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CORN, TRADE, WAGES, AND RENT;

OR,

OBSERVATIONS

ON THE

LEADING CIRCUMSTANCES

OF

THE PRESENT FINANCIAL CRISIS,

AS THEY AFFECT THE ARTISAN, THE MANUFACTURER, THE LABOURER,
THE TENANT, AND THE LANDLORD, SERVING TO ELUCIDATE
THE TRUE INTERESTS OF EACH.

BY EDWARD CAYLEY, ESQ.

Man, like the generous vine, supported lives,
The strength he gains, is from th' embrace he gives.

Self-love forsook the path it first pursued,
And found the private, in the public, good.

Pope.

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THE STATE OF THE NATION

MEMORIAL

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in the Year 1846

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SHACKELL, ARROWSMITH, AND HODGES, JOHNSON'S-COURT, FLEET-STREET.

PREFACE.

PREVIOUS to the meeting of Parliament, it is the wish of the writer of the following pages, in as clear a manner as possible, to place the question of a free importation of corn in what he esteems to be its just and proper light, for the consideration in particular of the trading interests of these kingdoms, but especially the operatives, (to make use of their own designation;) as it is his firm opinion, that their present impressions are received, chiefly, though very naturally, from a narrow view of the causes of their own privations, confirmed in some measure, however, by the tenets of an hitherto imperfectly digested science, the terms of which are, at present, too refined for universal comprehension, consequently unfitted for a subject of high and general importance. Did they see the whole grounds of the question, their common sense would protect them from the

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influence of these hazardous subtilities, arising from a very different order of men. "There is" (said the great Lord Chatham) "one plain maxim, to which I have invariably adhered through life: that in every question in which my liberty, or my property were concerned, I should consult and be determined by the dictates of common sense. I confess that I am apt to mistrust the refinements of learning, because I have seen the ablest and most learned men, equally liable to deceive themselves, and to mislead others. The condition of human nature would be lamentable indeed, if nothing less than the greatest learning and talents, which fall to the share of so small a number of men, were sufficient to direct our judgment and our conduct. But, Providence has taken better care of our happiness, and given us in the simplicity of common sense, a rule for our direction by which we shall never be misled."*

* Speech in answer to Lord Mansfield in Wilkes' case, where Lord M. had artfully perverted the meaning of his amendment.

OBSERVATIONS, &c.

An appearance has been gradually unfolding itself, and has lately become more fully developed, of a determined contention between the two great and leading interests in the state. One party seeming to imagine that its prosperity rests solely on the downfall of the other; that other opposing only a mute, but bulky, broadside in its own defence. This feeling of hostility has been considerably heightened by the late lamentable failures throughout the kingdom: the former interest still attributing its present distress and adversity to what it terms the monopoly of its antagonist; the latter, after for a season shewing evident symptoms of retreat, at length stedfastly resolved, if possible, to retain its position. The desideratum on all sides must be, the reconciliation of the parties at variance, which, if not sooner effected by reason and experience, will

shortly, I augur, be compelled from the useful principle of self-interest. The question arising on this occasion is, how to prepare the way by an infusion of vigour into the system for the re-establishment of national prosperity. "There is no effort of legislation more arduous, no experiment in policy more uncertain, than an attempt to revive the spirit of industry where it has declined, or to introduce it where it is unknown.*" The feeble condition under which we now find the trade of this kingdom languishing, can be attributable to no other source than the absence of its necessary and wonted stimulus. The decision on the corn question in the houses of parliament must, I strongly suspect, be closely interwoven with that principle which may hereafter be discovered to be most conducive in promoting this stimulus; and if it can be proved that the agriculture and manufactures of this country have hitherto, for the most part, sympathised as well in the prosperity, as in the reverses of each other; and also, that a high corn price, (I wish to be understood as speaking always in reference to the circumstance of our debt,) does not in reality trench upon the profits of the manufacturer, but rather serves to stimulate his industry, an opening, at least, I think, will be made towards the

* Robertson's History of America, Vol. VII.

solution of this national difficulty. On the one hand, grounds of suspicion will arise that there is, if an invisible, still a natural and firm link connecting these interests together, which it would be impossible to sever, or would be madness in either party to attempt, even if possible; and on the other, that the jealousy of the manufacturer has rested on no solid foundation, when he shall discover that those prices which he has considered so great a grievance, are, in fact, mainly instrumental in creating the stimulus which his trade requires, and under the circumstances, indispensable towards satisfying the demands of the public creditor.

The principal object of this address, is to offer a series of facts, which many broad and leading classes of the nation have been apparently in the habit of overlooking. These facts will, I expect and trust, tend to the development of what I conceive to be the truth.

My first endeavour shall be, to prove to the manufacturer that, under the present state of taxation, cheap corn is *not* necessary to fair profits; that labour is *not* solely, or so much dependent for its price on the price of food, as on the demand for commodities; and that a high rate of profits is *not* necessary to the prosperity of a nation, although a high rate of wages is certainly beneficial to the labourer.

The basis of Mr. Ricardo's arguments in favour

of a free importation of corn, appears to be; that profits depend upon the cheap price of food. Adam Smith, on the contrary, says, "that upon examining the accounts which had been published of the annual produce of the manufacture of linen in Scotland, and that of coarse woollens in the West Riding of Yorkshire, he had not been able to observe that its variations had had any sensible connection with the dearness or cheapness of the seasons. In 1740, a year of great scarcity, both manufactures appeared to have declined considerably. But, in 1756, another year of great scarcity, the Scotch manufacture made more than ordinary advances."*

A very intelligent correspondent, acquainted with the party, informs me, that a shopkeeper in a farming district, when wheat was selling at about 90s. per quarter, sold goods, (cotton, cloth, groceries, &c.) to the amount of £6000 per annum, and that his creditors were punctual in paying him his Christmas reckoning. That when wheat fell in price, in the years 1815-16, to little more than 60s. per quarter, he did not sell more than £4000 worth, and that he was obliged to give credit to more than half of his customers, instead of taking their money. That during the years 1817-18-19, he sold more than £5000 worth of goods each

* Second Vol. Wealth of Nations, p. 129, on the Wages of Labour.

year, the price of wheat being 94s, 83s. and 72s., and his customers rubbed off nearly all their old scores. During the next year, his sale amounted to about £5000, and very little credit was given in his books; but the year 1821 brought his sales down to £4000, and the two following years reduced them to less than £3000 each year, and very little of it was paid when due, the price of wheat for those three years being 65s. 54s. and 43s.

