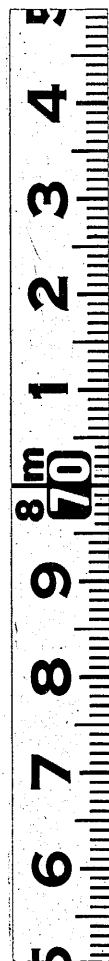


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REFLECTIONS  
ON THE LATE ALARMING  
BANKRUPTCIES  
IN  
SCOTLAND.

ADDRESSED

To ALL RANKS: But particularly to the  
different Classes of Men from whom  
Payments may soon be demanded.

WITH

ADVICE to SUCH, how to conduct  
themselves at this Crisis.

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EDINBURGH:

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# REFLECTIONS

ON THE

Late alarming BANKRUPTCIES in  
*Scotland, &c. &c.*

**W**AR, famine, and pestilence, used formerly to fill up the number of the general calamities of mankind; but, in the present age, one has been added, *viz.* Bankruptcy. The year 1772 will ever be remembered as a year of confusion, dismay, and distress. All *Scotland* has been shaken by a kind of commercial earthquake, while, like a company connected by an electrical wire, the people in every corner of the country have almost instantaneously received the same shock.

But it is to be feared that the evil has as yet had very little effect, in comparison of what it will have. The term of *Martinmas* is just at hand, and that of *Candlemas* is not far off: at these terms payments must and will be demanded; and there is great reason to apprehend, that very miserable consequences will ensue.

There cannot therefore be a fitter subject than that which I have chosen, for a pamphlet

phlet of such a size as to be easily purchased and generally read. In times of national distress, there have been very useful hints suggested by individuals: It is related, that during the famous siege of *Leyden*, when the inhabitants, who then defended themselves with a most determined bravery, were meditating a surrender, because they were in absolute want of provision, an aged citizen of no considerable note stepped forth, and told them, that while there remained an old shoe within the walls they should not give up, for that he had for several days supported himself by leather, boiled long enough to become tender, which though not a very palatable dish, afforded sufficient nourishment to prevent him from starving: The experiment was made, and found to succeed, and thus the city was enabled to hold out, till relieved by the Prince of *Orange*.

At such times too the minds of men are more than usually disposed to listen to sober advice, and profit by friendly instruction; and therefore it may be hoped that these few pages will meet with an agreeable reception.

The public odium is at present directed against that class of men called *bankers*; but it were to be wished that a proper distinction were made between true and false, or real and fictitious bankers. Those of the former kind are described in so just and lively

lively a manner by a writer in England, that his words shall be transcribed.

‘ Bankers are an honourable and an useful set of men in civil society, and absolutely necessary in such a trading nation as ours: they in turn trust the Lord, the merchant, and the mechanic, with sums that give life, vigour, and dispatch to business.

‘ Banking is a most laudable, useful, and advantageous refinement on business. It collects together sums of useless cash, and brings a large fund into circulation, which otherwise must lie unemployed for the time each man may not want it; or, in other words, the lodgments at a banker’s shop are made up of such sums as each of his customers may not want for the present hour. The general fund aids every man in turn, in proportion to his credit, and interchangeably serves each his purposes, as their various occasions may at different periods require: like a large reservoir made up from small shallow and useless rivulets, it supplies all its neighbours in plentiful draughts, satisfies their common and extraordinary wants at each man’s requisition, and then turns that which was before beneficial to no one into a wonderful and extensive advantage.

‘ Bankers are generally entitled to confidence by fair character, a close attention

‘ to business, and by fortunes of their own ;  
‘ which not only give security, but are in-  
‘ terwoven and blended with the credit and  
‘ various purposes of their customers and  
‘ friends.’

Such are real bankers ; and although we have none exactly such in *Scotland*, yet we have among us several merchants who answer the same purposes, in somewhat a different form, and I shall hold *them* as real bankers on whom we can depend. Let us comfort ourselves that we have a few such among us. The late convulsions of the commercial world have winnowed our traders, and separated the wheat from the chaff: we now know the men of substance—of knowledge in business—of prudence, to confine their views within moderate bounds—and, let me add, of honesty. A few such men we have, and let us esteem them accordingly.

