trade may be carried on by mere barter; and may even be lucrative and extensive in that form. And where the power of despotism is exerted to prohibit intercourse, barter is almost the only form which trade can assume. But remittances by exchange do not form part of such a system of trade. They are the offspring of credit and settled correspondence.

Even under the present difficulties, exchange as well as trade has continued to exist; but, like trade, it has been hazardous, precarious, and interrupted; and in consequence exposed to great losses, and productive, when successful, of unusual profit. It seems, indeed, to have been owing only to the high character of the merchants of England for good faith as well as property, that the operations of exchange have gone on at all; but amidst all the fluctuations of the Continent, reliance was placed on the ultimate security of the drawer or acceptor resident here. Now it is only necessary to suppose an extraordinary profit to have been charged on bills drawn upon England to account for all those appearances which the Committee rely upon as so decisively proving the depreciation of our currency. And can it be said that the supposition of such an in-

crease of profit on bills of exchange is inadmissible, when we consider how much the interruption of correspondence placed the British merchant at the mercy of his correspondent; and find in evidence that the prohibitory decrees have produced such difficulties of communication, as to occasion some articles of trade to sell at a profit of two or three hundred per cent.?

In times of regular and settled intercourse, indeed, irregularities to a considerable extent may sometimes be observed. The exchange with the South of Europe has often been favourable to Great Britain, while it has been unfavourable with the North—favourable as to America, and unfavourable as to Europe, at the same time; and this at periods when no supposition of a derangement in our internal currency could have existed.

It is somewhat singular that the Bullion Committee should rest on such vague and unsatisfactory proof of the excess of our paper currency as could be derived from the state of the exchange, even if no sufficient reasons of such a state could be pointed out, when they had before them the accounts in which that excess, if it existed, must have appeared. And before I proceed to a particular examination of the resolutions proposed by the Learned Gentleman, I shall make a few observations on those accounts.

But I must first notice an argument often urged, and which has, I believe, made considerable impression on the public out of doors, if not in this House. Whence, it is said, do those extraordinary profits arise which the Bank appears to have shared among its proprietors of late years, if it has only gone on in its accustomed course of business?

Without any inquiry into the internal management of the Bank, I think a satisfactory answer may be given from such sources of information as are open to every one. It is notorious, that the command of money is attended with much greater advantage in time of war than of peace. Since the Bank Restriction Bill, and for some time previous to it, has been a time of continued war, and in part of this period an unusual scarcity of money prevailed; several instances occurred, in which a profit might be made upon Government securities of twelve or fifteen per cent. and some instances of even greater profit; it being stated by the Honourable Gentleman near me (Mr. H. Thornton), in his evidence before the Committee of the House of Lords, as occasionally rising to eighteen per cent. Now, can it be supposed that the Bank, by far the greatest dealer in Government securities, did not participate in these profits, and in the other advantages which great monied proprietors at that time possessed?

But not only have the times been unusually favourable to an advantageous employment of the great trading capital of the Bank, but that trading capital has been increased, in a remarkable manner. It appears from the second Report of the Committee on Public Expenditure (1808), that the average increase of Government balances in the hands of the Bank since 1797, was not less than from seven to eight millions. I would desire Gentlemen to consider what any private banking company would make of a floating balance to such an extent. Within the last three years an arrangement has, indeed, been made with the Bank, by my Right Honourable Friend the Chancellor of the Exchequer, by which the public have obtained a fair participation in the profits to be derived from that source: but before that arrangement was made, they belonged entirely to the Bank. And though I believe the Directors to have been moderate and cautious in all their transactions, they would have been wanting in their duty to their proprietors if they had not made a fair commercial use of their advantageous situation; and let it be recollected, that however large the profits of the Bank may have been, they were a direct and positive accession of national wealth derived from sources injurious to no one, but, on the contrary, eminently useful both to the government and every individual concerned.

The question is not, whether the Bank has made large profits, which it had a fair right to do, and which have been advantageous to the public interests as well as its own, but, whether it has increased the issue of its notes beyond what the public convenience required, with a view to profit; and knowing that it could not be called upon to pay them in specie.

It is certainly true, that since the restriction has been imposed on the Bank, the amount of its notes has been greatly increased; but I beg leave to ask, whether our metallic currency has not diminished in an equal or greater degree? The increase of Bank-notes has been gradual and moderate, and can, in every instance, be accounted for by an adequate and obvious cause.

From the time of the restriction to the year 1800, the increase was small. In 1800 and 1801, the amount of notes was considerably increased, because great quantities of specie were sent out of the kingdom for the purchase of corn; and from that period their amount has been kept up, because the exchange has never become sufficiently favourable to bring back any large proportion of the treasure sent abroad. But from 1802 to 1809, the increase did not exceed 3 or 400,000*l.*; and I would ask, whether this showed any disposition on the part of the Bank Directors, to avail themselves, improperly, of

the Act of 1804, by which the restriction had been continued during the war?

Since 1809, a further depression of the exchange has taken place, and a greater quantity of coin has gone out of the country, and the consequence has undoubtedly been a considerable addition to the amount of Bank-notes. But will any individual venture to affirm, from his own observation, that this addition has been greater than the public necessity required? An increase took place last summer, when the failure of several country banks occasioned a demand for Bank-notes for the country circulation. That demand has since lessened, and a corresponding diminution has taken place. But, if the natural and obvious effect of an excessive issue of paper be (as it is contended, and which I by no means deny), to increase the price of every article, I must ask how it happens, that the price of the Government floating securities, and of the public funds, has not been increased by the increased issue of Bank-paper last summer? In fact, instead of increasing, they have diminished in price, which seems to me to afford a decisive answer to the allegation of excess; and that there is rather a scarcity than a superabundance of the circulating medium seems further proved by the beneficial effects produced by the recent issue of the Commercial Exchequer-bills.

I now, Sir, come to the particular review of

the Resolutions proposed by my Learned Friend, and it is unnecessary for me to trouble you by discussing them at any considerable length, having already examined the leading principles upon which they depend\*.

To the first I object, that it is erroneous in fact and law; and I have already stated my reasons for denying that any precise standard of the weight of our current coin exists, or ever has existed, in this country.

If I am right in this opinion, it is clear that not only the first Resolution must be rejected, but that the six immediately following, must fall with it, as they depend upon the same assumption of a fixed standard of the current weight of coin, and are wholly nugatory and unmeaning without it.

The eighth is true in point of fact, and is indeed substantially the same with my second Proposition; but being introductory to succeeding Resolutions, which I think equally unfounded in fact, and dangerous in their consequences, I cannot assent to it in the place and manner now proposed.

The ninth Resolution is also true in fact, and perfectly innocent; but it is of so nugatory and (if I may be pardoned for the expression) so childish a nature, that I cannot think it would

\* See Appendix, No. I.

become the gravity of Parliament to place it on the Journals.

The tenth Resolution I most decidedly object to. It proposes to Parliament, to declare that which is not, and never has been, true; and the declaration of which must have the most alarming effects. It either means that Bank-notes have lost their relative value compared with the current coin which they represent—a proposition which I have already shown to be unfounded; or it means that the value of Bank-notes should be measured by the price of bullion; and this is equally untrue. Bank-notes never have been the representatives of any thing but the legal money of the realm, and this they continue to be for every legal and honest purpose, as effectually as ever.

To the eleventh Resolution, so far as it respects the Bank of England, I equally object, for reasons which I have already assigned; but upon that part of it, which respects the country banks, I must say a few words.

I admit that great inconveniencies have been occasioned by the mismanagement of country banks, and the excess to which some of them have attempted to extend their circulation of paper. Much individual distress has arisen from the facilities which have been given to rash speculations, and particularly from the temptation which the partners in such banks have had, by depending for support upon the credit of

the bank, to engage in commercial adventures far beyond either their skill or capital. Much evil has been the consequence, but it is not an evil of the nature described in the Resolutions. It is not a depreciation of the notes of the Bank of England, nor a general excess of paper circulation. But it is the attempting to supply the place of a perfectly secure and sound paper circulation by one which cannot maintain its credit. The consequences have been frequent bankruptcies, and sometimes extensive distress.

I am far from saying, that the system of country banks does not require regulation, or that evils such as these do not call for the interference of Parliament. But it is a point of considerable difficulty, and one upon which Parliament should interfere with caution.

The most plausible regulation which occurs to me would be, to prohibit bankers, who issue notes, from engaging in any other commercial concerns; but this regulation has been tried in Ireland, and found so liable to evasion, that it produced no materially beneficial effect. I cannot, therefore, recommend its adoption, and I am not prepared with any other which I could recommend as both safe and effectual. I wish only to call the attention of Parliament to the subject generally, as one however in which there is much more to be apprehended from precipitation than delay.

In order to support their general theory of the excess of paper currency, the Bullion Committee choose to assume, that the notes of the country banks bear a fixed proportion to those of the Bank of England, and are increased at the same time: "the foundation (say they) being enlarged, the superstructure admits of a proportionate extension." I should have thought that there were members of the Committee, who would have been convinced from their own experience in business, that this assumption is so far from the truth, that the very contrary is often the fact, and that an increase of the one of these two species of currency is frequently the consequence of a diminution of the other. This was exemplified in the course of last summer, when the failure of several country banks, and a general diminution of country bank paper, occasioned thereby, produced an increased issue of Bank of England notes to the extent of nearly three millions.

On this point, the Committee had not only the experience of their own members to resort to, but had direct evidence before them.

They examined Mr. Stuckey, a respectable gentleman, with whom (not in his capacity of a country banker, but in an official situation which he holds) I am well acquainted; and then, with their usual felicity in contradicting

their evidence, report an opinion directly the reverse of his statement.

He is asked\*, "Is it not your interest as a banker, to check the circulation of Bank of England notes? and with that view do you not remit to London such Bank of England notes as you may receive, beyond the amount which you may think it prudent to keep as a deposit in your coffers?"

He answers, "Unquestionably."

"What is the principle by which you regulate the issue of your notes?"

"We always keep assets enough in London, consisting of stock, Exchequer-bills, and other convertible property sufficient to pay the whole of our notes in circulation."

"Supposing that the amount of the notes of the Bank of England were to be materially diminished, is it your opinion that the notes of country banks would take their place?"

"As a matter of opinion, I should imagine, that in those parts of England where Bank of England notes circulate, if they were to be withdrawn, their places would be immediately filled up by the notes of country banks; and I would illustrate this opinion, by the example of the county of Lancaster, where the notes of the Bank of England are the chief circulation for small payments."

\* Page 139.

"Is it your opinion that a country bank regulates its issues in proportion to its deposits of Bank of England notes or specie?"

"We regulate ours by the assets we have in London (as I have before stated) to pay them, without much reference to the quantity of Bank of England notes or specie which we have, although we always keep a quantity of both of the latter in our coffers to pay occasional demands made in the country."

Such is the evidence of Mr. Stuckey. But what is the conclusion drawn by the Committee? No other than this—"That so long as the cash payments of the Bank are suspended, the whole paper of the country bankers is a superstructure raised upon the foundation of the paper of the Bank of England."

I proceed to the twelfth Resolution, and admit, as every one must, the general truth of the fact which it affirms, though I must observe, that the words, "*a considerable period of time*," are too vague, and ought to be made more definite, if it could be proper to admit the Resolution. But forming a part of a series of propositions, such as we have before us, it is impossible for me to agree to it, and standing alone, it would be nugatory and unmeaning, and therefore unfit to be placed upon the Journals.

The thirteenth Resolution is really a most ex-

traordinary composition. Pressed by the force of undeniable facts, the Learned Gentleman cannot avoid admitting, that "the adverse circumstances of our trade, together with the large amount of our military expenditure abroad, may have contributed to render our exchanges with the continent of Europe unfavourable." This concession to fact and common sense is indeed made with great caution and evident reluctance; but it amounts very nearly to giving up the question. My thirteenth and fifteenth Propositions are little more than an expansion of this part of the Learned Chairman's Resolution.

Admitting, as he does, the effect, upon the exchange, of the circumstances alluded to, by what scale can he measure the precise degree of their operation, or avoid agreeing with me, that they may have produced the whole of the depression we observe? No, says the remaining part of the Resolution; "the extraordinary degree, in which the exchanges have been depressed for so long a period, has been in a great measure occasioned by the depreciation which has taken place in the relative value of the currency of this country, as compared with the money of foreign countries."

Here then is a completely new sense given to the word *depreciation*. I have already troubled

you, Sir (I fear too long), on two kinds of depreciation; a depreciation, compared with legal coin, and a depreciation compared with commodities: these two kinds both take place *at home*; but now we have one which happens abroad—a depreciation compared with the money of foreign countries. This is never hinted at in the Report, which dwells largely upon one or the other, or both of the two senses which I have mentioned. The Bullion Committee are resolved to have *depreciation*; give them but *depreciation*, no matter what it means. But what is the real meaning of a *depreciation compared with the money of foreign countries*; and has it (I ask with all submission) any meaning at all? No man ever supposed English Bank-notes were exchangeable for foreign money abroad, or before this Resolution thought of saying they were depreciated because not so exchangeable. The same thing is equally true of English guineas.

It may indeed be said, that when the exchange with Hamburgh, for instance, is at thirty-six, the money of Hamburgh *loses* when compared with the money of England; and that when the exchange is at thirty, the money of England *loses* when compared with the money of Hamburgh; and this *loss* is, I suppose, what the Resolution calls *depreciation*. If this is the meaning of the phrase, and I can extract no other from it, it amounts to nothing more

than a different expression for an unfavourable exchange; and for such a definition of *exchange* I need only refer to the Honourable Gentleman near me (Mr. H. Thornton): "What," said that Honourable Gentleman, "do we mean by the rate of the exchanges? We mean the rate at which the circulating medium of this kingdom passes in exchange for the circulating medium of other countries." The true sense of this bugbear Resolution is then only this, that part of the fall of the exchange is owing to causes, about which we are perfectly agreed, and to which indeed, I, in common with the witnesses, attribute the whole of it; but that in great part it is produced by nothing but *the fall of the exchange itself*: a mode of reasoning, which I am sure the Learned Chairman of the Bullion Committee is too good a logician, deliberately to defend, though he may have been inadvertently led into it by the indistinctness of his own expressions.

With regard to the fourteenth Resolution, I should think the ambiguity of it, a sufficient reason for its rejection. It imposes a solemn duty on the Directors of the Bank; but instead of letting them know what that duty is, it leaves them to guess at it as they can. It directs them "to advert to the state of the foreign exchanges, as well as to the price of bul-



“lion, with a view to regulate the amount of their issues;” but it does not tell them, whether in any given case (suppose when the exchange falls), they are to diminish or to increase their issues. Now a precise direction was the more necessary, because the Governor and Deputy Governor of the Bank tell you in their evidence, that, in their opinion, the issues of the Bank have no effect upon the exchange. And, indeed, I can trace no connexion between them in examining the accounts upon the table. We have seen the course of exchange both rise and fall, when there was an increased issue of Bank-notes; we have seen the same circumstances take place when the issue was diminished; therefore, if the exchange is *affected*, which may be doubtful, by the issue of Bank-notes, it is certainly not *governed* by it. I should, however, equally object to the Resolution, if it were made, as it ought to be, distinct and imperative; because, by taking from the Bank Directors that discretion which they are best able to exercise, we should run the risk of doing great mischief in the pursuit of an object, which experience has shown to be unattainable. There are, undoubtedly, reasons, connected with the concerns of the Bank, why the Directors should attend to the course of exchange; but they are not such as uniformly to lead either to an increase or diminution of issues. As long as the management

of the affairs of the Bank is left in their hands uncontrolled, they will apply their judgment to the circumstances of each case, as it may arise, and act under a sense of responsibility to Parliament and to the public, as well as to their own corporation. But this Resolution would take that responsibility from them, and where would it place it? To whom are the Directors to apply for instructions in a case of doubt? To Parliament? Parliament may not be sitting.— To the Treasury? I believe no man who wishes well to public credit, would desire to place the Bank under the control of the Treasury. And who will say that either Parliament or the Treasury can be so well acquainted with the complicated details which enter into the consideration of a question of this kind, as the Directors themselves? Perhaps the Learned Chairman may say, that no such reference can be necessary; that his rule is meant to be invariable, and that in all cases whatever, when the exchange falls, the issues of the Bank should be contracted. To prove his mistake, it is only necessary to read a sentence of his own Bullion Report\*: “Your Committee are clearly of opinion, that although it ought to be the general policy of the Bank Directors to diminish their paper, in the event of a long continuance of a

“high price of bullion, and a very unfavourable  
 “exchange, yet it is essential to the commercial  
 “interests of this country, and to the general ful-  
 “filment of those mercantile engagements which  
 “a free issue of paper may have occasioned, that  
 “the accustomed degree of accommodation to the  
 “merchants should not be suddenly and materi-  
 “ally reduced; and that if any general and serious  
 “difficulty or apprehension on this subject  
 “should arise, it may, in the judgment of your  
 “Committee, be counteracted) without dan-  
 “ger, and with advantage to the public, by a  
 “liberality in the issue of Bank of England pa-  
 “per proportioned to the urgency of the parti-  
 “cular occasion.”

I also object to this Resolution as implying a  
 censure on the Directors of the Bank, which,  
 in my opinion, their conduct has not deserved,  
 but which, if supposed to be merited, ought to  
 have been so distinctly expressed as to be capable  
 of a direct answer.

On the fifteenth Resolution I shall only say, that  
 I am ready, in the fullest manner, to admit the  
 great importance of the legal convertibility of  
 our circulating paper into coin, not because I  
 think it the only security against an excess of  
 paper, but because it is the only adequate re-  
 medy for public alarm. It is impossible to foresee  
 to what extent public alarm may go, or what its  
 consequences may be, in a country in which

the circulating medium possesses no intrinsic  
 value. For this reason I admit the convertibility  
 of paper into coin to be of the greatest import-  
 ance, although, while no alarm exists, and cre-  
 dit is entire, it seems to me indifferent of which  
 our circulation may consist, as either will equally  
 answer all the purposes of currency.

But though I agree thus far with my Learned  
 Friend, I disapprove of his Resolution, as di-  
 rectly leading to that last Resolution which he  
 has at present (so strangely I think) withdrawn  
 from our consideration. Without that Resolu-  
 tion, it is utterly useless—with it, it would be  
 dangerous and injurious. It is easy to see the  
 evils of our situation, but at present we unfor-  
 tunately have not the means of applying a re-  
 medy. I am sure the plan of the Bullion Com-  
 mittee proposed in these two last Resolutions,  
 would not operate beneficially.

Let us consider the effect of an immediate  
 resumption of cash payments. It would intro-  
 duce the use of gold in our internal transactions,  
 a circumstance desirable, no doubt; but is the  
 attainment of that object worth the risk which  
 must be encountered? No improvement of the  
 exchange could take place unless our coin were  
 exported, a measure which even the Bullion  
 Committee have not ventured to recommend,  
 however clearly arising out of their principles.  
 But supposing those principles carried to their

utmost extent, and the free exportation of our gold coin permitted, who can doubt that the drain of it would be so great as to force us to have recourse, from direct necessity, to a fresh restriction, under circumstances still more unfavourable and alarming than the present? The whole effect of the attempt would be to destroy our credit, and increase our danger.

The Committee themselves have not, however, ventured to recommend an immediate resumption of cash payments. They propose it after the expiration of two years; and I am particularly desirous to turn the attention of the House to the interval between the determination that the Bank should resume its cash payments, and the actual commencement of those payments. This would be a most important period, and pregnant with the utmost danger. The Bank would be under the necessity of collecting a large quantity of bullion, in order to answer the demands which would of course be made upon it, and that necessity would make the rate of exchange still more unfavourable to us, because the price of bullion would augment every where in proportion to the supposed wants of so great a purchaser; and the effect upon the exchange would, from the peculiar nature of the article, be still greater than would be occasioned by the purchase of other commodities.

The bullion so collected would remain locked

up in the Bank without being of the smallest use, during the interval, to any person whatever. It is indeed contended, in the Bullion Report, that the knowledge of the approaching resumption of cash payments would of itself increase the public confidence; but this I deny, because its tendency to produce that effect would be much more than counterbalanced by the other consequences which must result from it, one of which is, that the Bank would be forced, from motives of self-preservation, to circumscribe its issues of paper, in order to lessen the demands which might be made upon it when the period of cash payments arrived, and at the same time to collect, by every possible method, all the gold which could be met with.

Now I wish the House to consider the situation in which the government, the merchant, and indeed every class of men, would be placed, if the issues of Bank-notes were greatly diminished, while gold was even scarcer than at present. It would be a situation which cannot be contemplated without the most serious alarm. What other currency can be substituted when both coin and Bank-notes shall have disappeared? It is possible, and indeed probable, that the extremity of the evil might produce a remedy, by forcing the notes of country banks into general circulation, as has been pointed out in the evidence of Mr. Stuckey, which I have quoted.

In which case the remedy proposed by the Committee for an excess of paper would end in the mere substitution of a paper less secure, and of inferior value.

But what would be the other alternative? I beg to state it in the words of an Honourable Friend of mine, a leading Member of the Bullion Committee (Mr. Henry Thornton), on his examination before the Secret Committee of the House of Lords in 1797.

He was asked, "If any considerable proportion of the Bank advances to Government had been repaid in the course of the last two years (suppose to the extent of four or five millions), are you of opinion that a reduction in the quantity of Bank-notes to that extent could have been made without occasioning great public distress?"—"I am clearly of opinion, that a reduction of Bank-notes to the extent of 5,000,000*l.* less than their hitherto existing amount, would either produce the substitution of some other paper, nearly to the same, or perhaps to a still greater amount; or, assuming no such substitution to take place, that it would produce very general, if not universal failures, in the metropolis."

For this opinion he then gives his reasons, which appear to me perfectly clear and satisfactory. Now, I would ask the Honourable Gentleman—I would ask the House, whether

if, in 1797, while our metallic currency was still abundant, the diminution of Bank-notes to the amount of five millions, would have produced a general bankruptcy in London, what the effect of a proportionate diminution would be *now*? I would ask them further, whether they are so confident of the success of the plan of the Bullion Committee, so impressed with its benefits, as to think the attempt worth the risk of a general bankruptcy? Of bankruptcies we have had enough—enough to make the heart ache—and great indeed must be my opinion of the advantages of any measure, deep my conviction of its necessity, before I can consent to run any hazard of extending them further.

Having taken this brief review of the Resolutions proposed by my Learned Friend, I shall shortly touch on those Propositions which it is my intention to offer to the consideration of the House, in the event of the rejection of them.

The general object of my Propositions is, to show, by a deduction of historical facts, that there is nothing in our present situation with respect to foreign exchanges, and the price of bullion, new in its *nature*; though in *degree*, from the concurrence of a variety of extraordinary circumstances, it may exceed what has formerly taken place. It is not, as I have already said, my wish to pledge the House to a recognition of abstract principles, but to record facts,

and from them to draw this only inference, that it would be unwise to endeavour, by an alteration in our internal currency, which is in itself impracticable or highly dangerous, to remedy inconveniencies which we have no sufficient reason to believe the state of our internal currency has produced.

In the place of the first seven Resolutions of the Learned Gentleman, I mean to propose a general Resolution, stating the right of the Sovereign to regulate the legal current coin of the kingdom. In opposition to his doctrine of a fixed and invariable standard of current coin, I am prepared to prove the prerogative of the Crown to regulate the standard, by a reference to the soundest legal authorities, and the repeated and acknowledged practice of ages. I must, however, guard against a misrepresentation, in which I find the Chancellor of the Exchequer is involved, as well as myself; as if I had intended to *recommend*, and (which would be much more important) as if *he had insinuated an intention of proposing*, an alteration in the standard of our money. With respect to the Right Honourable Gentleman, I believe I may venture to affirm, that the idea is utterly unfounded; and with regard to myself, I can assure the House that I should be a most determined adversary to any such proposition.

During the existence of a public debt, the

alteration of the standard of money would be an act of bankruptcy, and a direct fraud on the public creditor as well as every private creditor; and if time admitted of going into the discussion, I could prove it to be an act of useless and unprofitable injustice, productive of no advantages whatever to the state.

My second Proposition is intended to correct an error of my Learned Friend, respecting the nature of the promissory notes issued by the Bank. He has attempted, without the slightest foundation, to establish an opinion, that the value of Bank-notes was to be measured by the price of standard bullion. I propose, in answer to this opinion, to declare, that they are representatives of legal coin, and of nothing else—not more of bullion than of any other commodity. But it is also due, in justice to the Bank, to declare, what is perfectly true, that it was for a century always ready strictly to execute its engagements, and has been prevented from continuing to do so, not by any act of its own, but by the interposition of the Legislature. For it must be recollected, that the restriction of cash payments was a measure of public policy, not a favour to the Bank. It was originally imposed, and has been since continued, for reasons connected with the safety of the state, and not upon any application of that corporation. And there is nothing in this or any other Reso-

lution which I shall propose, which can have the effect of preventing Parliament from removing the restriction, whenever it may be compatible with the public safety to do so.

I now come to the third Proposition, on which my Learned Friend has already thought fit to touch, and on which, as it involves the principal point of difference between the Committee and me, I cannot but expect much discussion whenever it may come formally before the House.

My first object in it is, to come to a clear and distinct understanding of the question with those Gentlemen who maintain the depreciation of Bank-notes. In the controversy which has taken place, the depreciation of Bank-notes has been talked of in such a variety of senses, that though I am sure the phrase is extremely mischievous, and has done great injury to public credit, because I am certain that it is commonly understood, both at home and abroad, in one sense only, and that the most alarming of any, I do not know but that I may think the real meaning affixed to it by many of those who assert its existence perfectly innocent, and even by possibility, may agree with them.

I have, therefore, so framed the Resolution, that every Gentleman may, and ought to vote for it, who does not believe that Bank-notes have lost their value in ordinary and legal trans-

actions as compared with the current coin of the realm which they represent. Those who contend for the depreciation of Bank-notes in any of the other *fanciful* senses which I have before had occasion to discuss, ought all to vote with me upon this question. And in that number I cannot but hope to find the members of the Bullion Committee, who have by no means expressed a clear opinion in their Report that Bank-notes have lost their relative value with reference to coin. But particularly I look for the support of the Honourable Gentleman who some time ago declined answering my question (Mr. Huskisson), as he has distinctly told the public\*, that "the experience of our own as well as of all other countries, has placed *beyond the reach of controversy*, the proposition, that if *one part of the currency of a country*" (provided such currency be made either directly or virtually a legal tender, according to its denomination, which he contends Bank-notes are) "be depreciated, the *whole* of that *currency*, whether paper or coin, must be *equally* depreciated." Now, if guineas be as much depreciated as Bank-notes, Bank-notes are of as much value as guineas; and that is certainly all which the Proposition affirms. I am so far from making this appeal with any insidious view, that I seriously declare, that I think

\* Question stated, Preface, p. vii.

the concurrence of those Gentlemen in this Resolution would be a remedy for that mischief, of which, so contrary to their wishes and intentions, their Report has been the cause.