The action of one foot cannot correspond more exactly with that of its fellow, than did this man's trade with the price of corn. The losses and adversity of the retail, must extend themselves to the wholesale trade; if the retailer's custom fail him, the demand from the wholesale merchant is reduced in the same proportion; if there be a reduction in the demand for goods, less labourage is required to manufacture them, and, as the demand for labour diminishes, so must its value also. It cannot then be fairly stated that a high price of corn always affects the price of labour, in prejudice to the profits of the manufacturer: nay, if I remember rightly, the Edinburgh Review gives it, as the manufacturer's own account, that the value of the operatives labour does not depend upon the expense of his living, but on the quantity of work on demand. A rise in the price of corn raises the value of labour, from this circumstance, that the growers

of corn being in a more prosperous condition, increase* their demand for, and with that the price of manufactured produce; this demand for produce causes a fresh demand for labour, which increases its value.

As soon as wheat rises in price the agricultural labourer instantly feels the benefit of it in a proportionable increase, both in his wages, and the demand for work; whilst the operative has to wait until a return for his goods can be had by the manufacturer from his correspondent; but then he receives with interest the benefits accruing from the rise in corn, and this advantage is continued to him for a corresponding period after the price of corn begins to fall. It is for this reason that the operative may, and sometimes has, for a short time, high wages, when corn is low, and sometimes for a like space of time, low wages when corn is high.

In reality, however, (says the Father of Political Economy) high profits tend much more to raise the price of work, than high wages. If, in the linen manufacture, for instance, the wages of

* There never was a time when the manufacturers of this country were so flourishing as during the year ending 5th January, 1825. This was entirely caused by the return of the landlords, and farmers, to a state of comparative prosperity, and not by the foreign trade, for in this year the exports fell off £432,163.—*Mr. Godfrey Higgins' Pamphlet.*

the different working people, the flax-dressers, the spinners, the weavers, &c. should all of them be advanced 2d. per day, it would be necessary to heighten the price of a piece of linen only by a number of two-pences equal to the number of people that had been employed about it, multiplied by the number of days during which they had been so employed. That part of the price of the commodity which resolved itself into wages would, through all the different stages of the manufacture, rise only in arithmetical proportion to this rise of wages. But, if the profits of all the different employers of those working people should be raised 5 per cent., that part of the price of the commodity which resolved itself into profit, would, through all the different stages of the manufacture, rise in geometrical proportion to this rise of profit. The employer of the flax-dresser, would, in selling his flax, require an additional 5 per cent. upon the whole value of the materials, and wages, which he advanced to his workmen. The employers of the spinners, and weavers, would require a like 5 per cent. each, both upon the advanced prices of their raw material and the wages of their workmen. In raising the price of commodities, the rise of *wages* operates in the same manner as simple interest does in the accumulation of debt. The rise of *profit* operates like compound interest. Our merchants, and master-manufacturers, complain much

of the bad effects of high wages in raising the price, and thereby lessening the sale of their goods, both at home and abroad. They say nothing concerning the bad effects of high profits. They are silent with regard to the pernicious effects of their own gains.

Ricardo appears, to me, rather extravagant in his project to raise the profits of the manufacturing and trading interests, at the expense of the land. If his plan would contribute to the benefit of the country at large, or even eventually, of the manufacturer individually, the partial evil might be overlooked in the universal good which was to ensue. But, I suspect, if the experiment had been tried, that the result would have disappointed the expectation of Mr. Ricardo: the future, I think, (as I will adduce that the past has done,) would raise impassable obstacles to his principle.

It has been observed, that the rate of profits in a country may be computed by the general rate of the interest of money; but the interest of money has generally been the highest in countries nearly ruined, or on the decline. In Bengal, for instance, where fortunes were so suddenly and so easily acquired, money was advanced to farmers at 40, 50, and 60 per cent. Immedi-

* Second Vol. Wealth of Nations, p. 149, on the Profits of Stock.

ately previous to the fall of the Roman republic, the interest of money was very high. The virtuous Brutus lent money in Cyprus, at 48 per cent.*

In China, where the rate of interest is about 12 per cent., and the rate of profits from the supposition, proportionably high, the poverty of the lower ranks of people far surpasses that of the most beggarly nations of Europe.

“When a nation,” (says Mr. Cobbett, Vol. 55, p. 488,) “is in a state of real prosperity, money is at a high interest, and labour in proportion to the price of provisions, is paid in high wages.” The latter of these principles is undoubtedly true; but I am surprised at the former assertion, for in the years 1824 and 5, when the manufactures and agriculture of this country played into the hands of each other, and were, consequently, reciprocally benefited, and simultaneously prosperous, and when it was affirmed by the Right Honourable the Chancellor of the Exchequer, in his place in the House of Commons, that the nation hitherto, had never known such a state of prosperity, the interest of money varied from 3 to 3½ per cent. on the nominal capital, augmented as it had been by a return to cash payments.

“The province of Holland,” (says A. Smith,)

* From the Letters of Cicero.

“ in proportion to the extent of its territory, and the number of its people, is a richer country than England. The government there, borrow at 2 per cent. and private people of good credit, at 3. The wages of labour are said to be higher in Holland than in England, and the Dutch, it is well known, trade upon lower profits than any people in Europe.”*

When profit diminishes, merchants are very apt to complain that trade decays, though the diminution of profit is the natural effect of its prosperity, or of a greater stock being employed in it than before.

“ When any particular country” (observes Mr. Ricardo,) “ excels in manufactures, so as to occasion an influx of money towards it, the value of money will be lower, and the prices of corn and labour will be relatively higher in that country than in any other.”