On the other hand, what shall be said of those who have held themselves forth to the world as possessed of good stocks, while, at the same time, they were conscious that they were worse than nothing? who, in order to carry on the cheat, and at the same time gratify the wretched vanity of figuring for a while in borrowed feathers, have lived with a degree of elegance, becoming in people of the first rank, but ridiculous and offensive in men of low extraction: Such unprincipled

principled men having been entrusted with the money of numbers, and with the *all* of some, have villanously consumed it, and involved their creditors in the same ruin, though not in the same guilt, with themselves: On such men let the consequences of their dishonesty fall heavy, for me. How inconsistent is it, that in a country where we hang a man who steals or robs to the extent of a trifle, we should be so tender to *fraudulent bankrupts*, though they have actually deprived their neighbours of sums enormous, and occasioned universal and deep distress. I will, however, do what is in my power to show that I can distinguish between good and evil: I am not to be soothed by the whining of their artful emissaries, to accept of a paultry composition, and suffer *them* to live at large; nay, better than I can afford to do: No;—for the sake of justice, for the sake of deterring them, and such corrupt, hard-hearted impostors from again making a prey of their neighbours, my voice is, *Spare not*: If they will strut, let it be in prison; if they will be merry, let it be within those walls where culprits dwell, as well-born, as remorseless, and as jovial as they.

Yet let us not forget that there are a few unfortunate; a few whose ruin has been occasioned through their connections with the unworthy. For these I can make all the allowance

allowance that the tenderest humanity would wish: But let us be sure that the excuse is true, before we dispense with the punishment. The compassionate remedy of a *Cessio bonorum* is not granted but to such debtors as have proved that their failure has been occasioned through misfortune. We must have some evidence in favour of all our bankrupts or insolvent debtors, or by whatever other name they chuse to pass, before they have our indulgence. What that evidence should be I do not pretend to define, I leave it to the conscience of every enquirer; I myself am agreeably satisfied with the innocence of some: Woe be to those villains who have thrown a cloud of suspicion over all, and made it so hard for the truly honest to get themselves distinguished.

Although men in trade have been the prominent and first-discovered victims in the late broad and sudden crush; we have already seen several men of other professions, and some too of the lowest, throwing their shattered personal estates into the Court of Session, which by the new bankrupt-act is become the perpetual light-house for tempestuous fortunes, and universal guardian of ship-wrecked goods. Were none but traders swallowed up in this gulf of bankruptcy, less would be my regret; but it is a melancholy truth, that almost all will be sufferers in a greater or lesser degree; for, I

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am sorry to say it, that almost all are adventurers in the article of money and credit; owing either to extravagance, negligence, or the desire of being precipitantly rich.

Of the extravagance of certain men I have already spoken with a due severity; but I am coming round, and shall have a word with most of my neighbours. The mischief is, that for some years past there has been in Scotland an abominable spirit of levelling all those distinctions which ages of civilized society have, through all the gradations of politeness introduced amongst mankind.

*Ill fares the land, to hast'ning ills a prey,  
Where wealth accumulates and men decay;*

says Dr. Goldsmith: and I apply his elegant lines to the decay of gentlemen. Ever since the seat of government has been removed from among us, we have been encreasing in riches and barbarity, as a body in proportion as it grows fat becomes coarse. Interest or amusement draw the greatest number of our people of fashion up to London; and those who remain are hardly to be perceived, as most of them suffer themselves to mingle undistinguished with the general mass. Upstarts, who have picked up fortunes abroad they best know how, and puppies at home, who have obtained possession of wealth by various means, have flashed among

mong us with all the splendor of prodigality, lavishing away perhaps in one week as much as supported their father's family, and might still support a family of their nearest relations for a whole year. Our real gentry, who have had every mechanical business, nay, in some instances, every servile office, performed to them by the fathers of these men, have been mean enough to associate with them as equals, and foolish enough to vie with them in expence, till drowned in debt, their lands have fallen to the lot of these very people. And hence it has happened that there is no distinction of tables, as there is no distinction of ranks; all must have an equal number of dishes, all must have wines equally costly, as all think themselves equally gentlemen, as the word is now used; so that it may be justly said, Our feasts are noble, and our manners plebeian. This, though an iron age with a vengeance, in the true sense of the expression, is, in one respect, a golden age; for gold is the object on which all inclinations are fixed, and which procures all those advantages, which, in times of higher spirit and nobler sentiments, no riches could obtain: I have said that gold procures such advantages—I would alter the phrase a little; for, from the very nature of things, the genuine distinction which good birth commands cannot be the subject of commerce; therefore the low-born enjoy it not, as it can