I have, however, another object in this Proposition. On a question so long and so warmly contested, I think Parliament ought not to stop at the mere rejection of a measure proposed to it, but to pronounce a distinct opinion, and that an opinion so pronounced will do much towards setting the question itself at rest. I wish the House to pledge itself to the belief that Bank-notes still are, as they have always been, equivalent to legal coin for the internal purposes of the country, the only purposes to which they ever have been applicable.

An opinion so declared will have an effect similar to that of an association to support the credit of the Bank. Many Members will recollect the effect produced by the association of the merchants and bankers in 1797. It instantaneously dispelled all doubt and alarm, and restored credit and confidence. I believe the merchants and bankers are now quite as ready to renew such an association. Perhaps, indeed, it is not necessary; for their opinions are sufficiently known. It is not on the Royal Exchange that the depreciation of Bank-notes is talked of. But this Resolution, uniting the

sense of Parliament in the same cause, will give weight and strength to their declared opinion.

I have introduced into the Resolution, since it was first drawn up (as has been observed), the words, "*in public estimation,*" with a view of obviating any supposition that I meant to affirm that Bank-notes had a *legal* equivalency to coin. I never had any idea of doing so: and it would be peculiarly improper to propose to the House any declaration on this subject at present, when the Judges actually have under their consideration a criminal case, in which their decision may turn on this very point.

The following Propositions, down to the fourteenth, contain a comparison of the circumstances at present affecting our relations with foreign countries with those which have existed in former times, and show by historical deduction, that we have no reason to attribute the present depression of the exchange to the state of our paper circulation, because similar depressions have formerly taken place when no paper circulation existed, or no other than what was convertible at pleasure into coin; and that the degree and duration of the present depression may be accounted for by the extraordinary circumstances of our military, political, and commercial situation; and this conclusion is distinctly drawn in the fifteenth Proposition.

The facts contained in these Propositions I

believe to be unquestionably true, and I am prepared to prove them whenever it may be proper to do so, by reference to the documents on the Table of the House, and other authentic information.

At present I shall only observe, that the analogy of former instances would lead us to ascribe the depression of the exchange principally to the combination of a great military expenditure abroad, with a high price and large importation of grain. When either of these circumstances has occurred, the exchange has usually become unfavourable; when they have been united, it has never failed to do so. These are circumstances wholly unconnected with our internal currency; and circumstances probably unavoidable, and not imputable to any blamable conduct whatever.

In our military expenses, we are paying the price, a heavy and inconvenient price I admit, of a glorious struggle not only for our own independence, but for the liberty and independence of the human race at large, now threatened with universal subjugation. On the principle of supporting such a struggle with our utmost efforts, I have heard no dissentient voice, and, as to all details respecting the means of doing it, it is not now the time to enter upon them.

Still less can any doubt be entertained with respect to the propriety of the importations of

grain which have taken place in a season of dearth, in which the price has approached to that of the greatest scarcity. The Right Honourable Vice-President of the Board of Trade has explained the reasons which induced the Privy Council to give encouragement to these importations, and they were reasons of cogent and imperious necessity.

The Council were not unaware, that, by so doing, they were likely to aggravate the evils of an unfavourable exchange; but the subsistence of the people was, as it ought to be, an object superior to all considerations of commercial convenience.

Great, however, as the effects, upon the exchange, of our military expenses combined with the importation of grain must have been, they could neither have been so great nor so lasting, had the freedom of commercial intercourse existed as in former times. In this the real novelty of our situation consists. For though I do not carry the doctrine of commercial equivalents so far as the Honourable Gentleman opposite (Mr. Huskisson), I admit that there is a continual tendency in an unfavourable exchange to correct itself by checking importation and encouraging exportation, and that, though for a time it may be overpowered by political emergencies, or by pressing calls for articles of unavoidable necessity; yet, if freedom of trade



exists, it will usually prevent any excessive inequality, and in no long time restore the balance.

The fourteenth Proposition is intended to show, that on account of the extension of trade, and the great increase of our public revenue and expenditure since 1797, a more abundant currency is necessary to carry on the business of the country, and that we should have no reason to conclude that our currency was excessive if it should appear considerably to exceed in amount what then existed. This, however, I believe to be so far from the fact, that the diminution of coin is, perhaps, fully equal to the increase of paper circulation.

I am now arrived at the last and most important Propositions, those which respect the removal of the Bank restriction. On the fifteenth Proposition, which declares "that it is highly important, that the restriction should be removed whenever the political and commercial relations of the country shall render it compatible with the public interest," I need say nothing, as the Gentlemen against whom I have been arguing, entirely concur in the same opinion, and I believe that a difference on this point scarcely any where exists.

Nor shall I think it necessary to dwell long upon the last Proposition, so much of the reasoning which I have applied to other points,

having a direct reference to this. If I have succeeded in showing the fallacy of those arguments by which it is attempted to prove the excess and depreciation of our currency, I need say no more to establish the inexpediency of taking a step which all admit to be attended with danger, as a remedy to an imaginary evil. I have also, as I think, shown that the removal of the Bank restriction would not have the effect of restoring a favourable course of exchange.

But my great objection to the removal of the restriction at the end of the proposed period of two years, is, that unless a change of circumstances, contrary to all probability, should take place in the mean time, the resumption of cash payments at the period proposed, would be wholly impracticable. The very Report of the Bullion Committee states the impracticability of an immediate, or very early, resumption of cash payments. "Your Committee," it says, "are of opinion that if peace were immediately to be ratified, in the present state of our circulation it would be most hazardous to compel the Bank to pay cash in six months, and would be found wholly impracticable." They are, therefore, it further says, "of opinion that even if peace should intervene, two years should be given to the Bank for resuming its payments; but that, even if the war should be prolonged, cash pay-

ments should be resumed by the end of that period."

Do the Committee then mean to contend that there is no difference between war, such a war as the present, and peace? Do they think that peace would give no additional security and facility to the Bank, in preparing for the resumption of cash payments? Are they of opinion that it would afford no advantages to the Government in so arranging its pecuniary concerns, as to be independent of assistance from the Bank—that it would give no stability to commercial credit in general? Will they affirm that their Chairman is entirely mistaken in admitting in his fifteenth Resolution, that "the adverse circumstances of our trade, together with the large amount of our military expenditure abroad, may have contributed to render our exchanges unfavourable?" or to what miraculous aid do they look for removing these unfavourable circumstances, and making it indifferent whether we have war or peace?

It would really appear that they thought it indifferent, from the mode in which regret is expressed in the Report\*, "that the suspension of cash payments has been continued so long; and particularly that by the manner in which

\* Page 38.

"the present continuing Act is framed, the character should have been given to it of a permanent war measure."

That the suspension has, from necessity, been continued so long, we must all regret. Once, and once only, there appeared a prospect of a change of circumstances which might admit of its removal, and the Directors of the Bank, it ought to be remembered, immediately took measures which proved the sincerity of their desire that it might be removed. In the year 1798, and the early part of 1799, the course of exchange was remarkably favourable, and the Bank, in consequence, as a prelude to a general resumption of cash payments, obtained permission, pursuant to a clause in the Restriction Act, to pay sums under five pounds in cash. Under this permission, large sums, much larger than the public are generally aware of, have actually been paid. The renewal of war on the Continent, and still more the failing harvests of 1799 and 1800, destroyed our hopes, and I will venture to say there has never been a moment since, in which the restriction could safely have been removed.

With respect to the present continuing Act, I am not ashamed, however it may expose me to the censure of the Bullion Committee, to declare my adherence to the opinions of the Parliament of 1804, and the Administration by



into the money-market without being counteracted by new loans.

Such means of supplying additional capital no country ever possessed. Some inconveniences may perhaps, in process of time, even arise from their abundance; but of these it is not now necessary to speak. My object is only to justify the Parliament of 1804, in fixing the resumption of cash payments at the period of peace.

*That Parliament* also felt, what I think the Bullion Committee are a little apt to forget, that the Bank-restriction is not a thing to be trifled with, nor without public inconvenience to be brought into frequent discussion.

I think the Committee must forget this, because, after all, they propose their measure as an experiment. They speak of the "possible occurrence of political circumstances, which may be thought hereafter to furnish an argument in favour of some prolongation of the proposed period of resuming cash payments, or even in favour of a new law for their temporary restriction after the Bank shall have opened." For this experiment, which *they* are conscious may fail—Which I think rash, desperate, and wholly impracticable, what do they risk? They risk, as we are told by one of their most distinguished

Report of Bullion Committee, page 32.

members (Mr. Henry Thornton), a general bankruptcy in London. Such is the danger to individuals. And what will be the consequences to the Government? We have heard the Chancellor of the Exchequer complain of the inconvenience occasioned by the delay of this question. Whether he is provided with a system of measures to be proposed to Parliament in the event of its acceding to the recommendation of the Bullion Report, I do not know; but I know, that, if he is, they must be measures wholly new and discordant from the financial systems of many years past.

To carry on the operations of the war for the next two years, not only without the accommodations afforded by the Bank, not only under the inconvenience of a forced repayment of the Bank-advances, but under the pressure of a circulation so contracted and cramped, as it necessarily must be, is a task which no minister has yet been compelled to attempt, and which, if it can be any way effected, can be accomplished only by a pressure upon the people far greater than they have yet experienced. I suspect that it could not be effected at all, and that if we were not compelled to sue for peace, we should at least be obliged to recall our forces from abroad, and abandon the continental war, just at the moment when the concurrent opinion appears to

be, that fairer prospects than we have yet known are opening.

This is no vague and declamatory statement, but founded upon experience, as well as reasoning. The full experience of such a situation as ours would be under the system of the Bullion Committee, we have never indeed had; but we have in two periods referred to by them for other purposes in their Report felt the effects of a restricted circulation. In 1783, the issues of the Bank of England were considerably reduced; and though peace had then been concluded, the 3 per cent. funds were at 56, Navy Bills were at from 15 to 20 per cent. discount, and the general depression of property so great, that the resources of the country were by many supposed to be irrecoverably ruined. In 1796 the Bank again reduced its issues, and the effects were similar. The public funds were even lower, falling at that time to 46. I do not contend that the diminution of the issues of the Bank alone produced these effects; but if the other circumstances existing at those two periods be compared with those of our present situation, I am afraid the advantage will be by no means in our favour. In two most important points how great is the difference! In *one of these cases* the freedom of trade was complete—in *the other*, it existed to a considerable degree—in *both*, a plentiful metallic cur-

rency continued in circulation. I need not point out our present situation in both those respects. Nor shall I attempt to estimate what the revenue might amount to when every man, who did not wish to pay his taxes, might say, with apparent truth, that he could obtain no money of any kind to discharge them; and those who were willing to pay, might be under a real impossibility of doing so.

I cannot indeed, whatever may be the decision of Parliament, pretend to penetrate the darkness of futurity—to foresee whether our arms will be successful or unfortunate—whether the Continent will break its fetters, or remain in subjection—whether commerce will recover freedom and activity, or remain palsied by the frown of a despot; but I am anxious that the arm of Government should be strengthened rather than crippled, and that we should not give up the chances of success, and the means of availing ourselves of any favourable events which Providence may grant us.

I think we shall best preserve them by adhering calmly and firmly to the system which I recommend—not on my own authority, but that of Parliament, by which it has already been established; and by not suffering ourselves to be hurried into precipitate measures by our impatience of some inconveniencies, galling no doubt,

but from which we cannot at present be freed: while the plan proposed by the Committee would, without effecting the object they have in view, do more than either the decrees or the victories of Buonaparte, to execute his designs for our destruction.

MONEY, BULLION, AND EXCHANGES  
On the 13th of May 1811.  
MR. LUSHINGTON,  
The Resolutions proposed by the Learned Chairman of the Bullion Committee having been rejected by the House, it is now my duty to bring under their consideration those of which I have given notice, and which have for some time been printed. I shall think it unnecessary to enter at much length into the discussion of general principles which have been so fully debated, and upon which I have the satisfaction to find the opinion of a great majority of the House conformable to my own. And the course of proceeding adopted with great candour by the Learned Gentleman, enables me to dispense with that minute proof which I am prepared to give, by a reference to authentic documents, of the truth of the facts

S P E E C H

ON MOVING CERTAIN

RESOLUTIONS

RESPECTING

MONEY, BULLION, AND EXCHANGES,

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stated in my proposed Resolutions. With a view to fair and convenient discussion, he has prepared a series of Amendments, in which he has specifically pointed out those facts alleged by me, which he disputes, and has brought forward such others as he thinks may destroy, or materially weaken, the impression of the chain of historical evidence which I have adduced.

I shall, therefore, consider myself as justified in arguing upon every fact to which he has made no objection in those Amendments, as admitted; and only call the attention of the House to the proof of those which he thinks capable of being refuted or explained.

But, before I enter upon this discussion, I think it necessary to remove a few misapprehensions which have occurred, and notice some of the arguments which have been adduced in the course of this long-protracted debate. For in proportion as the supporters of the Bullion Report have found themselves pressed on the material points of the case, they have wandered into extraneous topics, and had recourse to some artifices of debate which it is not unnecessary to point out.

In the first place it has been observed, with a view of weakening the effect of my Resolutions, that they have gone through three editions. If this were true, and if the alterations I

had made had been considerable, I should have done no more than would have been both my right and my duty if I had fallen into any errors at first. The fact, however, is merely this:

On the 11th of April, my Learned Friend communicated to the House the general substance of his intended Resolutions: on the 22d they were presented in their present form, and ordered to be printed. On Friday the 26th, my Resolutions were presented, and ordered to be printed. The discussion being then fixed as early as the Monday following (the 29th), I took the liberty of requesting that the printer might send a proof copy of my Resolutions not only to me, but to those Gentlemen whom I thought likely to take a leading part on the opposite side in the discussion; and this mark of my attention and respect, to which they are so fully entitled, is now sarcastically called a first edition. On Monday the 29th, the Resolutions came from the printer, and were delivered to the Members in general; and this makes the second edition. The debate being postponed for a few days, and accounts having been presented during the interval which enabled me to state more exactly a few of the sums mentioned in the Resolutions, and to bring some of them down to a more recent date than I had done before; instead of making such corrections, and a few others.

merely verbal, when the Resolutions were to be actually proposed, I desired, for the sake of general convenience, that they might be reprinted:—and this forms the *third* edition; and if any Gentleman will take the trouble of comparing the *three*, which I think those who have made the observation cannot have done, they will find that no one fact or argument has been altered, with the exception of the sums I have mentioned. I state this, not because I should have been unwilling to confess any error into which I might have fallen, or should now feel a repugnance to admit any Amendments which could render the Resolutions more strictly accurate, but to show to what expedients those are driven who wish to raise a doubt either of their truth or their importance.

On another point, I feel more anxiety not to be misunderstood. I have been supposed to use strong language in speaking of the proceedings of the Bullion Committee, and even to have insinuated that they countenanced a system of fraud and perjury. My known respect for all the Members of the Committee, and the intimacy and friendship with which I am honoured by several of them, will, I trust, secure me from any suspicion of using, unless through mere inadvertence, any expression which could fairly bear such an interpretation. If my argument had not been misunderstood, it would have been perceived to have a directly

contrary meaning. I argued, that the Committee could not seriously mean to recommend the repeal of the Bank Restriction Act, in the view of improving the course of exchange, without previously moving for the repeal of the laws which prohibit the exportation of our coin, because, while those laws subsisted, our money could only be sent abroad by a system of fraud and perjury, which it was impossible to suppose the Committee could intend to countenance; and without such exportation, no beneficial effect on the exchange could be produced. But I have thought myself bound to avow the opinion I entertain, that the publication of their Report has, although most contrary to their intentions, produced effects not beneficial but injurious to this country. For what other purpose has it been translated, circulated, and commented upon by the partisans of France in every country in Europe? What other use has been made of it in America?

It is not often that I think it necessary or becoming in a Member of Parliament to state the private motives which induce him to take the part which he thinks it proper to do in a particular discussion. But there are some cases in which those motives are connected with the question itself, and may serve to illustrate it; and I shall, therefore, take the liberty to mention the circumstances which have led me to



come forward, as I have done, on this occasion.

Several months ago, while in a state of mind the least inclined, and the least adapted, to political inquiries, I received a sort of reference from one of the ablest men on the continent of Europe, desiring my opinion of the Report of the Bullion Committee, which had just fallen into his hands. He observed, that if the opinions of the Committee were well founded, all his ideas of the resources and prosperity of England would be overturned; "Toutes mes idées seront bouleversées," was his expression. I answered him, that I thought the Committee had fallen into great errors, chiefly by applying sound and just principles of political economy to facts which did not support them; and that their opinions, if adopted by Parliament, would produce great injury to the public; and I very shortly stated some reasons for thinking so. Subsequent reflection and inquiry confirmed me in the judgment I had formed at first; and I found so large a portion of the public entertained the same sentiments with myself, that when my Learned Friend (Mr. Horner) first gave notice of a motion on the subject of the Report of the Bullion Committee, I really believed it was his intention to move that it should be referred back to a Committee, for a further investigation of the subject. In this

case I entertained a hope that, if I should be a member of that Committee, I should be able to propose such a course of inquiry, as might either induce them to retract some of the opinions formed last year, or lead me to concur with them upon sincere conviction. The answer of my Learned Friend, that he thought no further investigation necessary, destroyed those hopes, and left me, so far as I can judge of my duty to the public, no other alternative than that of stating firmly and distinctly, though I hope with becoming respect, my sentiments in opposition to those of the Committee.

In the many long and able speeches, in which the opinions of the Bullion Committee, with respect to the removal of the Bank restriction, were supported by the Learned Chairman and some of his colleagues, it is extraordinary that the practicability of carrying their recommendation into effect, was scarcely touched upon. But, indeed, the same want of inquiry into this most important point appears in the proceedings of the Committee. They called the Governor and Deputy Governor of the Bank repeatedly before them, and examined them at great length as to many other points of mere opinion; but they neither asked of them, or of any other witness, a single question as to the *practicability* of restoring the cash payments of the Bank in two years. If they thought the opinions of Bank Directors too old-fashioned

and erroneous to be deserving of any attention, how could they propose to leave to them the uncontrolled execution of so delicate and difficult an operation? On another point, that of the limitation of the issue of notes, the Committee were not sparing of their inquiries as to the opinion of the Governor and Deputy Governor. A considerable part both of their Report and of their speeches, has turned upon it. Two of my Honourable Friends (Mr. H. Thornton and Mr. Wilberforce) have assigned that opinion as one of their principal reasons for supporting the Resolutions proposed by the Learned Chairman. I must say that I think the Governor and Deputy Governor have been rather harshly treated on this occasion, when so much stress has been laid on what I admit to be a hasty and inconsiderate answer at the close of a long and severe cross-examination (which answer, however, is supported by the authority of Adam Smith\*, and has been fully explained by such of their colleagues in the Bank direction as are Members of this House—Mr. S. Thornton and Mr. Baring).

But if the *Committee* were destitute of any evidence respecting the practicability of the measure they so earnestly recommend, *we* are not without such evidence. *We* have had the

\* See Wealth of Nations, book ii. chap. ii. vol. i. p. 455. edit. 1784.

advantage of hearing a Gentleman (Mr. Baring), himself a Member of the Bullion Committee, himself a Bank Director, and therefore combining an intimate acquaintance with the internal affairs of the Bank with the most extensive knowledge of commercial affairs in general. He has told us, in a speech full of information and profound research into subjects of finance and political economy, that the proposed resumption of cash payments is *positively and absolutely impracticable*.

This it may, however, be said, is only evidence of opinion, though an opinion entitled to the greatest weight from the talents and situation of him who gave it. But the same Gentleman gave us evidence of a fact. He told us that his house, one of the first mercantile houses in the world, carrying on the most extensive correspondence, possessing unbounded credit in both the hemispheres, *could not now procure ten thousand ounces of gold, if they would give for it a premium of fifty per cent.*

Oh! that he had raised his warning voice in the Committee as he has done in this House! It would then have been impossible for them to have made such a Report as they have done: the House would have avoided this long and painful discussion, and the public would have been spared many months of anxious suspense and uncertain credit.

Could the Committee, after such a statement,

have affirmed in their Report; could the Learned Chairman have repeated in his speech, that there was no real *scarcity of gold*? Yet such is the foundation upon which all their fabric rests.

But another assertion of the Learned Chairman is, if possible, still more extraordinary. He tells us the Committee only propose a measure of experiment; and, if it fails, there is *no harm done*. Oh! how the love of theory and system can blunt the keenest intellect, and cloud the brightest understanding!

*No harm done* by an experiment which, whether it succeeds or fails, may occasion a general bankruptcy in London! This is no visionary apprehension of mine, but the deliberate evidence given before the House of Lords by his colleague and supporter (Mr. H. Thornton). That Honourable Gentleman now tells us it will do mischief, but it will establish a *principle*. A *principle of what*? The great principles of religious and moral truth are fixed and unalterable, and to them we ought to sacrifice every other consideration: but what are called principles of political economy are no more than maxims of prudence collected from observation and experience. Such a principle, whenever its application is *mischievous*, is, in that case, *false*, however *true* and *important* it may be in other cases apparently, but not really analogous; and, in such a case, to adhere inflexibly to the

principle, is not wisdom or firmness, but blundering pedantry. The great talent of political prudence lies in the discernment and discrimination of such cases.

The Committee cannot say that the resumption of cash payments can be carried into effect without such a reduction of the Bank issues as might, according to the Honourable Gentleman's evidence, produce such an effect. Not only the obvious reason of the case shows that a great reduction would be necessary, and it was so stated in the evidence of the Governor and Deputy Governor of the Bank, but the Committee themselves avow the reduction of Bank paper to be their great object.

From such a reduction they expect a melioration of the course of exchange. That it would produce such a melioration, I have, on a late occasion, expressed my doubts. I have since been triumphantly told by a Right Honourable Gentleman opposite (Mr. Canning), that the Chancellor of the Exchequer thinks differently from me on this point. It is true that he appeared to me to make a concession beyond what the case required. He admitted that a great reduction of the issues of the Bank would improve the exchange, but he objected to it on account of the danger with which, in other respects, it might be attended. I am far from denying the general tendency of a reduc-

tion of currency, whether metallic or representative, to increase its value, and, in consequence, to diminish imports, and increase exports, and therefore gradually, and by a slow process, to improve the rate of exchange. But though I agree thus far with the Right Honourable Gentleman, I think that he overlooked one of the principal elements of all calculation respecting the intercourse of nations, the effect of which is not the less real from its not being capable of arithmetical estimate; I mean *confidence*.

Supposing the diminution of our currency to have the effect which he agrees with me and with the Honourable Gentleman near me (Mr. H. Thornton), in thinking it would have, that of occasioning great commercial distress and numerous bankruptcies, the injury done to confidence abroad might produce an *unfavourable* effect on the exchange more powerful and more rapid than the *beneficial* operation of a reduction of currency could counteract. Commercial embarrassments would occasion a fall in the value of Government securities, and particularly of the funds; foreign stock-holders, as well as other foreigners possessing property here, would take the alarm; and would be desirous of withdrawing their capitals, even at some loss, and bringing home their property; and thus the general balance of payments, and consequently the exchange, might become still more unfavourable,

notwithstanding some improvement of the course of trade abstractedly considered.

On this point, also, we have, to a certain extent, the evidence of facts. In 1783 and 1796 and 7, the issues of the Bank were considerably reduced; not, indeed, to that degree which must be the effect of an approaching renewal of cash payments, yet sufficiently to produce much mercantile distress, notwithstanding the abundance of metallic money then circulating. But was this reduction productive of any beneficial effect on the exchange? Far from it. The exchange continued unfavourable till rectified by other causes; in the first case, by the peace; in the other, by the peace between Austria and France, and by the return of plenty after a period of dearth; and in both cases the improvement of the exchange was *accompanied* (but I admit *not produced*) by a rapid increase of the issues of the Bank.

In discussing this question, an Honourable Gentleman opposite (Mr. Huskisson), and my Honourable Friend near me (Mr. H. Thornton), laid considerable stress on the example of the Bank of France, which they recommend to our imitation, as another Honourable Gentleman (Mr. Sharpe) has done the conduct of Holland and Hamburg. Before I can attach any importance to this case, I should require some greater security for an exact statement of the

*facts*, than an official Report made to the French government, respecting transactions in which the conduct of that government itself was involved\*. The Report certainly is very well written, and ingenious; but an account is circulated in common rumour respecting the causes of the embarrassments of the Bank of France, in 1806, much shorter, and more simple, than that of Mr. Dupont. It is said, that the French Emperor, when about to take the field against Austria and Russia, in the autumn of 1805, found it convenient to possess himself of the cash reserved by the Bank of France, for which he gave the security of bills accepted by the receivers of the revenue; that the Bank was, in consequence, obliged to stop payment for four months; but that the victorious event of the campaign, and the contributions extorted from Germany, enabled the Emperor, after that term, to replace the sums advanced, and the Bank resumed its ordinary operations. I cannot answer for the truth of this account, but it carries no improbability on the face of it; and the earnest manner in which Mr. Dupont deprecates all interference or connexion between the Government and the Bank, naturally leads to a suspicion that some such story may be well founded.

\* Vide Mr. Dupont's Report.

- But admitting his representation of the case to be exactly true, to what does it amount? First, that to restore its payments in cash, the Bank of France was obliged to reduce its issues from ninety millions of French money (something more than three millions and a half sterling) to fifty-four millions, and soon afterwards to less than forty millions, or sixteen hundred thousand pounds.

Secondly, that this diminution, so trifling in its amount in the vast empire of France, plentifully supplied with metallic money, and so little depending upon paper circulation, yet produced numerous bankruptcies, and, to use Mr. Dupont's own words, *most fatal effects upon commerce*.

Thirdly, it is evident that the depreciation of the notes of the Bank of France, which took place while it was obliged to suspend its cash payments, was a depreciation from *discredit*, and not a depreciation from *excess*. For it appears, that at the time when cash payments were stopped, the amount of notes in circulation was less than it had been before, and the stoppage immediately followed a large advance made to the government, through the medium (as stated by Mr. Dupont) of merchants, who took as security the bills of the Receivers General, and gave their own bills to the Bank. It is not extraordinary, that at this proceeding,

which, even by Mr. Dupont's account, was nothing like a fair mercantile transaction, but nearly resembled what we call *accommodation bills*, and which, perhaps, as indeed appears by the other accounts circulated, was exaggerated, the holders of notes took the alarm. A run upon the Bank followed, and a stoppage of payment was the consequence.

