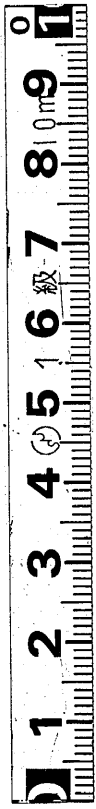


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REFLECTIONS
ON THE
ABUNDANCE
OF
PAPER IN CIRCULATION,
AND THE
SCARCITY OF SPECIE.

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S. GOSNELL, Printer, Little Queen Street, London.

REFLECTIONS
ON THE
ABUNDANCE
OF
PAPER IN CIRCULATION,
AND THE
Scarcity of Specie.

By SIR PHILIP FRANCIS, K. B.

Ad tempora, quibus nec vitia nostra nec remedia pati possumus,
perventum est.

LONDON:
PRINTED FOR J. RIDGWAY,
NO. 170, OPPOSITE OLD BOND STREET, PICCADILLY.
1810.

REFLECTIONS

ON THE
ABUNDANCE OF PAPER,
AND THE
SCARCITY OF COIN.

BY
WILLIAM EARL OF CHATHAM

IN TWO VOLUMES.

LONDON:
Printed by R. DODD, in Pall-mall.

1791.

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REFLECTIONS

ON THE
ABUNDANCE OF PAPER,

AND THE
SCARCITY OF COIN.

AVERAGE PRICE OF BANK-STOCK.

1760.	£ 110 $\frac{1}{2}$
1777.	£ 133 $\frac{1}{2}$
1797.	£ 127 $\frac{1}{2}$
1800.	£ 280

Dividend raised from 7 to 11 per Cent., besides sundry Bonusses, which shall be stated hereafter.

It was said by William Earl of Chatham forty years ago, or somebody has recorded it for him, "That it was a maxim he had observed through life, when he had lost his way, to stop short, least, by proceeding without knowledge and advancing from one false step to another, he should wind himself into an inextricable labyrinth, and never be able to recover the right road." He was naturally a brave man, and, by constantly holding a high language, accustomed his mind to keep company with generous principles and great ideas. When George the Second, indignant at the Convention of

Closter Seven, concluded by the Duke of Cumberland, repeatedly said to Mr. Pitt, "*I gave him no powers,*" his repeated answer was, "*Very full powers indeed, Sir.*"

Most men are ready to admit that plainness and simplicity are good moral qualities, and not at all unwilling to encourage them in others. But it is not so generally known or admitted, that these qualities, instructed by experience or enlightened by reflection, are the surest evidence of a sound understanding. A cunning rogue may cheat a wiser man of his money; but, in an abstract question to be determined by judgment, it is not possible that skill and artifice can finally prevail over plain reason, which, in the ordinary transactions of life, is called common sense. If it were possible for me to personify the British nation, and if I were at liberty to offer my humble advice to so great a person, the first thing I should recommend to him would be to adopt the maxim of Lord Chatham, to stop for a moment, in order to take a general view of his situation with his own eyes, and to reflect on it himself. The first question I

would urge to his consideration, as more immediately pressing, though not more important than many others, is, whether this kingdom, with many appearances to the contrary, be not essentially impoverished, and whether the causes of that effect be or be not in a state of progression. It is in vain to argue with any man, who professes to think that a circulation of paper, not convertible into specie, and which may be increased *ad libitum* by those who issue it, is as sure a sign of wealth as specie itself, or at least answers *all* the purposes of gold and silver, as it certainly does some of them. His principle, if he be in earnest, which I should very much doubt of any person in possession of his senses, would oblige him, in many other cases, to maintain that the shadow of a good thing is just as good as the substance; or that water, forced into the system, performs the functions of blood, with equal effect and greater facility. With the help of tapping it might do so, as long as the stamina lasted. But, in these cases, the patient is apt to give the lie or the slip to the physician, and to die of a dropsy with the panacea in his bowels. He,

who really suffers his mind to be amused with such fancies, has something to enjoy, and it would be cruel to undeceive him. But, in fact, there is no such person out of Bedlam, except perhaps on the coast of Angola, where, in former times at least, the honest Christian trader persuaded the infidel natives that cowries and glass beads would answer their purposes much better than gold or silver. In this way, they were converted out of their property, but not at all out of their infidelity.

Paper undoubtedly is more convenient and manageable than coin; it executes many services much better; and, as long as its credit is good, a reasonable circulation of it helps to promote and facilitate the operations of industry. But, with all its facilities as an agent, there is one condition essential to its value as a sign, namely, *security*. Take away that condition, and the value of a Bank-note immediately becomes imaginary. It has no intrinsic value, and it represents nothing. Such paper may pass among ourselves by agreement, and we may coin as much of it as we please; but, so far from

being a sign or effect of wealth, the increasing abundance of such paper, without specie existing and forthcoming to answer it, is a sure and indisputable evidence of immediate or approaching poverty. The first question to be considered is, what is become of the gold and silver, which, before the present war, were plentiful enough; and, if they are gone, whether, in the present course of things, there be any likelihood of their coming back again. Near two years ago, Mr. Baring gave us fair warning of our situation and its consequences. He truly said, "That this country then stood in the singular predicament of abandoning the general medium of circulation, gold and silver, for paper, which is of no value beyond its own limits." Even then he told us, that "the precious metals had not increased in quantity in proportion to the *depreciation* of our nominal money, to furnish us the means of circulation." If that was the case two years ago, what must it be now, when we know that there is no bullion left, and that guineas are not to be found, unless they happen to be stopped in their way to the continent; and when the expenditure,