It is my earnest wish to impress upon the minds of the manufacturing classes, a principle, in which I am convinced they must find their interest, and of which (if I mistake not,) they are beginning to be in some degree sensible; viz. that, of considering at all times (in addition to their own) the prosperous or unprosperous state of their customers; particularly their home customers, who

* Second Vol. Wealth of Nations, p. 139.

purchase four-fifths of the whole goods that are manufactured; that the landholders with those immediately depending on them, the farmers, the labourers, the country towns and villages, form the principal portion of these home consumers; that although their prices are opposed, the manufacturing and agricultural interests must be identified, their prosperity mutually depending on each other, and the prosperity of both, on a good and remunerating price for each of their respective products, that these, by a sort of *obstando promoves*, contribute to each other's support, like a similar law of nature, where the centripetal and centrifugal forces mutually opposing each other, sustain the solar system.

The prosperity of the operative, or labourer, depends upon large money wages, because a greater surplus remains after the necessary expenditure in provisions for the purchase of other comforts. For this reason it was, that they throve so well during the war; and surely at that period, the master manufacturer had no cause of complaint.

The following is a table of weekly wages paid in a neighbouring district, to agricultural labourers, for the greater part of the last thirty-five years, together with the annual average of wheat, and the quantity of it that their weekly wages enabled them to buy. From which it will appear, that, although wages are paid in money, the

amount of that money is chiefly regulated by the price of corn.*

| Years. | Week's Wages in Money. | Week's Wages in Wheat. | Price of Wheat. |
|--------|------------------------|------------------------|-----------------|
| 1790 | 10s. | 6½ Pecks. | 48s. |
| 1795 | 16s. | 7¼ ... | 71s. |
| 1800 | 21s. | 6¾ ... | 105s. |
| 1805 | 18s. | 6½ ... | 87s. |
| 1810 | 21s. | 6¼ ... | 105s. |
| 1815 | 15s. | 7½ ... | 64s. |
| 1816 | 16s. | 6¾ ... | 75s. |
| 1817 | 19s. | 6½ ... | 94s. |
| 1818 | 18s. | 6¾ ... | 83s. |
| 1819 | 16s. | 7 ... | 72s. |
| 1820 | 14s. | 6¾ ... | 65s. |
| 1821 | 8s. to 12s. | 5 to 7½ | 54s. |
| 1822 | 7s. 6d. to 10s. | 5½ to 7¼ | 43s. |
| 1823 | 8s. to 11s. | 5 to 6¾ | 51s. |
| 1824 | 12s. | 6¼ ... | 62s. |
| 1825 | 14s. | 6¾ ... | 66s. |

The labourer having to lay out nearly half (for the sake of calculation, say half) of his wages, in the purchase of corn, bacon, potatoes, &c.; it is of little consequence to him at what rate they are selling, as his wages are, in a great measure, regulated by their price; but it is otherwise with the remainder of his expenses; for when wheat is at 83s. per quarter, and he earns 6¾ pecks of wheat,

* For this table, and several interesting local facts and observations, I am indebted to a very intelligent practical farmer and landowner, Mr. Robert Merry, of Lockton, near Pickering.

he has 9s. to spare, after paying for those provisions, for the purchase of clothes, shoes, tea, and other necessaries for his family. If other goods rose in exact proportion to the rise in corn, this argument would have no force; but, inasmuch as the price of corn only affects the price of wages, and wages form a limited proportion (for argument's sake say one-third) of the price of manufactured goods; then, suppose corn to double in price, it does not double the price of manufactured goods, but only (from the supposition) adds one-third to it; hence the additional shillings to the labourer's wages, increase his comforts in a very high degree. When wheat is at 64s. per quarter, he will have the half of 7¼ pecks to spare, or the half of his week's wages, 7s. 6d.; but, when wheat falls so low as from 43s. to 51s. per quarter, and he obtains only 10s. per week, then, after his expenditure on food, he has but 5s. to spare for the remaining necessaries which he requires. We shall, if we reflect on this calculation, at once be able to see the reason, why some of them, at other times, sober men, could afford to get drunk, when wheat was at 80s. and higher; but unable to maintain themselves and families, without the assistance of the overseers, when wheat was at little more than 40s. per quarter; especially, if we add to this, the enormous benefit of finding regular and full employment, which makes the labourer, in a great degree, the assessor of his own wages, the de-

mand for labour being at a great height, and endeavouring, even, to pass the limits of supply.

The Edinburgh Review informs us, that the landlords would not only gain by a free importation of corn, or by its lowering in price, but that they would also be relieved from three-fourths of their poor's rates. On the contrary, when wheat was only 45s. and 50s. per quarter, nearly three-fourths of the number of labourers, were actually chargeable on their respective parishes; whereas, when the price of wheat is about 70s. per quarter, there has been scarcely an instance of an able-bodied labourer applying for relief to the overseers.

It has, however, become the fashion to decry a remunerating price for corn, in this country, on the principle, that under a system of perfectly free commerce, each country naturally devotes its capital, and its labour, to such employments, as depend on the staple commodities of each. "It is this principle," (says Ricardo,) "which determines that wine shall be made in France and Portugal; that corn shall be grown in America and Poland; and that hardware, and other goods, shall be manufactured in England." Cotton, when considered with respect to our connection with the East and West Indies, and the facility of power, through the medium of our steam engines, and coal, may be considered as a staple commodity. But the other goods appear to me to be rapidly losing their character of exclusiveness. The wool

that has lately been manufactured in England, has been, in a very large proportion, of foreign growth; (from Germany, Odessa, &c.) so that the intended system, appears to be, to prevent every thing of English growth, from approaching an English manufacture. One of the principal resources, that England possesses over other countries, is her pastures, owing to the moisture of her climate, the value of which no political theory can alter, but the advantages of which might, in many places, be supplied, by the knowledge and practice of irrigation. Should even this advantage not be taken of us, live stock are a very expensive exchangeable commodity, and our wool, which since the importation from the foreign market has been unsaleable, forms one-fourth or one-fifth of the value of sheep-stock. The greatest portion of the soil of this country, is then to be converted into pasture: the experiment has been tried before; for its result, let us apply to Hume the historian. "The grievances of the common people, were at this time heightened by other causes. The arts of manufacture were much more advanced in other European countries than in England: and even in England these arts had made a greater progress than the knowledge of agriculture, a profession which of all mechanical employments, requires the most reflection and experience. A great demand arose for wool both abroad and at home: pasturage was found more

profitable than tillage: whole estates were laid waste by enclosures. The tenants, regarded as a useless burden, were expelled their habitations; even the cottagers, deprived of the commons, on which they formerly fed their cattle, were reduced to misery; and a decay of people, as well as a diminution of the former plenty, was remarked in the kingdom. This grievance was now of an old date; and Sir Thomas More alluding to it, observes in his Utopia, "that a sheep had become in England a more ravenous animal than a lion or wolf, and devoured whole villages, cities, and provinces."*