But, for the sake of those Honourable Gentlemen who hold Mr. Dupont's authority so high, I shall take the liberty of citing a short passage:—"Many persons," says he, "struck with the inconveniences of even a temporary excess of notes, have thought, that we ought to limit the amount which the Bank shall issue: to keep the tree a dwarf, that it may afford less hold to the wind. We (speaking in the name of the Chamber of Commerce) do not partake of that opinion."

Mr. Dupont tells us, that when he wrote (in 1806), the notes of the Bank of England were really depreciated to the extent of three or four per cent. but that this depreciation was *almost imperceptible both at home and abroad*. Now, this is a most valuable discovery for those Gentlemen who are so fond of *depreciation*, because that to those who have faith enough to believe in this new *imperceptible* kind, it obviously is utterly impossible to prove the contrary.

But there is another passage to which I

should desire not only their attention, but that of the House in general. Speaking of public credit, he says, it is at present the *sole* support of Great Britain.

I perfectly agree with the Learned Chairman in one part of his most able and eloquent reply; that in which he commented on the conduct (though, indeed, too much countenanced by the mode of proceeding first suggested by himself) of those Gentlemen, who, agreeing in all the principles of the Committee, and supporting all his Resolutions, except the last; yet proposed to stop short, and merely to record the existence of the depreciation of our currency, without applying any remedy to so great an evil. If the fact were indeed true, I am sure this House would be greatly wanting in its duty to the country, and would justly become the laughing-stock of all Europe, if it were to rest satisfied with the discovery and publication of our situation, without taking any measures to prevent the impending ruin of our public credit.

Such a proceeding is justly exposed to the comments of the Learned Chairman, and cannot be defended by the arguments of the Honourable Gentleman near me (Mr. H. Thornton), or even by the wit and eloquence of the Right Honourable Gentleman opposite (Mr. Canning.) It is impossible not to remark the singular compliment paid by that Right Ho-

nourable Gentleman to the Learned Chairman, whose reasonings and whose Report he defends. He offered to vote for the two last of the Resolutions I am about to propose, on condition that I would accede to the first seven Resolutions of the Learned Chairman. However justly I should value the support of the Right Honourable Gentleman, I cannot accept it on the conditions of recommending to this House Resolutions which I think erroneous both in fact and law, and of depriving my own practical Resolutions of that chain of facts which appears to me to form their natural and proper support. In the Learned Chairman's Resolutions I did not, indeed, see any very strict and logical connexion, but I never thought of passing so bitter a sarcasm upon them as the Right Honourable Gentleman has done, who thinks that they are premises which will equally lead to contradictory conclusions:—that having been drawn up by the Learned Gentleman for the purpose of proving that the Bank *ought* to pay in cash, they will serve rather more conveniently to prove that it *ought not* to do so.

Those Gentlemen, indeed, tell us, that these Resolutions will serve as a guide to the Directors of the Bank, who, *they* say, have the power of controlling the exchange, though the Directors themselves deny that they have any such power.

We read in *Rasselas* of an unfortunate philo-

sopher, who, by intense meditation on the most abstruse theories, so bewildered his understanding, that he fancied himself intrusted with the direction of the winds and weather, and was worn with continual care and anxiety in the management of this imaginary charge. Such, but much worse, would be the situation of the Bank Directors under the control of the Bullion Committee. This poor astronomer was, indeed, harassed with visionary cares and useless solicitude; but he could do no real harm, he could not parch the fields of his neighbours with drought, or blast their crops with mildew; and he had the satisfaction of fancying himself beneficially employed. But the Directors of the Bank would be compelled, in the pursuit of an object which they knew to be equally chimerical, to inflict real and substantial evils on their country; to cramp the resources of the state; to fetter the exertion of the national power; and to spread distrust, alarm, and bankruptcy around them.

I should trespass too long on the attention of the House, if I were to pursue these general topics, which I consider, indeed, as having been practically and substantially decided by the House, in rejecting the Resolutions moved by the Learned Gentleman. I shall proceed, therefore, to the more immediate business of this evening, the discussion of the Resolutions

I am about to propose. In this (as I before observed), the candour of my Learned Friend has brought the question of fact to a distinct issue, and a much narrower compass, by stating his objections to my Resolutions in the form of Amendments.\*

Before I proceed to examine them in detail, I must beg the House to recollect that these are the *only* objections which the acuteness and industry of the Learned Gentleman and his colleagues have met with to the facts stated in those Resolutions, which, short and simple as they appear, comprise no less than a review of the financial and commercial history of the country so far as relates to the subjects of money and exchanges, for upwards of a century, and that these Amendments point out no positive error; I might admit the whole of them without giving up one fact in the Resolutions. The force of the reasoning deduced from these facts, might be varied in respect of extent and degree, and some of them might receive a different explanation from that which I have given, but not one of them is contradicted. I need not repeat, that I should willingly adopt any modifications by which the Resolutions might be made to give a more correct view of the case, and, under the circumstances I have mentioned, I should think, that

\* Vide Appendix, No. III.

even after acceding to all these Amendments, I should leave sufficient ground for the proceeding I am about to propose to the House; but I am compelled to observe, that the Amendments appear to me so inaccurately drawn as in every material point to be completely erroneous.

The first Amendment\* refers to the fourth of my proposed Resolutions, and is as follows:

“That, prior to the restriction of cash payments, the exchanges were never more unfavourable to Great Britain, for any length of time, than from five to seven per cent. below par, the depression appearing to have never exceeded the whole expense of transmitting specie abroad, except during a debasement of the coins of the realm.

“That, prior to the said restriction, the market price of standard gold in bars never rose above the Mint price more than  $1\frac{1}{2}$  per cent. and that only for a very short interval; except in 1720, the year of the famous South Sea scheme, when it rose to 4*l.* 1*s.* 6*d.* per ounce; and during the periods when the coins of the realm have been debased.

“That, in periods subsequent to the said restriction, and particularly of late years, the exchanges have been unfavourable to Great

\* Vide Appendix, No. II. and III.



“ Britain much below the limit marked by the  
 “ whole cost of transmitting specie abroad, and  
 “ have continued so for a considerable time to-  
 “ gether, being at present, and having been for  
 “ a considerable time, more than twenty-five  
 “ per cent. below par; and, in the same man-  
 “ ner, the market price of standard gold in bars  
 “ has been, and still is, more than twenty-five  
 “ per cent. above the Mint price.”

In this statement, the periods in which the coin has been debased, are expressly excepted; and this debasement is, in the next Amendment, stated to have existed during the wars of William the Third, until the recoinage, and also during the seven years war, and until the year 1774.

On the two periods thus excepted I shall have something to say, in speaking of the next Amendment, because I suspect that, with regard to both of them, the Learned Gentleman, as well in his Amendments as his Report, has mistaken the effect for the cause; and that it was not the debasement of our money which occasioned the unfavourable exchange, but an unfavourable exchange which produced the debasement of our money.

But I shall now limit my attention to the two periods selected in the first Amendment, namely, from the recoinage in 1697, to the

commencement of the seven years war in 1756; and from 1774, to the Bank restriction.

The difference between the Learned Chairman and me, with respect to this Amendment, is this, that he denies that at any time during the periods he has selected, the depression of the exchanges exceeded the whole expense of transmitting specie abroad; and that the price of standard gold ever rose above the Mint price more than  $1\frac{1}{2}$  per cent. excepting during the year of the South Sea scheme.

I affirm, on the contrary, in the fifth Resolution, that on the only occasions on which, from political and commercial circumstances, such an effect was to be expected, within the periods alluded to, namely, during the wars of Queen Ann, and during part of the American war, a depression of the exchange, and a rise of the price of bullion, actually took place; and I am prepared to show, from documents on your table, that they took place to such a degree as to furnish a complete practical proof of the fallacy of the leading doctrines of the Bullion Report. I say, these were the only occasions when such an effect was to be expected, because, from the termination of the wars of Queen Ann by the treaty of Utrecht, till the end of the earlier period, in 1756, was a time of peace and extraordinary commercial prosperity, with the exception of the derangement occasioned by the

South Sea scheme (which is admitted in the Amendment), and the war terminated by the peace of Aix la Chapelle. These hostilities, though they produced some effect on the exchange, do not appear to have much depressed it. And I am so far from supposing any great fluctuations in the course of exchange and in the price of bullion to be likely to take place during a period of peace and commercial prosperity, that if they had actually occurred, I should have found great difficulty in accounting for them.

And I must not omit to mention here one circumstance which, for more than half of the last century, greatly contributed to render the exchanges favourable to England. During the whole of that period our growth of corn considerably exceeded our consumption. The export of wheat between 1700 and 1763, exceeded the import by more than thirty-two millions and a half of quarters, being, on the average, more than half a million a year.

The regular periodical accounts of the course of exchange and the price of bullion, printed by order of the House, do not extend back so far as the reign of Queen Ann; but their place is sufficiently supplied for our present purpose by an important document furnished by the Comptrollers of Army Accounts. From this it appears, that in 1703 the exchange with Flan-

ders was at the rate of ten guilders eleven stivers for the pound sterling, being a loss to England of above 12 per cent. From 1703 to 1711, the accounts of the exchange with Flanders are wanting; but, from the well-known circumstances of the war, as well as some others which I shall presently mention, it is highly improbable that any favourable change took place in that interval, especially as it appears, in 1710, to have been at 11½ per cent loss with Genoa. In 1711, the exchange varied from ten guilders eight stivers, to ten guilders ten stivers, being a loss varying from 13½ per cent. to something less than 12. In 1712, it was ten guilders eighteen stivers, about 9½ per cent. in 1713, eleven guilders, about 8½ per cent. loss, and in 1714, ten guilders eighteen stivers, or 9½. In 1712, it was at 13½ per cent. loss with Dunkirk.

It is certain, that, during the whole of this period, the expense of sending gold coin to Flanders could not amount to three per cent. and probably could not exceed two per cent.; and therefore we have, for eleven years together, an example of a circumstance taking place, which the Bullion Committee positively pronounce to be impossible, namely, a depression of the course of exchange beyond the total expense of the conveyance of specie from one country to the other, without any depreciation of the currency.

Nor is the Learned Gentleman's Amendment more correct with respect to the price of bullion. On this point the evidence is not, indeed, so direct, but I think it not less conclusive.

It appears, by accounts on the table, that from 1702 to 1709, the Bank bought no bullion. Now, as that corporation always buys bullion when it can be procured at, or but little above, the Mint price, it is evident they could not at that time obtain any at such a price. In 1709, some gold was actually purchased at four pounds per ounce; and from that time the purchases continued.

This, according to the Learned Gentleman's next Amendment, would appear to be under the Mint price, which he computes at 4*l.* 1*s.* 7*d.* stating, that *from the reformation of the coin in the reign of King William, to the fourth of George the First, the guinea passed by law for twenty-two shillings.*

Here he has fallen into another mistake; the guinea never passed by law for twenty-two shillings. It was struck as a twenty-shilling piece, and valued accordingly in the Mint indentures. The Mint price of gold should, therefore, be reckoned at 3*l.* 14*s.* 2*d.*; but not being made a legal tender, it passed at a higher rate by common consent; and, for a short time, about 1696, as high as thirty shillings. On the 10th of April 1696, all persons were forbidden, by Act of Parliament, to pay or receive

guineas at a higher rate than twenty-two shillings, but they were not made current money at that rate. They soon after fell to twenty-one shillings and sixpence; and, on the 16th of February 1698, a Resolution explanatory of the Act of 1696 passed the House of Commons, declaring that no person is obliged to take the guinea for more than twenty-one shillings and sixpence, and the receivers of taxes were instructed to take it at that rate. It generally passed at the same value till 1717, when it was reduced, by Proclamation, to twenty-one shillings, and made current at that rate. The customary value of gold in coin was, therefore, at the time we are speaking of, 3*l.* 19*s.* 8*d.* per ounce, but the real Mint price (as I before said) 3*l.* 14*s.* 2*d.*

These circumstances I should think sufficient to establish the fact that the price of gold from 1702 to 1709, when it could be procured at all, must have exceeded four pounds per ounce; but it is abundantly confirmed by the accounts from the Mint. It appears, that in some years of that period, the Mint stood still entirely for want of bullion. In the whole term of seven years, from 1702 to 1709, no more than 391,000*l.* was coined in gold, and 433,000*l.* in silver, which latter was chiefly procured from the Scottish money recoined at the Union, and from the prizes taken at Vigo.

The Mint accounts furnish, indeed, one of the most certain proofs of the plenty or scarcity of bullion, as it is evident from the state of our laws respecting coinage and other well-known circumstances, that money will always be struck when bullion can be obtained at the Mint price.

In the later years, in which the accounts distinguish between the coinage from light guineas and that from foreign gold, the criterion is still more perfect; because the Bank has frequently been obliged to purchase foreign gold for coinage at prices considerably exceeding the Mint price, when light guineas could not be procured, which they always can be when the general price of gold does not materially exceed that of the Mint.

I have thus shown, that in the former period alluded to in the Learned Gentleman's Amendment, namely, from 1696 to 1756, the fact is completely at variance with the assertions of the Amendment in both its branches, as well as with the theories of the Committee.

Nor is the Amendment better founded with respect to the latter period, from 1774 to 1797. I am far from denying that the reformation of the gold coin which took place about the year 1774, might have a tendency to raise the exchange; but, it must be remembered, that this was a season of peace, and that the exchange might have become favourable, from causes merely

commercial. But it does not appear from the accounts, that any such effect took place. The recoinage which commenced in 1773 was not completed till 1777, and the exchange with Hamburgh, which, in the year 1773, previously to the new regulations respecting the coin, varied from 34.6 to 35, was, in the year 1777, from 33.2 to 32.1, being not a *rise*, as by the theory it should have been, but a *depression* of about seven per cent.

This was, however, a season of peace, and it could not be expected, that the exchange could be depressed to any great degree, or for any long continuance, except in the case of scarcity.

But towards the end of the American war, from the year 1780 till some time after the restoration of peace, the exchange with Hamburgh continued from five to eight per cent. against England, though the expense of sending specie to Hamburgh could not have been more than about three per cent. At the same time the price of foreign gold rose about six per cent, and that of silver bullion no less than eighteen per cent. above the Mint price.

It is stated in the Amendment, that the price of standard gold in bars did not exceed the Mint price in any one year of the American war. Whether the Learned Gentleman means one whole year or not, does not appear; but

even in this sense, his Amendment is erroneous, as it exceeded that rate from May 1783 to May 1784. But the price of foreign gold exceeded the Mint price for *three* whole years, from April 1781 to April 1784, and exceeded four pounds per ounce, from July 1782, to September 1783. These returns do not, however, give a complete view of the case; for it is a common practice in making up the price-lists, to continue the last price when few or no sales appear to have taken place; so that, when a scarcity of bullion exists, the prices returned in the lists are often nominal rather than real. And this is particularly the case with respect to the standard bullion produced from light guineas, which cannot legally be exported, and which the Bank is always ready to purchase at the Mint price, or very near it; for which reason, the price of foreign gold is usually a fairer criterion of the real state of the market. And it is evident, from other circumstances, how great the scarcity of gold bullion must have been at that time. It was even proved before the Committee in 1797, that the treasure in the Bank was then reduced considerably lower than it was when the restriction on cash payments was imposed.

In 1780, the Mint was entirely unemployed, and, for three years succeeding, the amount of coinage did not, on an average, exceed 600,000.

From 1784, till the Bank restriction, was

again (except in the last four years) a period of peace, during which it is so far from being extraordinary, that the exchanges should be favourable, and the price of bullion low, that those effects were rather to be expected upon common mercantile principles.

It will be more convenient to reserve any discussion of the circumstances of those last four years till we come to the next Amendment, in which they are again alluded to.

But in what has been said, I think that I have completely proved, that both in the earlier and the later period to which the Learned Chairman has referred, the statement in his Amendment is wholly unfounded, both as it regards the course of exchange and the price of bullion.

The Learned Gentleman's second Amendment refers to the fifth Resolution, and I have already answered that part of it which relates to the price of gold during the American war\*.

The greater part of the remainder, relates to the wars of King William the Third, a period upon which the Committee in their Report, as well as the Learned Chairman in his speech, appear particularly fond of dwelling. It is, however, most unfortunately selected for their purpose, for the Amendment begins with an extraordinary blunder.

3000,000 \* See Appendix, No. II. and III.

It states, that immediately after the reformation of the coin, the market price of gold fell to the Mint price, and the exchanges rose nearly to par, *although the circumstances of the war and the foreign expenditure continued unaltered.*

It is evident, that the whole purpose for which the Committee and their Learned Chairman have dwelt so much on this portion of our history, rests entirely on this part of their statement; for it never can be proved that the depression of the exchange during the war terminated by the peace of Ryswick, was occasioned, not by the war itself, but by the depreciation of our currency, unless it can be shown that the restoration of a favourable course of exchange was owing, not to the peace, but to the reformation of our coin.

To show how impossible it is for them to establish this position, it is only necessary to state a few dates.

On the 14th of December 1695, the House of Commons voted an Address to King William, to stop the currency of clipped money. On the 4th of January following, the King returned an answer, that he would issue his Proclamation accordingly. On the 21st of January, a Bill for remedying the ill state of the coin received the royal assent. Other Acts passed for the encouragement of persons bringing bullion to the Mint. The coinage was carried on with

*Journal Vol 11. P 615*  
*Thurs P 574*  
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activity; and before the 28th of November 1696, about 2,400,000<sup>l</sup> of the new money had been issued into circulation. Here, then, we should expect to see the improvement of the exchange if it had been produced by the reformation of the coin. But the remittances to Flanders, on account of Government, which in May 1695 were made at the rate of ten guilders for the pound sterling, or 20 per cent. under par, were in September 1696, after a considerable quantity of the new coin had been issued, at nine guilders, or 25 per cent. loss; and, so late as January 1696-7, at nine guilders five stivers, or about 23 per cent.

But Louis the Fourteenth, whose resources were as much exhausted as those of Great Britain (for, as Burnet observes, in 1696, "the common scarcity of money kept both armies quiet"), had before this time turned his thoughts seriously to peace. He signed a treaty of peace with the Duke of Savoy on the 29th of August 1696, and made overtures to the other confederates, of which King William took notice in his speech on opening the Parliament on the 20th of October. The preliminaries were agreed upon on the 10th of February 1696-7, but without a suspension of hostilities. The negotiations continued all the winter and the following summer, and the peace of Ryswick was signed on the 20th of September 1697.

The effects of the approach of peace were soon observable in the rate of exchange. The remittances were made in April 1697 at 22 per cent. loss; in July, at 13 $\frac{1}{2}$ ; and in August and September, at 12 $\frac{1}{2}$ .

These rates are taken from the original minutes of the Treasury, which I desired leave to consult, on account of some references made to them in a publication highly worthy of attention for its perspicuity and force of argument—I mean the *Review of the Bullion Controversy*.\*

This simple statement seems to me sufficient to overthrow the Learned Gentleman's Amendment; but so much misapprehension has prevailed respecting this interesting part of our financial history, that it will not be without its use to look back a little further, and endeavour to trace the causes and progress of that degradation of the coin, which, at that time, occasioned so great an alarm, and was remedied, at so heavy an expense to the nation.

In this retrospect we shall derive great assistance from the Journals of Parliament. As early as the 9th of April 1690, a petition was presented to the House of Commons by the working goldsmiths of London, complaining of a great scarcity of silver, of large exportations of silver, and of the melting down of plate and

\* Printed for Budd.

silver money (which was then the only legal tender), whereby (as they state) “for six months past, not only the petitioners in their trade, but the Mint itself hath been stopped from coining.”

This Petition was referred to a Committee, who reported, “that the complaints of the petitioners were very just, and the inconveniences to the kingdom very great, but that they could not agree of a way for preventing the same, and recommended the subject to the further consideration of the House.”

On the 17th of November 1690, a Bill for “discouraging the exportation of bullion, and encouraging the importation thereof, and converting the same into the coin of this realm,” passed the House of Commons, but appears to have been lost in the House of Lords.

The evil continued to increase, and encouraged a practice which so early as the reign of Henry the Fifth, and afterwards in that of Queen Elizabeth, had been prohibited under the penalties of high treason—the practice of clipping the silver coin.

It must be recollected, that the only legal tender in the time of King William, was in silver coin, and that this coin was of two kinds, milled and hammered money. The milled money, of which a few beautiful specimens had

been struck under the Commonwealth, was first made current in 1663. But the largest proportion of the coin in circulation before the re-coinage in 1696, consisted of hammered money very broad and thin.

From this sort of coin it was easy to cut off a circle round the edge, and the remainder containing the stamp passed current as readily as before it was thus diminished. To so great an extent was this practice carried, that Davenant estimates the clippings, thus procured and exported, as equal to one fourth of the total amount of our silver coin existing at the Revolution.

Early in the year 1694, a Committee of the House of Commons was appointed to receive proposals how to prevent the clipping of the coin and the exportation of silver, which reported on the 10th of March. Though their Report was not acted upon during the remainder of that Session, the subject was resumed at the meeting of Parliament, in November 1694, and an Act passed to prevent clipping the coin of this kingdom (6 and 7 W. III. c. 17). By this Act penalties were enacted against persons giving more for silver money than the current value—against persons buying and selling clippings, or having them in their possession; and the export of silver bullion, except under strict regulations, was prohibited.

These circumstances, I think, prove that the degradation of the coin was a consequence of the demand for bullion occasioned by the difficulty of defraying the expenses of the war abroad, as we find the petition of the goldsmiths respecting the exportation and scarcity of silver coin preceded any complaints of the clipping of the coin. This opinion is confirmed by the statement of Davenant, in a long Memorial, dated November 1695, and preserved among the Harleian MSS. in the British Museum. He tells us that, "the opinion, which all along prevailed, that peace was near in view, made us imprudent. First, the foreign coin, and bullion went; then foreign commodities, our own country goods, and bullion obtained by clipping." His statement is confirmed by the no less competent authority of Gregory King, who estimates the decrease of the coined silver in 1695, to be from 8,500,000*l.* to 4,500,000*l.*; and that of the uncoined, from 500,000*l.* to 100,000*l.*

The opinion of the Bullion Committee, namely, that, in the case we are considering, the fall of the exchange was occasioned by the depreciation of the coin, must, therefore, be the reverse of the fact, since it appears, on the contrary, that the military expenses abroad producing an unfavourable exchange, and an exportation of



bullion, were the cause of the depreciation of the coin. \*

In 1695, the difficulty was increased to such a degree, as to occasion a general controversy as to the measures which ought to be adopted. Three different plans were suggested:

The first, supported by Mr. Locke, was in favour of an immediate recoinage at the public expense, and at the full weight and fineness then established by the Mint indentures.

The second, maintained by Mr. Lowndes, the Secretary of the Treasury, was for a recoinage at a reduced weight as a temporary expedient during the war; or, which was also suggested by many other writers, and recommended by the Committee in 1694, an increase of the current value of the coin.

The third, which is proposed by Davenant in the Memorial I have alluded to, opposes both these plans, and suggests some temporary expedients, the most considerable of which is the raising a loan in Holland.

The opinion of Mr. Locke prevailed. On the 10th of December 1695, the Resolutions of a Committee of the House of Commons, recommending the recoinage of the clipped money, were reported to the House, and, with some Amendments, agreed to.

On the 14th of December, an Address was voted by the House, praying the King to stop

*\* Some Remarks on a Proposed  
Controversy on a Proposal  
and a Remedy of our silver coin 1695  
Page 5*

the currency of clipped money; and on the 4th of January following, His Majesty returned an answer promising to issue a Proclamation accordingly.

On the 21st of January 1695-6, an Act for remedying the ill state of the coin, received the royal assent. Other Acts passed in the same Session \*, for the encouragement of persons bringing plate to the Mint, and for reducing the rate at which guineas (which were then no legal tender) should be allowed to pass, first to twenty-six shillings, and afterwards to twenty-two shillings. One of these Acts (7 and 8 W. III. c. 19.) contains a provision, which is curious, as it shows the trifling expedients to which the distress of those times compelled the State to have recourse. It prohibits the use of any silver plate, except spoons, in taverns and public-houses, in order to obtain for the Mint the miserable resource of the plate belonging to such places.

The coinage thus ordered, was carried into execution with vigour and activity, and before the 28th of November, above 4,636,000*l.* in tale of clipped money had been melted for recoinage; and about 2,400,000*l.* of the new coin, amounting to nearly the same weight of

\* 7 and 8 W. III. c. 1. 7 and 8 W. III. c. 10. 7 and 8 W. III. c. 13. 7 and 8 W. III. c. 19. 7 and 8 W. III. c. 30.

silver, had been paid into the Exchequer, or issued to the public.

The circumstances attending this memorable recoinage undoubtedly throw some light on the principles laid down by the Bullion Committee, but seem to me much better calculated to impeach, than to confirm, the validity of those principles as applied by them.

In the first place, it is clear that the calling in of the hammered money, must, until the new coin came into circulation, have occasioned a great diminution of the circulating currency; and that it did so in fact, to a degree producing extreme public inconvenience, appears from the numerous petitions from the principal trading towns (no less than eighteen in number), which were presented at the next meeting of Parliament, complaining of the difficulties and embarrassments of trade caused by the want of the means of circulation.

This diminution of currency ought, on the principles of the Committee, to have had a great effect in raising the exchange; but this was so far from being the case, that the course of ex-

\* See petitions from Coventry, Birmingham, Norwich, the clothiers of Blackwell Hall London, the merchants of London, the clothiers of Devizes, from Southwark, Grant-ham, Peterborough, Bodmin, Chester, Derby, Wooten-under-Edge, Bishop's Castle, Leicester, and Exeter. Journals of the House of Commons, Vol. XI.

Journals Volume XI page 574.  
State of the coinage up to the 23<sup>d</sup> day of October 1696.

*And of late, when the coin grew so corrupted, the gold and silver did, as it were, but minister in the market, while*

change became still more unfavourable in 1696 than it had been in 1695, and continued at nearly the lowest depression till the preliminaries of peace were actually agreed upon.

