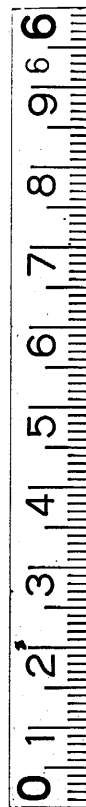


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AN
EXAMINATION
OF THE
Report
OF
THE BULLION COMMITTEE:
SHEWING
THAT THE PRESENT
HIGH PRICE OF BULLION,
TOGETHER WITH
THE SCARCITY OF GOLD COIN,
AND ALSO
THE LOW RATE OF THE FOREIGN EXCHANGES,
ARE NOT ATTRIBUTABLE TO THE ISSUE OF
BANK PAPER;
AND EXPLAINING WHAT ARE THE TRUE CAUSES BY WHICH THESE
EFFECTS HAVE BEEN PRODUCED.

BY MR. S. COCK,
COMMERCIAL AGENT FOR LIVERPOOL.

"Whenever the whole of our foreign trade and consumption exceeds our exportation
of commodities, our money must go to pay our debts so contracted, whether melted or
not melted down."
"As to foreigners, it is all one what our money is, greater or less, who only regard
the quantity of silver they sell their goods for."
LOCKE.

LONDON:

PRINTED BY J. DENNETT, LEATHER LANE, HOLBORN;

SOLD BY J. M. RICHARDSON, 23, CORNHILL, OPPOSITE THE
ROYAL EXCHANGE;

AND BY J. HATCHARD, BOOKSELLER TO HER MAJESTY, PICCADILLY.

1810.

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IN giving to the Public my ideas on the important and interesting subjects discussed by the Bullion Committee, it has been my endeavour to supply by the practical information derived from my commercial pursuits; those details in which, (in my judgment) the Evidence is defective; and the want of which appears to have induced the Committee to adopt and promulgate opinions equally erroneous and dangerous. If time could have been spared, it was my intention to add some observations on the causes of the rise in the prices of property in general; as also some reflections on the eventual results to be expected from the desperate and malignant measures adopted by Buonaparté, in the vain hope of destroying our commercial superiority. But, besides that my work would thus have been rendered much more voluminous than I desired, and *not strictly confined to the examination of the Report*

PREFACE.

of the Committee, the delay might have defeated my purpose of submitting it to the Public on the meeting of Parliament, soon after which, the discussions upon the Report may be expected to bring the subject under general observation.

In what I have written, I have, rather as a man of business than as an author, endeavoured to unite clearness of exposition and remark with all possible conciseness; and whenever practicable, I have established and illustrated my facts by the introduction of figures and accounts. These if examined and compared, will at once be a test either to establish the truth, or expose the fallacy of my statements. In short, my only wish on the subject is, that the principles I have laid down, and the deductions I have drawn from them, should be estimated, accredited, or disregarded, according as they may prove to be well or ill founded.

BROAD STREET,
December 18, 1810.

AN
EXAMINATION

OF THE

Report

OF THE

BULLION COMMITTEE, &c.

THE Report of the Select Committee of the House of Commons appointed to enquire into the cause of the HIGH PRICE OF GOLD BULLION, and to take into consideration the STATE OF THE CIRCULATING MEDIUM, and of the EXCHANGES BETWEEN GREAT BRITAIN AND FOREIGN PARTS, has been for some time before the Public: the sensations it has excited are such as might be expected, from opinions delivered with so much authority, and supported by argument so detailed;

The substance of these opinions is,

FIRST, *That the high price of gold bullion is attributable to the restriction to the payment*

in gold by the Bank of England, and to the excess of paper which the Directors have issued.

SECONDLY, That the low rates of the foreign exchanges have not resulted so much from the state of trade, as from a change in the relative value of our domestic currency.

In short, that the exchanges abroad have been lowered, and the price of bullion in this country has been raised, by an excess of our paper currency—and the remedy recommended is, the repeal of the law which suspends the cash payments of the Bank; the Committee being of opinion, "That no safe, certain, and constantly adequate provision against an excess of paper currency, either occasional or permanent, can be found, except in the convertibility of all such paper into specie;" that, therefore, "the system of the circulating medium of this country ought to be brought back, with as much speed as is compatible with a wise and necessary caution, to the original principle of cash payments, at the option of the holder of Bank paper;" which the Committee are of opinion should be effected, by "early provision being made by Parliament, for terminating, in two years at farthest, the operation of the several statutes which have imposed and continued that restriction;" and that "if occasion for a new measure of restriction could at any time be supposed to arise, (the

"necessity for which the Committee are far from anticipating,) it can in no degree be grounded, as the Committee think, on any state of the foreign exchanges, (which they trust they have abundantly shewn the Bank itself to have the general power of controlling,) but on a political state of things producing, or likely very soon to produce, an alarm at home, leading to so indefinite a demand for cash for domestic use, as it must be impossible for any banking establishment to provide against."

As the vast importance of this subject must make the Committee desire that every one should contribute to set it in a true light, in order that if there be any mistake in their arguments or deductions, the same should be thoroughly examined, so that no person may be misled by their reputation and authority to the prejudice of the country; it is my intention to explain as concisely as I can, the grounds upon which I entertain very opposite opinions to those of the Committee: I shall therefore, at once, proceed to state those principles upon which my conclusions are built; and, however mysterious the subject may at first appear to those who have not considered it, I hope to make it clear, and of easy comprehension.

In the first place then, I am of opinion, that the high price of gold bullion is NOT attributable

to the restriction to the payment in gold coin by the Bank of England, or to an excessive issue of Bank notes.

Secondly, That the state of the foreign exchanges has not resulted from any depreciation in the relative value of our domestic currency, but from natural causes, connected with the state of our commerce, which could not fail to produce that temporary depression in them that has taken place*.

Thirdly, That, on the contrary, the issue of such notes, limited as it appears to have been, by a proper attention on the part of the Directors, to the discounting only of mercantile bills of good solidity, arising out of real commercial transactions, payable at short and fixed periods, is calculated, and has materially tended to assist the exchanges.

Before I proceed to the examination of those parts of the report which particularly treat of gold and silver, I think it proper to observe, that I consider it to be an universally acknowledged principle, that the only variation in the prices of gold and silver, between countries having free commercial intercourse with

EVIDENCE.

* J. L. GREFFUHL, Esq. page 66.—"The state of the exchange can only, in my apprehension, be influenced by the balance of trade."

each other, must be, the amount of the expense of conveying them in safety from the places where they are abundant, to the places where there is a particular demand for them; for this plain reason, that whenever the difference of price is more than sufficient to bear the expense, persons will export the article from the cheap to the dear country for the sake of the profit.

This general rule, however, is liable to some exceptions.

Though coin will pass in the country of which it is the legal currency, notwithstanding its intrinsic value as bullion, may have been diminished through loss of weight, by wear, or by its having been clipped or filed; it will not be exported, unless the price of the metal shall have risen sufficiently to make the sale of it profitable, notwithstanding such diminution in weight. Nor will coin be exported if the metal shall have fallen in its own country below the Mint price, for the obvious reason, that as coin, it will pass for more in that country, than as bullion, it will sell for in another.

But though the difference of price of gold and silver in such two countries will, while commerce is free, be limited by the expense of removal, circumstances may arise out of an unnatural state of commerce, to occasion so extensive a demand for bullion in one country, as to raise the price greatly beyond such expense of

removal, and to keep it up for a considerable length of time.

As it appears to me that to such circumstances the present high price of bullion in this country is attributable, I shall endeavour to establish the position I have advanced, by pointing out what those circumstances are.

It is not easy to judge of the real comparative value of gold and silver on the Continent; because, as from the want of public credit, there is not any paper currency in those countries, the precious metals are the standard by which the value of other articles is estimated: the nominal prices per ounce may continue the same, yet their actual and relative values, compared with other goods for which they are exchangeable, may be higher or lower according to circumstances. As far however as an opinion can be formed, the remark of the Committee appears to be just, that "the high price of gold bullion is not attributable to an unusual demand for gold upon the Continent, since if that were the case, it would in the first instance influence the price in the Continental market, whereas the fact is, that no corresponding rise in the price has there taken place*."—But, in attributing the high

EVIDENCE.