we have to provide for, is not much less than eighty millions a-year? Of this expence, a very great proportion cannot be paid with paper, *videlicet*, your armies and garrisons abroad; your navy on foreign stations; subsidies to foreign courts, and many other expences, such as the interest of the public debt held by foreigners at war with you, and estimated at seven hundred thousand pounds a-year; besides the bullion, from six to eight hundred thousand pounds, exported annually by the East India Company. All this amount must go in gold and silver, unless the favourable state of your trade with the continent and elsewhere gives you a foreign credit, which may help to supply you with part of the sum wanted to answer these demands.

While our houses are ransacked for taxes; while the community are crushed by the weight, and harassed by the exaction; while the opulence of a few, who share in the produce, is the only consolation left to those who pay for it; let us see and consider what sort of comfort we receive from the dealers in paper. There can be no doubt

that these worthy persons have it seriously at heart to furnish us with any relief, that may help to keep us quiet, while they turn the whole system, and every possible profit growing out of general distress, to their own special advantage. Now, these people tell us, with as much gravity as if they believed it, that Bank-notes are *not* depreciated; by which, I suppose, they would be understood to mean, in comparison with the standard coin of the kingdom, or, at least, with bullion; for money, after all, is the measure of commerce, and of the rate of every thing. If this be not their meaning, they do not speak intelligibly, or they say nothing to the purpose; and then I should leave them to argue with one another. But, taking their proposition in its plain and obvious sense, I say it is not true. As long as Bank-notes, or paper securities of any other kind, were convertible into specie on demand, the value of such paper could not be depreciated otherwise than by the bankruptcy of those who issued it. But the case is quite altered, when the Bank is exempted by law from paying their notes on demand, according to the fundamental

condition of their charter *sine qua non*, and when the moral and lawful claims of creditor against debtor are dissolved by an act of power. Without arguing now on the merits or necessity of that measure, because it is a lost case, let us look to the consequences of it, as connected with the present question. Suppose that, on any given day, an ounce of gold might be bought with 3*l.* 18*s.* in Bank paper, it would be fair to say, that paper and gold, compared with one another, were at par. He, who had one of these commodities, might purchase the other without loss, if he wanted it. But if, in the course of any given period, this ounce of gold should be progressively rising in its paper price, as for example, because it is the fact, from 3*l.* 18*s.* to 4*l.* 10*s.* can it possibly be denied, that the value of gold, in relation to paper, has risen twelve shillings an ounce, and that the value of the paper, in the same relation, has fallen in the same proportion? There is no end of cavilling about words; but, in plain English and common sense, what is a diminution of value, but a depreciation of the thing valued?

When, by agreement or otherwise, any two things are made the measure of each other, by a par settled between them, if one of them rises above that par, and the other sinks below it, the difference must be a premium on the first, and a discount on the second. It matters not, whether this measure relates to coin and paper, or to corn and cloth. For example, suppose a yard of cloth and a bushel of wheat on a given day to be equal to each other reciprocally. If, in a lapse of time, that equality should be lost, and if a yard of cloth should be valued at two bushels of wheat, it seems to me self-evident, that the cloth would be at a premium, and the corn at a discount of fifty per cent. in relation to each other. He, who denies the truth of this proposition, will be bound to maintain that, if the price of gold were to rise to ten or twenty pounds an ounce in paper, the price of the said paper would not be diminished, which I conceive is the same thing as saying that it would not be depreciated.

Another short view of the question, or rather another form of putting it, I should

imagine, would end it. Suppose the thing, which any man wants to buy, is Bank-notes, and that he has nothing to pay for them but gold. Yesterday his ounce of gold would only have bought four pounds in paper. To-day he can get five pounds of the same paper, with the same ounce of gold. Is the paper cheaper to-day by twenty-five per cent. than it was yesterday? But, cheap or dear, is measured by price, and, if the price be so much lower, is, or is not the value so far reduced? Whether reduction of price be depreciation or not, or equivalent to it, is a verbal question very fit to be argued in 'Change Alley; but probably will not be entertained by any man, who has brains enough left to defend his pockets. Here this part of the subject may be dismissed, with one short memorandum to the reader, which he should for ever bear in mind, viz. that, considering specie and paper as equally a medium of circulation, there is this essential and eternal difference between them, that paper, at best, can be nothing but a sign among ourselves; but that, by the common consent of mankind, gold and silver have an intrinsic value, and

constitute a real pledge or deposit, as well as a sign; and tho' the price may accidentally vary, according to the quantity and the demand, still an intrinsic value adheres to the substance. If indeed wealth be an evil, and poverty a blessing, there is nothing so easy as to get rid of the evil, and not only to secure the present blessing, but to entail it on posterity. For this desirable purpose, no effort is necessary but to persevere in the smooth, down-hill course, which we are now pursuing. The plane is inclined, and the machine, once in motion, will go of itself. There is nothing so easy as the descent of a falling body through an unresisting medium.