Another circumstance observable, is, that the distress arising from the want of a medium of commerce forced a representative currency into use. At this very time Exchequer-bills were first introduced, and struck for sums as low as five pounds, for the purpose of general circulation. By these, and by Exchequer-tallies, Bank-notes, and the notes of private bankers, or goldsmiths, the necessities of the public were supplied, and an absolute stagnation of business prevented. "During the recoinage of our silver (says Davenant), all great dealings were transacted by tallies, Bank-bills, and goldsmiths' notes. Paper credit did not only supply the place of running cash, but greatly multiplied the kingdom's stock, for tallies and Bank-bills did to many uses serve as well, and to some better, than gold and silver: and this artificial wealth, which necessity had introduced, did make us less feel the want of that real treasure which the war, and our losses at sea, had drawn out of the nation."

And here we have a striking illustration of the effects which might be expected from the

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442 \* Discourses on the public Revenues and Trade of England.

*And tho' the war has impaired the nation's stock in so much that so great a sum cannot be employed in trade as formerly, yet if peace recover credit, there will not be wanting wherewithal to carry on our Foreign, and Domestic Traffic.*

execution of the plans of the Bullion Committee. Bank-notes might, indeed, be withdrawn from circulation, but the notes of private bankers would, after much inconvenience had been suffered, take their place. This would, certainly, be a much less evil than a general bankruptcy; but is it an end which the Committee would recommend to us to pursue with such risk and difficulty?

At the meeting of Parliament, on the 20th of October 1696, when, as I have mentioned, the King communicated to Parliament the overtures for peace made by the French King, the measures necessary for completing the recoinage were immediately resumed.

Hammered money was made current only by weight, and, a short time afterwards\*, was wholly prohibited, and various other regulations respecting the coinage were enacted, and at the next meeting of Parliament (3d of December 1697), the King announced the signature of a general peace from the throne.

It may, perhaps, be observed, in answer to me, that as the improvement of the exchange was, in fact, subsequent to the recoinage, it may have been really occasioned by the recoinage, although it happened that the con-

\* See 8 W. III. c. 2. 8 W. III. c. 1. 8 and 9 W. III. c. 26. 9 W. III. c. 2.

clusion of peace took place about the same time.

A MS. Memoir of Davenant to the Lords of the Treasury, somewhat later than that which I before quoted, and dated 15th of July 1696, will furnish a reply to this observation.

He says, "Notwithstanding the *coin is altered*,  
"the remitting such large sums yearly to Flan-  
"ders makes the exchange to Holland continue  
"so hard upon us, that in spite of all laws made,  
"or to be made, the species will be carried  
"over. The Dutch are already so overstocked  
"with all kinds of our manufactures, that we  
"have no hopes to pay the troops by the re-  
"turns arising from the sale of goods there,  
"which must put the exchange yet in a worse  
"condition and more to our disadvantage; and  
"this great sum, which we remit, does not  
"only influence the exchange in Holland, but  
"also at Hamburgh, in Spain, and Italy, and  
"well nigh all the parts to which we deal, and  
"is so heavy a load on our trade, that we must  
"quickly sink under the burden."

I shall beg leave to call the attention of the House to one or two other passages in this Memoir, though less immediately relative to the point now before us.

He asks a question, not yet, I hope, applicable to our present situation, but well deserving, from its importance, to be borne in

mind in the present discussion: "Has not the loss of credit made peace difficult, and war impossible?"

Another soon follows, more immediately bearing upon the plans of the Bullion Committee: "Could it be wise in the heat of a war, by so many ways to make the people unable to pay future taxes, and at once to pull down both money and credit, the pillars that supported the king and his subjects?"

"Upon the whole matter," says he, "the managers should not have disturbed what was quiet. They imagined two millions of bullion, to repair the coin, might be as easily sent from Spain as a tun of wine."

The same collection of the Harleian MSS. affords another authority completely decisive of the question, how far the loss upon the exchange is to be ascribed to the depreciation of currency, and in what degree to the circumstances of the war. It appears that the contracts between the Treasury and the Bank for remittances to Flanders were made upon various conditions at different times. Sometimes the Bank agreed to accept Exchequer tallies, or other Government securities, in payment for their remittances; in which cases the real loss by the exchange may be, in some degree, confounded with the discount upon the advances, or with the depreciation of the clipped money.

In one instance, a license to export 700,000 ounces of silver, notwithstanding the general prohibition, was granted to the Bank; and this license Lord Godolphin speaks of as equivalent to a premium of 20 per cent. Yet this very contract for remittance was made at the rate of ten guilders per pound sterling, or 16½ per cent. loss, and with a further allowance to the Bank of 2 per cent. for management. And at other times the Bank stipulated for payment in new Mint money, or in guineas.

In some of these latter cases, the Government was unable to fulfil its engagements, and a claim was made upon the Treasury, in 1696, by the Directors of the Bank, for a compensation for the losses which that corporation had sustained in 1695 and 1696, by being obliged to receive clipped money in payment, when they were entitled to guineas, or Mint money of full weight.

The Memorial of the Bank was referred by the Treasury to Lord Ranelagh, the Paymaster-general, and his Report is preserved among the Harleian MSS. I have already quoted

He did not admit the full extent of compensation claimed by the Bank, but he recommended an allowance of 13½ per cent. for the loss upon the clipped money, exclusive of a loss of about 20 per cent. on the exchange. Here, then, we have a distinct recognition of a loss

by exchange of 20 per cent. clear of every other consideration which might affect the account; and another evident example of what the Bullion Committee pronounces to be impossible—a loss upon the exchange greatly exceeding the expense of the transportation of bullion, which could scarcely at this time exceed 2 per cent. to the ports of Flanders or Holland. And this loss, as in the instance of the wars of Queen Ann, which I lately mentioned, continued during a period of several years.

I must next notice that part of the Amendment in which it is stated, “that, during the seven years war, and until the year 1774, the gold coin of the realm was in a state of debasement.” That the gold coin was, towards the close of this period, reduced in weight to the extent of four or five per cent, is, indeed, true; and, as I have stated nothing on this subject in the Resolutions, I might pass by this observation of the Amendment without any remark.

I think, however, it may not be useless to observe, that, as in the former instance in the time of William the Third, there is sufficient reason to conclude that the fall of the exchange was the *cause*, and not the *consequence*, of the depreciation of our currency, there are many indications that this was the case in this latter

instance also, though I will not venture here to state so decided an opinion.

I mean that there is reason to believe, that even after the foreign expenses of the seven years war had ceased, the balance of payments might be unfavourable to this country.

First, I should observe that we then, for the first time, began to import corn for our subsistence, instead of having a large surplus for exportation. From the beginning of the eighteenth century to 1758, we had an average exportation of above 500,000 quarters of wheat; but from 1764 to 1774, we had an average importation of 113,000.

Secondly, there was, during that period, a continued transfer of capital to America and the West Indies. The official value of the exports to North America, in ten years, from 1764 to 1774, compared with the ten years preceding, increased on an average from 1,700,000*l.* to 2,553,000*l.* The imports fell considerably short of that amount; but there is reason to believe that the balances, instead of being discharged by bullion, or other remittances, formed, for the most part, an actual transmission of capital from the one country to the other.

In the third place, it appears that the general balance of trade with all countries, except America, was much less favourable during the period which followed the seven years war, than during any preceding part of the century. The

official balances in the Custom-house books for ten years, ending in 1774, compared with the ten years preceding, show a considerable diminution of the balances in favour of Great Britain, although the general amount of the trade was much increased.

I am aware that the Custom-house books afford an imperfect criterion of the real state even of commercial payments; but in periods so near to each other, they may at least be depended upon as bearing a nearly equal proportion to the real values in each of the two periods, and therefore showing the comparative general result with sufficient certainty. And I think it may be fairly inferred, that if the balance of payments, purely commercial, was in the period succeeding the seven years war in any degree favourable to Great Britain, it may not have been so, in a degree sufficient to counterbalance the dividends paid to foreign stockholders, and the remittances made to British travellers or residents abroad. And though during the war the balance of trade had been more favourable to us, it was then counteracted by large subsidies and great naval and military expenses.

If these conclusions are well founded, the long course of unfavourable exchanges will be accounted for at once, and may fairly be supposed to have produced the depreciation of our gold coin in the same manner as I have just shown that of our silver coin to have taken place

during the wars of King William. The scarcity and high price of bullion would soon occasion an exportation of coin; and as the currency of the gold coin was not then restricted to any fixed weight, the heaviest pieces would always be selected for exportation; and thus a progressive depreciation of the coin would take place, and the attempt to counteract it by a fresh coinage, always carried on at a great expense, would be in vain, as the new coin would disappear as fast as it came into circulation.

I shall dwell no longer upon this point, because, whatever difference of opinion there may be between the Learned Gentleman and myself, I do not think the evidence sufficiently clear to justify us in affirming any thing positive in a Resolution of the House.

The next point touched upon in this Amendment is the price of gold during the American war, which is said never to have exceeded the Mint price in any one year of the war; but I have had occasion, in speaking of the last Amendment, to show this assertion to be completely mistaken.

What follows respecting the state of the exchanges in the period immediately preceding the Bank restriction, will be more conveniently discussed in speaking of the Amendment on the tenth Resolution, in which the same circumstances are stated more at large.

There remains only the statement, "that

"there was no rise in the price of standard gold in bars immediately prior to the 26th of February 1797, nor for a considerable number of years before." This is a point of some consequence, as all the circumstances attending the restriction on the Bank must be important in a discussion of this kind; but never was a more complete fallacy disguised under a slender veil of evidence.

It is true that in the printed Tables no higher price of standard gold in bars appears than 3*l.* 17*s.* 6*d.* per ounce. But the Learned Gentleman has omitted to inform us in his Amendment, that for eleven months out of the eighteen immediately preceding the restriction, no price of standard gold is given, because there was none in the market, and that for two years preceding the restriction, no price of foreign gold is given, except for one month only.

Independently, however, of this evidence from the very Tables from which the Amendment itself is taken, I should think it impossible to believe that the Directors of the Bank could have been so devoid of common sense, as well as of regard to the public interest, as to suffer their treasure to be drained away to a degree which filled them with alarm, as appears from their correspondence with Mr. Pitt, laid before the Committees of both Houses of Parliament in 1797, while they could have replenished it by purchasing whatever quantity of gold they found necessary,

without any loss. The evidence taken before the Committees of both Houses of Parliament, gives a very different view of their conduct. It shows their extreme anxiety to preserve, or to restore, the treasure of the Bank by all the means in their power. To this evidence, which is in the hands of every Member, I shall, in order to save the time of the House, beg leave to refer, in a general manner, and only to trouble them with one or two answers of Mr. Newland, the Cashier, to the Committee of the House of Lords.

"I believe," says he, "that gold within the last two years has been at a higher price than 4*l.* 4*s.* per ounce, which is a great inducement for persons to melt the guineas which are circulated at 3*l.* 17*s.* 10½*d.*"

He is asked, "Does the Bank ever pay more in their purchase of gold for it, than the Mint price?" He answers, "Frequently."

"What is the highest price you ever knew the Bank pay for gold, per ounce?" He answers, "4*l.* 1*s.*—4*l.* 2*s.*—4*l.* 6*s.* and as high as 4*l.* 8*s.*; but very seldom at those prices."

"State to the Committee at what time the Bank gave so large a price as 4*l.* 8*s.*?"—"I believe," says he, "it was about two years since the Bank gave about 4*l.* 8*s.* per ounce for gold; it was but a small quantity, it was soon stopped on account of its price."

With this evidence I shall leave the assertion of the Amendment, that there was *no rise in the price of gold before the restriction on the Bank*, and pass to the next Amendment, that on the sixth Resolution, which states, "That taking the issues of Bank-notes in circulation, not at their amount on a particular day, but on a fair average antecedent to any alteration of the exchanges and price of bullion, it does not appear, from the information which has been procured, that the price of gold has been highest and the exchanges most unfavourable when the issues of Bank-notes had been considerably diminished, and have been restored to their ordinary rates subsequently to those issues being increased." "That since the said restriction, the price of bullion has been highest, and the exchanges have been most unfavourable, at times subsequent to the periods in which the issues of Bank-notes have most increased." This is no answer to my argument, and proceeds upon a misunderstanding of the object of the Resolution. What I affirm is, that the price of bullion has frequently been highest, and the exchanges most unfavourable, at periods when the issues of Bank-notes have been considerably diminished. The Honourable Gentleman's Amendment denies that it has been so, taking a comparison of averages and not of par-

ticular days. If he means, that, upon a comparison of averages, it never appears to have been so (which would be necessary to support the theory of the Committee); I can abundantly prove that the fact is against him. But if he means only to deny that it has been uniformly so, my argument will remain untouched. My object is to show, that the issues of Bank-notes have produced no apparent effect on the exchanges and the price of bullion, in opposition to the theory of the Committee, who contend, that an increased issue of notes necessarily occasions an unfavourable state of the exchange, and a reduction of notes as uniformly corrects it. This theory cannot be well founded if any instances to the contrary can be produced. I have already mentioned several; but I will add another of more recent date. It appears by the accounts lately printed, that the amount of Bank-notes in circulation since January last, has been from two to three millions less than it was in the preceding summer, yet the exchange has since fallen 10 or 12 per cent. Or, as the Learned Gentleman seems to think the question is most fairly to be tried by a comparison of periods of considerable length, I would desire him to examine the accounts contained in the Report of the Bullion Committee respecting the amount of Bank-notes and the rates of exchanges, from 1802 to 1809. If the increase of



Bank-notes depresses the exchange, and the diminution of Bank-notes raises it; the exchange ought to have fallen, instead of rising, between 1803 and 1804, and to have risen, instead of falling, from 1804 to 1806. But for the same reasons an uniform issue of Bank-notes must occasion a steady exchange, and an invariable price of bullion. In that period of seven years the amount of Bank-notes was, however, increased only from seventeen millions to seventeen millions and a half, or less than 3 per cent. and the intermediate variations were not considerable. But the exchange varied about 11 per cent.; the price of foreign gold, about 8½ per cent.; that of standard silver, about 10; and that of dollars, 13½ per cent.\*

* Years.	Average Amount of Bank-notes.	Exchange with Hamburg.	Price of Standard Gold.	Price of Foreign Gold.
1802	17,054,000	32 to 34	4l. 3s. 6d.	None.
1803	16,847,000	34 to 35	None.	None.
1804	17,345,000	34. 8 to 35. 10	{ None till June, 4l. }	{ None till June, 4l. }
1805	17,241,000	35. 8 to 32. 9	4l.	4l.
1806	17,135,000	34. 8 to 33. 3	None.	4l.
1807	17,405,000	34. 10 to 34. 2	None.	4l.
1808	17,543,000	35. 3 to 32. 4	None.	4l. 7s.

* Years.	Price of Standard Silver.	Price of Dollars.
1802	5s. 11½d. to 5s. 6d.	5s. 9d. to 5s. 3½d.
1803	5s. 6d. to 5s. 8d.	5s. 3½d. to 5s. 5½d.
1804	5s. 8½d. to 5s. 5d.	5s. 7d. to 5s. 1½d.
1805	5s. 10d.	5s. 7½d. to 5s. 1d.
1806	None.	5s. 6½d. to 5s. 5d.
1807	5s. 8d. to 5s. 6d.	5s. 6½d. to 5s. 5d.
1808	None.	5s. 3d.

The Amendment proposed on the seventh Resolution, turns entirely on a question of degree, and, if admitted, would not affect the accuracy, though it might lessen the force and importance, of the Resolution. But I have, however, already had occasion to show, that in all the material parts it is unfounded in point of fact.

I now proceed to the Amendment on the eighth Resolution, the principal object of which appears to be to substitute an average account of the amount of Bank-notes during periods of several months for their amount on particular days, and to enter into a more minute detail of the variations of the exchange during the years 1782-3-4. I had selected such dates as appeared to me to point out in the most striking manner, the fallacy of the principles assumed by the Committee, and the Learned Gentleman has made no objection whatever to the accuracy of the statement; but I am so convinced that in any fair view of the case, whether taken on a comparison of averages, or of single days only, the result will be equally favourable to my argument, that I am willing to substitute for the eighth Resolution, a new one in which the fluctuations of the exchange are pointed out more minutely, which I beg leave to read to the House, viz.

“ That the amount of Bank-notes outstanding on the first of January 1781, was 6,794,620l. and was reduced on the first of October, to

" 5,967,790*l.* during which time the exchange  
 " fell from 34. 1 to 32. 2, and the price of fo-  
 " reign gold rose from 3*l.* 17*s.* 6*d.* per ounce,  
 " to 3*l.* 19*s.* 6*d.*; and dollars (which on the se-  
 " cond of March were at 5*s.* 4½*d.* per ounce) to  
 " 5*s.* 9½*d.*: that in the beginning of March  
 " 1782, the amount of Bank-notes was in-  
 " creased to 9,160,000*l.* and that the exchange  
 " was then 32. 10, foreign gold 3*l.* 19*s.* and  
 " dollars 5*s.* 8½*d.*: that in the beginning of De-  
 " cember 1782, the amount of Bank-notes was  
 " reduced to 5,995,000, and that the exchange  
 " was then 31. 10, foreign gold 4*l.* 0*s.* 1*d.* and  
 " dollars 5*s.* 11½*d.*: that in June 1783, the  
 " amount of Bank-notes was 6,970,000*l.* and  
 " the exchange 31. 5, foreign gold 4*l.* 2*s.* 3*d.*  
 " and dollars 5*s.* 8½*d.*: that in June 1784, the  
 " amount of Bank-notes was 6,717,000*l.* and  
 " the exchange had risen to 34. 4, and gold had  
 " fallen to the Mint price, and dollars to 5*s.* 3*d.*  
 " and that the exchange continued at 34. 6, gold  
 " at 3*l.* 17*s.* 6*d.* and dollars at 5*s.* 1½*d.* in Fe-  
 " bruary 1787, the amount of Bank-notes being  
 " then increased to 8,688,000*l.*"

If the Learned Gentleman does not choose  
 to accept my offer, I must adhere to the ori-  
 ginal Resolution, in which he has not pointed  
 out the slightest inaccuracy.

To proceed to the Amendment on the ninth  
 Resolution, which is, "That of the sum of  
 " 10,704,000*l.* stated to have been coined in

" gold from February 1787 to February 1791,  
 " the sum of 8,084,982*l.* was a recoinage from  
 " the light guineas of the realm,"

It is true, as stated in the Amendment, that  
 of the sum of 10,740,000*l.* coined in four years,  
 from 1787 to 1791, no less than 8,058,000*l.* were  
 recoined from light guineas. But this fact is so  
 far from invalidating the force of the Resolution,  
 that it rather confirms an argument I have be-  
 fore had occasion to use. I have observed, that  
 when the exchanges were favourable for any  
 considerable period, the coin which was become  
 too light for currency, has been usually re-  
 turned to the Mint for recoinage, because no  
 profit could be obtained by the exportation of  
 it; but that when the exchanges were unfav-  
 ourable, the light coin was clandestinely ex-  
 ported as bullion, and the Mint supplied by fo-  
 reign gold, imported at a considerable loss.

The period from 1787 to 1791, was one of  
 great commercial prosperity and favourable ex-  
 changes, succeeding an expensive war and an  
 unfavourable course of exchange. In conse-  
 quence, a large quantity of British coin which  
 had been sent abroad during the war, returned  
 to this country, and was sent to the Mint for  
 recoinage. This supposition is confirmed by  
 the well-known fact, that some time after the  
 conclusion of peace, large quantities of guineas  
 came back from America, and by the great pro-  
 portion which the recoinage of light guineas,

during the period we are speaking of, bore to that of the periods both preceding and subsequent to it.

In nine years, from 1778 to 1787, the sum recoined from light guineas amounted to 3,190,000*l.* or, on an average, to 354,000*l.* only in each year; in four years, from 1787 to 1791, to 8,850,000*l.* or 2,021,000*l.* in each year; in six years, from 1791 to 1797, to 4,000,000*l.* or 666,000*l.* in each year.

My object was to show, that between 1787 and 1791, a large addition was made to the amount of our current coin; and it is indifferent whether this addition was made by the recoinage of light guineas, or the importation of foreign bullion, unless it could be shown that those guineas became light, and were thrown out of circulation, during the same period. Upon the degree in which this might have taken place, every man will form his own judgment; but that in so short a term it was great, would be utterly incredible, even if their return to the Mint were not easy to be otherwise accounted for by the circumstances I have stated.

The Amendment on the tenth Resolution, like that on the eighth, does not impute any inaccuracy to the Resolution, but traces several intermediate variations of the exchange, which I have not thought it necessary to notice. Nor shall I now trouble the House with a minute investigation of these trifling circum-

stances, because any Gentleman who may have a curiosity on the subject may easily satisfy himself, by a reference to the accounts upon the table, that during this period no visible connexion can be traced between the amount of Bank-notes in circulation, and the course of the exchange\*.

* 1795.	Bank Notes.	Exchange with Hamburgh.	1796.	Bank Notes.	Exchange with Hamburgh.
Jan. 31	12,716,000	36. 0	Jan. 29	10,746,000	33. 6
Feb. 28	14,017,000	35. 10	Feb. 27	10,647,000	33. 2
March 28	10,444,000	35. 4	March 26	10,287,000	34. 6
April 24	12,040,000	34. 4	April 30	11,661,000	33. 10
May 30	10,316,000	33. 6	May 28	10,303,000	34. 0
June 27	10,661,000	32. 10	June 25	9,882,000	33. 7
July 24	11,420,000	32. 4	July 30	9,788,000	33. 11
Aug. 29	11,176,000	32. 6	Aug. 27	9,427,000	33. 7
Sept. 26	10,775,000	32. 10	Sept. 24	9,409,000	34. 0
Oct. 31	11,082,000	32. 10	Oct. 29	9,744,000	34. 7
Nov. 28	11,503,000	33. 2	Nov. 26	9,914,000	34. 6
Dec. 24	11,496,000	32. 7	Dec. 31	9,204,000	35. 6

1797.	Bank Notes.	Exchange with Hamburgh.
Jan. 28	10,024,000	35. 1
Feb. 25	8,640,000	34. 9
March 24	10,501,000	36. 8
April 29	13,049,000	36. 0
May 27	10,880,000	36. 4
June 23	10,284,000	36. 6
July 29	11,233,000	36. 8
Aug. 26	10,564,000	38. 0
Sept. 30	11,834,000	37. 7
Oct. 27	12,448,000	38. 0
Nov. 25	11,206,000	38. 2
Dec. 30	11,276,000	38. 2

N. B. The rate of exchange is stated as it appears on the first day mentioned in the account subsequent to that on which the amount of Bank-notes is given.

The only remaining Amendment (that on the fourteenth Resolution) I have already anticipated by inserting in the Resolution the sums taken from an account presented within these few days to the House, instead of those which I had before placed in it from an earlier and less complete account.

I have now gone through this tedious, but necessary part of my statement; and I beg the House to recollect that the points I have been discussing are the only objections which the talents and industry of the Bullion Committee have been able to raise against the facts stated in my proposed Resolutions. I am of opinion, that I have given a complete answer to each of them; but if the Learned Gentleman thinks they can be supported, he has now the opportunity of doing so; and if I have still left any thing unexplained, I shall be able, in the course of the debate, to supply the deficiencies which may have occurred in my statement.

Assuming, till I hear the contrary, that I have satisfied the House of the complete historical accuracy of the Resolutions submitted to them, I must now call their attention more particularly to such of them as demand the judgment of the House on questions of litigated opinion, or of practical effect.

In the discussion of these points, I now

stand upon ground of much greater advantage than when I addressed you some days since, not only from the rejection of the Resolutions moved by the Learned Chairman, but from the established accuracy of the series of historical Resolutions, now under consideration, the objections to which I think I have refuted.

I know not, indeed, whether I am at liberty to claim this admitted accuracy as applying to the first Resolution. It is a Resolution declaratory of law, as well as of historical fact; but equally capable of being combated by an Amendment, pointing out its inaccuracy if any exists. If I have laid down the prerogative of the Crown erroneously, why are not the statutes, the declarations of Parliament, the authentic documents of any kind, which prove my error, embodied in an Amendment to oppose me? I should, therefore, be entitled to assume, that no solid ground of objection could be found.

But as I am desirous, if possible, to avoid troubling the House a third time, and as many comments of various kinds have been made on this Resolution, and on the subject of the standard of money connected with it, I think it may be proper to say something respecting it, before I call upon the House in form to adopt it.

I have been charged by the Right Honourable Gentleman opposite (Mr. Canning) with rejecting "altogether the established doctrine of a fixed standard of the currency of the realm; and with bending and accommodating the fundamental principles of our money system, to the state of our currency, such as I happen to find it."

I answer, that neither in this Resolution, nor in what I have said on a late occasion, respecting the standard of money, have I referred at all to the *present* state of our currency, as consisting chiefly of paper, but to the legal metallic money of this kingdom. What I affirm is, that a fixed and invariable equivalency between our legal money and bullion, never has been established by our laws. I have proved it in practice by showing, that very different weights of silver money are, and always have been, equally current as a legal tender. It is not less easy to prove in theory, that, until our laws are altered, it is impossible this equivalency should be preserved. So long as the exportation of our coin is prohibited, the merchant who wants to send gold abroad must be contented to give more for such bullion as may be legally exported, than its weight in legal money. This is not a law of recent date—not an attempt to *bend and accommodate the principles of our money system to the*

*state of our currency.* It is what the Bullion Committee themselves call the *ancient policy* of our law. They call it, indeed, *doubtful* and *questionable* policy (and such I too think it); but it is a point on which they do not hazard an opinion—they do not recommend its repeal. Yet they contend, that Bank-notes are depreciated because they have not an equivalency, which our legal coin never *had*, and, till our laws are altered, never *can* have. The value of our money may not only fall short of bullion; but may, under different circumstances, exceed it. That this might happen while a seignorage was taken on our coins, as it does in other countries where that is the case, is obvious; but we have a more recent instance of a different kind.

It is well known, that any person may carry gold bullion to the Mint, and is entitled to have it returned in coin, free of expense, the charge of coinage being borne by the public. While this is the case, gold bullion can never be materially cheaper than its weight in coin; or, in other words, can fall but little below the Mint price; that is, no more than may be equivalent to some trouble, and a small loss of interest occasioned by the delay. The same law subsisted with respect to the silver coin, till a few years ago; and, therefore, standard silver bullion could never fall much below

the Mint price of *5s. 2d.* an ounce. But in 1797, an Act was passed, prohibiting silver coinage; and since that time, standard silver has fallen as low as *5s.* Now will the Right Honourable Gentleman deny, that, at such a time, a pound weight of standard silver bullion might have been purchased and paid for in legal silver coin, worn down to no more than eight ounces weight? or will he, in such a case, affirm the exact equivalency of coin to bullion, and say, as some who maintain the same opinions have said, that a pound of silver is, and always must be, a pound of silver, and nothing else, all the world over?