* J. L. GREFFULHE, Esq. page 99.—"There has been no alteration of late in the Mint price of gold in foreign places, nor have the market prices experienced an advance at all rela-

price of bullion in this country to an excess of our local paper currency, I think the Committee are in error; they consider the criterion by which to judge of the excess of Bank of England paper, to be, the state of the exchanges, and the price of gold bullion; while, in my opinion, the price of gold bullion is in no degree affected by Bank paper, but is occasioned by the state of the exchanges; and that the state of the exchanges is occasioned by the balance of payments with Europe being against this country. I even think, that the exchanges would have been still more unfavourable, if the issue of Bank notes had been less than it has been; and that any improvident reduction in their amount would aggravate the evil*.

I shall hereafter, when I come to treat of the balance of payments, explain the grounds upon which I found my opinion, that it has been for some time past greatly against this country.

EVIDENCE.

tive to the price that has taken place in England. The excess above our market price at the present low rate of exchange may be considered as about equal to the charges of conveyance."

J. L. GREFFULHE, Esq. page 100.—"The respective market prices of gold and silver may be influenced by momentary circumstances, and not be strictly accordant with the rate of exchange."

* Page 70.—"In England we have no forced paper; no difference is made in favour of specie in internal transactions; the high price of bullion against Bank notes is only owing to the demand for exportation."

In explaining the grounds I have for concluding that the *high price of gold bullion* is occasioned by the state of the exchanges, I think it proper to premise, that a want of bills with which to pay our debt to foreigners, being the natural consequence of the exchanges having become unfavorable, the debtors seek on the Royal Exchange for bills for that purpose; as the cause of this demand (namely, an insufficient export of goods) operates to create a scarcity of supply, so those who have bills to sell, naturally ask a high price for them:—As long as these bills can be purchased at a less premium than the expense of sending bullion in payment, no rise in the price of bullion will take place; but whenever the person who has bills to sell, asks so high a price for them, (or in other words, when the exchange gets up so much) that the debtor merchant finds it more to his interest to procure and remit bullion than to pay such price, from that moment the price of bullion will be influenced, and begin to rise*.

EVIDENCE.

* J. L. GREFFULHE, Esq. *page 101.*—"In a country where the measure of value was a gold currency, and where therefore the prices of all articles were expressed with reference to gold, an increased demand for gold bullion, whether arising from political or other circumstances, would not affect the price of gold bullion in that country so as to raise it above its Mint price; but in a country where there was a law against exporting the gold currency, and supposing that law to be effectually executed, I conceive that the price of exportable gold, compared with the current coin of the country

In all discussions upon foreign commerce, it ought ever to be kept strongly in mind, that

EVIDENCE.

might be enhanced to the full extent of the fall of the exchanges, deducting the charges of conveyance.

AUTHORITY.

LOCKE, on "*Considerations of the Lowering of Interest, &c.*"

"I am sorry, if it be true, what he tells us, That 'more money is to be got by exportation of silver, than by any other thing that can be sent.' This is an evidence that we bring home more goods than we export. For, till that happens, and has brought us in debt beyond sea, silver will not be exported; but the overplus of people's gain, being generally laid up in silver, it will be brought home in silver; and so our people will value it as much as any other in this part of the world.

"The truth of the case in short is this: Whenever we, by a losing trade, contract debts with our neighbours, they will put 'a great value on our silver, and more money will be got by transporting silver, than any thing that can be sent.' which comes about thus: Suppose that by an overbalance of their trade, (whether by a sale of pepper, spices, and other East-India commodities, it matters not,) we have received great quantities of goods, within these two or three months, from Holland, and sent but little thither; so that the accounts balanced between the inhabitants of England and the United Provinces, we of England were a million in their debt: what would follow from hence? This; That these Dutch creditors, desiring to have what is due to them, give orders to their factors and correspondents here, to return it to them. For enquiring as we do, what are the effects of an overbalance of trade, we must not suppose they invest their debts in commodities, and return their effects that way. A million, then, being to be returned from England to Holland, in money, every one seeks bills of exchange; but Englishmen not having debts in Holland to answer this million, or any the least part of it, bills are not to be got. This presently makes the exchange very high: upon which, the bankers, &c. who have the command of great quantities of money and bullion, send that away to Holland in specie, and so take money here to pay it again there, upon their bills, at such a rate of exchange as gives

all foreign trade is strictly a trade of barter—that all coins are domestic, and that there is no general coin of nations, as we speak of the law of nations, in addition to the respective domestic laws of each nation. The foreign trade is strictly a trade of barter, although the goods may not be identically bartered for each other. The goods, to be sure, are, in the first instance, sold in the currencies of the respective import countries, and it is *the debts upon the sales, which are afterwards the subject of the actual barter which takes place*. When, upon this second traffic, there is found to be an excess either way, the exchange (or as the fact is, the price of this second commodity; that is, those debts which appear then, for sale, in the shape of bills) rises in one country, and falls in the other accordingly, and thereby is occasioned a fresh incitement to the importation of more goods into the country where the exchange has fallen; and, *if no forced or unnatural impedi-*

AUTHORITY.

them five, ten, fifteen, &c. *per cent.* profit; and thus sometimes a 5s. piece of our milled money may truly be said to be worth 5s. 3d. 4d. 6d. 9d. in Holland. And if this be 'the great value of silver in this part of the world,' I easily grant it him. But this great value is to be remedied, not by the alteration of our Mint, but by the regulation and balance of our trade. For be your coin what it will, our neighbours, if they overbalance us in trade, will not only have a great value for our silver, but get it too; and there will be 'more to be got by exporting silver to them, than by any other thing that can be sent.'"

ment opposes such importation, it will assuredly take place until the exchange is equalized. It has been thought by every country to be its true policy to prevent the exportation of its coin; and I must think it so too, since it is surely better that this exchange should be equalized by the exportation of its manufactures, than its coin; but whatever is exported for that purpose, is exported as goods.—Bullion is goods, and all coin is bullion, except in the country for whose use it is coined. At present we are witnessing (what, except in the case of emigration, is a paradox) the exportation of a commodity from the country where it is dear, to that where it is cheap. It is utterly impossible that gold, which is so risen in price in this country, should be an article of eager exportation to the Continent, where it is plentiful, if it did not go to pay actual debts already contracted, or which the necessity for the productions of the Continent continues to impel us to contract. It cannot return from the cheap market, (the Continent) to England, where it is dear, because, if we cannot find the means of sending commodities to pay our other debts, we cannot buy gold for want of the means of paying for that.—*As therefore we are not exporting gold from the cheap to the dear, but from the dear to the cheap country, all the usual observations about the expense of transmission and*

the commonly adopted theories on the subject, are inapplicable to the case; which is evidently an unnatural one, occasioned by unnatural circumstances, and those arising, not out of the stoppage of payment in specie by the Bank, but the stoppage of importation of British goods on the Continent by Buonaparte.

There seems to be in all countries a sort of indescribable value set upon the precious metals, far beyond what would appear to be warranted by their intrinsic merits. It is true that their portability, incorruptibility, and being at the same time less liable to great fluctuations in price, make them most desirable articles to keep, when wealth is required to be hoarded. But taking all these considerations into the estimate, and fixing prices on them accordingly, they are no more valuable than a given quantity of sugar and coffee, answering to the same nominal value, and estimated also by all the circumstances of corruptibility, waste, and other disadvantages by which they are affected. And that country would unquestionably derive the lesser advantage, that should decide on receiving its payments in nothing but bullion, whilst the country with whom it traded, should by a free exportation of gold and silver, force a vent to the Mine countries of its own exchangeable commodities. How is bullion obtained any more than cotton, rice, or any other foreign produce, but

in exchange for our own produce and manufactures? And if we can obtain hemp from Russia, or corn from Poland, cheaper by paying for them in gold, than by paying for them with our own produce or manufactures, is it not our interest to do so, inasmuch as the quantity of gold requisite for such payment, is procured by us at a less expense of labour and value from the Mine countries, than would be required to make purchases of the like quantities of hemp or corn, if our own produce or manufactures were directly exported to Russia or Poland?