can never be acquired; but, like the compliant drunken companion, who said to his friend who had fallen upon the ground, 'I cannot help you up, but I'll lie down beside you,' our people of birth bring themselves to a level with the mean; so that when the genuine honours due to birth are destroyed, gold may then purchase every thing that remains.

In *England* there is a court; in *Ireland* the representation of a court, which nearly answers the same purpose, and in both these countries a distinction of ranks is preserved; whereas in *Edinburgh*, except at a dancing-master's ball, the weekly assembly for dancing, or the annual levee of his Majesty's commissioner to the general assembly of the kirk, and sometimes a funeral, there is not the least room for precedence. I do not desire to have a lord-lieutenant; but I could wish that we had some deputy at the palace of Holyrood-house, to keep us a little in mind of the distinction of ranks. However some factious spirits may attempt to destroy it, our government, limited as it is, is certainly a monarchical government, and, until it is solemnly changed to another, we ought to keep alive the true spirit of it, which cannot be done without observing the distinction of ranks. "In a monarchical state, (says an ingenious French writer,) are two orders, essentially separate and distinct, the nobles

and the plebeians: the functions of the former are to defend it; those of the latter to feed and to enrich it, without ever aspiring to useless honours, which are not made for them."

Nor should those of the inferior ranks of life think themselves disparaged, or treated with tyrannical contempt, when they are kept apart from those whom they ought habitually to reverence: They may be esteemed as reputable men in their station, while they remain in their own places with contentment and quietness, and do not fret their minds by a vain and restless contention for equality. They may lead perhaps as comfortable lives as those above them, and if ambition stirs within them, they may feed it with some probability, while they please themselves with the idea, that the wealth acquired by their industry may lay the foundation of a family, which, in a long course of time, may be as respectable and noble as any.

Let me not be branded as a niggard, or an unsocial fellow, for what I am now going to say. Take it as you please, I am persuaded, that there is truth and justice in the remark, that one great source of extravagance at present is the practice of extensive and indiscriminate entertaining, which prevails amongst us. I remember the time, when no body dined or supped at our  
houses,

houses, but relations or particular friends and connections, except at the houses of men of high rank, or in public offices, who were therefore obliged, in point of decorum, and for the purposes of good policy, to give entertainments to large and general companies. Indifferent people paid us a morning visit, or drank a dish of tea at our houses in the afternoon. Whereas now, what a wide circle of dining and supping acquaintance has every one of us!—A man resolves on having a dinner or a supper. He sends about cards, and he is never at rest till he has secured as many as will fill his table. The slightest acquaintance suffices for giving and receiving such invitations; and, from their being so promiscuous, and such a continual round of them, true hospitality no longer exists. We ask chiefly those who will ask us again, and we ask so many, that with one half of them we have no connection, and no such reciprocation of regard as should be found between the master of a house and his guests. On the contrary, it is very common to find them attack each other behind their backs, if not with rancorous abuse, at least with bitter sarcasm, or debasing buffoonery:

*Non hospes ab hospite tutus.*

Such indiscriminate entertaining is the worse, that not only do we think ourselves obliged to have our tables more plentifully

covered than in most houses in London, but we must drink hard upon almost every occasion. I will venture to say, that there is at this time more hard-drinking in *Scotland*, than in any other country in Europe, *Ireland* not excepted. The regular artillery of the glasses, the bumpers, the varieties of toasting, in short all the

*Pride, pomp, and circumstance of glorious drinking*, are still in full observance amongst us. It may seem extraordinary, that this fashion should have increased in *Scotland*, when it is wearing out both in *England* and *Ireland*; but so is most certainly the fact; account for it who will.