The Right Honourable Gentleman tells us, that "a pound sterling is either  $\frac{3}{4}$  of a pound of standard silver, or  $\frac{2}{7}$  of a guinea weighing not less than five penny-weights, eight grains." This is the simple, and the only definition, which the practice of our ancestors recognises, and the law of the country allows.

Let us now consider what the practice of our ancestors has really been, and what the law really is. We shall find, that, in the practice of our ancestors, the weight of silver, of the present standard fineness, contained in a pound sterling, has varied from eleven ounces, five penny-weights, to no more than seventeen penny-weights. With respect to the law, we

know that the greater part of our silver currency now passes legally current, not at  $\frac{3}{4}$  of a pound weight, but  $\frac{1}{2}$  or  $\frac{1}{3}$  to the pound sterling. I beg not to be understood as defending the debasement of our money, which has, at various times, taken place; or as contending that the present state of our silver coin is not an evil. Neither am I discussing the true principles of legislation with respect to currency, or inquiring whether it might not be wise, by some regulations like those of the banks of Amsterdam and Hamburgh; or in some other way, to establish an equivalency of value between money and bullion. The Right Honourable Gentleman appeals to fact and law, and I am showing that fact and law do not support him. Upon these grounds alone am I reasoning, and on these alone the Resolution turns.

I have hitherto been speaking of the silver coin, which, till within modern times, was the only legal measure of value. Not only Mr. Locke, but a much later writer, Mr. Harris, in his sensible and useful work on coins, published so late as in 1757, contends that it is the true and only measure which can be properly established. But all I have said applies equally to the gold coin at any time previous to 1774, and the period from that time to the present has not only been much too short to constitute an instance of settled and established policy, but has been throughout a period of de-

liberation and suspense with respect to a revision of our monetary system, which temporary circumstances have always prevented from being completed and carried into effect. And it is observable, that it seems to have been in contemplation in 1774, when the current weight of the guinea was first fixed, to have limited the current weight of the silver coin also, as the same Act which provided for the fabrication of weights and scales, for the gold coins, directed weights to be prepared for the silver coins also, although no limitation of their current weight was, in fact, established.

Thus far I have spoken of the weight only of our coins; but the Resolution is purposely so drawn as to assert the prerogative of the Crown to regulate their fineness also, in all cases not settled by Act of Parliament. I am aware that some respectable authorities may be adduced to controvert this position, at the head of which is that of Sir Edward Coke. But when I find it laid down as *indisputable* by so great a lawyer as Sir Matthew Hale, and affirmed, after an elaborate and able review of the question, by Lord Liverpool, I cannot doubt on which side the weight of authority prevails. But above all, when I find that, in the course of ages, the legality of this prerogative appears never to have been questioned in any parliamentary or public document, though

the mode of its exercise has been frequently and justly complained of, I cannot hesitate in recommending this Resolution to the House as a just exposition of the law.

In the course of this debate, the statute of the 25 Edward the Third, chapter 13, has been quoted as controlling this prerogative; and Sir William Blackstone seems inclined to consider it in that view. But if this interpretation is to be put on that statute, and it is to be considered as applying to gold coin, every guinea which has ever been struck has been a violation of it, and it has never, in any instance, been obeyed since the time of Charles the Second. For since that time, no gold money has ever been struck of the old standard of 23½ carats fine. Yet I do not find that the introduction of this new standard (as it was called) of twenty-two carats fine by Henry the Eighth, or that of the inferior standard he also introduced of twenty carats fine\*, or even the enormous debasement of the silver coin in the reign of Edward the Sixth, was ever considered as *illegal*, however justly condemned as *impolitic* and *injurious*. Nothing is more easy, but nothing more fallacious, than to argue from the abuse, against the use; and to contend, that a prerogative does not exist, because, if unwisely or corruptly ex-

\* These three different standards of gold coin are distinguished by the names of *angel gold*, *crown gold* (which is the standard now in use), and *sovereign gold*.

exercised, it may produce consequences injurious to the public. Power must, in every government, be lodged somewhere. And every prerogative is vested in the Crown for the benefit of the people, subject to the responsibility of the advisers of the Crown, and to the superintendence of Parliament. What prerogative can be more important or more dangerous to the public than that of war and peace, and what other security than those I have mentioned, has the nation against unjust and impolitic wars?

Among the artifices of debate which have been resorted to on this occasion, one of the most common has been the introduction of great names as authorities in the question; but when the opinions of the great men so ostentatiously mentioned come to be examined, they will be found either to have no reference to it, or an effect contrary to that for which they were brought forward.

I might have been terrified with the introduction of Lord Liverpool as an authority against my opinions, if I had not known that that Nobleman states the royal prerogative very nearly in the same words as I have used in my Resolution; and even that a great part of his valuable work is taken up in discussing the mode in which that prerogative, which, following Sir Matthew Hale, he treats as indisputable, ought to be exercised.

I should still more have shrunk from the weight of a yet greater name, that of Sir Isaac Newton, if I had not recollected that his Report, instead of confirming the purpose for which it was cited by the Honourable Gentleman, in reality destroys it. It was produced to support the doctrine of an invariable standard of currency; but, unfortunately for the argument, Newton concludes by recommending an alteration of the current value of the guineas from 21s. 6d. to 21s.

This recommendation was actually carried into effect; and it is observable that the Parliament, in 1717, was so sensible, that this was a subject properly belonging to the prerogative of the Crown, and so cautious of interfering with it, that, instead of proceeding by Act of Parliament, both Houses addressed the King to issue his Proclamation.

I recollect only one other circumstance connected with the subject of this first Resolution, to which I think it necessary to call the attention of the House. It is that of a proposition, first, I believe, brought forward by the Honourable Gentleman opposite (Mr. Huskisson), in his able publication on the Bullion Report, and since repeated both by him and his Right Honourable Friend (Mr. Canning) in their speeches, to allow the circulation of guineas, or at least of such guineas as are below the cur-



rent weight, at whatever value they might find in the market. On this I must observe, in the first place, that light guineas are already a marketable commodity, they are no longer current money, but mere bullion, and may be lawfully bought and sold as such, though not for the purpose of exportation. But what a curious *measure of value* would those Honourable Gentlemen introduce by means of a currency which would have no fixed value in itself; when, in every purchase, there must be a double bargain, first, for the commodity, and next for the rate at which the money shall be received, which must, in all cases, be weighed with the greatest exactness!—a *measure* subject to daily variation, to continual dispute, and every species of fraud and imposition; for how are the peasantry of the country, for instance, to know and follow the fluctuations of the bullion market in London, and always to carry with them exact weights and scales? We should, indeed, possess metallic money, on which those Gentlemen lay so much stress, but divested of every quality which makes money valuable as an instrument of commerce.

And what then will become of all their arguments respecting a fixed, invariable standard, in commenting upon which, I have been obliged to trouble the House so long?

But suppose the rate at which this new currency, the light guineas, shall pass, to be

regulated by public authority, by Proclamation, or by Resolution of the House of Commons, if it is thought right, as their arguments seem to imply, to take this branch of the prerogative from the Crown, are *all* light guineas to pass at an equal rate—is one which has lost twenty grains of its current weight to be equal to another which has lost only one, or is the value to be regulated by weight? In this case, we return to the inconveniences of continued weighing, and all the tricks which may attend it. And what security is there that the Resolution, which fixes the value of coin this week according to the price of the bullion market, may not vary from it the next, and the boasted equivalence of money and bullion be again as much lost as it is at present?

After all, what is such a suggestion but a proposal to *debase the standard of money, by raising the denomination of the coin*—an idea at which those very Gentlemen express so much horror as to exclaim against a Resolution acknowledging the prerogative of the Crown, because they think it may possibly be understood to imply that some such measure is in contemplation, though it has been most distinctly disavowed both by the advisers of the Crown, and the framer of the Resolution himself.

But this proposition is particularly ludicrous as coming from that Right Honourable Gentleman after the ridicule with which he, like some

other Gentlemen, has treated the additional value lately given to the Bank dollar tokens. I am far from commending that measure in the manner in which it was carried into execution; but it is liable to no one objection to which the Right Honourable Gentleman's proposal is not exposed, and it is free from the most important. The dollar token bears no public authority, but is a mere silver note of the corporation of the Bank of England, and receives its value from their engagement to make it good at a certain rate. If they were to choose, for whatever cause, to undertake to pay eleven pounds for every ten pound note issued before a certain day, I know not who could have any right to complain of them. And if the Bank were to issue golden tokens, though, for other reasons, I might think such a plan objectionable, I should not complain of their want of weight, though as light as any of the Right Honourable Gentleman's proposed money. But the light guinea, according to his plan, would be issued by public authority, and with all the circumstances attending a legal coin, and would, therefore, be neither more nor less than a debasement of the standard. On the second Resolution it is unnecessary to dwell; I therefore pass to the third, which has substantially been the great subject of our long debate so far as opinion is concerned.

It calls upon the House to pronounce its distinct judgment of the falsity of those opinions, which maintain the notes of the Bank of England to be depreciated in the ordinary and popular sense of that word, that is, in the sense of their having lost their value compared with the legal coin of the country.

This Resolution has already been the subject of much wit, much ridicule, much loose and far-fetched argumentation; but, I think, of very little sound reasoning or distinct evidence, on the part of those who oppose it.

My first appeal was to facts, because, in a case referring to the daily business and habits of life, facts cannot be wanting. In opposition to the daily evidence of the equivalency of Bank notes and cash with which every man's experience must have furnished him, all the industry and research employed on this occasion have only supplied two or three instances, not of an established difference of price, but of single private transactions, all of them resting on hearsay (though I do not mean to dispute their truth), all of them attended by some circumstances which would lead to a suspicion of an intended illegal exportation of the coin.

With a view to place the question upon the ground of facts more authenticated and of greater notoriety, I referred to the absence of all legal proceedings on this subject. It was imme-

diately hinted to me that such proceedings had taken place\*. My Learned Friend (Mr. Morris) has since produced his instance; and if ever a rule was proved by its exception, it is the rule which I have laid down of the equivalency of Bank-notes to cash. The case produced is that of Grigsby and Oakes, in 1800, of which I probably must have heard at that time, though it had escaped my recollection when he alluded to it.

In this case an action was brought by a gentleman against a country banker who offered payment for some of his own notes in notes of the Bank of England. This payment was rejected by the plaintiff, who demanded that a five pound note should be paid in guineas; and, on the refusal of the banker, brought his action. He obtained a verdict under the directions of the Learned Judge, and it was confirmed by the unanimous opinion of the Court of Common Pleas, who determined that Bank-notes were not a legal tender.

This case, therefore, proves that my statement of the law a few days ago was correct, and that eleven years since it was solemnly adjudged and publicly known, that Bank-notes are not a legal tender; and if, from that time to the present, they have passed generally current, and no other action has been brought, can

\* See page 24.

a stronger instance be given that they continue to be supported by public opinion (as is affirmed in the Resolution) without the force of law.

There were some circumstances attending the original trial which I have learnt from an eyewitness, and which seem to me not undeserving of the attention of the House. The Learned Judge (Mr. Justice Heath), in the first instance, recommended to the Jury, to find a verdict for the *plaintiff*. After a few minutes consultation the jury, however, brought in a verdict for the *defendant*. Mr. Justice Heath, deeming the verdict an improper one, refused to take it, and, after explaining to them how he understood the law to stand, recommended to them to reconsider their verdict. They again consulted, and, after a short time, the foreman turned about, and said, "My Lord, we find for the *defendant*." Nor was it till after a serious admonition from the Learned Judge, that it was their bounden duty, under the oath they had taken, to sacrifice their honest feelings to the strict law of the case, that they could be prevailed upon to return a conditional verdict for the *plaintiff*, subject to the opinion of the Court on the point of law.

Nothing can more strongly prove the state of public opinion at that time, than the circumstances of this trial; nor is it possible to have

more conclusive evidence of its continuance, than that from 1800 to this day, no fresh action has been brought, notwithstanding so clear and authoritative a declaration of the law.

A Right Honourable Gentleman opposite (Mr. Canning), in commenting on this Resolution, treated with great ridicule the idea which he supposed me to entertain, that *public estimation* could be the true standard measure of the value of a currency; and the common measure of the two parts of a currency, as compared with each other. I beg to remind the Right Honourable Gentleman, that I never hinted, much less stated in a formal Resolution, that the value of a *legal* currency was to be measured by public estimation. But of the value of a paper currency, a currency purely representative, public estimation is the true and only measure. By *what other measure* would the Right Honourable Gentleman try the depreciation of Bank-notes? Whether he infers that depreciation from a comparison of notes with legal money, with bullion, or with any other article, *public estimation* is still the rule which ascertains their comparative value.

The legal coin has a specific value affixed to it by law. The notes of the Bank of England profess to have the same value; but whether they actually possess it, must be decided by the public opinion. That opinion is

proved, and proved incontestably, by the general and acknowledged practice in ordinary transactions. This is my answer to the question put to me, by what *measure* the equivalency of Bank-notes and cash was to be tried; and it agrees in substance with that given by the Noble Lord opposite to me (Lord Castlereagh), who referred to the equal value allowed for each in the purchase of commodities as the test of their equivalency. Among commodities I certainly include bullion; but the question would be less fairly tried by an inquiry into dealings in bullion than in any other article, on account of the temptation which must always occur to convert the gold coin into bullion of superior value by illegally melting it down. The comparison ought, therefore, in this case, to be made between purchases of bullion paid for in Bank-notes and in silver coin, with respect to which the same temptation does not exist.

Upon this subject, the Right Honourable Gentleman and his friends are very willing to talk largely; but not equally willing to come to a definition. I took the liberty of asking the Gentleman next him, in what sense he used the word Depreciation, because, both from his general accuracy, and the peculiar attention which we all know he has paid to the subject, I thought him the most likely to give me a clear answer.

He gave me no answer at the time; and though he afterwards answered, not my *question*, but my *speech*, at great length, and, as usual, with great ability and information, he really at last left me at a loss to know what he meant upon this simple point.

The Right Honourable Gentleman, however, afterwards took the place of his friend, and gave an answer to my question: "The alleged depreciation of Bank-notes consists," says he, "in this, that whereas they did, in fact, represent heretofore the *real* as well as the *nominal* value of the coin which constitutes our lawful money, they now represent its *nominal* value only." If by *real* value the Right Honourable Gentleman means the value of the metal contained in the coin considered as *bullion*, and by *nominal* value the *legal current* value of the coin, according to its denomination (and I cannot give any other intelligible sense to his words), he may safely vote for my Resolution, for I only affirm that Bank-notes are equivalent to the *legal current* value of the coin; and the only difference between us will be, that he affirms that they heretofore did represent the *bullion* value of the metal, which I deny.

I affirm, on the contrary, that they have represented sometimes more and sometimes less than that *bullion* value; nay, sometimes both more and less at the same time; and even that

they represent both more and less at this very moment. This may seem paradoxical; but I beg the House to remember, that if Bank-notes are of less value than the gold contained in the gold coin which they represent, they are of much more value than the silver contained in the silver coin which they equally represent, and which is equally legal money.

If the Right Honourable Gentleman contends that they are depreciated eighteen or twenty per cent. because they are of so much less value in the bullion market than a quantity of standard gold equal in weight to their denominative value in gold coin, I have an equal right to affirm, that they are at a premium of twelve or fifteen per cent. because they are worth so much more than the silver contained in an equal denominative value of our present silver coin.

The argument is equally good in both cases, but, indeed, in my opinion, little better than trifling in either. For the Right Honourable Gentleman forgets that when an ingot has passed through the Mint it loses the character of bullion, and can never legally resume it. The price of bullion bought with money, as it was before the Bank restriction, varies, therefore, as frequently as when bought with Bank-notes. Instead of its remaining fixed and invariable at the Mint price, we find by the accounts upon the table, that in seventy-eight years previous

to the restriction, gold bullion was at, or under, the Mint price only twenty-eight years and a half, and silver bullion no more than three years and two months. Yet it is now contended that Bank-notes are depreciated because they do not preserve an equivalency to bullion, which, except at short and uncertain intervals, our coin never did. That equivalency is absolutely precluded by the laws which prohibit the melting down and exportation of our coin as bullion.

I am not arguing in defence of the policy of those laws, though it is much easier to see their defects, than to devise a system which shall be free from inconvenience. The Bullion Committee, who have not ventured to recommend the repeal of those laws, and have not even entered into any formal discussion of their operation and tendency, or suggested any other measures which might be substituted for them, but who merely—

“Just hint a fault, and hesitate dislike;”

yet, as well as the Right Honourable Gentleman, constantly argue as if no such laws existed, or as if they were totally obsolete, and had no operation whatever. The fact is, that those laws have a real and not inconsiderable, though by no means an effectual operation; and it is precisely this state of things which constitutes

one of my principal objections to the resumption of cash payments.

If the exportation of coin were free and lawful, the Bullion Committee could not recommend the removal of the Bank restriction, unless gold could be obtained sufficient both for our internal use and for exportation; and the moment they could prove that such was the case, I should most willingly concur in their recommendation.

On the other hand, if the exportation of coin could be effectually prevented, I should see much less objection than I do to the removal of the restriction, because I do believe it to be possible, though at a considerable sacrifice, to procure as much gold as might be sufficient to supply our internal circulation; and I should think the object worth a *considerable* sacrifice, though whether to the extent which might be necessary, would require a careful examination.

But, in the present state of the law and the circumstances attending it, the real effect of the removal of the restriction could only be (and the real object of many of those who are clamorous for it, however they may have concealed their views from the Committee, I have no doubt is) merely to throw upon the Bank the loss arising from the purchase of bullion at the present advanced rate, in order to profit by the illegal exportation of the coin produced from it.

In this object they would, for a time, succeed, though commonly at the expense of perjury to themselves, and always of embarrassment and stagnation to trade in general, while the professed and ostensible objects of the measure would be entirely frustrated.

I am unwilling to revert to the argument for the depreciation of our currency, drawn from the state of the exchanges, having, on a former night, troubled the House for a considerable time, upon that subject, and not thinking that my arguments have received any answer which calls for a reply on my part. I cannot, however, omit to notice an important admission made by the Learned Chairman in his reply; an admission which, indeed, flowed so evidently from the principles which he assumes, that his sagacity could not fail to observe, and his candour to state it.

He admitted that the unfavourable state of the exchange would afford no presumption of the depreciation of our currency, unless the depression were general: and that, if there were any country whatever to which the depression did not extend, its existence in other cases might be inferred to arise from other causes, and not from the state of our currency.

What then will he say if I am able to name a country, a rich country, a commercial country, and one with which we have extensive re-

lations of trade; the exchange with which has not only not become unfavourable, but has considerably improved during this supposed depreciation of our currency?

That country is India. The computed par of exchange between Calcutta and London is 2s. 6d. for the sicca rupee, and, as at least twelve months interest must be allowed upon a bill at six months sight drawn from such a distance, the par of bills drawn at Calcutta may be about 2s. 8d. and of bills drawn at London about 2s. 4d. The actual course of exchange for bills drawn at Calcutta from 1800 to 1808, was 2s. 8d. for the sicca rupee. In 1808, it fell to 2s. 7d.; in 1809, to 2s. 6d.; in May 1810, to 2s. 5d.; and about December last, to 2s. 4d.\*

\* The average Exchange, Calcutta on London, annually: For the year 1800, 2s. 8d. per sicca rupee, at six months sight.

1801, ditto	ditto
1802, ditto	ditto
1803, ditto	ditto
1804, ditto	ditto
1805, ditto	ditto
1806, ditto	ditto
1807, ditto	ditto
1808, 2s. 7d. per sicca rupee,	ditto
1809, 2s. 6d. per sicca rupee,	ditto
1810, May, 2s. 5d. per sicca rupee,	ditto;

and the quotations of November and December lower it to 2s. 4d. per sicca rupee.

N. B. Calcutta being the chief India presidency, the exchanges from Madras and Bombay, &c. may be considered as

I am aware, that the high value set, in the course of exchange, on the sicca rupee arises from a seignorage paid at the Indian Mints, and that its intrinsic bullion value does not exceed 2s. 1d. This, however, was long ago the case under the Mogul government, the Mint regulations of which have never been altered. In Sir Isaac Newton's Table of Assays, the value of the rupee is stated at no more than its actual intrinsic value; but from that time to the present, its value in exchange has been estimated at 2s. 6d. It is accordingly so estimated in a collection of tables of weights and coins which I have now in my hand, and which was printed in 1749. I shall consider myself as dispensed from discussing any theoretical question as to the propriety of estimating the par of exchange with reference to any seignorage taken upon the coin, by the authority of Adam Smith, whose words I beg leave to read:

"In some countries, the expense of coinage is defrayed by the government; in others, it is defrayed by the private people, who carry their bullion to the Mint, and the government even derives some revenue from the coinage. In England, it is defrayed by the

regulated by it; and there exists, in fact, a corresponding reduction to the above, in the rates of exchange from those places.

"government, and if you carry a pound weight of standard silver to the Mint, you get back sixty-two shillings, containing a pound weight of the like standard silver. In France, a duty of eight per cent. is deducted for the coinage, which not only defrays the expense of it, but affords a small revenue to the government. In England, as the coinage costs nothing, the current coin can never be much more valuable than the quantity of bullion which it actually contains. In France, the workmanship as you pay for it, adds to the value in the same manner as to that of wrought plate. A sum of French money, therefore, containing a certain weight of pure silver, is more valuable than a sum of English money, containing an equal weight of pure silver, and must require more bullion, or other commodities to purchase it. Though the current coin of the two countries, therefore, were equally near the standards of their respective Mints, a sum of English money could not well purchase a sum of French money, containing an equal number of ounces of pure silver, nor consequently a bill upon France for such a sum. If, for such a bill, no more additional money was paid than what was sufficient to compensate the expense of the French coinage, the real exchange might



"be at par between the two countries; thus debts and credits might mutually compensate one another, while the computed exchange was considerably in favour of France. If less than this was paid, the real exchange might be in favour of England, while the computed was in favour of France\*."

This celebrated writer, indeed, lays down the rule somewhat more extensively than I think strictly accurate, as it appears to me to be subject to some modifications into which I shall not now enter, as they do not apply to the present case. And I think it the less necessary, as it appears to me much more important to show that the exchange has *improved*, than that it is actually *favourable*. For it appears to me impossible that any country should at the same time have an improving exchange and a currency progressively depreciated; and, from the Learned Gentleman's admission, it is clear, that he is of the same opinion. Now, it is undeniable that the exchange with India has improved above 13 per cent. during the very period that our currency is supposed to have been depreciated from 20 to 25 per cent.

I cannot avoid figuring to myself what the Bullion Committee would say were they now sitting at Calcutta, and reporting the result of

\* Wealth of Nations, book iv. c. 3. vol. ii. p. 216 edit. 1784.

their inquiries to the government of India. It would be clearly proved to them, that for the last three years the exchange had gradually been falling, in a degree exceeding the expense of sending bullion abroad, and that, in fact, it was notoriously exported. "The case is clear," the Committee would say; "you have an excessive paper currency, which is become depreciated." The Indian government might then take the liberty humbly to represent, that this must be a mistake, as there really was in India no paper currency whatever. The Committee would then be completely at a loss, and, after an infinite number of conjectures, might be forced to concur with the merchants of Calcutta in thinking that these unfavourable appearances were really owing to internal peace, a reduction of public expenses, and an abundant sinking fund, which had enabled the government to reduce the interest of the public debt.

So various are the causes to which, in cases of this kind, effects may be traced, and so much are those liable to error who direct their views, exclusively to a single point of the subject.

I think it unnecessary to detain the House longer on this question of depreciation, because I consider it as already decided by a great majority in the rejection of the Learned Chairman's thirteenth Resolution. We are now

discussing not so much whether Bank notes are actually depreciated, as whether it is proper for the House to declare that they are not; so far, I mean, as it may be proper to settle that point in this general debate, in which the first Resolution only is regularly before us. Among those who agree with me upon the question itself, I think there can be no great doubt of the propriety of solemnly recording the opinion of the House. For if any effect is to be produced on public credit by the decision of Parliament; if the impression occasioned by the Report of the Bullion Committee is to be counteracted by a solemn and deliberate judgment of the House at large, these consequences can only follow in proportion as that judgment is distinct and unequivocal. To pronounce no opinion, would be to leave it in perpetual doubt what the sentiments of Parliament really were, and whether the rejection of the Learned Gentleman's Resolutions was not the effect of some difficulty of mere form, or, at most, of a doubting, hesitating, uncertain opinion, to which the House did not choose to stand distinctly committed. Accordingly, I have heard no Gentleman express a doubt of the expediency of voting some such Resolution as I propose, except those who have thought the Resolution itself erroneous in point of fact.

Whether the precise form in which it now stands is the best which can be adopted, will be a question hereafter when the Resolution comes regularly before us. I am not anxious for any particular words, so long as the opinion of the House is clearly, fully, and unequivocally expressed. But here I must say, that no Gentleman who has not objected to the substance of the Resolution, has hitherto offered any criticism on its form.

On the remaining Resolutions, it cannot be necessary that I should comment at much length, as their accuracy in point of fact is admitted, with the exception of the objections stated in the Learned Chairman's proposed Amendments, which I have already discussed and, I hope, sufficiently refuted.

The ten following Resolutions, from the fourth to the fourteenth, are occupied in a review of the most remarkable facts relating to money and exchanges, which have taken place since the Revolution, and comprise that chain of historical evidence upon which my own opinion has been formed, and which I desire the House deliberately to weigh in their decision of the great practical questions arising out of this discussion.

I might have taken a still longer retrospect, but, in proportion as we recede from the present times, our materials become more scanty

and imperfect, especially with regard to subjects which have usually been little noticed by the general historian. The period of the Revolution is, perhaps, the first in which the political and commercial affairs of Europe, and especially those of our own country, assumed the aspect they have borne in *modern* times, by which I mean those which immediately preceded the terrible convulsions, through which it is now our duty to assist in guiding the state. It is also a period, to which the Bullion Committee have thought fit to call the attention of the House in a particular manner, and which, therefore, it would have ill become me to neglect in discussing the opinions they have advanced; and it is not an unimportant circumstance, that about this very period, the Bank of England, on whose operations so much of our question turns, first took its origin.