They, who deny the depreciated value of paper in circulation, have a loose, vulgar way of talking, fit to satisfy such careless people as the inert mass of the English consists of. It is said, with a triumph over arguments, which are not listened to, that, as long as a one pound note and a Birmingham shilling will purchase as much beef and mutton, or any other commodity in the shops, as a guinea, either of them is equal to the other,

and, consequently, paper is not depreciated, at least among ourselves; for no man, I think, has the confidence to affirm, that the proposition would be true, if applied to our mercantile intercourse, or any other money-dealing with foreigners. If it were so, that is, if we were cunning enough to persuade a foreign creditor to receive Bank-notes in payment, then undoubtedly we might soon settle the score with him, as we do with many other creditors nearer home. As to internal circulation, it is true that he, who has but a few guineas left, may be compelled to part with them, though he gets no more for his guinea than he might for a note and a shilling; but first, it is certain that all these rare, straggling guineas, are shot flying, or caught up as fast as they appear, and either hoarded, or melted into ingots, or exported in specie. But would any man, Jew or Gentile, who possessed a thousand guineas, lend or pay them for £1050 in paper, while various ways are open to him, by which he may exchange them for the same paper, with a profit of fifteen or twenty per cent.; and, if he were so ill-advised or so generous, would not his

thousand guineas be seized by other Jews or Gentiles, and go directly to the crucible? A Birmingham shilling may do as well for common change, as a shilling from the mint, if such a thing existed or ever came into sight, because, in petty dealings, where the shilling changes hands every minute, a small shifting loss is not regarded—*nulla est de minimis cura*; or, because we are willing to pay a light tax for a constant convenience; but not so when great payments are in question. For then we know the difference, and that it constitutes an object worth attending to. Would any debtor make a payment of £1050 in guineas, if, by melting the same guineas, he could pay the debt, and put a hundred pounds worth of the circulating paper into his pocket? The case is just the same in purchase as in payment. If, to buy a certain quantity of corn or cloth, he parts with a thousand new guineas instead of £1050 in Bank-notes, I say he is cheated or he cheats himself; because the guineas are worth fifteen or twenty per cent. more; which difference he might realize by melting or exporting them; and, if he were resolved to forego that profit himself, somebody else

would get it instead of him. The public would gain nothing by his forbearance. But what signifies arguing such questions, when we all know that there are no heavy guineas in common circulation, and very few even of those, that have been most severely sweated? Does any landlord receive one guinea in a thousand pounds in the rents of his estate? That question was asked in the House of Commons seven years ago, and neither then nor since has ever been answered in the affirmative.

I know it is stoutly asserted, that there never was any thing so flourishing as the foreign trade of England at this time; that our imports are considerable, but that they are exceeded by our exports to the amount of many millions, which, it seems, find a rapid and profitable sale, wherever they are sent. Foreign markets are never glutted with English goods, and these goods are never sold under prime cost, to save or secure the freight; or left to perish on the beach, as I know they do at Heligoland, to an immense amount, particularly of colonial produce. A gentleman, very lately arrived from

that fortunate island, assured me that, from the beach to the stairs, he had walked up to his ancles in salted sugar and rotten coffee. Moreover, it is stated to me, on the authority of a gentleman of unquestionable veracity, who arrived from the Brazils within this month, that British manufactures of all sorts, particularly cloths, were sold there and at Buenos Ayres, when they could be sold at all, at 25 per cent. under prime cost. Nevertheless, trade flourishes to such a degree, that the name of a bankrupt in the Gazette, is as rare as a nightingale in Scotland, or a guinea in circulation. Now of all general propositions concerning the real state of profit and loss by foreign trade, the truth is difficult to be proved, when they are true, and the falsehood still more so, when they are false, that is, by direct and specific evidence; because there is an underhand trade, of which no account can be taken, and even the valuation of goods entered for exportation is not measured by the quantity, but by a computed price, and therefore must be at all times problematical; as if, on much the same principle, it might be fairly concluded that he, who eats a pound

of bread, when it costs a penny, must of course eat six times as much, when the same pound costs him sixpence: or as if a baker could prove that he had sold six pounds of bread, because he had made a return of that number of pence to the exciseman. So, at least, I am advised by the learned. A great importation of naval stores or other articles of necessity from the Baltic, and of corn or luxuries from France, of itself proves nothing, but that this country is so much in debt to the enemy, and then the question is whether such import is balanced by an equal or greater exportation of our own commodities to France and Russia, or whether it be overpaid, which would create a credit in our favour, or in what other manner the account is settled. Now a true and satisfactory answer to that question, as I am told, will not be collected exactly from Custom-house statements; but, as I am quite sure, may be safely and certainly derived from another test, which never did, or can deceive us, and which, for the purpose in hand, would make all official accounts unnecessary. Whenever we see the market price of bullion reduced to the level, at which gold and