Had the *balance of payments with the Continent* not been considerably against this country during the period in question, or had there existed a prospect of our being able to liquidate such balance with goods, the premium on bills (which is only another expression for the difference of exchange) would not have risen beyond the mere expense of remitting bullion*; but (as I have before said, and trust hereafter to shew) the balance of payments suddenly became greatly against this country; so that such few bills upon

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 65.*—"That there has been in the last year an actual excess of imports over exports, I consider to receive a very strong proof from the fact, that most of the principal articles of export from this country to the Continent, command prices upon the Continent from 50 to 200 and 300 per cent. higher than the prices existing here.

houses on the Continent, as were to be purchased, were eagerly bought; and those merchants or dealers in exchange, who, in common times, would, upon such a demand, have sold bills drawn by themselves for that purpose upon Holland, Hamburgh, or Paris, in the expectation of being able to send goods for the reimbursement of the persons upon whom such bills would have been drawn, were deterred from so doing, by the apprehension, or rather the certainty, that goods could not be sent with safety. It being then impracticable to get bills, and equally so to send goods, (from the rigorous measures adopted by the French for excluding imports from hence,) there remained no alternative for the debtors in this country but to remit bullion, or incur the heavy loss upon the exchange on the bills to be drawn upon them by their creditors abroad, who, not being able to find ready purchasers for such bills, were under the necessity of selling or negotiating them at so low an exchange as to be in many cases ruinous to the debtors here.

Hence then arose an unlooked-for, and an unprecedented demand for the article of bullion in the London market, which naturally raised the price in the manner we have seen.

Gold being the most portable metal, and therefore to be exported with less hazard, and by far the most valuable, and consequently most

fit for large payments; and being besides in demand for the purposes of the large armies on the Continent, it, as a remittance, was naturally preferred to silver.

The *suddenness* of the demand very much contributed to the effect of raising the price of bullion; this is in a great degree to be attributed to the mode in which our trade with the Continent has been lately carried on *under Licences*. Had the trade been uninterrupted, a regular intercourse with the Continent would have been kept up; the supply of any particular article for this country would have been proportioned, in a great measure, to the demand; and much of the evil we are now considering would have been avoided: but what, during the last two years, has been our situation in this respect? On a sudden, a particular port, or river, or district on the Continent, has become strictly blockaded; when, after a lapse of a few months, with as little notice, it has been signified, that licences would be granted, allowing trade with those places; instantly the merchants, brokers, and agents, rush to the Council Office, and in a few days, some thousands of licences are issued. These being all dispatched at the *same time*, to the *same places*, immediately create a rise in the articles to be bought, and in the freight of the vessels in which they are to be laden: in a few weeks the goods are shipped, (the utmost facility being given to the

export, instead of those obstacles being interposed which the merchants apprehended; so that those who sent out six licences to different ports, in the hope of procuring one cargo out of the six, find themselves importers of the whole six,) and then the bills are to be drawn in payment. Now, who that reflects for a moment upon the consequences of throwing into the market of Holland, or Prussia, or Russia, bills upon England, to the amount of many hundred thousand pounds sterling, all issued in the space of a few weeks, or a few days, without any previous arrangement on the part of the drawers, or the persons drawn upon, can be surprised that the drawers should have a difficulty in selling the bills, unless at a great discount, or in other words, unless at a low exchange? In many cases, bills could not be sold at all, unless at such a ruinous rate as to excite fears in the drawers that the merchants in this country would not be able to bear the loss: in other cases, the houses abroad, from regard for the interest of their correspondents here, and in some instances, from being concerned in the profit or loss on the adventures, would not choose to negotiate the bills at all, but would prefer waiting for remittances from this country*.

EVIDENCE.

* Mr. ———, a Continental Merchant, *page 82.*

Question. "Since the conduct of the enemy you have de-

Can it be a matter of wonder then, that the demand for bullion thus created (and especially for gold) should have forced up the price far beyond its natural level? The merchant who had ordered goods to be shipped, would be anxious to anticipate the bills of his correspondent, by remitting bullion. The merchant who had received advices that purchases had been effected on his account, for which bills would be drawn, unless remittances were made, would be alike eager to prevent such bills from appearing, by remitting bullion; and bullion must be found to pay the freight for the goods arrived*. Is it matter of wonder then, at such a time, and when immense sums in bullion were

EVIDENCE.

scribed, what other causes have continued to operate on the Continent to lower the course of exchange?"

Answer. "Very considerable shipments from the Baltic, which were drawn for, and the bills negotiated immediately on the shipments taking place, without consulting the interest of the proprietors in this country, by deferring such negotiation till a demand should take place for such bills."

* J. L. GREFFULHE, Esq. *page 66.*—"I conceive that the average rate of freight upon goods from the Baltic, may amount to 50 *per cent.* upon the original cost of the goods."

* Mr. ———, a Continental Merchant, *page 82.*—Among the causes which have continued to operate on the Continent to lower the exchange is,

"The very large sums of money paid to foreign ship owners, which in some instances, such as on the article of hemp, has amounted to nearly its prime cost in Russia."

weekly required to be sent out of this country, for the supplies of our large armies on the Continent, that the price of bullion should rise considerably above the Mint price, and to a degree, no longer to be measured by the expense of removing the article from one country to the other?

At the very period when bills upon London were selling on the Continent of Europe at such a discount, or, in other words, when the exchange was so low, bills on London were selling in the United States at a premium, and were paid for in silver dollars; but, with America, *the balance of trade was in our favour.*

But, with respect to the alleged fact, that the price of bullion here is governed by, and limited to its price on the Continent, with the addition of the expense of carriage, &c. it should be recollected, that orders of blockade have been as suddenly issued as rescinded. It may now, perhaps, be ascertained, that the expense of payment in bullion would have been much less, had the merchants used more deliberation in their proceedings, and not forced up the price by that competition which their demands created:—but what security had they, anxious as they were to make remittances, that the opportunity which presented itself might not be lost, if they did not immediately avail themselves of it? But, in fact, they could not wait: remittances

+ See V. Ricardos reply to W.
Boisguet p. 33

must be made, or they would lose their credit, or be drawn upon, or both; and though they might be sensible that the price they were paying for gold was five or six *per cent.* beyond its fair value, still the evil of waiting even an inconsiderable length of time, till the price should have found its level, would have subjected them to the greater evil just mentioned*.

That the extraordinary rise in the price of gold here, was occasioned by a demand for the purpose of sending it abroad, is evident.

By the statement in the Appendix to the Report, No. 1. it appears that the quantity of gold exported through the Custom-House in the year 1807, when the balance of trade, and the exchanges were favourable, was only 13,008

AUTHORITY.

* LOCKE'S "Considerations of the lowering of Interest," &c.

"If upon the general balance of trade, English Merchants owe to foreigners £100,000, or a million, if commodities do not, our money must, go out to pay it, or else our credit be lost, and our trade stop, and be lost too."

Again, "Whenever the overbalance of foreign trade makes it difficult for our Merchants to get bills of exchange, the exchange presently rises, and the returns of money raise them in proportion to the want of money Englishmen have in any part beyond seas. They who thus furnish them with bills, not being able to satisfy their correspondents, on whom those bills are drawn, with the product of our commodities there, must send silver from hence to reimburse them, and repay the money they have drawn out of their hands."

"There is nothing more confirmed by daily experience than that men give any portion of money for whatever is absolutely necessary, rather than go without it. And in such things the scarcity of them alone makes their prices."

ounces; while in the year 1810, when the balance had become so unfavourable, the amount of gold so exported was 69,962 ounces; and at this latter period the difference between the price of bar gold, which could be sworn off for exportation, (as not being made from coin) and the price of such bar gold as the dealer would not venture to swear off, was from 3s. to 4s. per ounce, equal to five *per cent.* on the cost; and, that it was sent abroad as a *payment*, rather than as an article of merchandize, is evident from the fact, that the market price of gold abroad was as much lower than its market price here, as the difference of exchange amounted to.