The following is the tribute which Lord Chat-ham (altogether, perhaps, the greatest statesman England ever produced,) paid to agriculture. "Trade, indeed, increases the wealth and glory of a country; but its real strength and stamina are to be looked for among the cultivators of the land: in their simplicity of life is found the simpleness of virtue, the integrity and courage of freedom. These true genuine sons of the earth are invincible; and they surround and hem in the mercantile bodies, even if these bodies, which supposition I totally disclaim, could be supposed disaffected to the cause of liberty."—"The commerce and manufactures of this island, conceal, in some measure, its agricultural grandeur: of which

* Anno 1549. Reign of Edw. VI.

we may not, perhaps, obtain a full view, unless this splendid superstructure of our present prosperity, mouldering away, from the fragility of the materials, or shattered by external violence, shall expose the strength and extent of the base on which it rested."—*Edinburgh Review*, vol. 5. page 204.

In plain terms, to bring the matter home to the minds of the manufacturer, retail tradesman, and operative, if, what are called, the poor soils in this country, were thrown out of cultivation, this would be the consequence to them:—Capital, in the hands of the working classes of society, must and will have employment. The capital withdrawn from the inferior soils, must seek remuneration in another quarter, which would be the soonest found in manufactures. The change in our system would not increase the demand for our manufactured goods; an additional number of capitalists would, therefore, have to derive their gains from the same limited source. This competition would inevitably lower the rate of profits from the principle of a division of profit. These causes would equally affect the wages of the operative; the farming labourer, hitherto, but no longer, employed in cultivating the inferior soils, must seek remuneration in another quarter for his labour: labour as well as capital would, from the supposition, find remuneration in manufactures: this would lower the value of manufacturing

labour for two reasons ; first, from the competition of the agricultural labourer to manufacture goods, the demand for which would not be increased : and, secondly, the agricultural labourer, having been accustomed to lower wages than the operative, and to adhering more steadily to his work, would require less wages for his labour, and, consequently, would find the readiest employment. The old operative must come down to the new price.

It may be objected, that the agriculturist will have to acquire the expertness of the operative in his own trade; this would be but the delay of a month or two compared with the operation of a whole life-time.

It naturally follows, as a consequence, if the poor soils were thrown out of cultivation, and the price of grain in the country reduced by the free importation of foreign corn, that the trading interest would be deprived of customers to the amount of the rent of land thus deteriorated. Granting, however, that, to the extent of our importation of foreign corn, we should export manufactures in exchange, by this means increasing our foreign trade; where would the improvement lie? we should in the same, or more than in the same, ratio decrease our home trade: the melancholy difference would be, that we should be enriching the importing country, whilst we were impoverishing our own. Can the subtilty of words so deceitfully impose upon the faculties of

any man, as to urge him to recognise this as a benefit to his country? The poor soils in cultivation are available to the support of our clergy, the maintenance of the poor, the building of our gaols and bridges, making and repairing of roads to a very large amount. Will our foreign customers be willing to make good this defalcation? or will our home traders take upon themselves the onus of supplying it?

But there is something repugnant in the very idea of throwing any soil out of cultivation, which is capable of producing food for the sustenance of man; and we ought to suspect *that* human policy which is so obviously at variance with the designs of Providence in the formation of the world. If the world was not made for the sustenance of the human race, for what was it made? Are we not the favoured stock on the great planetary farm?

It is, moreover, observed by some of the friends of a free importation, that when an unproductive season occurs in any country, the probability is, that it does not extend throughout the world; and that upon such an emergency corn could be procured at a cheaper rate from some other country: no compensation, it is intended, should be made to the grower of the most necessary article of human consumption, by an increased price on the decreased supply of his commodity. Individuals may hold such an opinion, but I am sure, at least I trust, that no one interest in the

state could allow itself to act on so dishonourable a principle, as to seek its own momentary advantage (for momentary it would only be) in the positive destruction of another. Is not the sudden scarcity of any commodity the natural cause for an increase in its value, and a wholesome decrease in its consumption? Does not Ricardo himself maintain, that "high prices always accompany difficulty of production?" and this rule will be found invariable, except when a check is put upon it, by an importation of the same commodity from a country at that moment independent of this difficulty. Suppose a mine to be worked in any given year, the metal in which should prove twice as scarce as the year preceding: if the government of the country where this mine was situated, were to issue an order that the produce should not increase in price, but retain its previous standard value; would such a proceeding be deemed justifiable? It is precisely a case in point. If corn be allowed by the government of a country, suffering under an unproductive season, to enter into it from a country that can (from having enjoyed a fruitful season) afford to sell at a much lower rate, that government compels its corn-grower to dispose of his commodity at perhaps less than half the price it cost him to produce it. There is unquestionably, I acknowledge, a limit to this principle, and that which produces a ruinous price to the consumer, or a like

ruinous depreciation of price to the grower, should form the extreme bounds of a graduated scale of restrictions in this case. "The prosperity of agriculture is the basis of the prosperity of a nation."* Under this impression, and the *circumstances* in which Napoleon found the country situated at the period of his gaining the ascendancy in it, it appearing desirable to him to place France in such a state as would put it out of the power of her enemies, to limit the quantity of bread which Frenchmen should eat, (a scheme attempted by the English about the time of the convention;) he prohibited the importation of foreign corn, which inspired the French farmers with such confidence, that they improved the soil of France until its produce has become more than sufficient for the sustenance of all its inhabitants, though considerably increased since this regulation was made.