It is upon an impartial and accurate comparison of the events which have occurred (so far as they relate to our present subject), from the Revolution till the Bank restriction, with those that have happened since that measure took place, that I wish the House to form their decision; and I have endeavoured, in these ten Resolutions, to draw into the smallest possible compass the principal materials of such a comparison. Those Gentlemen who may be inclined to go into more minute detail, will find

abundant matter for research in the papers on the table, and some other documents to which I have had occasion to refer; and I shall be ready, so far as I have been able to make myself master of so extensive an inquiry, to go with them into the examination.

But the general result of such a comparison appears to me to be, that, from the Revolution to the Bank restriction, the course of exchange has never suffered any material derangement from any cause arising within the realm, except the scarcity and dearth of grain, and the confusion occasioned by the South Sea scheme. The mode in which a dearth of grain operates on the exchange, is too obvious to require any observation; but the effects of the South Sea project have been noticed by the Learned Gentleman in one of his Amendments, and are worthy of a few minutes' attention, not as supporting, but as overturning, the ideas of the Bullion Committee. The effects of the imaginary and fictitious wealth, and the prodigious rapidity of circulation produced in the kingdom by that project, must, while the delusion lasted, have been the same as those of a great multiplication of paper currency. It ought, therefore, according to the ideas of the Committee, to have occasioned a considerable fall of the exchange, and a rise of the price of bullion. This, however,

was not the case. The exchange continued stationary, or rather became more favourable, while the price of South Sea stock was rising; but when it fell from 800 per cent. to 150, and our visionary treasures vanished like a dream, the exchange fell likewise about 7 per cent. and the price of bullion rose, and continued considerably above the Mint price for a twelve-month.

This, according to the Bullion Committee, may perhaps be impossible. It is, nevertheless, the fact, as appears by the accounts on the table. And upon the vulgar mercantile principles of credit and confidence, it is easily explained. While the delusion lasted, foreigners were anxious to obtain a share of our imaginary mines of wealth, and poured their capitals into this country; but as soon as the bubble burst, and despondency took the place of presumption, they were anxious to save what they could from a country whose affairs seemed to be falling into inextricable confusion.

But while the course of exchange seems to have been uninfluenced by *internal* causes, except in the cases I have mentioned, it has felt the operation of causes, *arising abroad* in every instance in which their effect could reasonably have been expected to be considerable. In the wars of King William it was depressed in a degree fully equal to the present; and, indeed,

And clipped money  
had no effect upon the  
Change

A presentation of  
some Money by  
G L 1696 713

A further attempt  
towards the reformation  
of the Coin

By Lord 1696  
Page 20

Some Remarks on a  
Proposed Act 1697  
75

*Peace in Peace of Guedes*

*1695*

*The Memorandum of  
the war between 1694*

*1691 - 1723*

*[Faint, mostly illegible handwritten text, likely bleed-through from the reverse side of the page]*

the difficulties of that period appear, in some other respects, to have borne a near resemblance to those which we now feel.

In the wars of Queen Anne, the fall of the exchanges was considerable, and entirely unaccountable upon the principles of the Committee; as the coin was then in an excellent state. The depression was not, however, equal to what it had been before the peace of Ryswick, the government being more firmly settled, and public credit better established.

After a long interval of peace, we were again involved in war, and military operations were carried on abroad about the year 1740. The accounts relating to this period had not been presented to the House when the Resolutions, now under discussion, were prepared. They have since been produced; and it appears, that the course of exchange was affected by these hostilities, though, as might be expected, in a much smaller degree than in either of the former cases. The British trade had been greatly extended, and become better able to bear the pressure of the foreign expenses of the government.

After an interval of eight years, from the peace of Aix la Chapelle, the seven years war commenced; and this war is admitted by the Learned Gentleman, in his Amendments, to have been attended with a depression of the exchange

which he can only account for by the supposition of a depreciation of our gold coin. I have already assigned my reasons for thinking that the depreciation of the gold coin which began during this war, and continued till the recoinage in 1774, was (like that of the silver coin before the peace of Ryswick) not the *cause* but the *effect* of an unfavourable course of exchange, and have endeavoured to point out the real causes which occasioned its continuance after the return of peace. To what I have already said respecting this period, I shall only add a remarkable circumstance which appears on the accounts from the Mint, namely, that, in the whole term of thirteen years from 1760 to 1773, only 54,600*l.* in light guineas were carried to the Mint, while 8,758,000*l.* were coined from foreign gold purchased at an advanced price. So considerable were the sacrifices which it was found necessary to make to supply the continual drain of our coin by an unfavourable exchange.

We are now arrived at the period of the American war, which I have before had occasion to discuss, and upon which, therefore, I shall only remind the House, that the pressure upon our currency became so great, as nearly to have occasioned the necessity of a restriction on cash payments, or some similar measure, the treasure in the Bank having been reduced, in

1783; even lower than it was when the restriction actually took place.

From this time till within four years of the Bank restriction, was a period of peace and unusual commercial prosperity; but the renewal of war, in 1793, was accompanied by a considerable failure of mercantile credit. That, indeed, was not of long continuance; but the increasing amount of our military expenses abroad, and of the demands of our allies, produced a considerable drain of our currency; and though the exchange recovered itself after the British army was withdrawn from the continent, and the pecuniary assistance given to our allies was reduced within narrower limits; yet, from a succession of unfortunate events, credit received a shock which rendered the effects of any alarm extensive and formidable, and at length made it necessary to impose the restriction on the Bank in consequence of an attack upon our coast too feeble and desultory to have been of any importance in times less critical.

Let us now compare the events of which I have given this hasty sketch, with those which have taken place since the restriction; and if we find the same causes existing, and the same effects produced, can we hesitate to acknowledge the connexion between them, and to ascribe the effects to the operation of the causes?

About the time of the Bank restriction, peace was restored upon the continent, our foreign expenses were greatly reduced, and the exchange became favourable to an extraordinary degree, a degree, I believe, never equalled. Yet this was precisely the period of the substitution of a paper circulation for metallic currency, and also of a great addition to this paper circulation, the average amount of Bank-notes, in 1798, exceeding, by four millions, their amount when the restriction was imposed.

In 1799, the continental war was renewed, and our foreign expenditure increased in a variety of ways by military exertion\*. But a calamity awaited us much more seriously affecting the state of our currency. The failure of two successive crops raised the price of grain to an unprecedented height, and compelled us to avert a famine by an expense in the importation of corn of at least twenty millions. The combination of these circumstances produced a fall in the exchange between January 1799 and January 1801, of above 20 per cent. Can any man doubt that these were the *true* causes of the fall? During the wars of King William, the exchange fell to an equal degree, though not so rapidly; but though the military exertions of our ancestors at that time were, per-

\* See Appendix, No. II. Resolution II.

haps, even more burdensome, compared with the resources of the nation, than those of the present day, can they be supposed to counterbalance the additional calamity of such a scarcity? If, however, a doubt could still be suggested, the events which immediately followed must remove it. In 1801 and 1802, we were blessed with favourable harvests, and peace was signed; and before December 1802, the exchange had risen 13 per cent.; the Bank restriction still continuing in force, and the amount of Bank-notes in circulation having progressively and considerably increased.

This recovery of the exchange, under such circumstances, appears to shake the confidence of my Honourable Friend near me (Mr. H. Thornton), in his own principles. He acknowledges that it gives him some hope for the future, and he seems unable to point out any distinction between that case and the present, except that the depression is now somewhat greater, and has continued longer. The greater degree of depression is easily accounted for by the difference of circumstances distinctly stated in the twelfth and thirteenth Resolutions; and with regard to its continuance, I beg my Honourable Friend to recollect, that in 1801, the depression continued till its causes were removed, by the return of plenty, and the signature of the preliminaries of peace. If the pecu-

liar causes which have produced the present still more unfavourable state of things were removed, I entertain not only a sanguine hope, but a firm conviction that their effects would quickly disappear. If in this expectation I shall hereafter appear to be mistaken, then, and then only, I may allow the reasonings of the Bullion Committee to be well founded.

That the peculiar and unprecedented circumstances pointed out in those Resolutions are sufficient to account for the greater and more lasting depression under which we now suffer, I think no man who impartially considers the experience of former times, can entertain a serious doubt. We have seen great and lasting depression produced merely by military expense abroad; we have seen the still greater and more rapid effects produced when foreign military expense was combined with a dearth of provisions, and we now suffer under the effect of both of those causes, not indeed singly operating to so great a degree as in some former instances, but acting with combined force, and aided in their effect by a state of things unknown and scarcely conceivable before, and which so embarrasses the operations of exchange, and obstructs the course of trade, as to render it wonderful how they exist at all.

Could it be foreseen in any former time, that the whole continent of Europe would be placed

under the sway of one potentate, and that potentate a despot, so violent, arbitrary, and unfeeling; as to count the sufferings of his own subjects and dependants as nothing in the efforts which he makes for our destruction? Could it be foreseen that the Ruler of Europe, reigning over so many states once wealthy, powerful, and flourishing, through the means of trade, would deliberately settle, and systematically execute, a plan for the annihilation of commerce, in the sole view of depriving us of our share of its advantages? Could it be foreseen that we should, at the same time, be debarred from the trade of the most commercial part of the New World, by a system of exclusion, little short of hostility? And if these things could have been foreseen, would it not have been expected, that, so far as relates to the circumstances we complain of, our situation would have been even worse than actually it is? Could it have been supposed that any trade, or course of exchange, could exist at all, or any means of carrying on our foreign expenditure beyond the limited stock of the precious metals which the country might still be able to supply?

I have thrown out these few reflections rather as a specimen of the sort of reasoning to which the series of facts before us seems to me naturally to lead, than as an exposition of the inferences arising from them, and which it would



carry me much beyond the limits of my present Address to the House to pursue to their full extent.

We are now arrived at the fourteenth Resolution, in which I have endeavoured to show, by a comparison of the revenue, the public expenditure, and the trade of Great Britain immediately before the Bank restriction, with their present amount, that a large increase of currency must be necessary to carry on a circulation so greatly extended. I have not attempted to show the total amount of our currency in either period, because I think the data on which either the amount of coin or of country Bank-notes in circulation, at any time, can be calculated, are too vague to be greatly depended upon even in argument, and, therefore, much more unfit to be made the subject of a Resolution of the House.

We have, however, sufficient reason to conclude that they cannot exceed a certain sum; and several attempts have been made to estimate their amount by gentlemen of great experience and knowledge of these subjects. I shall lay no stress on an observation which yet I think both just and important, namely, that the period immediately preceding the Bank restriction was one in which we felt the evils of a *contracted* circulation; that the amount of currency then circulating, was confessedly much less than the

wants of the public demanded, and that many schemes were proposed for supplying its deficiency. We know, in fact, that the ordinary amount of Bank-notes was considerably lessened during the latter part of this period, and that the credit of the country banks not having completely recovered the shock it received in 1793, their notes in circulation were reduced (according to the evidence given before the Committee of the Lords, in 1797) in the proportion of seventy-eight to ninety. This observation I am willing to pass over, because, taking the present amount of paper currency of all kinds at the highest, and the diminution of metallic money at the least which has been supposed by any Gentleman who has attempted to estimate them, I am convinced that we have more reason to be surprised at the smallness of the augmentation of our currency, than alarmed at its magnitude.

My principal object in now calling the attention of the House to the increase of our trade, and of our public income and expenses, is, however, to make an observation on a part of the able speech of an Honourable Member whom I some time ago alluded to, as bearing a most important testimony to the impracticability of resuming the cash payments of the Bank (Mr. Baring). That Honourable Member treated the Bank restriction as a measure proposed by Mr.

Pitt in consequence of views of profound, but dangerous policy, which led him to attempt to support the enormous expenses of the war by introducing an artificial system of circulation, and that the apparent growth of our wealth and resources since that time, was consequently fictitious.

This is a remark sometimes made here, and frequently by continental writers, with little thought or meaning, and either arises from national animosity, or an endeavour to account, by mere empty phrases, for what they do not understand; but, with the Honourable Gentleman, it is undoubtedly the result of deep, though, I think, somewhat inaccurate, reflection upon the subject.

To pursue the question to the extent which it well deserves, would lead to discussions of political economy ill suited to the time and convenience of the House. I think, however, it is possible to give a solid and satisfactory answer to the observation, without any deep inquiry into principles.

In the first place, as respects the conduct of Mr. Pitt, I am fully convinced that the Honourable Gentleman is wholly mistaken in the fact; and that all Mr. Pitt's confidential friends will confirm the testimony of the Right Honourable Gentleman opposite (Mr. Canning), that the measure of the Bank restriction was in

no respect the result of any premeditated system in the Government, or, I may add, in the Bank; but that it was forced upon both, by circumstances extremely alarming to them, and which they could neither foresee nor control, and was adopted most reluctantly as a mere temporary expedient during the crisis of danger. So much as to the origin of the restriction; and with respect to its effects in introducing an artificial system, I can by no means admit that the wealth and resources, either of the public or of individuals, are now *artificial* in any other sense than they always have been so, or than the whole fabric of civilized society necessarily must be.

So far as relates to the resources of the state, I think a circumstance pointed out by the Honourable Gentleman himself sufficient to decide the question. He reasoned with great justice and force on the importance of equalizing the income and expenditure of the state. In this argument I perfectly concur with him, and no man has laboured more than I have done, in proportion to my means of influence, to carry this principle into full effect. But this argument shows that the Honourable Gentleman concurs with me in thinking, that a system which equalizes the income and expenditure of the state, and provides for expenses as they arise by supplies actually drawn from the people, and

not by any resources depending on the credit of the Government, whether in the shape of loans or of any circulating security, cannot, by possibility, be a *fictitious* system.

I am ready to admit that further steps ought still to be taken for equalizing the income and expenses of the nation; but it cannot be denied that since the Bank restriction much has been done to effect this great object. Upon an average of three years previous to that time, the sum raised by loan was nearly equal to the total revenue paid into the Exchequer; on an average of the three last years it has scarcely exceeded one fifth of it; in the course of the first term of three years, the increase of the national debt was nearly seventy millions; in the last three years, it has been less than ten millions. It is true, that, in the first of these terms, the loans were raised almost entirely in three per cent. funds, and, in the latter period, chiefly in five per cent. stock; but this difference will not materially affect the comparison. It is obvious, that the nature of the currency employed as the medium of payment in either case is of no consequence, provided the payments of the Government are made in the same medium which it receives from the subject. In fact, the greater part by far of the receipt and expenditure of the Government was carried on in Bank-notes previously to the Bank restriction. Since that time

a still larger proportion has been so received and paid; and this is the only difference which has taken place. But, supposing the greatest possible difference to have occurred; supposing, that, previously to the restriction, the whole business had been transacted in coin, and that now, from the deficiency of coin, the whole revenues of the state were actually levied in the produce of the soil, and in articles of manufacture, and that the same articles were issued by the Government in payment, and found sufficient to carry on all the necessary services; who could say that the resources of the state were less *real*, though certainly less *convenient*, in the latter case than the former? The difference between such a state of things and our actual situation is this, that instead of a cumbrous and inconvenient payment in kind, the business is transacted by the intervention of a symbol, which both the government and the subject are willing to receive as of equivalent value with actual produce, and by means of which the exchange of values is carried on with a degree of facility and convenience unattainable in transfers, not only of produce, but of metallic money. Of what nature this symbol may be, is immaterial, so long as its equivalent value is preserved; and it is obvious how strongly the system, adopted since the Bank restriction, of raising the supplies within the year, by means

of war-taxes, tends, when once established, to preserve the value of money fixed and invariable. Previously to that time the expenses of the war being defrayed by loans, a considerable amount of stock was created in each year, which might not improperly be called a fictitious addition to the capital of the nation, inasmuch as it consisted, not of any new wealth acquired by the nation, but of the value of an annuity formed by a deduction from property already subsisting, and continuing, notwithstanding the deduction, to preserve its former nominal value. Thus, if, at any time, the total property of the kingdom were worth, suppose two thousand millions, and one hundred millions were added to the national debt, all other property preserving its former price, it is clear that the total amount would then be two thousand one hundred millions, which yet would only represent the same real property of all kinds as before, the hundred millions possessed by the new stock-holders being, in fact, the value of an annuity charged upon every other kind of property. But so far as the supplies are raised within the year, which they now are in a great degree, though not yet so much as is desirable, this accumulation of artificial capital, and the tendency which it must necessarily have to lower the value of money, will be counteracted.

In proportion, therefore, as our present national income approaches nearer to the public expenditure than it did when the Bank restriction took place, in the same proportion have we advanced from a fictitious system towards one of perfect solidity and security.

The Honourable Gentleman seems to have been struck, as many others have been, with the prodigious numerical amount of the increase of our trade and national income, and to suppose that it must be unreal and fictitious, because its magnitude appears to exceed credibility. I admit, that so far as any sum of money has lost its value in the purchase of labour or commodities, since the period of the restriction, in that proportion is the increase of our wealth, so far as it is to be shown merely by money statements, fictitious. But it must not be supposed that the whole, or the most considerable part, of the rise of prices which has taken place since that time, is owing to any change in the value of money. The scarcity of 1799 and 1800, occasioned, indeed, a great temporary rise of prices, and this rise has, in part, perpetuated itself by giving an additional real value to labour, and the necessaries of life. But the principal reason which produced that remarkable increase of prices which has subsisted from that time without any extraordinary variation, was the great additional mass of taxes imposed while

the effects of the scarcity were passing away, and prices returning towards their former level. It may serve the purpose of illustration to mention a particular instance. The price of beer had, among other articles, been considerably advanced during the scarcity. In the spring of 1802, the price of malt having fallen, that of beer was reduced; but a tax was soon after imposed by Parliament to the exact amount of the reduction. The price was accordingly raised again, and remained the same to the consumer as during the scarcity. This, however, clearly appears, in this instance, not to be the effect of any change in the value of money, but of a division of the price between the state and the brewer; and the same observation applies to almost every other article, as all have been exposed, either directly or indirectly, to the effects of increased taxation. Of this taxation, the state itself pays a considerable share in the enhanced price of all articles purchased, and services performed for it; and, to this extent, the increase of revenue certainly is inefficient, and may be called nominal; but it bears only a small proportion to the total increase. And though it adds nothing in effect to the resources of the state, it is not, therefore, fictitious, but really consists of a sum of taxes, at once received and paid by the government, an arrangement not convenient or advantageous, but

which unavoidably arises out of our present system of taxation.

Another cause of the rise of prices not less distinct from any change in the value of money, though likewise often confounded with it, is the increase of consumption. Not only does our population appear to be increasing with considerable rapidity, but the consumption of an equal number of people has been, from a variety of causes, considerably augmented. At the same time, the means of supply, by importation, have been uncertain and interrupted. This observation may also be illustrated by a familiar instance. There is scarcely any article, of which the price has lately risen so much as that of butter, a circumstance which has been chiefly owing to the interruption of the usual supply from Holland.

Most of what I said respecting the growing wealth of the state, will equally apply to that of individuals. To that proof of it, indeed, which is afforded by the increase of foreign trade, no observations respecting the change of prices apply at all; for the comparison is made between *official* values, in which no change is made, and which, therefore, represent not sums of money, but quantities of commodities. In this fair and incontrovertible mode of comparison, our foreign trade has increased in the proportion of forty-eight millions to seventy-seven. In what

proportion our internal trade has augmented, does not admit of so accurate an estimate; but in what part of the country can we move without seeing the proofs of its increased activity? Where do not new canals, and other works for the accommodation of trade, meet our view? Nor are the proofs of the improvement of our cultivation in any respect inferior to those of the increase of trade. When has the inclosure of wastes gone on so rapidly, and at what time have the skill and capital of the farmer in general been so remarkably improved?

It is not in the extension of this great metropolis that I should look for the proof of the growth of our national resources, if it were not accompanied by so many undeniable proofs of public prosperity. But, as it only appears to keep pace with similar improvements in every direction, we may look with pleasure to the display of opulence around us. In this point of view, I have been struck by some recent proceedings of Parliament as very remarkable.

For many ages, and till within the memory of persons now living, *one* bridge was thought sufficient for the accommodation of the metropolis. A *second* was then undertaken by Parliament, as a great national work, and executed at the public expense. About thirty years later, in a time of great national glory and prosperity, the corporation of London erected a *third*; after

which it was supposed that few of the great cities of Europe could vie with that in which we reside in this species of useful and magnificent decoration. But Parliament has recently been called upon, not to contribute any public aid for the further accommodation of the city in which it meets, but simply to grant its sanction to individuals who have undertaken, at their own risk and expense, to erect *three* new bridges for the convenience of the public.

To say that these improvements are *fictitious*, would be an outrage to common sense. To say that they are owing to any particular system pursued by the Government, beyond the general encouragement which the constitution of our state always gives to honest industry, would be to pay to the Government a compliment, which, in my opinion, it does not deserve; and to trace them to their causes, if I were capable of doing it satisfactorily, of which I am far from confident, would lead me to too great a length. But one thing may safely be pronounced, that these improvements could not have taken place if Parliament had tampered with our currency, in the manner now proposed, and subjected us to the embarrassments of a contracted circulation.

These reflections naturally lead me to the consideration of the two concluding Resolutions (the fifteenth being only an inference drawn from the facts which have been already consi-

dered); and for them, as the substance of my practical recommendation to the House, I cannot but feel a more than ordinary degree of anxiety. I have, however, the satisfaction of knowing, that the Learned Gentleman's Proposition; the reverse of mine, has been rejected by a majority of nearly double the proportion of Members which negated his preceding Resolutions; and, therefore, I may reasonably infer that the sense of the House is still more decidedly in my favour as to the course to be pursued, than as to the reasoning upon which it has occurred to me to recommend it.

What I propose is merely to refrain from any interference with the system of currency already established by Parliament, until a change shall take place in the circumstances which have rendered it necessary; not, however, without placing on the Journals a recorded opinion of the House, that it is highly important to revert to the former system whenever more favourable events may render it possible to do so, without endangering the safety of the state.

To this point the whole of the reasoning which I have addressed to the House, both on this and a former day, has been directed; and I hope I have been fortunate enough to make its application so distinct, that it is unnecessary for me to trespass on the patience of the House by further illustration.

I shall, perhaps, be asked whether I mean to rest satisfied with a mere negative recommendation, and have nothing to suggest by which the evils which we all feel may be remedied or alleviated? And to this question I will give an answer before I sit down.

If the question were merely commercial, I should certainly remind the House of the advice of the French merchants to Colbert, "*Laissez nous faire*," and deprecate any interference on the part of Parliament or the Government. I should trust to the constant tendency of the course of trade to equalize itself, and to correct any inequalities which political circumstances may have occasioned, and also to the impossibility which has always been experienced of opposing effectual obstacles to the intercourse of nations. A system of despotism which interferes with the interests, the habits, and even the necessary wants of whole countries, cannot long be enforced. Regulations which every individual has an interest and a wish to elude, will be eluded, at first, with secrecy and caution, afterwards more openly and boldly. And though the terrors of severity may, for some time, repress these attempts, the very restraint itself will increase the temptation, and the desire to renew them. That *these* oppressions, or *any* oppressions, will provoke open resistance on the continent, I do not, indeed, expect during the

present dread of the French arms, and the habitual subjection of the few princes who are yet suffered to reign. But, I believe, that in proportion to the continuance of the system of coercion, the means and facilities of evasion will be multiplied by connivance and combination, and that the decay of internal industry under a rule so arbitrary and oppressive, will ultimately render the continental nations more rather than less dependant upon us for the supply of their wants.

But even during the first impression of rigour, and the immediate pressure of the coercive system, I have no doubt that the exchange would recover itself considerably, and most of our present evils soon disappear, if the constant necessities of our military expenditure did not counteract any improvement.

Independently of any relaxation of the continental system, we should find its continuance become less injurious to us. Substitutes would be found for the articles we have been used to receive from the countries now shut against us; new sources of trade would be opened in those to which our naval superiority still commands access, and the industry of our manufacturers would be diverted into new channels.

But the difficulty which really presses upon us, and which it will require our utmost efforts to surmount, is that of providing for the fo-

reign expenditure of the Government during the struggle to which our commerce is exposed, and until it either shall recover some degree of freedom, or settle into a new course.

It does credit to the manly character of the Chancellor of the Exchequer that he has not attempted to disguise this difficulty, or to keep out of sight the degree in which the evils we suffer are to be traced to the necessity of carrying on a vigorous and expensive war on the continent.

It will be seen, from much that I have said, that I think the most effectual remedy for those evils would be *peace*, if *such* a peace, as alone we ought to seek for, or accept, could be obtained. But it may also have been observed, and I am not unwilling distinctly to avow, that I think such a peace not only unattainable at present, but placed at a distance which I cannot pretend to measure. I can neither foresee any probability of such success as may decide the contest in our favour, or of such a reverse as to compel us to receive the law from our enemy; and, except in the one case or the other, it does not appear to me that any pacific arrangement could take place with the smallest prospect of permanency.

Next to a general peace, the most effectual relief we could obtain would be by *conciliation* with America. On this point I must be cau-



tious not to be misunderstood. By *conciliation with America*, I do not mean *concession to America*. On the contrary, I am convinced, that, in the present temper of a part of America, and that now the ruling part, any concession upon points in which we have a clear right, and an evident interest, would only be received as a proof of weakness, and not accepted as an indication of good will.

But I mean, that in our language, our manner, and the general tone of our proceedings, we should not only avoid any thing irritating, but mark a strong sense of common interest, and a disposition to cordial union. We should avoid all difficulties of etiquette; and especially we should avoid all such language as is frequently heard out of this House, and sometimes meets with too much countenance within it; language, which appears to assert claims of some exclusive rights, founded on the greatness of our maritime power, which we would not acknowledge in other nations; or, which I still more condemn, language which would imply that the lawless and unprincipled conduct of the enemy had set us also free from the obligations of the general law of nations, and left us at liberty to pursue any course of conduct towards neutral states which we might think most suited to our own views of interest or convenience.

Of all claims of this kind, wherever urged, I

must express the most decided disapprobation. I am convinced, that all enlightened views of policy no less than the obligations of justice require of us to support the authority of the ancient and established law of nations, as well by our example as our arms. I know of no symptom in the profligate policy and the depraved manners of recent times, more fatal in itself, and more ominous of general ruin, than the systematic disregard which, of late, we have seen sometimes slightly disguised, and sometimes shamelessly avowed, of the principles of this law. It has been the just boast of this country generally to have obeyed its precepts, and always to have acknowledged its obligation; and to any deviation from such a system of conduct, I must profess the most determined and persevering opposition. But I hope, that not only no claim will be pressed upon America, to which we have not a clear right, but that her interests and her feelings will be consulted in cases in which, though our right may be clear, the policy may be doubtful, or of no great importance, provided that the right itself shall not suffer from our forbearance to enforce it, and that there shall be on the side of America some apparent disposition to meet our advances with reciprocal good will.