The Committee observe, that "during the whole of the years 1796 and 1797, in which there was such a scarcity of gold, occasioned by the great demands of the country bankers to increase their deposits, the market price of gold never rose above the Mint price."

It does not appear to me that this fact serves in any degree to shew that Bank notes have since become depreciated: the reason gold did not then rise was, because the demand was for *local purposes*, and our merchants had only to send to the Continent for a supply, which, while we could purchase it with goods, was easy to be got. It would only make the matter worse were they to do so *now*, since they would have to pay for the gold they might import,

and are prevented from sending goods to buy it with.

The Committee express their "doubt of the alleged fact, of a scarcity of bullion having been experienced in this country, an extensive home dealer having acknowledged, that he found no difficulty in getting any quantity he wanted, if he was willing to pay the price for it." But though there might be no actual scarcity, there was a demand, so sudden and extensive, and requiring to be so immediately satisfied, that the price of bullion was greatly raised; and the returns from the Bullion-office shew, that the value of bullion imported, and deposited in that office in the year 1809, was £520,225, while the value delivered out, was £805,568, of which £804,976 was exportable*.

EVIDENCE.

* W. MERLE, Esq. *page 51.*—"For the last two or three years there has not been so much gold imported from the West Indies as there used to be."

CHARLES LYNE, Esq. *page 58.*—"There appears to have been (in the course of the last two years) a great difference in respect of the import of gold being smaller than silver."

"Within the course of three or four years the importation of gold has been less in this country than in former years."

J. L. GREFFULHE, Esq. *page 100.*—"The value of gold seems upon the whole to have experienced some increase, compared with silver, during the last few years."

During the scarcity in the year 1800, a person willing to pay the price of *wheat*, might have obtained any quantity he pleased; yet still the supply was very inadequate to the demand; both in that case and in the present case of gold, the prices have perhaps in some degree been affected by the purchases on speculation, of those, who saw in the unusual demand, for which no timely provision had been made, and no adequate substitute found, an eligible opportunity of turning their capital to a profitable account.

The Committee remark, that "the changes which have affected Spain and Portugal, combined with our maritime and commercial advantages, would seem to have rendered this country a channel through which the produce of the Mines of New Spain, and Brazils pass to the rest of the world. In such a situation, the imports of bullion and coin give us the opportunity of first supplying ourselves, and must render this the last of the great markets in which a scarcity of that article will be felt."

It is certainly true that recent political events, and our commercial regulations, have made this country a medium, through which a large proportion of the gold and silver of South America now passes to the rest of the world—but, the property is *not ours*; and unless the owners can and will take goods in exchange, the gold and silver will pass on to its final destina-

tion; and, except the small portion that may remain for commission and other expenses on the transit, this country will be no farther benefited by its having in the first instance come here, than if it had gone direct to Spain and Portugal, into the hands of the owners. The case would be different if the owners had come here to reside, because then the gold and silver would have remained here, and have come into use in this country*.

"It is important also to observe," say the Committee, "that the rise in the market price of silver in this country, which has nearly corresponded to that of the market price of gold, cannot in any degree be ascribed to a scarcity of silver. The importations of silver have of late years been unusually large, while the usual drain for India and China has been stopped."

The price of silver has risen, I apprehend, for the same reason that the price of gold has—that it is a precious metal, which may be intro-

AUTHORITY.

* LOCKE, on "Considerations of lowering of Interest, &c."

"Bullion can never come to the Mint to be coined, whilst the over balance of trade and foreign expenses are so great, that to satisfy them, not only the bullion, your trade in some parts now yearly brings in, but also some of your formerly coined money is requisite, and must be sent out; but when a change in that brings in and lodges bullion here, (*for now it seems it only passes through England*) the encrease of silver and gold staying in England will again bring it to the Mint to be coined."

duced into the Continent in payment, when goods in general cannot—and which has been in great demand for the use of the immense armies at Walcheren, Lisbon, Cadiz, Sicily, &c.* The trade with St. Domingo has been in a great degree carried on with silver—while one great source of supply was lost to this country by the abolition of the foreign slave trade, carried on with British ships, and British capital. The negroes sold by us at Havanna, Vera Cruz, Porto Rico, &c. were for the most part paid for with silver and gold †.

That silver has not risen quite so much as gold, is partly owing to the scanty supply of the latter, and partly to gold being better suited for the purposes before mentioned.

As I have ventured to express an opinion that the price of bullion, occasioned, as I consider it to have been, by the demand for remittances

EVIDENCE.

* J. L. GREFFULHE, Esq. *page* 100.—“The demands for payment of armies during the war have probably occasioned some addition to the price of gold.”

W. MERLE, Esq. *page* 56.—“Gold is taken over to the Continent, and not dollars.”

† W. MERLE, Esq.—*Question*. “Do you conceive that the price of foreign gold in the market is its fair natural price?”

Answer. “No. We always consider that if gold is above coinage price here, it is out of proportion: It is the difference of exchange abroad that enables them to give the price which they do.”

to foreign parts, may be kept up for a great length of time, which is in opposition to that of the Committee, who conceive that “such high price, from whatever cause arising, cannot exist for a considerable period;” I must here observe, that in my judgment the period of its continuance must depend upon our success in finding some better mode of paying for the goods we have imported, or may hereafter import from the Continent, than the remitting of gold. For, supposing the exchanges to have been against us with the Continent, to the amount of 16 *per cent.* upon an average; and estimating the amount of our imports from Europe in the year 1809 to be (as shewn by the accounts of the Inspector General) £19,821,601, it is clear that the loss upon the exchange alone, will be about one sixth of that sum, or £3,200,000, and if the balance of payments with Europe be considerably above five millions of pounds sterling (as I trust I shall hereafter shew) then as we shall have had to pay £8,200,000 I think it may reasonably be inferred that a considerable time will elapse before such payment can be completed, (if our export trade should continue to labour under the existing disadvantages) and that so long as the demand for gold, wherein to make the payments, continues to exist, the price will not materially be lowered, until supplies shall have been obtained from those distant parts

of the world, with which the balance of trade is in favor of this country*.

Having thus stated the reasons which lead me to conclude that the demand for, and consequent high price of bullion, has been solely occasioned by the balance of payments with the Continent being against us, and the necessity of making payments in that article, and therefore, that neither the low exchange nor high price of bullion is in any degree attributable to an over-issue of Bank notes†, I now proceed to

* *Note by the Author.*—I wish to be distinctly understood as not expressing an opinion that this balance is a loss to this country upon our commerce with the Continent. I am aware that the balance of trade may be against Great Britain, while the balance of profit may be in its favour. Suppose we buy of them 1000 quarters of wheat, and pay them 50s. per quarter, this which produces them £2500 sterling, will take upwards of 300 acres of land to grow, and the labour of many men and horses to cultivate; while British manufactures given in payment may be produced, if of the fine sort of cotton goods, from a few bags of cotton, (which may have cost about £100, including the profit to our ship owners in the bringing it, and our underwriters in insuring it,) by the labour of two or three people, in two or three days. And in like manner, if the returns are made in hardware, or any of those numerous articles of manufacture, which have been brought to such unrivalled perfection in this country.

EVIDENCE.

J. L. GREFFULHE, Esq. *Appendix, page 65.*—"I certainly think that an excess of imports above exports, may account for the rates of exchange continuing so high as 16 per cent. against this country for a permanent period of time."

† W. MERLE, Esq. *page 53.*—"I do not think the increase of Bank notes had any effect upon gold."

give my reasons for thinking that the exchanges would have been still more against us, had the issue of Bank notes been less than it has been*.