Napoleon, who cannot be said to have been an advocate for monopolies, or a protector of the ancien regime, and two other men of great weight in our own country, who had no immediate stake in the land, have all expressed the same opinion on the subject of the landed interest; they were, perhaps, of all men the least likely to

* Napoleon to the Legislative Assembly of France.

be warped by prejudice, or bigotted to what was old for antiquity's sake; but they plainly perceived that all the other interests in a country must depend for their prosperity, on the prosperity of agriculture, the most extensive and fundamental interest of all; but if this fountain of national wealth be impeded at its source, the current of prosperity in the rest becomes immediately dried up.

About twenty-five years since it was said by Mr. Pitt, in the House of Commons, "that one certain proof of the nation being in a prosperous condition was, that agriculture was flourishing and rapidly improving." Mr. Fox answered, that the healthful state of agriculture was certainly a sign that the nation was not entirely ruined. And, in his panegyric on the late Duke of Bedford, he goes on to say—"I am not qualified to speak of some particulars which do the highest honour to his memory. But some who know how much the welfare of the country depends upon agricultural improvement, and how he more than any man has been instrumental in promoting it, could shew that in this respect he conferred the most solid obligations on his country."

If any particular *class* of capitalists have occasion more than another to complain, from the financial difficulties of the times, it is that which, having received no more than 3 or 3½ per cent. on its capital, invested in land, has to pay the interest

of a debt at a price at least 30 per cent. above its value at the time of contraction;* it having been hoodwinked whilst spending the money, by the insidious effect of a paper currency gradually dilated beyond all responsible bounds.

If the money rent be higher on a given space of ground now than what it was previous to 1792, which I believe to be the case, as far as about 15 per cent.; the improvements in agriculture and implements of husbandry since that period will at least counterbalance this per centage: the

the price of corn, which was 100s. a quarter, fell to 50s. a quarter, and labour and other commodities nearly in proportion, there can be no doubt that the stock-holder would be benefited unfairly at the expense of the industrious classes of society. During the twenty years ending with 1813, the average price of wheat was about 83s.; during ten years ending with 1813, 92s.; and during the last five years of this term, the price was 108s. In the course of these twenty years, Government borrowed near £500,000,000 of real capital, exclusive of the sinking fund, at the rate of about 5 per cent. interest. But if corn shall fall to 50s. per quarter, and other commodities in proportion, instead of an interest at 5 per cent., the government will really pay an interest of 7, 8, 9, and for the last £200,000,000 of 10 per cent: this must be paid by the industrious† classes of society and the landlords, from a revenue of about half the nominal value of the national income in 1813."—From Sir James Graham's pamphlet.

† I should say by the other capitalists, and not by the industrious classes at all, because their wages rise and fall, and transfer the stock ultimately to the capitalist employing them.

increase in the productive powers of the soil, or the decrease in the expense of cultivating it, will and do unquestionably fully compensate to the tenant for the present higher money rent of the landlord. The more expert management of machinery and power has, probably, in an equal degree advanced the interest of capital laid out in trade. These are advantages both classes of property gain by the march of the human intellect.

The fall of the price of corn, in the years 1821-2-3, compelled, in many situations, full one-fifth of those farmers who occupied their own land, of the previous rent value of from £50 to £200 per annum, to sell the whole of their inheritance, an inheritance in many cases handed down to them, through a long list of careful and industrious ancestors: such of them as were wise enough to sell in time, perhaps, became tenants *of*, others, less lucky, became labourers *on*, the farms they had lately possessed in their own right. At this period, when many landlords returned 30 per cent. of their rents, it only snatched their tenants from out the general vortex in which agriculture was engulfed; they could not make money on their farms; to have enabled them so to do, 50 per cent. at least of their rents, I think, must have been returned. This would have lowered the landed interest one-half.—Was the low price of corn at this time attended with any advantages to the

manufacturer? If he will recollect, his own condition was then proportionably low.

But, (says the Surrey Constituent, in his letter to Mr. Holme Sumner,) “the farmers make less profit upon the inferior, than upon the richer soils.” This would undoubtedly be true, supposing the price of corn to continue the same, when the demand for it brings the poorer soils into cultivation. It is, however, I believe, an acknowledged axiom in political economy, that the rent of land is always regulated by the quantity and value of corn producible on the soil last brought into cultivation. A tenant will seek to rent this last mentioned soil at a remunerating price, say from 8 to 10 per cent. on his capital. The demand for corn causing the inferior soil to be brought into cultivation increases the value of that soil, which, heretofore, perhaps, had been of little or none. It increases also (in the ratio of the quantity of corn producible on each soil,) the value of the land *previously* cultivated: and this landholder raises his rent to such a pitch as will afford to his tenant the same interest for *his* capital, as the tenant occupying the inferior soil proposed to *himself* as equitable. The landlords then are the gainers in this instance, but without any drawback or difference to the farmer on the poorer land; for the landlord of the *richer* is guided in his rental by the profits allowed on the *poorer* soil.

The greater the quantity of land that is brought into cultivation, the more heads will be set to work, to discover improvements in agriculture and implements of husbandry, &c.; which as they will increase the produce, and lessen the amount of labourage, will enable corn to be produced at a cheaper rate, and consequently lower the price in proportion; leaving the same profits.

“When corn rises,” (says the Surrey Constituent,) “rents rise; when corn falls, rents fall. The price of corn, therefore, cannot affect the farmer as far as his rent is concerned, except during the currency of his lease.” When corn rises, it is true that rents rise, but it is also true that manufactures rise,* (as proved by the returns of 1824,) and population increases when manufactures prosper, which again adds to the demand; therefore the price, both of manufactures and corn. When the price of corn falls, rents fall, manufactures fall, and farmers fall, because they are, or have been, at the expense of producing an article, which their principal customers, through their ruin, cannot afford to purchase.