silver may be coined, we may be satisfied that there is no danger of wanting guineas and shillings for the uses of circulation, or any other, and to make that of paper perfectly safe, as well as convenient; and, if we see the course of exchange, between this and other countries, materially in our favour, we may be equally sure that the trade with those countries is favourable to us, and that there must be an influx of real wealth into Britain. National prosperity proves itself. It may be felt and enjoyed, but cannot be demonstrated. On that subject all other evidence is either fallacious or superfluous. A worthy Knight and Alderman weighs himself mechanically, or out of pure animal curiosity, to know how much he has gained or wasted in solid contents, since he dined at the Mansion-house. This well-fed magistrate, with a florid face, the appetite of a cormorant, and the digestion of an ostrich, has no occasion, as I take it, to send for the doctor to feel his pulse. In all bodies, human, or made of men, spirits and strength are the test of constitution. Genuine health makes no appeal to calculation. But suppose the symptoms in this

case to be notoriously reversed; if specie disappears, if the whole mass of gold, which proved the super-lucration of our trade, and which since His Majesty's accession has been coined into sixty millions sterling, be gone or going, and if bills on the rest of the world, or on Europe, are not to be had but at an exorbitant premium sufficient to make it the interest of the person, who wants to make a remittance, rather to send the amount in specie, than to buy the bill; cunning men may argue, and silly people may listen to them; but neither their arguments nor their documents, with which the plainest questions are sure to be overwhelmed and strangled, ought to have the weight of a feather against the facts. With a glut of paper, intrinsically worth nothing, and representing nothing, you are going headlong into real beggary, while these people tell you that it is just the contrary, and that you never looked better in your life. To comprehend the truth of these propositions, the difficulty is not in the subject, which in fact is intelligible enough to any sound, attentive understanding. But it is involved in artificial

obscurity by many laborious writers, who either do not know how to express themselves in direct terms and honest English, or have some interest to serve by endeavouring to perplex us, and therefore seldom tell us the steps or process between their premises and their conclusion. I do not mean to deny that a paradox *may* be true, though it should contradict a received opinion; but after all, in the consideration of practical questions, the safest way is to be governed by common sense, and, in particular, not to be very ready to believe that nations are sure to thrive and prosper by the same courses, which would ruin an individual, and land him in a jail. "This business of money and coinage is by some men, and amongst them some very ingenious persons, thought a great mystery and very hard to be understood. Not that truly in itself it is so, but because interested people that treat of it, wrap up the secret they make advantage of, in a mystical, obscure, and unintelligible way of talking; which men, from a preconceived opinion of the difficulty of the subject, taking for sense, in a matter not easy to be penetrated, but by the men of art, let pass

for current without examination. Whereas, would they look into those discourses, and inquire what meaning their words have, they would find for the most part either their positions to be false, their deductions to be wrong, or (which often happens) their words to have no distinct meaning at all. Where none of these be, there their plain, true, honest sense would prove very easy and intelligible, if expressed in ordinary and direct language."—JOHN LOCKE.

But it is said, lessen the paper in circulation, and that will soon bring back the specie, because then the specie will be wanted; as if wanting any thing were a sure method of getting it. Possibly a diminution of the paper might have that effect in some degree, if the specie were only hoarded within the kingdom, and kept out of sight. But supposing the case to be, that foreigners, who refuse to be paid in paper, have got possession of our gold and silver, or of a great part of it, will they bring it back to purchase that paper because there is less of it in circulation here, and when the article is so much dearer by a reduction of the quan-

tity? No reason occurs why they should do so. Tell us yours, if you have any; and don't leave your own naked, helpless conceptions in the street, or at other men's doors, to shift for themselves, like bastards in a basket. But will foreigners bring back guineas to purchase our produce or commodities? Apparently not; for, even if the ports of the continent were open, they are our creditors already; and whatever value they receive from us, must go, in the first instance, to the discharge or diminution of that debt; which, as long as it continues, will supply them with bills on England, to be had at a very great discount, which is sure to be paid by the debtor.

Without attending to occasional fluctuations in the price of bullion, which, if they are accidental, can only be temporary, what is the true cause of the scarcity of gold and silver in this or any other commercial country, supposing such scarcity to be progressive and likely to be permanent? To this question, in the nature of things, there is but one answer, plain, rational, and everlastingly true. Every thing

else is mere paradoxical juggling, difficult to be understood, and only calculated to confound the understanding of mankind. If any country should constantly, or for a great length of time, import more, for her own consumption, than she exports of her own commodities, the difference or balance of trade against her must be finally made good in specie or bullion. But this is only a part of the present case. In addition to the balance of trade, supposing that to be against us, the balance of all other money transactions with the rest of the world must be added to the commercial deficit. A great foreign expence can only be provided for in one of two ways; either, first, by a credit abroad, equal to all those expences, which credit cannot be had otherwise than by a proportionate profit on your trade, and, if that were the case now, there would be no occasion to export specie. Gold and silver would remain here *in statu quo*, and the Bank of England would never have been under the necessity of stopping payment: or, secondly, you must pay the balance out of the existing wealth or substance of this kingdom. For these services, the foreign