But, in order that no doubt may remain as to the amount of Bank notes not having caused, or in any degree occasioned the rate of exchange to be unfavorable; to which the rise in the price of gold, and the consequent scarcity of guineas is owing, it is sufficient to advert to the evidence of Mr. Greffulhe and others, whereby it appears, that at no period for a great number of years, prior to 1797, was the exchange considerably against this country: and from the middle of the year 1773, when the reformation of the gold coin took place, until about the middle of the year 1799, two years after the suspension of the cash payments at the Bank, the market price of standard gold in bars

EVIDENCE.

* JEREMIAH HARMAN, Esq. *Report, page 143.*

Question.—"Supposing a demand to be made upon the Bank for guineas, in consequence of the high price of bullion, and an unfavorable exchange, there being, nevertheless, no alarm in the country, do you conceive that a limitation of the Bank paper would in like manner increase the drain?"

Answer.—"I think, inasmuch as it would occasion distress to the Public, it would probably have that effect."

CHARLES LYNE, Esq.—"I do not agree in opinion with those who conceive that either the great depression in our exchanges, or the export of specie, is occasioned by our circulating medium being confined to Bank notes."

remained steadily uniform at the price of £3. 17s. 6d. (being about equal to the Mint price of £3. 17s. 10½d.) with the exception of one year, from May 1783 to May 1784, when it was occasionally at £3. 18s. per oz. During the two years that preceded the suspension of cash payments by the Bank, the foreign exchanges were unfavorable. In the year 1797, when the suspension took place, the exchange upon Hamburg was about 35s. The Bank notes then in circulation, amounted to about eleven millions.

Soon after, the exchange rose to 38s. and fluctuated from that rate to 36s. until the year 1799, though our Bank notes had increased in amount to upwards of thirteen millions and a half. If then the high price of bullion, and the low rate of the foreign exchanges, be true criteria by which to judge of the excess, and consequent depreciation of Bank notes, it is clear, that at that period, there was no such excess. But, be it remembered, the balance of payments was then in our favor; and, as admitted by Mr. ———, the Continental Merchant, upon whose evidence the Committee mainly rely, the balance due to this country was liquidated by bullion sent hither from the north of Europe*.

* J. L. GREFFULHE, Esq. *Appendix*, page 70.—“I conceive that the state of the paper currency of this kingdom,

By the evidence of the Governor and Deputy Governor of the Bank, it appears that, in their advances to merchants, they are influenced by the consideration of the apparent solidity of the bills discounted, which are always at short dates; and that they charge interest at five per cent.; and these gentlemen distinctly state, in answer to a question “whether the rise in the market price of gold, having been in the course of the year 1809, as high as £4. 10s. or £4. 12s. per oz. was a circumstance taken into consideration by them, so as to have an effect in diminishing or enlarging the amount of Bank notes,” that, “in considering this subject, with reference to the manner in which Bank notes are issued, resulting from the applications made for discount to supply the necessary want of Bank notes, (by which their issue is so controlled that it can never amount to an excess) they cannot see how the number of Bank notes issued, can operate upon the price of bullion, or the state of the exchanges; and therefore, they are of opinion, that the price of bullion, or the state of the exchanges can never be a reason for lessening the amount of Bank notes

EVIDENCE.

and the state of the exchanges upon foreign parts, are two subjects at most unconnected, and that have very little influence upon each other.”

"to be issued, always understanding the control before described *."

While the issue of Bank notes is so controlled, it appears to me impossible to shew that the amount of them can have a tendency to lower the foreign exchanges, or to raise the price of gold—but, on the contrary, that the facility of obtaining Bank notes in discount for bills, is one of the most effectual means of enabling the merchants to support the pressure of such heavy payments, until sales can be effected of their excessive imports; and operates as a most effectual spur to their exertions to introduce goods into the Continent, in payment of their debts.

If, indeed, the issue of Bank of England notes had a tendency to give that latitude to unsubstantial adventurers, which might be expected to be afforded, if from a want of Bank notes, a less pure paper currency were intro-

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 71*.—"All that could be requisite to prevent a depreciation of paper currency in any country would be, that such paper should in no instance be issued, but as the representative of a good security, payable at a fixed period."

JOHN WHITMORE, Esq. *page 79*.—"The Bank never force a note into circulation, and there will not remain a note in circulation more than the immediate wants of the public require."

duced into general use, there can be no question that very serious injury might arise to individuals. It is not for the good of the community that the man without capital should possess the same facilities of commercial adventure, as those at the command of the really opulent trader; for this plain reason, that if his adventures prove unsuccessful, his losses fall not so much on himself, who would have reaped the principal advantages of his success, as on those innocent and credulous people who confided in his powers; and much real distress may be brought on families and individuals thus deceived into a confidence in the resources of men, who, in the hour of trial, are proved to have no real foundation.

For these reasons, therefore, so far as the Directors can discriminate, (and certainly no persons can be more competent to the task than the class of men from whom the Directors are selected) I should doubt the expediency of their refusing (unless for special reasons) to exchange their notes in discount for any bills that might be tendered to them, that were payable at short and fixed dates, and founded on real mercantile transactions. The facility of obtaining such discounts, while it is greatly beneficial to the merchant, by enabling him to convert his bills into Bank notes, wherewith to pay duties, wages, &c. is at the same time profitable to the

Bank. Were the Directors greatly to diminish their discounts, or to withhold them altogether, and thus force upon the merchants and traders the necessity of making the great bulk of their payments with bills, the difference in the quality of the circulating medium would be, that bills would circulate instead of notes. Either that must be the case, or trade must come to a stand for want of a medium with which to carry it on. It therefore appears to me, that so far from the currency being rendered more sound by the Directors diminishing their issue of notes in discount for good bills, the more such bills they discount, the more legitimate commerce is assisted, and the better it is for the nation at large. People will not seek for discount, unless the notes can be profitably employed. As long as paper currency is founded on real property, whether gold, silver, coffee, cotton, or other goods, it does not appear to me to be possible that too much can be circulated*.

EVIDENCE.

* Mr. PEARCE, *Appendix*, page 118.—*Question*. What is the criterion by which the Bank regulates the amount of its advances to Government, so as to guard against the possibility of any excess in the issue of its paper?

Answer. "That Government will not find it necessary to apply to the Bank for accommodation by advance on its securities, inasmuch as in consequence of any excess of Bank paper in circulation, they would be able to sell such securities in the open market."

Although, from what has been said, it will, I trust, clearly appear, that neither the high price of gold, nor the low rate of our foreign exchanges is attributable to an excess of Bank notes; yet as the idea of such excess, and that they have in consequence become diminished in value, seems to be the decided opinion of the Committee, I cannot forbear offering a few observations on this part of the subject.

In the Report (page 27), the Committee say—"All these circumstances must have co-operated to render a smaller augmentation of Bank of England paper necessary to supply the demands of our increased trade, than might otherwise have been required, and shew how impossible it is from the numerical amount alone of that paper, to pronounce whether it is excessive or not; a more sure criterion must be resorted to; and such criterion, your Committee have already shewn, is only to be found in the state of the exchanges and the price of gold bullion."

If then I have succeeded in shewing, that the state of the exchanges and the price of gold bullion, have arisen from causes other than the quantity of paper issued by the Bank, the whole reasoning of the Report falls to the ground.

In page 28, the Committee say, "If the Bank of England paper itself should at any

"time, during the suspension of cash payments,
 "be issued to excess, a corresponding excess may
 "be issued of country Bank paper." &c. &c.

The truth of this position I greatly doubt. It appears to me that the *local demand* in the district round which the Country Bank has credit, fixes the limit to its issues: and that (while such Bank continues in credit) it is immaterial through that district whether its notes, or Bank of England notes are tendered in payments; and if so, an increase in the latter will not tend to produce an increase in the former:—Indeed, I should rather expect a contrary effect: I should expect that some portion of this excessive quantity of Bank of England paper would find its way into such district, and supersede so much of the local Bank paper in the circulation of that part of the country, and thereby diminish the quantity of it*.

EVIDENCE.

* JOHN PEARCE, Esq. *Appendix, page 118.—Question.* "Can any excess in the circulation of this country arise from the present system of issuing paper by the country banks, having reference in your answer to the restriction upon the Bank of England?"