“If corn rises,” (observes the same gentleman); “rates rise, the keep of horses rises, labour rises, the blacksmith’s bill rises, expenses of all sorts

* A respectable ironmonger in the country informed me at the commencement of 1825, that the goods in his shop had risen within three months at least £1000 in value.

rise.” This is precisely the confession, (if I could have chosen,) that I should have wished to extract, to prove (under the existing taxation) that every branch of trade prospers more under a high than low price of corn. If all this rise do take place, it is only partially proportionate to the rise in corn: and the former can as well afford to pay this increase from the prosperity it brings to his best customer, the manufacturer, as the manufacturer can afford to pay high wages during the prosperity of his best customer, the agriculturist.

The letter to Mr. Holme Sumner, goes on to say that “the labourer also is a sufferer by the high price of corn.” In confutation of this assertion, I think I have said sufficient in another place. In addition, however, I will add a simple fact. In the year 1822, throughout an extensive district, when wheat was 5s. 6d. and 6s. per bushel, labourers wages were only 15d. per day, including eating; and even these, from the scarcity of demand for labour, were chiefly commanded and influenced by the overseers; in cases of large families, something additional was obliged to be allowed from the parish. When wheat was at 8s. 6d. or 9s. there was plenty of work at 2s. 6d. per day, labourers rather scarce than otherwise. When wheat was 11s. per bushel labourage was not to be procured; threshing machines were resorted to in lieu of threshers.

During the reign of Philip and Mary, through some mismanagement in the government, corn became so low in price, and the farmers so poor, that they could not afford to pay rent or to cultivate their farms: [the consequence was, the husbandmen grew no more corn than sufficed for themselves and families. When Elizabeth came to the throne, she found that wheat had been for five or six years at 8s. a quarter. It is amusing enough, though the case may be a little burlesqued, that she who was the greatest landowner in the kingdom, could not afford to buy a pair of silk stockings, but was obliged to borrow them on extraordinary occasions (from the French ambassador, if I remember rightly)—and her subjects were so poor, that when the queen wished to borrow a few thousand pounds, the whole nation could not lend her the sum. At last she made a bargain with the Antwerpens, and agreed to pay 15 per cent. for the money, every citizen in London to be her bondsman for its repayment. The good sense of Elizabeth quickly impelled her to make some alteration for the better; and by various means she soon contrived to raise the price of corn to nearly 50s. per quarter. The nation prospered so well with it at that price, that the queen was soon afterwards in a condition to pay off the Antwerpens, and her subjects became so rich, that they were in return able to lend money to the Hollanders, and to their queen

also, more than she wanted at 6 per cent., without requiring bondsmen: and corn continuing at nearly the same price for a long average of years, the like prosperous times continued also.

I have now, as I hope, proved that the prosperity of every interest in the state depends rather upon a favourable demand for their goods, than upon the rate of wages they have to pay their workmen to produce them; that if their market fail, they have been at the expence of manufacturing commodities they cannot dispose of; that their workmen must, consequently, be thrown out of employment. On such an occasion, when the operatives have already, from the improvidence incident to the human race, quitted the last pittance of their earnings; of what avail would be a diminution in the price of corn, when the whole of their disposable property, (viz. their labour), would not purchase a single peck in a month?

It is also expected, by its advocates, that a free importation of corn would secure stability in price, and Holland is adduced as an example to us. The price of wheat at Rotterdam, under open ports, in 1817, was 93s. per quarter; in 1822, not quite 30s.; and in 1825, under 25s. per quarter.

The example of Holland, I think, should rather teach us, that countries dependent on others for their supply of corn, are for the most part under their beck, and subject to their controul.

It is proposed, under a free importation, that all duties shall at the same time be cancelled: this is leaving our enormous debt entirely out of the question.

Mr. Horne Tooke stated it as his opinion, in the House of Commons, that "if the price of wheat could be doubled, (it was then about 70s. per quarter,) it would have the same, and an equally beneficial effect, as the paying off half of the national debt; and it would also be attended with the further advantage of encouraging the English farmer to raise such a sufficiency of corn in our own country, as would prevent the necessity of our depending for bread upon foreign nations."

Our shipping interest is evidently declining under the system of competition with nations unsaddled with incumbrances. It is only reasonable to expect, if foreign ships can be both built and manned at less than half the cost of British ships, that they can afford to transport goods at a much cheaper rate, and will, consequently, be employed in preference.*

* "In the ports of Germany and Holland, a ship of the first class is fitted for sea at the expense of 7 or 8l. per ton; the cost of a similar vessel in England is 16 or 17l. In Hamburgh beef is 2d. per lb., and bread 15d. per cwt. Here beef is at the least 6d. or 7d. per lb., and every thing else in proportion. The wages of sailors here are about £3. 15s. the month; those of foreigners, 20s. and in many places, 12s. 6d."—Sir M. W. Ridley in the debate on tonnage and poundage, May 11, 1826.

The principle of free trade would most probably be true in a nation perfectly unfettered, in a new and a natural state; but in the artificial situation in which we are placed with regard to our debt, in a bondage as it were, the most complicate and inflexible with which a nation ever found itself encompassed, how is it possible that we can compete with nations comparatively unembarrassed, except in our staple commodities? A free trade cannot be accomplished without the accompaniment of an adjustment of the great interests of the state.

If this plan be put into execution, which, however, from the retréncements necessary, I think highly improbable, it would only tend to bring things to the same level as at present existing, although under an ostensible variation of value: the curtailment in income would be merely nominal, and, if properly conducted, a robbery to no one. The only danger I apprehend would be to the trading interest; in case it should turn out that a low corn price did not immediately inspire the farmers with the same confidence as a high one; they would the soonest have occasion to feel this interruption of stimulus to their trade.

Since then, a different money price only is required, (by those who demand an alteration) which would leave all parties in the same comparative state as before; and since the parties

seemingly affected, exhibit a disinclination to the change, would it not be wiser to continue the system of high prices, in order to answer the interest of the national debt? That this debt can be cancelled without duties of some kind, is impossible; and it would be but consistent with the predicament in which we find ourselves placed, to protect that property which an impoverishing war has rendered it necessary to tax, and to feel our way, as has already been judiciously done by our ministry, with regard to duties on foreign imports. By the plan they have pursued, they have found that the highest rate of duties does not always bring the greatest revenue;* a rule for the regulation of which, may of course be found in the rates of the necessity of the article imported.