I cannot easily believe that such measures will fail in their effect upon America. Where the

mutual interest is so great, where the ties of amity are so various and so strong, I cannot easily understand what demon of discord can so pervert the understandings, as well as embitter the hearts of men, as to stir up enmity between countries so connected. I see many proofs that there exists, in a great part at least of the people of America, that just veneration for our institutions, from which their own are derived, that sort of filial regard for the land of their ancestors which is natural and reasonable; and I cannot but think that every symptom of an inclination on the part of our government, cordially to cultivate their friendship, will cherish and encourage these dispositions.

I must desire not to be understood as implying, in these remarks, any distrust of the wishes of His Majesty's Ministers to conciliate America. I know of no reason to doubt the sincerity of the professions they have always made of such a disposition as I recommend. But I wish, on this occasion, to point out its connexion with the subject of our present deliberation, and its importance towards restoring our commercial transactions to their natural and favourable course.

In considering difficulties in which the most prominent feature is the scarcity and want of the precious metals, it is natural to look for relief to the countries, of which the precious

metals are the native produce. The accounts which reach the public, of the state of the Spanish colonies are too uncertain and contradictory to enable us to form any distinct judgment of their real situation; and I can, therefore, only hint in general terms to the members of the Government, the propriety of inquiring, whether, in the way of loan or some other mode, a supply of bullion may not be obtained from Mexico, or some other part of America. The Spanish government would be bound by the strongest motives of interest as well as gratitude, to lend all the assistance in its power to the execution of such a plan; and its application might be exclusively directed, as indeed it would naturally be destined, to the support of the war in the Peninsula.

There are other arrangements more immediately of an official nature, by which the executive government may, in some degree, be able to relieve the pressure of our foreign expenses upon the course of exchange. I shall not attempt to go into any detail on this head, because such arrangements will be best settled between the Board of Treasury and the different departments of expenditure. There is, perhaps, no one in which something may not be done, either to find some resource abroad, or to provide at home supplies which are usually procured from foreign countries. And, in a state

of things so extraordinary as the present, it may be advantageous, in many cases, to change the course of proceeding which has, in ordinary times, been found the best adapted to the public service. I am sensible that there is always some difficulty and inconvenience in changing the routine of business; but, in an emergency like the present, all subordinate considerations must be sacrificed, and the most unremitting vigilance exerted to find even occasional expedients.

I am aware that ideas, such as I have last mentioned, may probably have occurred to other Gentlemen who have paid attention to this subject, and may, perhaps, have been anticipated by measures already taken by the Government; but I thought them worth mentioning, not only from the chance of their suggesting some useful step, but in order to show, that I am not without hopes of our having some means of relief in our power.

What, however, I am principally anxious to impress upon the House is, that as our difficulties arise, not from any radical defect in our own system, but from a violent and unnatural state of things operating *abroad*, in conjunction with other causes, of which we have, in former times, often felt the effects; it is not in any change of our *internal* arrangements, that we must seek for the remedy. So far as these

difficulties arise from the coercive system of the enemy, it is a consolation to us to know from experience, that such measures of oppression have never been long executed with success. And so far as they may originate from causes known and experienced on former occasions, we have some means of judging of their nature and extent, and have reason to look for relief to the same counteracting principles which have formerly been found efficacious.

It seems to me at present to be the office of Parliament, to calm the agitation of the public, which has been in a great degree excited by the proceedings of its Committee, by declaring its decided and deliberate opinion, that our situation is still sound, and that any attempt to disturb it in the hope of improvement, would only be productive of injurious consequences.

With a view to such a declaration, and at the same time to record the facts which appear to me most material as forming the groundwork of such an opinion, I submit the Resolutions in my hand, to the judgment of the House. I cannot but hope that when the facts recorded in them shall be brought before the public in so short and clear a form, they will add much to the impression which the deliberate judgment of the House, pronounced, after a length of discussion almost unexampled, cannot fail to make. I wish to show, not only to this

country, but to the world at large, that the decision of Parliament has not been founded upon any fear of meeting our difficulties fairly, or any wish to disguise our real situation, much less on any views of political advantage to any division of this House, but upon a calm appeal to reason and experience; and for this purpose the long and patient investigation in which we have been engaged, will be eminently useful. And it adds not a little to the firmness of my conviction of the propriety of the proceeding I have taken the liberty to recommend, to find, that the most laborious research at last brings us back to the same conclusion, to which daily observation, and plain common sense, at once conducted the body of the nation.

In the course of this long debate, several of the Gentlemen, from whom I have the misfortune to dissent, and whose arguments I have been obliged to combat, have thought it proper to disavow all motives of party feeling, or political partiality. I am ready to give the most perfect credit to their professions, for I cannot willingly believe that any Member of this House would suffer himself to be guided by party feelings, in a question which involved the danger of a national bankruptcy, in which all distinctions of party would be swallowed up in the general ruin; and, I may add, that the part which many Gentlemen have taken, on this occasion, different from that of their usual poli-

tical connexions, is an honourable proof of the sincerity of those professions. But since so much has been said upon this subject, I may be pardoned for reminding the House, that these Resolutions are proposed to them by a man who can have no party objects in view; who has received much kindness from all parties, and favours from none; and who can have no other motive, in the part he has taken, than the hope that one of his days of mourning may not have been spent in vain.

APPENDIX.

No. I.

Resolutions proposed by Francis Horner, Esq. in a Committee of the whole House of Commons, May 6th, 1811; and negatived, May 10th.

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

2.—THAT since the forty-third year of the reign of Queen Elizabeth, the indentures of His Majesty's Mint have uniformly directed that all silver used for coin should consist of eleven ounces and two penny-weights of fine silver, and eighteen penny-weights of alloy, in each pound troy, and that the said pound troy should be divided into sixty-two shillings, or into other coins in that proportion.

3.—THAT since the fifteenth year of the reign of King Charles the Second, the indentures of His Majesty's Mint have uniformly directed, that all gold used for coin, should consist of eleven ounces of pure gold, and one ounce of alloy, in each pound troy; and that the said pound troy should be divided and coined into forty-

four guineas and one half-guinea, or into other coins in that proportion.

4.—THAT by a Proclamation of the fourth year of the reign of King George the First, it was ordered and directed, that guineas and the several other gold coins therein named, should be current at the rates and values then set upon them; viz. the guinea at the rate of twenty-one shillings, and other gold coins in the same proportion: thereby establishing, that the gold and silver coins of the realm should be a legal tender in all money payments, and a standard measure for ascertaining the value of all contracts for the payment of money, in the relative proportion of  $15\frac{2}{3}$  pounds weight of sterling silver to one pound of sterling gold.

5.—THAT by a statute of the fourteenth year of the reign of His present Majesty, subsequently revived and made perpetual by a statute of the thirty-ninth year of his reign, it is enacted, that no tender in payment of money made in the silver coin of this realm, of any sum exceeding the sum of 2*l.* at any one time; shall be reputed in law, or allowed to be a legal tender, within Great Britain or Ireland, for more than according to its *value by weight*, after the rate of 5*s.* 2*d.* for each ounce of silver.

6.—THAT by a Proclamation of the sixteenth year of the reign of His present Majesty, confirmed by several subsequent Proclamations, it was ordered and directed, that if the *weight* of any guinea shall be less than five penny-weights and eight grains; such guinea shall cease to be a legal tender for the payment of any money within Great Britain or Ireland; and so in the same proportion for any other gold coin.

7.—THAT under these laws (which constitute the

established policy of this realm, in regard to money) no contract or undertaking for the payment of money, stipulated to be paid in pounds sterling, or in good and lawful money of Great Britain, can be legally satisfied and discharged, in gold coin, unless the coin tendered shall weigh in the proportion of  $\frac{20}{21}$  parts of five penny-weights and eight grains of standard gold for each pound sterling, specified in the said contract; nor in silver coin, for a sum exceeding 25*l.* unless such coin shall weigh in the proportion of  $\frac{20}{21}$  of a pound troy of standard silver for each pound sterling specified in the contract.

8.—THAT the promissory notes of the Bank of England are stipulations to pay, on demand, the sum in pounds sterling, respectively specified in each of the said notes.

9.—THAT when it was enacted by the authority of Parliament, that the payment of the promissory notes of the Bank of England in cash should for a time be suspended, it was not the intention of Parliament that any alteration whatsoever should take place in the value of such promissory notes.

10.—THAT it appears, that the actual value of the promissory notes of the Bank of England (measuring such value by weight of standard gold and silver as aforesaid) has been, for a considerable period of time, and still is, considerably less than what is established by the laws of the realm to be the legal tender in payment of any money contract or stipulation.

11.—THAT the fall which has thus taken place in the value of the promissory notes of the Bank of England, and in that of the country bank paper which is exchangeable for it, has been occasioned by too abundant issue of

paper currency, both by the Bank of England, and by the country banks; and that this excess has originated from the want of that check and control on the issues of the Bank of England, which existed before the suspension of cash payments.

12.—THAT it appears, that the exchanges with foreign parts have, for a considerable period of time, been unfavourable to this country, in an extraordinary degree.

13.—THAT, although the adverse circumstances of our trade, together with the large amount of our military expenditure abroad, may have contributed to render our exchanges with the continent of Europe unfavourable; yet the extraordinary degree, in which the exchanges have been depressed for so long a period, has been, in a great measure, occasioned by the depreciation which has taken place in the relative value of the currency of this country as compared with the money of foreign countries.

14.—THAT during the continuance of the suspension of cash payments, it is the duty of the Directors of the Bank of England to advert to the state of the foreign exchanges, as well as to the price of bullion, with a view to regulate the amount of their issues.

15.—THAT the only certain and adequate security to be provided, against an excess of paper currency, and for maintaining the relative value of the circulating medium of the realm, is the legal convertibility, upon demand, of all paper currency into lawful coin of the realm.

16.—THAT in order to revert gradually to this security, and to enforce meanwhile a due limitation of the paper of the Bank of England as well as of all the other bank

paper of the country, it is expedient to amend the Act which suspends the cash payments of the Bank, by altering the time till which the suspension shall continue, from six months after the ratification of a definitive treaty of peace, to that of two years from the present time.

No. II.

*Resolutions respecting Money, Bullion, and Exchanges, moved by the Right Hon. N. Vansittart, in a Committee of the whole House of Commons, 13th May, and agreed to by the House, 14th and 15th May, 1811.*

1. Resolved,

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

2. Resolved,

THAT the promissory notes of the Governor and Company of the Bank of England, are engagements to

pay certain sums of money in the legal coin of this kingdom; and that for more than a century past, the said Governor and Company were at all times ready to discharge such promissory notes in legal coin of the realm, until restrained from so doing on the 25th of February 1797, by an Order of Council, confirmed by Act of Parliament.

3. Resolved,

THAT the promissory notes of the said Company have hitherto been, and are at this time, held in public estimation to be equivalent to the legal coin of the realm, and generally accepted as such in all pecuniary transactions to which such coin is lawfully applicable.

4. Resolved,

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

5. Resolved,

THAT such unfavourable exchanges, and rise in the price of bullion, occurred to a greater or less degree

during the wars carried on by King William the Third and Queen Anne; and also during part of the seven years war, and of the American war; and during the war and scarcity of grain in 1795 and 1796, when the difficulty of procuring cash or bullion increased to such a degree, that on the 25th of February 1797, the Bank of England was restrained from making payments in cash by an Order of Council, confirmed and continued to the present time by divers Acts of Parliament; and the exchanges became still more unfavourable, and the price of bullion higher, during the scarcity which prevailed for two years previous to the peace of Amiens.

6. Resolved,

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

7. Resolved,

THAT during the period of nearly seventy-eight years, ending with the 1st of January 1796, and previous to the aforesaid restriction, of which period ac-



counts are before the House, the price of standard gold in bars has been at or under the Mint price twenty-eight years and five months; and above the said Mint price forty-eight years and eleven months; and that the price of foreign gold coin has been at or under 3*l.* 18*s.* per ounce, thirty-six years and seven months, and above the said price thirty-nine years and three months; and that during the remaining intervals no prices are stated.

—And that during the same period of seventy-eight years, the price of standard silver appears to have been at or under the Mint price, three years and two months only.

8. Resolved,

THAT during the latter part, and for some time after the close of the American war, during the years 1781, 1782, and 1783, the exchange with Hamburgh fell from 34. 1 to 31. 5, being about eight per cent.; and the price of foreign gold rose from 3*l.* 17*s.* 6*d.* to 4*l.* 2*s.* 3*d.* per ounce, and the price of dollars from 5*s.* 4*d.* per ounce, to 5*s.* 11*d.*; and that the Bank-notes in circulation were reduced between March 1782 and December 1782, from 9,160,000*l.* to 5,995,000*l.* being a diminution of above one third, and continued (with occasional variations) at such reduced rate until December 1784: and that the exchange with Hamburgh rose to 34. 6, and the price of gold fell to 3*l.* 9*s.* 6*d.* and dollars to 5*s.* 12*d.* per ounce, before the 25th of February 1787, the amount of Bank-notes being then increased to 8,688,000*l.*

9. Resolved,

THAT the amount of Bank-notes in February 1787, was 8,688,000*l.* and in February 1791,

11,699,000*l.*; and that during the same period, the sum of 10,704,000*l.* was coined in gold; and that the exchange with Hamburgh rose about three per cent.

10. Resolved,

THAT the average amount of Bank-notes in the year 1795, was about 11,497,000*l.*; and on the 25th of February 1797, was reduced to 8,640,000*l.* during which time the exchange with Hamburgh fell from 36 to 35, being about three per cent. and the said amount was increased to 11,855,000*l.* exclusive of 1,542,000*l.* in notes of one pound and two pounds each, on the 1st of February 1798, during which time the exchange rose to 38.2, being about nine per cent.

11. Resolved,

THAT the average price of wheat, per quarter, in England, in the year 1798, was 5*s.* 3*d.*; in 1799, 6*s.* 5*d.*; in 1800, 11*s.* 7*d.*; in 1801, 11*s.* 3*d.*; and in 1802, 6*s.* 5*d.*

The amount of Bank-notes, of five pounds, and upwards, was

	About	And under 5 <i>l.</i>	Making together
in 1798,	10,920,400 <i>l.</i>	1,786,000 <i>l.</i>	12,706,400 <i>l.</i>
in 1799,	12,048,790 <i>l.</i>	1,626,110 <i>l.</i>	13,674,900 <i>l.</i>
in 1800,	13,421,920 <i>l.</i>	1,831,820 <i>l.</i>	15,253,740 <i>l.</i>
in 1801,	13,454,370 <i>l.</i>	2,715,180 <i>l.</i>	16,169,550 <i>l.</i>
in 1802,	13,917,980 <i>l.</i>	3,136,470 <i>l.</i>	17,054,450 <i>l.</i>

That the exchange with Hamburgh was, in January 1798, 38.2; January 1799, 37.7; January 1800, 32.; January 1801, 29.8; being in the whole a fall of above 22 per cent.—In January 1802, 32.2; and December 1802, 34.; being in the whole a rise of about thirteen per cent.

12. Resolved,

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

13. Resolved,

THAT since the month of November 1806, and especially since the summer of 1807, a system of exclusion has been established against the British trade on the continent of Europe, under the influence and terror of the French power, and enforced with a degree of violence and rigour never before attempted; whereby all trade and correspondence between Great Britain and the continent of Europe has (with some occasional exceptions, chiefly in Sweden and in certain parts of Spain and Portugal) been hazardous, precarious, and expensive; the trade being loaded with excessive freights to foreign shipping, and other unusual charges; and that the trade of Great Britain with the United States of America has also been uncertain and interrupted; and that in addition to these circumstances, which have greatly affected the course of payments between this country and other nations, the naval and military expenditure of the United Kingdom in foreign parts has for three years past been very great; and the price of

grain, owing to a deficiency in the crops, higher than at any time, whereof the accounts appear before Parliament, except during the scarcity of 1800 and 1801; and that large quantities thereof have been imported.

14. Resolved,

THAT the amount of currency necessary for carrying on the transactions of the country, must bear a proportion to the extent of its trade and its public revenue and expenditure; and that the annual amount of the exports and imports of Great Britain, on an average of three years, ending 5th of January 1797, was 48,732,651*l.* official value; the average amount of revenue paid into the Exchequer, including monies raised by lottery, 18,759,165*l.*; and of loans, 18,409,842*l.* making together 37,169,007*l.*; and the average amount of the total expenditure of Great Britain, 42,855,111*l.*; and that the average amount of Bank-notes in circulation (all of which were for five pounds, or upwards) was about 10,782,780*l.*; and that 57,274,617*l.* had been coined in gold during His Majesty's reign, of which a large sum was then in circulation.

That the annual amount of the exports and imports of Great Britain, on an average of three years, ending 5th of January 1811, supposing the imports from the East Indies and China, in the year ending 5th of January 1811, to have been equal to their amount in the preceding year, was 77,971,318*l.*; the average amount of revenue paid into the Exchequer, 62,763,746*l.*; and of loans, 12,673,548*l.* making together 75,437,294*l.*; and the average amount of the total expenditure of Great Britain, 82,205,066*l.*; and that the average amount of Bank-notes, above five pounds, was about 14,265,850*l.* and of notes under five pounds, about 5,283,330*l.*; and

that the amount of gold coin in circulation was greatly diminished.

15. Resolved,

THAT the situation of this kingdom, in respect of its political and commercial relations with foreign countries, as above stated, is sufficient, without any change in the internal value of its currency, to account for the unfavourable state of the foreign exchanges, and for the high price of bullion.

16. Resolved,

THAT it is highly important that the restriction on the payments in cash of the Bank of England, should be removed, whenever the political and commercial relations of the country shall render it compatible with the public interest.

17. Resolved,

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

No. III.

Amendments proposed by F. Horner, Esq. on the Resolutions respecting Money, Bullion, and Exchanges, and negatived, on the 15th of May 1811.

AMENDMENT to RESOLUTION IV.—See p. 216.

THAT, prior to the restriction of cash payments, the exchanges were never more unfavourable to Great Britain, for any length of time, than from five to seven per cent. below par, the depression appearing to have never exceeded the whole expense of transmitting specie abroad; except during a debasement of the coins of the realm.

That, prior to the said restriction, the market-price of standard gold in bars never rose above the Mint price more than 1½ per cent. and that only for a very short interval; except in 1720, the year of the famous South Sea Scheme, when it rose to 4*l.* 1*s.* 6*d.* per ounce; and during the periods when the coins of the realm have been debased.

That, in periods subsequent to the said restriction, and particularly of late years, the exchanges have been unfavourable to Great Britain much below the limit marked by the whole cost of transmitting specie abroad, and have continued so for a considerable time together, being at present, and having been for a considerable time, more than twenty-five per cent. below par; and in the same manner the market price of standard gold in

bars has been, and still is, more than twenty-five (twenty) per cent. above the Mint price.

AMENDMENT TO RESOLUTION V.—See p. 216.

THAT, during the wars carried on by King William III. the exchanges did fall below the limit fixed by the expense of transmitting specie, and the price of gold bullion did rise very considerably, viz. during the debased state of the silver coin of the realm; but, immediately after the reformation of the coin, the market price of gold fell to the Mint price, and the exchanges rose nearly to par, although the circumstances of the war and the foreign expenditure continued unaltered.

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

That, during the seven years war, and until the year 1774, the gold coin of the realm was in a state of debasement.

That the price of standard gold in bars never exceeded the Mint price, in any one year of the American war.

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

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

That the state of the exchanges, and of the price of

bullion, for two years previous to the peace of Amiens, was subsequent to the said restriction.

AMENDMENT TO RESOLUTION VI.—See p. 217.

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

That, since the said restriction, the price of bullion has been highest, and the exchanges have been most unfavourable, at times subsequent to the periods in which the issues of Bank-notes have most increased.

AMENDMENT TO RESOLUTION VII.—See p. 217.

THAT, with regard to the period of seventy-five years ending with the first of January 1796, from the year 1721 to 1758, the market price of gold never at any one time exceeded the Mint price by more than 1*s.* 2½*d.* per ounce, and seldom by more than half that sum; from 1758 to the recoinage of the gold in 1773, the market price of standard gold, in bars, was always above the Mint price, and sometimes exceeded it by as much as 3*s.* 6*d.* per ounce, being (except during) the period during which the coins were in a debased state; from the recoinage in 1773 to the 25th of February 1797, the date of the restriction, the market price of standard gold in bars never exceeded the Mint price, except for part of the years 1783 and 1784, when it rose 1½*d.* above the Mint price; since

the year 1804, the price of standard gold in bars has been always very considerably above the Mint price, and from the end of the year 1808 to the present time, has been progressively rising, with occasional fluctuations, till it has been as high as the unprecedented price of 4*l.* 18*s.* (4*l.* 14*s.*) per ounce, as appears from Wetenhall's Tables.

AMENDMENT TO RESOLUTION VIII.—See p. 218.

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

1782	-	-	7,599,570 <i>l.</i>
1783	-	-	6,583,560 <i>l.</i>
1784	-	-	6,209,855 <i>l.</i>

That the exchanges with Hamburgh, and the price of foreign gold, during the same periods, were as follows :

1782.		1783.		1784.	
Exch.	for G.	Exch.	for G.	Exch.	for G.
January	31. 9. 6	32. 7. 1	0	33. 9. 6	3. 18. 0
March	32. 10. 0	32. 5. 3	19. 0	34. 4. 3	17. 10. 4
June	32. 7. 0	31. 5. 4	2. 3	34. 7. 0	17. 10. 4
October	32. 3. 4	32. 7. 3	19. 6	34. 7. 0	17. 10. 4
December	31. 10. 4	32. 8. 3	19. 6	34. 10. 3	17. 10. 4

That the exchange with Hamburgh between the end of December 1784, and the 25th of February 1787, fell from 35. 6 to 34. 6.

AMENDMENT TO RESOLUTION IX.—See p. 218.

THAT of the sum of 10,704,000*l.* stated to have been coined in gold from February 1787 to February 1791,

the sum of 8,084,982*l.* was a recoinage from the light guineas of the realm.

AMENDMENT TO RESOLUTION X.—See p. 219.

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

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

That the exchange with Hamburgh fell from 36 to 32. 4 (its lowest depression during the period in question) between the 3d of February and the 4th of August 1795, during which time the average amount of Bank-notes in circulation was 11,464,143*l.* having been occasionally during the time as high as 14,071,850*l.* and even 14,876,580*l.*

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

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

An ACCOUNT of BANK-NOTES, HAMBURGH EXCHANGE, FOREIGN EXPENDITURE, and COINAGE, between the Years 1761 and 1811.—Compiled from different Accounts.

AMENDMENT to RESOLUTION XIV.—See p. 221.

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

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

N.B. The passages omitted when the Amendments were moved by Mr. Horner, on the Report of the Resolutions, on the 15th of May, are printed in italics, and the words then inserted are printed between brackets.

Table with columns: Year, Month, BANK-NOTES (Above 5l., Under 5l.), EXCHANGE ON HAMBURGH (January, April, July, October), FOREIGN EXPENDITURE, GRA. Includes data from 1761 to 1811 with various annotations and brackets.

APPENDIX, No. IV.

An ACCOUNT of BANK-NOTES, HAMBURGH EXCHANGE, FOREIGN EXPENDITURE, GRAIN IMPORTED, and GOLD COINAGE, between the Years 1761 and 1811.—Compiled from different Accounts laid before the House of Commons.

Table with columns: Year, Month, BANK-NOTES (Above 5l., Under 5l.), EXCHANGE ON HAMBURGH (January, April, July, October), FOREIGN EXPENDITURE, GRAIN IMPORTED (Value), and GOLD COINAGE (Bullion brought to the Mint, Total Amount coined in each Year). Includes detailed financial data from 1761 to 1811.

p. 221. circulation, ending the and for the 50l. pounds, and 5l.; and in Amendments of the Reso- italics, and brackets.

2,785,232 } See Reports concerning the Bank, 1797. 8,335,592 } 11,040,236 } 10,649,916 }

Estimate made up at the Treasury.

1810 to 14th Feb. 1811.

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Year	Month	Amount	Day	Month	Day	Month	Day	Month	Day	Source	Amount	Year	Month	Amount	Year	Month	Amount
1761	January 1st.	5,931,000	32	0	32	0				Reports respecting the Bank, 1797.							
1762	July	6,130,770	32	11	34												
1763	January	6,889,680	34	2	33	11	34	3	34								
1783	July	6,357,520	32	7	32	5	31	6	32								
1784	January	6,707,540	32	7	32	5	31	6	32								
1784	July	6,393,730	33	6	34	4	34	4	34								
1785	January	6,797,240	33	6	34	4	34	4	34								
1785	July	5,953,710	35	0	35	5	35	6	35								
1786	January	6,544,430	35	0	35	5	35	6	35								
1786	July	6,753,050	34	10	34	11	34	3	34								
1787	January	7,342,010	34	10	34	11	34	3	34								
1787	July	7,712,570	34	5	34	6	34	8	34								
1788	January	8,895,400	34	5	34	6	34	8	34								
1788	July	9,254,800	35	1	35	5	35	1	34								
1789	January	9,607,360	35	1	35	5	35	1	34								
1789	July	9,864,250	34	10	35	5	35	7	35								
1790	January	10,172,930	34	10	35	5	35	7	35								
1790	July	9,852,250	35	0	35	4	35	7	35								
1791	January	10,966,440	35	0	35	4	35	7	35								
1791	July	10,689,510	35	6	35	9	35	10	35								
1792	January	11,543,760	35	6	35	9	35	10	35								
1792	July	10,509,420	34	6	34	5	34	5	34								
1793	January	11,496,190	34	6	34	5	34	5	34								
1793	July	11,142,710	35	4	37	6	37	2	35								
1794	January	12,713,510	35	4	37	6	37	2	35								
1794	July	10,850,340	35	9	36	5	35	6	35								
1795	January	10,439,130	35	9	36	5	35	6	35								
1795	July	10,773,060	34	6	35	4	32	10	32								
1796	January	9,643,830	34	6	35	4	32	10	32								
1796	July	10,632,430	32	7	34	6	33	7	34								
1797	January	9,579,900	32	7	34	6	33	7	34								
1797	July	9,204,500	35	6	36	8	36	6	37								
1798	January	9,856,320	35	6	36	8	36	6	37								
1798	July	10,228,240	38	2	37	8	37	10	37								
1799	January	9,927,740	38	2	37	8	37	10	37								
1799	July	10,411,400	37	7	37	4	36	0	31								
1800	January	10,981,900	37	7	37	4	36	0	31								
1800	July	11,665,160	32	0	31	0	32	6	32								
1801	January	12,572,650	32	0	31	0	32	6	32								
1801	July	13,018,790	29	8	31	5	31	6	31								
1802	January	12,439,550	29	8	31	5	31	6	31								
1802	July	12,602,970	32	2	32	7	33	3	33								
1803	January	14,005,600	32	2	32	7	33	3	33								
1803	July	12,476,080	34	0	34	8	34	4	34								
1804	January	10,979,070	34	0	34	8	34	4	34								
1804	July	12,602,430	34	10	35	8	35	8	35								
1805	January	12,402,090	34	10	35	8	35	8	35								
1805	July	13,164,940	35	6	35	5	35	8	34								
1806	January	11,341,740	35	6	35	5	35	8	34								
1806	July	11,962,830	33	3	34	4	34	5	34								
1807	January	12,389,670	33	3	34	4	34	5	34								
1807	July	11,879,900	34	8	34	10	34	3	34								
1808	January	12,067,460	34	8	34	10	34	3	34								
1808	July	12,623,060	34	4	34	6	35	3	33								
1809	January	13,240,050	34	4	34	6	35	3	33								
1809	July	13,232,820	31	3	31	0	28	6	29								
1810	January	14,093,890	31	3	31	0	28	6	29								
1810	July	14,994,070	29	6	31	0	30	2	31								
1811	January	15,830,400	29	6	31	0	30	2	31								
1811	May 4th.	16,481,230	26	6	24	0	4th	May									
		16,620,017	26	6	24	0	4th	May									

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Reports respecting the Bank, 1797.