Answer. "I am not aware that the Restriction Bill can have had any material effect upon the amount of the issues of the country banks, as the sum total of Bank of England paper has increased in so small a proportion compared to that which I conceive to be the increase of Country Bank paper: an increase on the part of the Bank of England seemingly not more than is to be accounted for by what must be required in

But, apart from all other considerations: If in the year 1793, when there was no want of specie, the gross revenue of the country being seventeen millions (which must all be paid in Bank notes, or coin), eleven millions of Bank notes were not more than sufficient, how can it be, that in the year 1809, when our commerce had increased in an almost incredible degree, twenty millions of notes should be so excessive a quantity,—when the gross revenue had increased to upwards of seventy millions; when notes were also wanted to pay loans of fourteen mil-

EVIDENCE.

the augmentation of revenue, and the great extension of commerce of the metropolis requiring such addition to the circulating medium."

Again, *page 127.*—"It is certainly possible, were it important in amount, that the country banks, by not regulating their issue on the principle of the Bank of England, might send forth a superabundance of their notes; but this excess, in my opinion, would no sooner exist in any material degree, than it would be corrected by its own operation; for the holders of such paper would immediately return it to their issuers when they found, that in consequence of the over-issue, its value was reduced, or likely to be reduced below *par*. Thus, though the balance might be slightly and transiently disturbed, no considerable or permanent over-issue could possibly take place, as from the nature of things, the amount of Bank notes in circulation must always find its level in the public wants."

lions; and coin had almost ceased to form a part of the currency*?

As to the argument by analogy, in the supposed similar instances of depreciation in the value of paper, arising from excess in quantity, as in the case of that of the British colonies in North America; of that of the Austrian government during the last campaign; and that of Portugal at present; it may be sufficient to quote the words of the Committee (page 30), "that it is only in a country like this, where

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 71*.—"The increase in the amount of Bank notes in circulation within these few years, is, in my opinion, accounted for, in the first place, by the increased commerce of the country; and in the next place, by the increase of the public debt, and the consequent taxation, which has the effect of enhancing the prices of all commodities; and the amount of currency required for the purpose of facilitating the exchange of these commodities, or in other words, for trade and circulation, which must increase in the same proportion."

Again, *page 99*.—"The paper circulation of this country, as it at present exists, differs from a forced circulation. In the first place, it is no legal discharge of a debt; secondly, it is issued, when called for, in exchange for valuable securities."

JOHN WHITMORE, Esq. *page 121*.—"According to the opinion I entertain, the daily average of payments on the counters of the London bankers alone, amounts to five millions, or about 1500 millions of pounds in the year."

"good faith, both public and private, is held so high, and where, under the happy union of liberty and law, property and the securities of every description by which it is represented, are equally protected against the encroachments of power, and the violence of popular commotion; that the advantages of this system (of paper currency) unaccompanied by any of its dangers, can be permanently enjoyed, and carried to their fullest extent*."

The merchant, before quoted, whose name is not given to the public, but on whose evidence, or rather conclusions, the Committee appear to have placed the greatest reliance, has very truly

* *Note*.—In the "Letter on the Genius, &c. of the French, by an American," recently published, it is said, "That the loss sustained by the Government of France in negotiating the paper emitted on account of the direct taxes, although every motive conspires to induce a regular payment on the part of the receivers, may be alledged as a criterion of the state of public credit in France. It was fifteen millions of francs in 1802, eighteen in 1804, and sixteen in 1806. The Minister of Finance, in his report for 1807, complains that he was compelled, in the commencement of the preceding years, to negotiate the bills of the receivers of taxes at a discount of 1 1/4 per month;" and with respect to the credit of the French Government abroad, he adds, "No intelligent merchant can be induced by any consideration to make advances in favor of that government, or to accept a bill on the Treasury from their highest accredited agent." *And yet the exchanges with this country are greatly in favor of France.*

stated, that the first great depreciation of exchange took place "when the French got possession of the north of Germany;" that is, when the enemy first began to bring into operation and effect the schemes he meditated to injure our trade, and turn the balance against this country.

This merchant, after ascribing, in another place, "the whole of the depreciation to the measures of the enemy," adds, "that its not 'having recovered' was owing to the circumstance of the Bank of England paper not 'being exchangeable into cash.'"

Now, while I admit the cause of the depreciation of the exchange at the period mentioned, to have been in a great degree that, to which this merchant ascribes it, I totally differ from him in opinion as to the cause of its not having recovered.

In order to understand the precise nature of the embarrassment which was to have been so readily overcome, if the Bank had paid in specie, it may be proper to explain, in the words of this gentleman, what that embarrassment was:—The French got possession of the north of Germany;—they passed several severe decrees against a communication with this country, and at the same time sequestered all English goods and property: thus a large fund of British assets on the Continent, was at once extinguished, and lost to the merchant who had exported the

goods on his own account; while such merchants as had imported goods from the Continent, and who, through the means of middle men, in the ordinary course of trade and the system of exchanges, would have made the property which was so lost, subservient to the payment of their debts, were compelled to seek other modes of remittance, at all risques, and at whatever expense*.

It seems, however, that trade (according to the opinion of this gentleman) would have "recovered" from this embarrassment, if the Bank of England had been paying their notes in cash.

Of course he means, that the cash would have been remitted at once to the Continent to pay the creditors residing there; and if the question were reduced to the simple position, whether, under the circumstances in which trade was then placed, it would not have been a ready and effectual mode of paying the debt by re-

EVIDENCE.

* SIR FRANCIS BARING, *Appendix, page 131*.—"During the seven years war *there were no restrictions upon trade*; the same operations to perform on the Continent of remitting money from hence to pay for the increased quantity of naval and military stores, and yet in no one instance was there a want of bullion."—The same was the case during the American war, through the whole of it there was no want of bullion; and therefore I think if we had continued our payments in specie as heretofore, *and there had been no restriction upon trade*—the course of exchange would not have been unfavourable to this country.

mitting guineas at the price of 2ls. each (or standard gold at £3. 17s. 10½d. per ounce), there can be no doubt that the exchanges might have been so recovered*.

But the question does not resolve itself into so simple a position: it should be recollected that at this period, owing to the great increase in the population, and in the trade and manufactures of this country, and the vast augmentation of our public revenue, our circulating medium had, at the time spoken of, necessarily grown to an immense sum, of which seventeen millions and a half consisted of Bank of England notes: That instead of the circulating medium being limited to coin, a very small proportion continued to consist of guineas.

Without pretending to know what quantity of guineas might be in the Bank at that time, I will suppose it to amount to one sixth of the amount of Bank notes in circulation.

EVIDENCE.

* J. L. GREFFULHE, Esq. *page 99*.—"As long as guineas can be procured in sufficient quantities, and that they can be exported, the exchange cannot fall more below par, than the equivalent of the expense of exporting the gold."

W. C. CHAMBERS, Esq. *page 101*.—"If the exchange is rendered unfavourable to one country, by the balance of debts which it owes to the other, I am of opinion that such depression of exchange will be limited by the expense of transporting specie to equalize that balance, if a sufficient quantity of the precious metals exist on the debtor side, and no impediment oppose the transmission."

The moment the Directors began to perceive a great and unusual drain of guineas, they would feel it incumbent on them to curtail their issue of Bank notes, lest the demand for guineas should be greater than they could supply, and especially when they saw that the demand for bullion had raised its price above the Mint price; since it could not be expected by them, that one guinea would be left in the Bank, while as much gold as is contained in a guinea, would cost more than 21 shillings*.

To have enabled the Bank therefore to supply this demand for guineas, the Directors must, as a measure of safety to their own establishment, have called in the greatest part of their notes; that is, they must have required that Government would repay its debt to them of eight millions and upwards; and that the merchants who had been accustomed to receive, and relied still on receiving the Bank notes in discount of bills to the amount of six or seven millions more, should forthwith pay back the notes that had been so advanced to them.

AUTHORITY.