In addition to any adjustment plan I have seen, I think the corporation laws should be strictly

* It must be acknowledged, that those duties which bring the greatest revenue without affecting, (at least in any sensible manner,) the comfort of the people, contribute the most beneficially to the wealth of the exchequer of a nation. Since the ports opened for oats in September, their price has risen considerably in the countries exporting them, either from a duty on exportation, or otherwise; those countries, therefore, have benefited by this increase in price. If a duty of 10s. per quarter had been laid at that time upon the importation of oats into this country, England would have reaped the benefit, instead of foreigners, and the price, I am given to understand, would not have been a shilling higher in the English market.

scrutinized; and that that part of them in particular relating to apprenticeships should be abolished. There is no greater monopoly than the whole system of apprenticeships. For the purpose of excluding competition, particular charters direct that a man must serve an apprenticeship of from three to seven years, to acquire what might be frequently learned in six months. During this period the apprentice receives no wages, and has generally to pay a considerable sum, as a kind of entrance money, to his master. He must have some return for this outlay of his capital, and absorption of his labour, which upon his emancipation he charges in his wages, and thus enhances the price of the most common and necessary articles of consumption. It may be said, that this law ensures good workmanship; in answer to which, the public will never employ bad workmen, when they can procure good.

There is no greater drawback to the farmer's industry than the uncertainty of the tithes upon his farm; and it is much to be desired that some expedient should be hit upon, which might,* with satisfaction to the clergy, have the effect of affording to the tithe-owner an equitable compensation

* The payment of tithe is a heavy tax on industry; and if the exaction of them be not regulated and circumscribed by the wisdom of the civil magistrate, it becomes intolerable and ruinous.—Robertson's *America*, vol. vii.

in lieu of his tithes, or of compelling him to adjust them to a corn rent after the annual average at Mark Lane. In France, I believe, the tithe system is completely at an end.

Sir James Graham proposes the application of £5,000,000 from the sinking fund for the service of the current year. This surely is on the plan of spending the principal of capital, instead of the interest.

I can conceive of no objection to making provisions against alternatives to come, provided they do not abstract from the pockets of the capitalists, that money which would be more effective in circulation, than at compound interest in the coffers of the state: we might go on very comfortably on the other system, until the event of a war unfolded in all its force and horror the intricacy of our involved situation, and discovered to us that we were as poor and embarrassed as at the conclusion of the last. On such an emergency, Great Britain, which for years has been in the habit of giving law to the continent, must, from inability, tamely submit to receive it in return: or if the British lion should prove too rampant for her honesty, we must with one sweep wipe off the national debt, and by a sort of paradox obtain our supplies, by the very act of *damnation* to our boasted credit.

“It is only war,” (says Voltaire,) “that necessarily impoverishes a state, unless where the

spoils of the vanquished serve to enrich it, as amongst the antient Romans. When the debts of a powerful nation centre wholly in itself, circulation and public credit always furnish means of payment. Lewis XIV. during his reign expended 18,000,000,000, and left at his death a debt of 2,600,000,000.”

Nearly £5,500,000 were appropriated, by 4 Geo. IV. c. 19, to paying off the national debt.

It is impossible but that by establishing a proper focus for the payment of the taxes, the charges on collection might be considerably reduced, perhaps from £5,413,641. 7s. 5d. (which was the charge in 1825,) to £3,000,000: the miscellanies also, by an effort of strict economy, might be cut down from nearly two millions and a half, (of the same year) to one million; but I must not attempt to trespass upon the laborious and useful province of the honourable member for Aberdeen.

The objections against £1 notes, I think, are grounded more upon the late panic, (which arose from a variety of causes,) than upon any solid foundation. Just as well might £5 notes be objected to, because a full third of all the country banks in England stopped payment in 1793, although no £1 notes, or notes for less than £5, were then in circulation. By the adoption of £1. notes in lieu of sovereigns,* 17 or £20,000,000

* The Chancellor of the Exchequer, in his speech (Feb. 1826,) on the question of withdrawing £1 and £2 notes, rates the gold

of gold might be withdrawn and applied to the redemption of the debt, government replacing it with an issue of paper to the same amount. "Paper-money" (observes Mr. Ricardo) "may be considered as affording a seignorage equal to its whole exchangeable value; but seignorage in all countries belongs to the state; and with the security of convertibility,* and the appointment of commissioners responsible to Parliament only, the state, by becoming the sole issuer of paper-money in town, as well as country, might secure a net revenue to the public of no less than £2,000,000 sterling per annum." This Parliament Bank might be erected in the place of the Bank of England at the expiration of its charter. But, even in the interval, Ricardo recommends a reduction of the profits to the Bank.

The conclusions which I draw from these facts and authorities, are, that all great and sudden changes in legislation, on points affecting the currency, ought to be avoided; for although the principle acted upon, may be eventually true, it

current in this country at £17,000,000; Bank of England notes £19,751,000, and country bank notes £6,000,000.

* Viz. "The delivery of uncoined gold or silver (which ever was the standard) at the mint price and standard, in exchange for their notes, instead of the delivery of guineas; by which means paper would never fall below the value of bullion, without being followed by a reduction in its quantity."—Page 26, propositions for a secure currency.

may be relatively false as to our present position. The intricate ramification of the consequence of any great alteration, affecting the property of all, late experience proves to baffle the calculations of our present degree of political science.

The patient reduced to debility by the too free use of spirits and other stimulants, is destroyed, if his medical adviser suddenly insist upon the axiom, that water is the natural and wholesome currency for *his* throat.

I have little doubt that unlimited free trade is ultimately the true principle, and so may be republicanism; but it *is just possible* that a limited monarchy, and some provisional limits in other matters MAY suit Englishmen, *en passant*, for a few hundred years to come.