bullion goes first; then go the guineas; for as to silver coin, there is none, other than that of Birmingham, for common change, and lately a few dollars; and even of *them* there is no great plenty, though the Bank say they have issued to the number of 4,817,634 since the year 1797, which shows that most of the old ones have taken wing, and will soon be followed by the rest. They are all alike birds of passage. A lame dollar will be as much a curiosity as a woodcock in August, for the dollars go just like the guineas; and, if so, it proves another thing, which the best dreamers never dreamt of; that raising the nominal value of your coin, won't keep it from travelling. Finally, the plate must follow the guineas, or you must stop short and stop payment; and then, I say that, in spite of Bank-notes and paper circulation, or any agreement among ourselves to receive and pay in that sort of coin, and in spite of a grand sinking-fund into the bargain, the nation must be bankrupt, beggared, and undone, and that we are every day approximating to that conclusion. These propositions, whether true or not, are intelligible,

and, if any great banker, instead of writing an intricate volume, would have the generosity to say *Yes* or *No* to the truth of them, I then should think that he dealt fairly with the subject, and that he had no design to impose upon me by cunning sophistries or endless argumentation.

In the last extremity, and when the facts stare us in the face, and the authors of all the mischief have no subterfuge left, they still have a triumphant way of talking—*“Well, where’s the remedy? and what is your advice?”* as if it rested with the patient, whom they have reduced to the point of death, to cure himself; and indeed, if we cannot cure ourselves, there must ere long be an end of us. Now, without regarding any thing said by such people, the question they put is of too much importance not to deserve consideration. On the sober principles of plain reason, there is but one way of answering it. A nation, wasted by a dysentery, is no more to be cured by a charm or a *nostrum*, than a galloping consumption by a specific. You must totally change your system, and alter

your course. The effect of a new regimen, supposing it adhered to, is in its nature slow, and furnishes at best only a reasonable probability of success. But if the patient can neither wait for the remedy, nor endure the disease, the case is desperate, and the less he thinks of it the better. In the plague of Athens, the few, who escaped the infection, determined to enjoy life while it lasted, and, in the midst of disease, desolation, and death, spent all they had left in banquets and festivals. They had singers from Magna Græcia, and dancers from Gaul, who received an Attic talent, or 193*l.* 15*s.* every month for their trouble, which in those times was reckoned a high salary.

Some persons think that the Bank should immediately be compelled to pay their notes in specie, on demand, as in strict justice they ought to do; but, in the first place, it may fairly be suspected that it is not in their power. In all probability, the guineas, they may still have in reserve, would not answer a tenth part of their notes in circulation, and, in the present state of

things, whatever specie they issued would soon disappear. If, for example, they were to issue a million of guineas to-morrow, they would all vanish. Some would be hoarded, more would be melted, and all the rest be exported; and this must for ever be the case, as long as our expences abroad far exceed our commercial credit with other nations; and if, in addition to those expences, the balance of trade be also against us, it is fit we should be told, in plain terms, how those expences and that balance are to be made good. Then what resource is left to save us from beggary? There is but one, if we have strength and stamina left to wait the effect of it. The nation must tread back its steps, and reverse its proceedings in the same path, which has brought it to its present decline. Stop your foreign expences. Sell more than you buy; and then the wealth, that has left you, will gradually come back again. When the foreign account is against you, the gold and silver must go to balance it; when that balance is reversed, the gold and silver will return; but never till then, or by any other means.

This is up-hill work I know, but this and nothing else can save us.

A war of fifteen years continuance seems to have been quite long enough for an experiment, and might invite us to try whether it might not be possible for a commercial nation to breathe or float in another element. Not that I mind what is called the mercantile interest in the city. They are the loudest advocates of war, because they all gain by it more or less, though not at all in the true character of merchants. But, granted; war is no longer a calamity; or at worst it is a necessary evil, incident to the system. It is the physic and phlebotomy, that clears the intestines and opens the veins, and saves the body politic from bursting of a plethora. Agreed. It is fit, I suppose, because it always happens, that feeble reason should give way to vigorous insanity. But what sort of war do you mean *now*? What! still a continental war! after the desolation and conquest of Spain, are we really so wicked and abandoned, as still to set up a sham defence of Portugal, for no conceivable purpose, but to bar that unfortunate

country from some timely capitulation that might shelter it from the last of all human calamities, from being taken by assault, with no possible escape from conquest but emigration, nor even from utter destruction but in a hopeless appeal to the mercy of the sword? The measure in agitation supposes that Portugal, *rebus sic stantibus*, can be defended by British assistance. If that be the war you mean, it is worse than all the rest; because it stands on an assumption, which you know to be false. The continent is gone; you know it is irretrievably gone; while your act supposes that some part of it may still be recovered or preserved. Not that I deny, that peace, obtained by these ministers, might be just as calamitous as war. In their hands, a war of folly could end in nothing but a peace of submission. I will not, even in thought, be party to so base a conclusion. If peace is not to be had with honour and security, by which, I mean an effective, though not, perhaps, a formal security against the latent growth of means and power to invade us;—if that be the only alternative, there is no option. Let the war take its course; or, as I heard Lord

Chatham declare in the House of Lords, with a monarch's voice, LET DISCORD PREVAIL FOR EVER. I do believe, that peace, secure in this sense, might be obtained; at least it ought to be attempted, not for the sake of putting Buonaparte in the wrong;—a lost hope—

“Created things not values he, nor fears;”

but to show us positively what we have to trust to. Yet if it were possible to be admitted to talk to him, supposing the continental question to be given up, I think he might be convinced that it is essentially his own interest to suffer the world to be quiet, if it were only for seven years. At all events you *must* put a stop to your foreign expences. The nation not only bleeds from its arteries, but a considerable portion of its substance is poured into the hands of its enemies, and employed against you. You pay £700,000 a year to fill a sponge, which Buonaparte squeezes into his own treasury, whenever he pleases. Nay, the holders of foreign stock are not even called upon to contribute to the protec-

tion of their own property in our funds; for some good reason or other, well known to *some gentlemen* in the city.