There can be no doubt, that the fashion of hard drinking at every table has contributed much to roughen our manners. Our gentlemen of the last age were much more polite than those of the present; they had their jovial clubs of an evening, but they rose from dinner time enough to pay their compliments to the ladies in the drawing-room. The *Edinburgh Miscellany*, *Allan Ramsay's Tea-table Miscellany*, and even *Mr. Hamilton of Bangour's Poems*, which are of a much later date, shew us, that there was in *Scotland* a genteel mode of society, which seems now to be quite given up. Our ladies and gentlemen assembled at tea in the afternoons, where they had the most agreeable opportunities of improving themselves

selves in a genteel address and gay conversation. Colonel *Forrester*, who wrote *The Polite Philosopher*, was formed in such society.

Whereas now every drawing-room is like a nunnery, and the ladies hardly see the gentlemen but at some public place, where they often appear when much intoxicated; a monstrous degree of indecency, peculiar to *Scotland*. Surely being accustomed to see men drunk, (a situation into which the Athenians forced their slaves, that their youth might, by beholding its ugly effects, have an abhorrence at the vice,) must not a little hurt the delicacy of our ladies. Although the gentlemen should not be what is called *mortal*, their being inflamed with liquor must make their conversation and behaviour such, as ought to shock our ladies; and, if they are much accustomed to it, sure I am the enamel is off their minds, and blunted are those finer feelings of which an elegant woman ought to be possessed.

As another proof of our present coarseness, I cannot but observe, that, amidst all our extravagance, we are shamefully deficient in dress, which is the least hurtful mode of expence, as it can do no harm either to body or mind, while it encourages the labours of the industrious, and affords a pretty exercise for taste and fancy.

Negligence, or want of attention to œconomy, is the second general cause of bankruptcy.



ruptcy. Sir Francis Osborne, who wrote a great many years ago in *England*, has a passage in his advice to his son, which, with a few variations, might be addressed at this day to numbers in *Scotland*. The substance of it will apply; so I shall give it in his own words.

“ I find the *economicks*, though most useful to being, the least esteemed with our *gal-lants*, looked upon by some as trivial, by others as dishonourable and unbecoming a masculine employment; yet a total neglect of them may be found in experience the ruin of the greatest families in *England*, as their more exact prosecution keeps up men's estates in *Italy*, where the inhabitants are celebrated as most generally wise, and therefore not unfitly proposed in this for an universal pattern, but where they border too near the confines of penury and baseness, most unbecoming the custom and plenty of *England*; and where in this particular, (till the sword received a commission from God to devour all things good and honourable in the land,) our noblemen equalled the princes, and our king exceeded in hospitality all the monarchs in the known world; and might yet have done more, had the true elements of thrift been maintained in equal proportion, by providing all things at the best hand, and making use of times and seasons; in which I confess, so much as purely belongs

belongs to housewifery ought, if not in discretion, yet in reverence to custom, to be left to women, provided they own abilities competent for the employment, which is yet sometimes so far contradicted by experience, as the first leak of a husband's fortune is found to rise in the kitchen, and such rooms as a man of quality cannot decently visit. Nor is there a better way patent to obviate this falling into a hectic through a dysentery, than by an equal balancing all weekly accounts; never noted by wisdom any more blemish to honour, than to know how many horses he keeps in the stable, a place that cannot be denied to be made, by use rather than reason, more becoming his presence than the pastry or larder: nor is the keeping of a regulated expence (magnified rather than decried in the highest courts of wisdom,) neglected so much out of scorn as defect; fathers, especially rich ones, being so far to learn themselves what is most fit their children should be taught, as they keep them so long in their Latin school, till the time is lapsed most proper for reading, and to make a perfect accountant, the most necessary part of the mathematics, and so much as cannot be in any commerce spared: it remaining indubitable, that none, so industrious as to call himself to a weekly, or at least an annual reckoning, did ever through his own default spend an estate; whereas the want