* LOCKE.—"It is not any sort of coinage does, or can keep your money here; that wholly and only depends upon the balance of our trade."

"Laws made against exportation of money, or bullion, will be all in vain. Whenever the whole of our foreign trade and consumption, exceeds our exportation of commodities, our money must go to pay our debts so contracted, whether melted or not melted down."

Considering then all the consequences that must have arisen from this effort to pay a debt, due to foreign merchants, (most of them subjects of the enemy) can it be conceived that the exchanges would have been by these means recovered, without producing the most ruinous results to the whole trade of the nation?

It does not occur to me that the warmest advocates for the Bank stoppage could say more in favour of the measure than the evidence of this gentleman has here done, or pay a higher compliment to the foresight and policy of those by whom that measure was so manfully adopted, in the first instance, and has been since continued in the face of every popular outcry, and in opposition to long deep rooted prejudice.

I am aware that when the measure was resorted to, the demand for gold was not to pay a foreign debt; but it arose at a period when the world was out of joint, and when the intercourse of nations and its various tendencies and results were not to be calculated upon by the criterion of ordinary principles; and its continuation has been justified by every subsequent event. What! Were the whole money transactions of this country, nay, perhaps its very fate, to be placed at the mercy of such a government as that of France has been since the Revolution? Is it not evident, if guineas had formed, as in common times, a considerable

portion of our circulating medium at the time alluded to, that a most alarming drain must have taken place? And is it to be doubted if the enemy, (unrestrained by the principles by which even enemies have hitherto been guided) had perceived his power in this respect, that he would have so timed his seizures, confiscations, and decrees, as not only to have absorbed all the specie of this kingdom, but also, (from the effects which the novelty of such a situation would have had upon the minds of the country) to have taken away the value of its paper currency, and thus produced consequences of the most fatal description?

Conceive some new application or use of gold to be discovered on a sudden, for which it shall be more estimable than for any other before in practice; this would have the effect of raising the price or value of gold, in like manner as the increasing supply has for a series of years been lowering it, and would have a tendency to lower the value of all commodities. But suppose this sudden and new application of gold to be of a nature temporary in its operation, and manifestly arising from forced and unnatural causes; would it then be admitted that the paper currency, which had heretofore circulated with the coin in undistinguished measure, had become depreciated, because a wise Legislature had interfered to prevent the pay-

ment of that paper in coin, which it saw would be instantly applied to this new purpose; or, would any but an unwise Legislature be an inactive spectator of such an entire subversion of the scale of property which the unrestrained operation of such a state of things must produce?

The recent demand for gold for the purpose of paying foreign debts, created by the impracticability of paying them by any other means, and that occasioned by forced and unnatural causes, is in fact a new use for, or application of that metal.

Considering, however, the illegality of exporting the metal in coin, this maxim is advanced, and I must add, reported too, with more composure and appearance of assent than might have been expected.

But I must be allowed to examine a little further the efficacy of the remedy.

I can readily admit that the *common, moderate* fluctuations of exchanges, can be controlled by the clandestine transportation of the coins of the different countries affected by them; but this position is not applicable to those extraordinary depressions, which (as I shall hereafter shew) a combination of circumstances has occasioned; at first indeed, the effect might be similar; but when the demand continued, and the coin of the debtor country began to disappear, the watchfulness of the Government to detect

the parties concerned in the traffic—in short, the risk and difficulties which would accumulate as it went on, would so enhance the operation, that the effect would resolve itself into a question of exchange, which would be found not to have been equalized, though somewhat reduced by this unlawful traffic.

The coin of every country is for its own internal use; and the laws of most, if not all countries, confine it to that application, either by positive prohibitions to the exportation, or by imposing a seigniorage which produces that effect.

It is not fit, nor is it ever intended that it should become the medium of traffic between distant countries; goods form the only proper medium.

If the Government of Great Britain had, to meet the occasions of merchants, conceded this point, and employed the Mint of this country to supply the means of making payments to the Continent, we should not have enjoyed one half of the trade we have had; the necessity of making those payments, having been a great stimulus to the forcing of a passage for our goods into the Continent, where the creditor is equally interested in finding means to introduce them.

The gentleman upon whose opinions I am now observing, says, that "Bullion being with-

"held in England to make up the occasional differences, the operations between this country and the Continent continued at a low rate, as it is only matter of opinion what rate a pound sterling is *there* to be valued at, not being able to obtain what it is meant to represent*."

Considering how fully this gentleman had in the former part of the paragraph (Appendix, page 82,) accounted for the depreciation of the exchange, I confess I am at a loss to perceive the necessity of finishing with this remark: neither can I find any satisfactory way of applying it to the purpose for which it evidently was made.

The foreign merchant who sells his goods on the Continent, charges for them in the cur-

EVIDENCE.

* Mr. ———, a Continental Merchant, *Appendix*, pages 76 and 77.—"I value every thing by gold."

"Although the paper currency of this country (Bank notes) may not represent what is expressed upon the face of it, it does represent a something in fact equally real, though not applicable to equalize the balance of trade."

"There is no Government Bank on the Continent that rests on the same principles of solid foundation as that in this country, where the principles adopted are the same as would be followed by any prudent individual in his own concerns, and where the advances to Government are both optional and limited to what appears a very small proportion of their capital, and which, as well as their other issues, is convertible, and comes round at short periods, substituting a moral for a physical tender, which in many cases, when it rests upon a solid foundation, is far preferable for internal circulation."

rency of his own country, and leaves the buyer to find the means of payment in that currency: It is the English purchaser who has to determine, "at what rate to value a pound sterling;" and, as he only does this in the calculation he makes, with a view to selling the goods in this country, he need have little hesitation in making up *his* mind. On the other hand, the English merchant who exports on his own account, knows very well "at what rate to value a pound sterling;" and the foreign merchant who orders goods of him on commission, has no occasion to investigate its intrinsic value, since he is not going to receive it, but to pay it, through the agency of his correspondent here, where it will be received without hesitation, at its full nominal amount*.

But in fact, is it only matter of opinion on the Continent at what rate a pound sterling is there valued? Does not the taker of a bill upon London for £100 know that it will purchase to the full amount of that sum of any of the numerous articles of merchandize with which this country is stored? Does he not know that if tendered on the Royal Exchange, it will

AUTHORITY.

* LOCKE.—"As to foreigners, it is all one what our money is, greater or less, who only regard the quantity of silver they sell their goods for."

purchase a bill on any place upon which a merchant of this country shall have occasion to draw? Does he not know that it may be invested in the British Funds? or that it may be placed out at interest upon good security, until opportunities shall offer of investing it in goods, or in another bill on the Continent when the exchange shall become more favorable*?

It is true, that he does not know precisely what quantity of gold it will buy, while the price of the article is so fluctuating; and, that he does know, that so long as gold is above the Mint price, he will have a difficulty in exchanging the £100 for 95 guineas and 5 shillings in coin; but surely it cannot be said that he is ignorant of the *general* value of "a pound sterling"—and that, except its not being readily to be changed for guineas at the present mo-

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 102.*—
Question. "Is it your opinion that the currency of England is depreciated?"

Answer. "Certainly not."

CHARLES LYNE, Esq. *page 61.*—"Bills on foreign countries are here obtainable precisely at the same rates of exchange, whether they be paid for in Bank notes, or in guineas; and consequently the remitter can place by bill remittances as many florins in Amsterdam, or as many marks in Hamburgh, with £1000 in Bank notes, as he can with £1000 in guineas."

ment (for reasons which he perfectly understands), its functions and uses are unimpaired.

It is said by this gentleman, that in consequence of an increase of Bank notes in circulation, and articles of merchandize being raised in price, the exports are less than they otherwise would be, and in that way the operation on the exchange is to our disadvantage: but which, I would ask, is the article that has been so raised in price, as to be a bar to its exportation from this country to the Continent? In France, coffee and sugar are selling for four times their cost here, and yet they are not exported thither. It surely is not in any degree owing to the high price of goods here, that the introduction of them upon the Continent is prevented; the real cause undoubtedly is, that the laws and regulations on the Continent are so strict as to make it impracticable to introduce them*.