Industry and economy, protected by peace, would gradually bring back gold and silver, without which, no nation, having a perpetual and unavoidable intercourse of dealing with the rest of the world, can be rich.

If we had power to extort, or influence to obtain a direct answer from persons, who hold a flourishing language about the actual riches of Britain, and its prosperous dealings with foreign states, we might be contented to ask them this plain question: "Can *you*, or any of you, or all of you put together, name that commercial house, or place, on the continent, where you have a sufficient credit, arising from your sales of British goods, to entitle you to draw on such foreign house even for so small a sum as one hundred thousand pounds at par, with a certainty that your bills will be honoured?" If you have no such credit any where, then it is plain that the continent is not debtor to England, which it must be

if we furnished them with goods to the double or treble amount, as you say, of what we take from them.

By your own showing, if it were true, you ought to sell your bills at a discount, and be thankful to any body, who would give you money for them, almost at any rate. Has the reader already forgot the sufferings of Sir John Moore and his army, at Salamanca, in November 1808? Let him read the following extracts, and recollect what was even then the state of our credit in Spain and Portugal, and conjecture, if he can, what has happened since to give us a credit there or any where else on the continent.

10 Nov. 1808.—"We are now in the greatest distress for money; and, if a quantity does not speedily arrive from England, we must depend on the generosity of the Spaniards for our supplies. I doubt at present if there is wherewithal, after the 24th of this month, to pay the troops their subsistence. I fear that in England, until very lately, they were not aware of the *impossi-*

bility of procuring money either in Portugal or Spain."

Nov. 16.—“ If money is to be found, such are our necessities we must get it on any terms !”

Speaking of the disposition of the people of Salamanca, he says, Nov. 19. “ All this shows great good will. The funds, however, which it can raise, are small, and very inadequate to our wants. Lord Castle-reagh says, that two millions of dollars are on their passage to Corunna, but that the difficulty of procuring silver is such in England, that I must not look for a further supply for some months.”

Dec. 1.—“ Such is our want of money that, if it can be got at a hundred per-cent., we must have it; do therefore, if possible, send me some at any rate!”

In addition to all this evidence, which one would think were enough to convince an infidel; we often see in the newspapers an account of the capture of cargoes of

guineas in a course of exportation, and falling into the hands of captors, who would willingly dispose of them in the same manner if they could, and exactly for the same reason, viz. because there is an exorbitant profit on the exportation of the said guineas. The laws, it is true, prohibit melting or exporting the current coin: but, with respect to offences impossible to be prevented, and so little open to detection, what signify positive laws or penalties, and especially when the object of them is not a crime in itself? If gold be a commodity, as the merchant says it is, why not sell it for the utmost price like any other property? But, in a particular form, it ceases to be a commodity, and then you must not dispose of it to the best bidder. Why not? Because it would be a positive offence; for, as to any moral difference between melting a guinea and an ingot, I do not see how it can be proved: either of them is just as much my property as the other. But what is property without the power of using or disposing of it as I think fit? The reader, I trust, will not suspect me of providing a shelter for any practice of my own. I really did

never melt a guinea in a crucible, though many of them have melted in my hands. Against clipping or sweating the current coin, there is or may be an effectual remedy. A general resolution to take light guineas only by their weight, would soon put an end to the crime in that form; for crime it is, and they who practise it are thieves. After all, this is but an empty argument, *de non apparentibus*; and one of the surest proofs, though not a direct one, of the extraction of all the gold, is, that there are no *light* guineas in common circulation. Light or heavy, they all emigrate, with this difference only, against the general laws of motion, that the heaviest march first, and leave the sick and wounded to follow. Here and there a few fugitive guineas make their escape *in transitu*; but, sooner or later, the leaders and the followers are equally taken prisoners, or desert to the enemy. Still we have it from authority, that there never was or will be such a flourishing export trade as that of England;—that it cannot be checked by the power of Buonaparte, and that the natives of France, Holland, Germany, &c. sooner than not buy our ma-

nufactures; not only would risque the confiscation, but expose themselves to corporal punishment. It may be so; but to believe it without evidence, if any man does believe it, seems to require a vigorous credulity.