want of this first rudiment of thrift hath, within the compass of my experience, brought divers to a bit of bread, and demolished the houses of the most ancient gentry in *England*. Now, if any desire to understand how our more illiterate fathers came to escape this curse, an answer lies ready, That the greatest part of their revenues did consist in provisions of all sorts, paid punctually at a day, and so easily accounted for and remembered. And this abundance they enjoyed kept them pleased, and in friendship with their estates, wanting neither company nor respect, through which they became less liquorish after the glory and small delights of *London*, and the court, towards which they did seldom look but upon constraint, having never tasted them in youth, as now they do, the only time to contract an affection to any place or thing: So as that we call *the breeding of our gentry* is the main reason of their undoing, the glorious aspects the city affords rendering the more solid pleasures of the country contemptible and distasteful. And thus infatuated, from the hope of a redemption by an *office* or *wife*, they drop into an ocean of debts, between the *Scylla* and *Charybdis* of a *London* and country house, which for want of moderating their expence, (a thing arithmetic is the readiest, if not the only means to reform,) it becomes no less terrible to look upon in relation to *solitude*

and

and *dilapidations*, than unsafe to abide in for fear of the *Sheriff*."

So far *Sir Francis Osborne*.—And, indeed, every man of observation and reflection must subscribe to the truth of what he has said. As judicious divines have remarked, that none who are constant in the duty of prayer, by which their lives are daily reviewed by them, with at least some degree of awe, will be very wicked; so none who are regular in keeping accounts will be very extravagant. But negligence is often produced by extravagance. People perceive their expence to be so great, that they are afraid to examine into the state of their affairs, which they know are in a ruinous condition; but they have not courage to retrieve them, and abandon themselves to despair. Such is the situation of some; but the greatest number of those whom I have in my view have not even an apprehension or suspicion of their danger; they repose in ignorant negligence, while debt, like corroding rust, is silently and surely devouring their substance: While thus deluded with easy dreams, they are unsolicitous with regard to their own expence, and thoughtlessly become bound as security for others, another unhappy circumstance, which is now so common, that to refuse it will irritate, and you have no thanks for granting it. And here again *Sir Francis Osborne* comes in, who cautions his

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son in a strong and lively manner, "Such as are betrayed by their easy nature, to be ordinary security for their friends, leave so little to themselves, as their liberty remains ever after arbitrary at the will of others. Experience having recorded many (whom their fathers had left elbow-room enough) that by suretyship have expired in a dungeon. But if you cannot avoid this labyrinth, enter no further than the thread of your own stock will reach; the observation of which, will, at worst, enable you to bail yourself."

The desire of being precipitantly rich is the third general cause of bankruptcy. The old prudent maxims of frugality, by which our fathers acquired wealth and kept it, or by which they at least left their fortunes in no worse situation than they found them, are exploded; and we must all attain to riches by means of project and adventure. A few men of enterprize may be of use in a country, but what must become of that country where all are men of enterprize? The consequence must be, that labourers, mechanicks, traders, and farmers, by all struggling to get into a situation higher than that to which they have any probable means of attaining, must, like the frog in the fable, burst in the attempt. Our landed gentlemen again, observing the artificial and temporary rise in the price of all provisions, demand exor-

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bitant rents, which distracted men in some cases agree to pay; and in other cases, the gentlemen think themselves sure of getting, after keeping their grounds for sometime in their own possession, and laying out large sums of money upon their improvement, not considering that in a few years their tenants break, and that the calculations of profits which they have framed upon their improvements turn out to be fallacious. They are offended if you would hint such things to them while they are living up to the full extent of their imaginary rents. Let us see the result of all this. Our news-papers are filled with sales of lands, and the rolls of the court of session crowded with adjudications and *Cessio Bonorums*, in the course of which it has come out, that footmen, common soldiers, and in short the lowest of mankind, have obtained credit for hundreds, nay, thousands of pounds.

This unhappy subject of credit brings before us those numerous banks and banking companies, that most astonishing circulation of paper currency, and that amazing multitude of cash accounts which are at this time in *Scotland*, and to which many of the bankruptcies must be imputed. Such has been the rage of making profits by banking, and such the flattering expectations, that if any failures did happen, those who issued notes would either be so fortunate as not to be the

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sufferers,

sufferers, or would be indemnified by the interest drawn for their mere paper, that they have given cash-accounts to many people who, they could not but be sensible, had neither money nor effects equal to the extent of the sum; and such men becoming mutual security for each other, could not mend the matter, but only serve to encourage the delusion, by having the appearance of some strength without any reality.

In the view of what I have already supposed, that at the ensuing terms, payments must and will be demanded all over *Scotland*, with a degree of rigour which we have never before experienced. I would say a few words to three different classes of readers; those who can immediately pay; those who, if let alone for a time, may be able to pay; and those who must be conscious that they neither can at present, nor have a probability of ever being able to pay.