2,785,232 }  
8,335,592 }  
11,040,236 }  
10,649,916 }

See Reports concerning the Bank, 1797.

1,983,856  
1,535,672  
3,926,484

2,460,000 }  
3,461,000 }  
5,495,000 }  
6,635,000 }  
6,616,000 }  
9,552,000 }  
10,235,000 }  
12,372,000 }

By an Estimate made up at the Treasury.

8,755,995  
10,149,098  
2,155,794  
1,164,592  
2,855,333  
3,754,831  
1,106,540  
1,878,521  
336,460  
2,705,496  
7,077,885

From the year 1760 to 1772, both inclusive, in 13 years,

Year	Month	Amount	Year	Month	Amount	Year	Month	Amount
1773		54,600	1773		1,010,336	1773		8,819,417
1774		4,747,984	1774		943,131	1774		1,317,645
1775		3,511,578	1775		Nil.	1775		4,685,623
1776		4,610,709	1776		1,577,168	1776		4,901,218
1777		2,716,749	1777		305,226	1777		5,006,256
1778		331,071	1778		72,969	1778		3,680,995
1779		225,061	1779		190,239	1779		350,437
1780		Nil.	1780		1,322,267	1780		1,696,117
1781		293,528	1781		Nil.	1781		Nil.
1782		514,202	1782		556,957	1782		876,794
1783		110,976	1783		176,718	1783		698,074
1784		449,201	1784		125,067	1784		227,083
1785		582,329	1785		426,562	1785		822,126
1786		684,297	1786		1,989,789	1786		2,488,106
1787		3,403,965	1787		571,525	1787		1,107,382
1788		2,715,652	1788		57,007	1788		2,849,056
1789		1,318,378	1789		892,589	1789		3,664,174
1790		1,184,985	1790		786,643	1790		1,530,711
1791		1,025,321	1791		896,492	1791		2,660,521
1792		863,073	1792		1,416,985	1792		2,456,566
1793		944,543	1793		93,684	1793		1,171,863
1794		563,822	1794		2,343,005	1794		2,747,430
1795		333,114	1795		1,426,771	1795		2,558,894
1796		270,229	1796		255,721	1796		493,416
1797		108,470	1797		72,179	1797		464,680
1798		Nil.	1798		2,486,410	1798		2,000,297
1799		Nil.	1799		2,718,425	1799		2,967,504
1800		302,405	1800		271,846	1800		449,961
1801		673,002	1801		Nil.	1801		189,837
1802		Nil.	1802		Nil.	1802		450,240
1803		599,890	1803		Nil.	1803		437,018
1804		612,287	1804		Nil.	1804		596,444
1805		Nil.	1805		165,056	1805		718,396
1806		Nil.	1806		Nil.	1806		54,615
1807		Nil.	1807		410,168	1807		405,105
1808		Nil.	1808		232,766	1808		



APPENDIX, No. V.

STATEMENT of the PRICES CURRENT in London, of the following GOODS, imported and exported, at corresponding Periods of each of the last Twelve Years.

Years.	Ashes.	Barilla.	Brandy.	Cinnamon.	Cloves.	Cochineal.	Coffee.		Copper (British).	Corn. (Wheat) British.	Cotton Wool.		Currants.	Flax. (Rough.)	Hemp. (Rough.)
							British Plantation.	Foreign Plantation.			E. India.	W. India.			
	Per Cwt.	Per Cwt.	Per Gallon.	Per Pound.	Per Pound.	Per Pound.	Per Cwt.	Per Cwt.	Per Ton.	Per Quarter.	Per Pound.	Per Pound.	Per Cwt.	Per Ton.	Per Ton.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	£.	s. d.	s. d.	s. d.	s. d.	£. s.	£. s.
1799	57 11	35 9	4 4	4 10	3 9	21 5	140 6	0 0	140	67 6	1 6	3 4	38 11	61 10	59 0
1800	48 2	22 3	5 6	4 8	3 6	22 11	123 2	0 0	149	113 7	1 2	2 5	35 9	70 0	61 0
1801	44 2	24 9	8 4	4 8	3 8	24 4	113 2	0 0	149	118 3	1 5	2 2	47 2	68 0	54 0
1802	33 9	14 11	7 9	4 9	3 10	16 10	88 1	0 0	144	67 5	0 9	1 7	43 1	66 0	43 0
1803	42 2	21 10	5 6	4 5	3 7	23 5	134 6	0 0	149	56 6	0 9	1 6	57 4	75 0	55 0
1804	42 10	17 5	4 2	4 5	3 1	22 9	140 3	0 0	168	60 1	0 11	1 7	55 4	82 0	66 10
1805	58 0	20 2	4 0	5 3	3 1	27 4	153 0	0 0	210	87 10	1 4	1 7	49 4	74 0	59 0
1806	64 9	20 0	3 0	4 6	3 5	25 4	126 4	0 0	191	79 0	1 1	1 8	40 1	66 0	63 0
1807	63 10	32 3	3 1	6 4	3 5	23 4	113 0	0 0	154	73 3	0 11	1 5	47 7	68 0	68 0
1808	76 3	33 0	4 6	6 10	5 2	25 10	92 0	96 0	135	79 0	1 1	2 3	61 1	82 0	90 0
1809	57 4	39 8	4 10	7 1	4 6	31 3	106 10	99 6	158	95 7	1 2	1 6	45 8	130 0	116 0
1810	48 7	43 8	6 2	8 4	5 5	34 6	{ Spring 105s. } { Fall 64s. }	{ 100s. } { 58s. }	158	106 2	0 11	1 5	37 8	88 0	78 0

Years.	Hides.		Indigo.		Iron, Bar.			Lead. (British.)	Linseed.	Logwood.	Nankeens.	Nutmegs.	Oil.		Pepper.
	B. Ayres.	W. India.	E. India.	Spanish.	British.	Russian.	Swedish.						Ordinary Olive.	Train. (British Fishery.)	
	Per Pound.	Per Pound.	Per Pound.	Per Pound.	Per Ton.	Per Ton.	Per Ton.	Per Ton.	Per Quarter.	Per Ton.	Per Piece.	Per Pound.	Per Tun.	Per Tun.	Per Pound.
	d.	d.	s. d.	s. d.	£. s.	£. s.	£. s.	£. s.	£. s.	£. s.	s. d.	s. d.	£. s.	£. s.	s. d.
1799	8 1/2	4 1/2	4 6	10 1	18 5	17 15	21 2	21 10	45 2	19 18	7 11	15 0	66 10	28 0	1 3
1800	8 3/4	4	6 4	8 8	18 10	18 2	21 7	23 4	49 8	19 8	7 11	12 7	59 15	36 9	1 3
1801	8 3/4	4	7 8	9 2	20 0	20 10	20 17	25 0	50 11	16 8	6 8	12 8	58 15	40 0	1 3
1802	8	5	7 9	8 7	18 0	18 2	18 10	32 10	63 9	12 19	6 0	12 7	49 8	29 0	0 11
1803	8 3/4	7 1/2	7 5	9 6	19 10	18 2	19 10	31 19	62 0	21 4	6 8	8 11	57 7	35 0	0 10
1804	7 3/4	6 1/2	9 2	9 9	17 0	16 13	19 17	31 19	56 6	17 6	9 9	9 4	55 19	32 0	0 9
1805	7 3/4	6	11 2	11 1	17 10	16 11	19 13	41 14	66 2	18 8	7 4	18 10	68 5	30 0	0 9
1806	7 3/4	6 1/2	6 9	12 1	18 10	17 12	19 5	37 5	65 3	13 8	5 0	26 8	65 18	30 5	0 7 1/2
1807	7	6 1/2	7 3	10 5	15 10	16 3	17 15	30 14	63 3	12 2	3 4	19 8	63 8	24 10	0 9
1808	6 3/4	4 1/2	5 3	9 2	15 10	16 8	17 15	36 15	95 9	13 17	7 2	17 7	67 18	31 10	1 0
1809	7	4 1/2	4 8	7 9	15 10	16 6	17 7	34 8	83 1	14 10	6 6	16 4	62 17	41 10	1 0
1810	9	6 1/2	7 7	9 11	15 10	16 6	17 7	34 16	62 7	22 7	5 3	15 7	56 17	42 3	0 11

Years.	Raisins.	Rum.	Saltpetre.	Silk. Bengal (raw).	Sugar, Raw.		Tallow.	Tar.	Tea.	Tin. (British.)	Tobacco.	Turpentine.	Wine. (Port.)	Wood.		Wool. (Spanish.)
					British Plantation.	Foreign Plantation.								Deals.	Fir Timber.	
	Per Cwt.	Per Gallon.	Per Cwt.	Per Pound.	Per Cwt.	Per Cwt.	Per Cwt.	Per Barrel.	Per Pound.	Per Ton.	Per Pound.	Per Cwt.	Per Tun.	Per 120.	Per Load.	Per Pound.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	£. s.	s. d.	s. d.	£. s.	£. s.	£. s.	s. d.
1799	24 7	2 6	117 0	16 7	63 4	65 2	56 0	32 8	3 2	95 0	0 6 1/2	19 5	82 10	13 14	5 4	4 9
1800	28 7	3 6	66 2	17 5	68 8	51 2	58 6	23 8	3 1 1/2	100 0	0 5	16 11	92 10	13 4	6 9	5 0
1801	34 1	4 9	58 2	18 0	50 1	48 10	50 0	20 2	3 0	103 0	0 5 1/2	18 5	89 3	15 14	5 7	5 2
1802	36 0	3 4	43 4	22 9	36 2	36 3	60 0	19 5	3 2	109 0	0 4 1/2	12 5	71 18	10 11	4 13	4 11
1803	30 3	3 1	49 4	19 9	43 1	42 2	65 0	21 9	2 11	109 0	0 4 3/4	19 3	94 9	17 12	5 10	5 5

Years.	Ashes.	Barilla.	Brandy.	Cinnamon.	Cloves.	Cochineal.	Cocoa.		Copper. (British.)	Cotton. (Wheat.) British.	Cotton Wool.		Currants.	Flax. (Rough.)	Hemp. (Rough.)
							British Planta- tion.	Foreign Plantation.			E. India.	W. India.			
							Per Cwt.	Per Cwt.			Per Pound.	Per Pound.			
1799	57 11	35 9	4 4	4 10	3 9	21 5	140 6	0 0	140	67 6	1 6	3 4	38 11	61 10	59 0
1800	48 2	22 3	5 6	4 8	3 6	22 11	123 2	0 0	149	113 7	1 2	2 5	35 9	70 0	61 0
1801	44 2	24 9	8 4	4 8	3 8	24 4	113 2	0 0	149	118 3	1 5	2 2	47 2	68 0	54 0
1802	33 9	14 11	7 9	4 9	3 10	16 10	88 1	0 0	144	67 5	0 9	1 7	43 1	66 0	43 0
1803	42 2	21 10	5 6	4 5	3 7	23 5	134 6	0 0	149	56 6	0 9	1 6	57 4	75 0	55 0
1804	42 10	17 5	4 2	4 5	3 1	22 9	140 3	0 0	168	60 1	0 11	1 7	55 4	82 0	66 10
1805	58 0	20 2	4 0	5 3	3 1	27 4	153 0	0 0	210	87 10	1 4	1 7	49 4	74 0	59 0
1806	64 9	20 0	3 0	4 6	3 5	25 4	126 4	0 0	191	79 0	1 1	1 8	40 1	66 0	63 0
1807	63 10	32 3	3 1	6 4	3 5	23 4	113 0	0 0	154	73 3	0 11	1 5	47 7	68 0	68 0
1808	76 3	33 0	4 6	6 10	5 2	25 10	92 0	96 0	135	79 0	1 1	2 3	61 1	82 0	90 0
1809	57 4	39 8	4 10	7 1	4 6	31 3	106 10	99 6	158	95 7	1 2	1 6	45 8	130 0	116 0
1810	48 7	43 8	6 2	8 4	5 5	34 6	{ Spring 105s. Fall 64s. } 100s. 58s.		158	106 2	0 11	1 5	37 8	88 0	78 0

Years.	Hides.		Indigo.		Iron, Bar.			Lead. (British.)	Linseed.	Logwood.	Nankeens.	Nutmegs.	Oil.		Pepper.
	B. Ayres.	W. India.	E. India.	Spanish.	British.	Russian.	Swedish.						Ordinary Olive.	Train. (British Fishery.)	
	Per Pound.	Per Pound.	Per Pound.	Per Pound.	Per Ton.	Per Ton.	Per Ton.						Per Tun.	Per Tun.	
1799	8 1/2	4 1/2	4 6	10 1	18 5	17 15	21 2	21 10	45 2	19 18	7 11	15 0	66 10	28 0	1 3
1800	8 3/4	4	6 4	8 8	18 10	18 2	21 7	23 4	49 8	19 8	7 11	12 7	59 15	36 9	1 3
1801	8 3/4	4	7 8	9 2	20 0	20 10	20 17	25 0	50 11	16 8	6 8	12 8	58 15	40 0	0 11
1802	8	5	7 9	8 7	18 0	18 2	18 10	32 10	63 9	12 19	6 0	12 7	49 8	29 0	0 10
1803	8 3/4	7 1/2	7 5	9 6	19 10	18 2	19 10	31 19	62 0	21 4	6 8	8 11	57 7	35 0	0 9
1804	7 3/4	6 1/2	9 2	9 9	17 0	16 13	19 17	31 19	56 6	17 6	9 9	9 4	55 19	32 0	0 9
1805	7 1/2	6	11 2	11 1	17 10	16 11	19 13	41 14	66 2	18 8	7 4	18 10	68 5	30 0	0 7 1/2
1806	6 3/4	6 1/2	6 9	12 1	18 10	17 12	19 5	37 5	65 3	13 8	5 0	26 8	65 18	30 5	0 9
1807	7	6 1/2	7 3	10 5	15 10	16 3	17 15	30 14	63 3	12 2	3 4	19 8	63 8	24 10	0 9
1808	6 3/4	4 1/2	5 3	9 2	15 10	16 8	17 15	36 15	95 9	13 17	7 2	17 7	67 18	31 10	1 0
1809	7	4 1/2	4 8	7 9	15 10	16 6	17 7	34 8	83 1	14 10	6 6	16 4	62 17	41 10	1 0
1810	9	6 1/2	7 7	9 11	15 10	16 6	17 7	34 16	62 7	22 7	5 3	15 7	56 17	42 3	0 11

Years.	Raisins.	Rum.	Saltpetre.	Silk. Bengal (raw).	Sugar, Raw.		Tallow.	Tar.	Tea.	Tin. (British.)	Tobacco.	Turpentine.	Wine. (Port.)	Wood.		Wool. (Spanish.)
					British Plantation.	Foreign Plantation.								Deals.	Fir Timber.	
					Per Cwt.	Per Cwt.								Per 120.	Per Load.	
1799	24 7	2 6	117 0	16 7	63 4	65 2	56 0	32 8	3 2	95 0	0 6 1/2	19 5	82 10	13 14	5 4	4 9
1800	28 7	3 6	66 2	17 5	68 8	51 2	58 6	23 8	3 1 1/2	100 0	0 5	16 11	92 10	13 4	6 9	5 0
1801	34 1	4 9	58 2	18 0	50 1	48 10	50 0	20 2	3 0	103 0	0 5 1/4	18 5	89 3	15 14	5 7	5 2
1802	36 0	3 4	43 4	22 9	36 2	36 3	60 0	19 5	3 2	109 0	0 4 1/2	12 5	71 18	10 11	4 13	4 11
1803	30 3	3 1	49 4	19 9	43 1	42 2	68 0	24 2	3 0	109 0	0 5 1/2	14 4	89 10	11 15	3 15	5 5
1804	28 0	2 5	59 7	17 8	53 1	47 2	68 0	24 2	3 0	112 0	0 6 1/2	13 5	82 9	13 17	4 9	5 5
1805	23 2	2 8	70 9	18 2	51 0	46 6	66 0	25 8	3 1	120 0	0 6	11 3	86 9	15 6	6 13	5 4
1806	34 3	2 5	61 11	15 10	43 11	30 0	66 0	22 8	3 3	118 0	0 6 1/2	17 2	84 19	12 16	6 13	5 6
1807	25 3	2 6	54 0	14 7	34 3	30 0	57 0	24 8	3 4	114 0	0 1 3	51 2	94 9	24 6	11 14	6 0
1808	50 9	3 4	69 8	28 1	37 7	31 6	88 6	38 5	3 3	114 0	0 1 0 1/2	31 4	98 9	36 15	12 13	12 0
1809	27 8	4 0	79 0	29 10	46 4	36 10	116 0	40 8	3 5	114 0	0 1 0 1/2	15 10	114 9	25 5	11 19	6 7
1810	34 8	3 10	76 3	33 2	49 4	33 4	72 0	35 8	3 6	143 10	0 5 1/2	15 10	114 9	25 5	11 19	6 7

WILLIAM IRVING.

Custom House,  
London, 16th Feb. 1811.

APPENDIX, No. VI.

Royal Hospital, Greenwich, March 29, 1817.

An ACCOUNT of the CONTRACT PRICES of the following Articles of PROVISIONS, &c. for the several Years respectively mentioned.

Year.	Flesh per Cwt.	Bread per lb.	Flour per Sack.	Butter per lb.	Cheese per lb.	Pease per Bushel.	Oatmeal per Bushel.	Salt per Bushel.	Malt per Quarter.	Hops per Cwt.	Beer per Barrel.	Carpenters per Day.	Joiners per Day.	Bricklayers per Day.	Masons per Day.	Plumbers per Day.	Candles per Doz. lb.	Shoes per Pair.	Coals per Chal.	Mops each.	Stockings per Pair.	Hats each.
1729	l. s. d. 5 8	d. oz. 1 for 10 1/16	—	0 4 1/4	3 1/8	4 0	4 6	5 0	1 9 0	2 5 0	—	—	—	—	—	—	6 5	4 0	1 8 5	0 10 1/2	1 9	2 8
1730	l. s. d. 5 8	1 for 14 1/4	—	0 5	3 1/4	4 0	4 6	5 0	1 1 6	2 5 10	0 3 9	2 6	2 8	2 6	2 6	3 0	6 4	4 0	1 4 6	10 0	1 6	2 8
1735	l. s. d. 16 11	1 for 12 3/4	—	0 0	3 3/4	3 6	4 0	4 0	1 0 3 1/2	3 9 6 3/4	0 4 1 1/2	2 6	2 8	2 6	2 8	3 0	4 2	4 0	1 5 0	10 0	1 6	2 3
1740	l. s. d. 8 0	1 for 9 1/16	—	0 0	5 5	3 6	4 0	4 0	1 7 3 1/2	2 10 7 3/4	0 5 5	2 6	2 8	2 6	2 8	3 0	5 6	3 10	1 9 0	10 0	1 6	2 0
1745	l. s. d. 2 2	1 for 15 1/16	—	0 0	3 3	3 6	4 0	4 0	1 3 1 0	3 11 1 0	0 5 5	2 6	2 8	2 6	2 8	2 6	6 0	3 6	1 10 0	11 0	1 6	2 0
1750	l. s. d. 4 6	1 for 13 1/16	—	0 0	5 5	3 6	4 0	4 0	1 4 0	5 4 0 0	0 5 8	2 6	2 8	2 6	2 8	2 6	6 2	3 9	1 7 7 1/2	10 9	1 8	2 0
1755	l. s. d. 7 9 1/2	1 for 14 6/16	—	0 0	5 5	3 6	4 0	4 0	1 2 0 0	2 15 0 0	0 4 5 1/4	2 6	2 8	2 6	2 8	2 6	6 10	4 0	1 8 7 1/4	12 0	1 8	2 0
1760	l. s. d. 11 6	1 for 13 1/4	—	0 0	5 5	3 6	4 0	4 0	1 4 9 8	4 13 4 0	0 5 7 1/2	2 6	2 8	2 6	2 8	2 6	6 2	4 0	1 12 4 1/2	11 3	1 8	2 6
1765	l. s. d. 7 3	1 for 9 1/2	—	0 0	5 5	3 6	4 0	4 0	1 10 8	7 3 6 0	0 5 10	2 6	2 8	2 4	2 8	3 0	6 10 3/4	4 0	1 9 1 1/2	11 0	1 6	2 6
1770	l. s. d. 1 7 3	1 for 11 3/16	—	0 0	6 6	3 6	4 9	4 8	1 8 3	5 16 4 0	0 5 10	2 6	2 8	2 4	2 8	3 0	6 10 3/4	4 0	1 9 1 1/2	11 0	1 6	2 6
1775	l. s. d. 13 5	1 for 9 1/16	—	0 0	6 6	3 6	5 3	4 8	1 17 3	4 16 6 0	0 7 1 1/4	2 6	2 8	2 4	2 10	3 0	6 3	3 10	1 10 11 1/4	10 6	1 4	2 2
1780	l. s. d. 12 6	1 for 11 1/16	—	0 0	6 6	3 6	5 3	4 8	1 11 1	2 14 8 0	0 7 3 1/2	2 6	2 8	2 4	2 10	3 0	6 9 1/2	3 11 1/2	1 17 3 1/4	12 0	1 6	2 4
1785	l. s. d. 17 6 1/2	1 for 10 1/4	—	0 0	6 6	3 6	5 3	4 8	2 0 3	5 6 4 0	0 8 7 1/4	2 6	2 8	2 4	2 10	3 3	7 9	3 11 1/2	1 14 4 1/2	14 0	1 6	2 6
1790	l. s. d. 16 10	—	2 3 4	8 0	8 0	9 6	5 3	6 1 1/4	2 8 3	7 7 10 0	10 4 1 1/2	2 6	2 10	3 0	2 10	3 3	9 2	4 0	1 19 9	15 0	1 6	2 3
1795	l. s. d. 2 10	—	3 4 16	0 0	11 11	6 13 5	4 3/4	6 1 1/4	2 8 3	7 7 10 0	10 4 1 1/2	2 6	2 10	3 0	2 10	3 3	10 4	5 8	2 11 7	15 0	1 6	2 3
1800	l. s. d. 3 4 4	—	4 2 3	0 0	11 11	7 9	12 0	14 10 1/2	4 4 0	16 15 9 1	0 4 1 1/4	2 10	3 2	3 0	2 10	3 3	10 7	5 9	2 11 8 3/4	17 0	2 2	3 0
1805	l. s. d. 3 0 4	—	4 2 3	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	10 3	5 9	2 13 4	17 0	2 2	3 0
1806	l. s. d. 3 1 0	—	3 9 6	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	10 3	5 9	2 13 4	17 0	2 2	3 0
1807	l. s. d. 3 3 0	—	3 3 3	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	9 10	5 0	2 14 0	17 0	2 2	3 0
1808	l. s. d. 3 3 0	—	3 9 10 1/2	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	13 2 1/2	5 0	2 15 9 3/4	17 0	2 2	3 0
1809	l. s. d. 3 6 6	—	4 5 1 1/2	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	14 5 8	5 6	3 0	17 0	2 2	3 0
1810	l. s. d. 3 12 0	—	4 8 4	0 0	11 11	7 9	12 0	16 10 1/2	4 5 7	6 11 6 0	17 9 1 1/2	4 6	—	4 10	5 0	4 6	12 0	5 6	3 0	17 0	2 2	3 0

K K

R. SMITH,  
Clerk of the Check

APPENDIX, No. VII.

ACCOUNT of the PRICES of PROVISIONS and other ARTICLES of CONSUMPTION contracted for and in BETHLEHEM HOSPITAL in the Sixty Years ending with 1810.

Table with columns for 'LADY-DAY AND MIDSUMMER' and 'MICHAELMAS AND CHRISTMAS'. Each section contains sub-columns for Beef per Stone, Mutton per Stone, Cheese per Cwt., Butter per Firkin, Milk per Gallon, Flour per Bushel, and Coals per Chald. The table lists prices for various years from 1750 to 1800.

Table with columns for Beef per Stone, Mutton per Stone, Cheese per Cwt., Butter per Firkin, Milk per Gallon, Flour, and various numbered entries (1750-1810) with prices and quantities for different goods like Veal, Pork, and Flour.

N. B. The London Flour Company supplied the Hospital with Bread, from the 18th of May 1801, to 25th of June 1802, at the above Prices; and from 25th of June 1802, to 30th of December 1802, the Hospital purchased Flour (Thirds) at 50s. and 45s. per Sack, and paid a Baker 6s. per Sack for baking, which Bread stood the Hospital 1s. 4 1/2d. 1s. 3 3/4d. and 1s. 4d. per Half Peck, as per above Account, from July 1802 to March 1803. And since March 1803, the Hospital has paid to respectable Bakers for the very best Bread, the Price charged to the Public, after a Discount of 6 1/2d. per Cent. deducted from their Bills on the Amount when the Half Peck is at 2s. or higher, and a Discount of 7 1/2d. per Cent. from their Bills on the Amount of Half Pecks under 2s.

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