I do not mean to deny that individuals in great numbers thrive by the prodigality of Government, and fatten on the public spoil. The fact is sufficiently known, though little felt; because a very symptomatic insensibility to this and every other national concern, prevails more or less over the whole empire. The evil of the day is sufficient to occupy a degraded population, who, thinking of nothing but how to exist on any terms, how to pay taxes, or how to evade them, gradually sink into indifference about every thing but the enjoyment or distress of the moment. *Panem et Circenses*. As if we had converted our whole inheritance into an annuity, and had nothing but a life-interest in the salvation of the country. Even that base calculation may fail under the selfish being who trusts to it. No man, who is not superannuated already, can be sure that the thing he calls England, and by

which he means nothing but the stocks, will survive even himself. Such apathy, wherever it prevails, is a sure forerunner of national baseness first, and then of ruin. The sensation of pain, is the providential warning against danger, the sentry or outpost, that gives notice of the approach of an enemy. The patient, who feels none, or who is suddenly relieved from it, or who by intoxication has deadened his senses, knows nothing of his own case, and dies of a mortification below, with a languid flush in his face that looks like a return of health. To reduce a nation to this state, many moral causes contribute; but practically none more than excessive taxation. Domestic difficulties depress the mind, and prepare it to look for relief, not in any energy of its own, but in some possible change of position, in the chapter of accidents, or in submitting with indifference to any change of power. Lord Bacon says, *Nunquam fiet ut populus, tributis oppressus, fortis existat et bellicosus.* Then comes the habit, which sooner or later forms the character. A constant inclination in a perverse direction will make a nation, as well

as a plant, take an unnatural bent, until, by gradually weakening the spring that might redress it, they both grow downward with their own consent.

With these objects in the mind, and all the consequences in view, it is difficult to refrain from adverting to the general state and actual conduct of public affairs. Believing, as I do, that some internal catastrophe hangs over us, which might possibly be averted or provided for by wisdom at the helm, but which ignorance and folly can only accelerate, I call on the nation to look at their government. Is it an abuse to be endured, that any set of men, with no other title or shelter but the word *prerogative*, should dare to hold and retain the executive power of the state, with a hundred Peers protesting against them, without the confidence of the House of Commons, and themselves on their trial at the bar of that House! As the public shame of such a sight, indignation sickens into scorn. Resentment dies of contempt. *Such authors of such ruin take away all dignity from distress, and make calamity ridiculous.*

The ancient maxim of criminal justice, was, "*ut metus ad omnes, pœna ad paucos perveniret*;" that the few might be punished, and the many be deterred. In the present practice, this wholesome relation of guilt and punishment is inverted. The few escape, and the multitude suffer. The highwayman is guilty of violence and injustice, but not of breach of trust. When he is detected and taken, would you pardon him the robbery, because at last he offered to return the watch or the purse, or as many of the guineas as he had not made away with? The crimes of individuals, however enormous, are not necessarily mortal to great communities. The death of nations is impunity. Still we are lulled with fine promises, and flattering prospects. Hope is a dangerous narcotic, and not only sets the mind asleep, but, like opium to the Turks, furnishes the brain with many delightful visions. Thus it is, that a nation may walk in its sleep, until it reaches the edge of a precipice without the power of turning back. These treacherous delusions are mortal symptoms. When nothing but a drastic resolution can save the patient, false hope

supplies him with palliatives, and bars the last extremity of its last resource, by the exclusion of despair.

Not long ago an opportunity came of itself, of stating some new opinions of my own on the subject of a reform of the House of Commons, to a member of parliament, of whose integrity no man can be better satisfied than I am. I took the liberty of saying to him, "Sir, do whatever you think right, for its own sake, and never look to popularity for support or reward. The very people, whom you serve, may be turned at any moment against you, by a cry or a signal, and run you down for your pains. Your own hounds, any fine morning, had just as lief hunt the huntsman as the hare. As to parliamentary reform, I have tried it enough to be convinced that it never can be adopted on any sound principle, that would at once be safe in its operation, and effective to its purpose. The people are well enough represented. The milk throws up the cream. No change in the form will mend the materials. I am sure you will find it, as I

have done, a vain attempt to build Grecian temples with brickbats and rubbish." This anecdote is nothing to the present purpose, but it may answer some other.

Let no man believe that I have not sense enough left to feel that these faint ideas, the languid produce of an impoverished mind, left to fallow without manure, hardly deserve the name of reflections. But, such as they are, they may perhaps lead others to a right course of thinking, on the subject they relate to. The expiring lamp, that glimmers on a post, shows the passenger his way. He, who grows the flax or the wool, is of some little service to art and industry of a higher order, tho' he cannot manufacture the articles himself. Even this insipid essay will not be quite unprofitable, if it furnishes materials to greater abilities, and helps to set some superior understanding at work. At all events, I am not holding a new language to serve a present turn. On the 31st of March 1806, I attempted to make what is called a speech in the House of Commons, on the effect of an exorbitant paper circula-

tion, as I then understood it. My opinion of course made no impression; for I was honoured with an audience, which cared just as much about the subject as the person. A short extract from that speech will therefore have the merit of novelty with those, who read it now; for, tho' it has been long in print, I see no reason to suspect that any body has hitherto perused it but myself.