As to those who are able to pay, let them consider that they are called upon, not only by justice, but by every motive of humanity, not to plead any affected excuse, or avail themselves of any evasive delays, but on the contrary, to exert themselves with the utmost diligence and anxiety, to make punctual payment, because their failing so to do may be the occasion of breaking the credit of many, who, if they could get exact payment of what is due to them, might still be able to support themselves with decency, and be  
useful

useful members of society. They ought to consider that delaying on this critical and distressing occasion, to pay back the money which they have borrowed till their creditors have suffered, is like delaying in the time of a famine to pay back bread, which they have borrowed, till their neighbours are dead: nor is it enough that the law is open to all; for we well know, that, notwithstanding the present dispatch in the court of session, the forms which justice has devised to prevent crude decisions being passed, and hasty advantages being taken, afford an opportunity for chicane to contrive, that we shall feel what *Shakespeare* justly enumerates, "the law's delay;" and a good deal more is expended on every law-suit, than what is repaid when costs are allowed. Besides, they ought to recollect, that there is no proportion between the injury done to *them* by a law-suit, and that which is done by it to men of less confirmed credit than theirs. The blasts, that hardly shake the deep-rooted tree, will tear up one that is not so advantageously situated.

As for those who cannot pay immediately, but, if let alone for a time, may be able to pay, of which I do believe there will be found a considerable number; I would advise them, when pushed by any of their creditors, candidly and fairly to explain their situation and their prospects. If they are gentlemen of estates, who have laid out money  
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ney judiciously, let them shew, that in a few years they will be able to discharge what they owe, and be richer than at present. Gentlemen who have estates are however the least to be pitied; for, if their improvements be solid, they may always command credit; but those who have laid out their borrowed money in farming or in trade, in the expectation of considerable profits, and of being allowed to pay off their debt gradually as their profits come in, must be in a very unhappy situation, if a sudden demand is made upon them. Let them then be in condition to lay their circumstances before their creditors, both with accuracy and openness, so as to obtain their confidence and sympathy, while they may at the same time demonstrate to them, that it will be their own interest to have patience, as harsh measures would have the effect to forfeit those leases, and frustrate those advantageous schemes, which would in time afford a fund for full payment, instead of the small share which would now be drawn. I would hope, that following the rules, which have been now pointed out, may be attended with very beneficial consequences.

As for those who must be conscious, that they neither can at present, nor have a probability of ever being able to pay, I would earnestly exhort them to brave it out no longer—no longer to go on accumulating distress

distress on others, and guilt on themselves; they can never have a better opportunity for stopping than the present time, when they have so many neighbours to keep them in countenance. I would advise them too, to seize the opportunity for another reason, which may strike a knell to some of their hearts; for next session of parliament, an act may be passed against fraudulent, and even prodigal bankrupts, fraught with such severity, as I wish from my soul had been passed several years ago. All of them will yet meet with the greater indulgence the sooner they discover themselves, and I promise them they will find much more ease in their own minds than in their present state, when they are miserably assuming a false appearance, and hourly in terror of detection; while every man whom they do not know they suspect to be a messenger, and every packet that is delivered to them, they dread contains a charge of horning.

I cannot conclude without expressing my hopes, that the late bankruptcies, however distressing to individuals, deserving and undeserving, may be of general utility, if they have the effect which we may suppose they will have on every rational and well-disposed person, by restoring just notions of subordination, frugality, and every other principle by which the good order of society is maintained.

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effects on other parts of the system  
 that can occur in a very short time  
 for example, the system may be  
 affected by a change in the  
 environment, or by a change in the  
 structure of the system, or by a  
 change in the way the system is  
 used. In all these cases, the  
 system may be affected in a way  
 that is not immediately obvious.  
 It is therefore important to  
 consider the effects of these  
 changes on the system as a whole,  
 and not just on the individual  
 parts. This is especially true  
 in the case of complex systems,  
 where the interactions between  
 the parts can be very important.  
 In such cases, it is often  
 necessary to use simulation or  
 other methods to study the  
 effects of these changes on the  
 system as a whole.