It appears that the manufacturing interests had arrived at full, or rather extra vigour, and the agricultural interests were fast approaching to vigour, with a currency bringing the wheat price to about 70s. The redundancy of an artificial capital did stimulate to a greater supply of manufactured goods, than was met by the natural demand. This was not the effect of an increased currency in sound and responsible hands, but of a bill-drawing system among adventurers; A drawing on B, and B on C and D, till the original draft was ultimately paid by the consumer. The glut thus produced through a trade, unlimited by the natural tie of requiring the capital that had ever

been the measure of its produce, and had thus grown up with the occasion, created a stagnation which has, by the panic it caused, swept away these adventurers to their original nothingness. But this by no means proves, that when trading to a natural and responsible extent, our goods cannot find the same custom in a foreign market as usual, with a wheat price of 70s. per quarter.

And here, in my opinion, rests the hinge of the whole question: we can have no increase of prosperity, unless we can sell our relative quantity of manufactured goods in the foreign market; and to find under our circumstances of debt, the highest wheat price, at which this is freely attainable, is the grand desideratum. We must tune the financial gamut to this, the only *concert* pitch. If this plan be pursued I make little doubt that the energies of the nation will enable it, by economy, and an *actual bond fide* sinking fund, not only to become once more a smiling land, but to transmit its prosperity, without any serious interruption, to a smiling posterity. On almost* any

* One strong argument against acting on an adjustment, by in part doing away with all corn laws, and in an equal degree extinguishing the claims of the public and private creditor, is, that it implies a descending scale; and that, although, by thus reducing the prices of all commodities, and consequently of all wages, incomes, and capitals, we shall none of us be richer or poorer amongst each other; yet we shall all be poorer in the ratio of the whole reduction,

adjustment plan, the great classes of society will be thrown upon each other in angry contention for what they consider *their* exclusive interests; and the consequences may be fatal to all; forgetting that the God who made all, has bound his children by one common link, which compels all classes to one common fate. To use a very homely, but truly English expression, a long pull, a strong pull, and a pull altogether, is the true motto for the occasion.—Will not this be better than to hear the miserable and discordant yell of blind contention. The land-owner protesting, that he had been contented for years with 3 per cent. for his capital for *absolute* security; whilst the monied man had preferred an interest of from 5 to 7 per cent. on the security of government; and that having thus received high interest upon the principle of looking for less security, shall not turn round and say, we will have all the security also, unless he choose to refund the extra 3 per cent. he has been receiving for five and twenty years of war. On the other hand, the monied man exclaiming against the squire, “ You voted

as respects our powers to purchase in the foreign market. This opinion is grounded on the supposition that the paper part of our currency can be kept at par with gold, when raised to the extent required by the higher scale; if it can, and a depreciation occur, then an *adjustment* on the lower scale would not have the above effect, more than an equivalent *depreciation* on the higher scale.

away all the money, you huzza'd the war, you sent out loans, you voted indemnity, you spent our capital to keep the wolf from your door, and now break your faith, and refuse to pay the debt. If the government represent you, you are bound by your representative to pay. If you say, the government does not represent you, then why did you not insist on having one that did? You virtually have sanctioned it as it exists, up to this moment, and you must and shall pay; down with the Corn Laws!" (then under the debt the landed men are ruined.) "Down with the debt," will be retorted, the ruin of the fundholder must follow. "Brother, brother, we are both in the wrong!" first, to permit the expenditure of a sum enormously greater than the occasion demanded, and then to quarrel over the debt. On the welfare of the land-owner and the manufacturer depends your safety; and you must join them in raising agricultural and manufactured produce, to the highest scale that will not exclude the latter from the foreign market: then the debt they owe to you, will bear the least possible ratio to their means of paying it.

It is evident that if one of the great functions of government be, to protect the property of the governed, it cannot permit one class of persons wantonly to destroy the property of any other class; even if these matters were not so hinged in nature as to be impossible. In whatever ratio

corn is brought below a remunerating price to the farmer, in such ratio is the debt unfairly heaped upon the landlord; provided that a capital vested in land, and one vested in money, are at a fair par now; and how can this be otherwise in the general opinion, so long as they are mutually and daily exchangeable in the market. Do not let me be told that I am an advocate for bolstering up the wealthy classes of society at the expence of the operatives: whatever lessens the ratio of the debt, to the pockets that have to pay its interest, increases the wealth of the persons that employ labour, and their employment and wages will enrich the operatives in a much greater proportion than the true, remunerating price of corn and beef will impoverish them. The health of all classes is inseparable. Experience proves this, and thus the truth of the gospel law—"Do unto others, as thou wilt they should do unto thee," shines forth not only as the divine rule of our individual conduct, but also as the genuine basis of political economy amongst the distinct classes of society at large.

Although I have spoken my opinions boldly in the foregoing pages, for the purpose of giving them fair play amongst the statements of others, yet I must beg to be understood as advancing them with diffidence. The country is unquestionably in a state that requires the efforts of all its sons; and as my quota, and subject to the

more accurate data that may come before parliament, I propose a protecting duty on wheat of 21s. per quarter, intending by this measure to keep the market price at about 70s. as respects foreign importation, and that the currency be kept up at that pitch, which will render this price natural in the home market; the necessary amount for which, I conceive to be, £35,000,000, including gold, Bank of England, and country bank notes, but exclusive of the usual quantity of silver. This calculation is founded on the average circulating medium for the eleven years, commencing with 1809, and ending with 1819, being £45,000,000; and the average price of wheat for the same time being 89s. per quarter. I would also observe, that in the year 1816, the market price of gold was £3 18s. 6d. being 1 per cent. under the Mint price; though the paper currency of that year amounted to above £41,500,000.

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APPENDIX.

This pamphlet was written with the intention of being published anonymously, the author being perfectly aware that his name can have no influence with the public at large; but to give them their due weight, he is advised to make himself responsible for the facts he advances.

[The text in this block is extremely faint and illegible. It appears to be a list or a series of entries, possibly names or titles, arranged in a structured format. The text is mostly contained within a rectangular border.]