"I know that there did never exist such a scene of expence and luxury, and of unbounded dissipation of fortune, as London exhibits. If extravagance and profusion are a proof of wealth, we need not look further. The proof is equal to the proposition, and exceeds it. Reflecting men, I believe, will not trust implicitly to these appearances. In fact, they can only be accounted for by a glut of factitious riches. No man wastes a real property at this rate. No man parts with gold and silver with the same facility, with which he squanders a pretended security in rags, which he knows he cannot change into specie. The circulation

of this paper, however, as long as it lasts, gives life and activity to all the means of immediate enjoyment. It is true. They, who are satisfied with the present, are not likely to consider the consequence. Others perhaps may submit to be better taught by experience. The history of France furnishes an example in point, on a great, but still on a very inferior scale. There never was a period of such extravagant expence and riotous profusion in Paris, as in the days that preceded the fall of the royal bank, in 1719. France was deluged with paper, as we are. Suddenly the credit of the bank failed. Down went the paper, down went Paris, and down went France." Adverting to the same transaction, Sir James Stewart says, that, "an ill-concerted system of credit may bring ruin on a nation, altho' fraud be out of the question; and, if a nation be plunged into all the calamities, which a public bankruptey can occasion, it is but a small consolation to be assured of the good intentions of those, who were the cause of it." On the 27th of February 1720, an *arrêt* was published, forbidding any

person to keep by them more than 500 livres in coin (or £20 sterling). This was plainly annulling the obligation in the Bank-paper, to pay to the bearer, *quand demand, the sum specified, in silver coin.* On the 22d of May, a man might have starved with 100 millions of paper in his pocket."

In better times, while feeling was alive, and when reason was animated by passion, these incentive materials might have furnished some force of thought, and energy of language. But age and infirmities have done their office, and their worst. *Plurima de nobis anni.* The reader, who believes my intention to be good, will make allowance for the natural effects and progress of decay. Any account, if it be honest, has fairly a claim to *errors excepted.* A man of my age may still be in his senses, when his senses are good for nothing. With a callous heart, there can be no genius in the imagination or wisdom in the mind; and therefore the prayer, with equal truth and sublimity, says, "Incline our hearts unto

wisdom." Resolute thoughts find words for themselves, and make their own vehicle. Impression and expression are relative ideas. He, who feels deeply, will express strongly. The language of slight sensations is naturally feeble and superficial.

APPENDIX

I.

BANK-STOCK.

- In June 1799, a bonus was given of 10 per cent. Loyalty Five per Cent.
- In May 1801, ditto £ 5 Navy Five per Cent. stock.
- Nov. 1802, ditto 2½ ditto.
- Oct. 1804, ditto 5 per cent. cash.
- Oct. 1805, ditto.
- Oct. 1806, ditto.

And in April 1807, the dividend was raised to ten per cent. ; which, with the payment of the property-tax, makes eleven per cent. regular interest. Yet all this put together, exhibits no criterion to form a conjecture of the real amount of their profits.

II.

On the 12th of January 1810, the Bank Paper issued amounted to £21,406,930.

III.

On the 12th of January 1809, } £ 4,305,920
 Amount of notes under £ 50 }
 Ditto on the 12th of Jan. 1810 } £ 5,854,170

Increase of one and two pound }
 notes, in one year } £ 1,548,250

IV.

*Return of the Importation of Wheat and Oats into
 London alone, from the 1st of August 1809, to
 31st January 1810, from foreign Countries.*

	Qrs. Wheat.	Qrs. Oats.
In August	3,010	13,100
September	5,700	6,100
October	19,000	12,900
November	48,900	22,000
December	26,000	5,400
	<hr/>	<hr/>
	102,610	59,500
1810. In January	145,000	36,700
	<hr/>	<hr/>
	247,610	96,200
Value of 247,610 Quarters Wheat, at 100s.	} £ 1,238,050	
Value of 96,200 Quarters Oats, at 30s.	} £ 141,300	
	<hr/>	
	£ 1,382,350	

Which sum of £ 1,382,350 has been paid to the enemy of our country, chiefly in specie, besides yielding a revenue to Buonaparte as follows :

Duty payable on exportation,
 247,600 Quarters Wheat, } £ 148,566
 at 12s. }

Duty payable on exportation,
 96,200 Quarters Oats, at 12s. } £ 57,200

£ 205,766

V.

Riches and money are got, kept, or lost, in any country, by consuming less or more of foreign commodities than what by commodities or labour is paid for. This is the ordinary course of things. But, where great armies and alliances are maintained abroad, by supplies sent out of any country, there, by a shorter and more sensible course, the treasure is diminished.

The necessity of a proportion of money to trade depends on money, not as counters, but on money as a pledge.

A law cannot give to bills that intrinsic value, which the universal consent of mankind has annexed to silver and gold.—JOHN LOCKE.

Which sum of £1,000,000 has been paid to
the treasury of our country, and in respect
of which a receipt is returned to the
following:

£1,000,000 100,000 10,000 1,000 100 10 1	Duty payable on 100,000 10,000 1,000 100 10 1
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ERRATUM.

Page 29, line 8, for things, read, thing.

The following is a list of the things
which are mentioned in the text of
the book, and which are not
mentioned in the list of things
which are mentioned in the text
of the book. The things which
are mentioned in the text of
the book, and which are not
mentioned in the list of things
which are mentioned in the text
of the book, are the things
which are mentioned in the text
of the book, and which are not
mentioned in the list of things
which are mentioned in the text
of the book.