The Committee also observe, that "the restoration of the exchange used to be effected by the clandestine transmission of guineas,

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 66.*—"While most of the principal articles of export from this country command prices upon the Continent from 50 to 200 and 300 *per cent.* higher than the prices existing here, it, according to my conception, is clearly proved that the imports have been superabundant, and the exports very much curtailed."

“ which improved it at the moment, by serving
 “ as a remittance ; and unquestionably also in
 “ part, probably much more extensively, by the
 “ reduction of the total quantity of the remain-
 “ ing circulating medium to which reduction
 “ the Bank were led to contribute by the cau-
 “ tion which every drain of gold naturally ex-
 “ cited.”

As the instance is not pointed out when the exchange was thus improved by the joint effects of the clandestine exportation of coin, and the reduction in our circulating medium, it is impossible to examine how far this improvement was attributable to other than those causes. The export of £100,000 in guineas, would undoubtedly mend the exchange, in the same degree as the export of the same amount of coffee, sugar, cloth, or any other merchandize ; but how a reduction in the remaining circulating medium assisted the guineas, I cannot conceive, unless by producing the bankruptcy of the debtors here ; which certainly would tend to lower the exchange, by extinguishing the debts at once, or paying the foreign creditor with only that proportion of their amount which the dividend of the debtor's estate amounted to. So far as the reduction of paper operated to lower the price of merchandize, it must have produced the opposite effect to that of lowering the exchanges ; first, by cramping the exporter, and next, inas-

much as the goods exported would be less productive in proportion to such fall in price ; unless, indeed, the high prices here had been a bar to the exportation, which such reduction was necessary to remove. Whatever increase in the value of the remaining Bank notes might be thus occasioned, it would signify nothing to the foreigner, who would not be paid *in them* ; he requires to be paid in goods or bullion ; and if the goods be lowered in price from the reduction of the number of Bank notes, or any other cause, it will require so many the more to pay the debt we owe him.

Again, Mr. ———, (the Continental merchant) says, that the increase of the circulating medium enables persons to make greater advances to foreigners, and more bills are thus brought into the market, which must have the effect of lowering the exchange. But, if it be true that any bills have been drawn by a merchant abroad, on a merchant in this country, in the reliance that the Bank of England will enable him to meet such drafts, does not the same accommodation by the Bank, also operate to promote the export of goods, by enabling the merchant to purchase them of the manufacturers and others ?

A scarcity of money, he observes, would make it “ desirable to realize, and accelerate the “ payments of debts due to this country ;” and doubtless such desire (which may be supposed

to exist under any circumstances,) would be strengthened by such scarcity; but, would it tend in any degree to gratify that desire? and would it not tend to diminish the profit upon the sale of the goods, if, for the sake of obtaining quick returns, a necessity were thus created for the proprietor to force the sales, instead of waiting until there should be a demand for the goods?

He adds,—that the desire to raise money, by sending a greater quantity of goods abroad, would be increased by thus lessening the facility of discounts; but would not the means of the merchant be diminished as his desire increased, if his accustomed facilities of raising money were to be thus curtailed? according to the reasoning of this gentleman, the depriving a merchant of those pecuniary aids which have hitherto been found necessary to the conducting of his business, would operate to increase his means of making exports (and so enable him to contribute to the equalizing of the exchange); would abridge his means of making advances to foreigners (and thus again contribute to equalizing the exchange); would stimulate him to realize and accelerate the payments of debts due to him abroad (and thus accelerate that most desirable effect); and finally, would impel him to make greater exertions to force goods into the Continent, whereby it would seem, that this event so devoutly to be wished,

of turning the exchange in favor of this country, would be consummated.

How far these results would follow the measure recommended, appears to have been too well ascertained, and to be too obvious, to require that I should enter into any arguments to shew. The experiment of limiting the issue of Bank notes, was tried in the years 1796 and 1797, when there was a great demand for guineas, occasioned by a disposition to hoard them, from the fear of invasion; “and, (say the Directors) “the experience the Bank gained in those years “was, that if they had persisted in diminishing “the discounts to a greater degree than they did, “they would have brought on ruin to the mercantile part of the community;” and they add, that “much of the public and commercial “distress which arose at that period, was attributable to the considerable diminution of “Bank of England notes which then took place.”

It appears to have been very much the object of the Committee to ascertain the effect of an increase (or as they deem it in the existing case an excess,) of local currency; their opinion on this subject will be found in the Report, (page 7,) as follows:

“If the gold coin of this country were at any time to become very much worn out, and lessened in weight, or if it should suffer a debasement of its standard, it is evident that

"there would be a proportionable rise of the
 "market price of gold bullion above its Mint
 "price; for the Mint price is the sum in coin,
 "which is equivalent in intrinsic value to a
 "given quantity,—an ounce, for example, of the
 "metal in bullion; and if the intrinsic value of
 "that sum of coin be lessened, it is equivalent
 "to a less quantity of bullion than before. The
 "same rise of the market price of gold above its
 "Mint price will take place, if the local cur-
 "rency of this particular country being no
 "longer convertible into gold, should at any
 "time be issued to excess: That excess cannot
 "be imported to other countries, and not being
 "convertible into specie, it is not necessarily re-
 "turned upon those who issued it; it remains
 "in the channel of circulation, and is gradually
 "absorbed by raising the price of all com-
 "modities."

"An increase in the quantity of the local
 "currency of a particular country, will raise
 "prices in that country, exactly in the same
 "manner, as an increase in the general supply of
 "precious metals, raises prices all over the
 "world."

The positions thus laid down by the Com-
 mittee, are such as it appears to me cannot be
 established.

In the first place, the inability to convert
 Bank notes into specie, does not prevent their
 being returned upon those who issued them; but

on the contrary, the notes would speedily re-
 vert to those by whom they were issued, if there *How?*
was an excess of them.

That a sensible increase of the general sup-
 ply of precious metals will raise the price of
 commodities all over the world, is certain; be-
 cause, being compared with other goods, the
 metals from having become plenty, are become
 cheap; coin made of these metals must of course
 be affected in like manner*. But the case is
 different with Bank notes, issued by way of
 loan, as a substitute for coin, to serve a local
 purpose; for which notes, those who receive
 them must pay interest, at the farthest every
 three months, at the rate of five *per cent. per*

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 71.*—"Sur-
 plus of currency would, in my opinion, certainly tend to en-
 hance the price of all commodities, and to depreciate the ex-
 change, but I do not conceive this to be applicable to the Bank
 paper currency of this kingdom, which, from its nature, and
 from the manner in which it ought to be, and I believe *is* issued,
 can scarcely, in my opinion, be carried to excess."

Page 102.—"I conceive an increase or abundance of
 silver or gold would have the same effect upon those precious
 metals, as a glut of any other commodity upon the market."

Question. "And in the same manner may not that paper
 currency, which continues to preserve its credit unimpeached,
 and which commercial people are perfectly willing to receive, be
 so augmented in quantity as to raise the price of commodities?"

Answer. "I do not conceive that that piece of paper for
 which I am obliged to give a valuable article of merchandize, can
 be increased beyond the want of it. Nobody will give a valuable
 article for a piece of paper, that does not want it."

annum. The moment the merchant, who now solicits a supply of notes from the Bank, finds them become a burthen as not being worth their full nominal value, he will solicit for no more, but will as soon as possible get rid of those he possesses, which will quickly find their way back to the Bank, from which time they will cease to exist*. Not so with the gold or silver; whatever may be the increase in the quantity of them, they remain in existence; but on account of such increase, they become diminished in value, as compared with other commodities that have not become proportionably abundant.

As long as paper currency will circulate along with coin, it cannot be excessive, since whenever a surplus of currency arose that could not be profitably employed in this country, it would begin to be exported to foreign places where it might be so employed: now, as *paper* cannot be sent abroad, that part of the currency which would be exported, would be the coin. But as coin cannot be transmitted without a considerable expense, those who possessed a sum for which they wanted employment, would prefer to discount bills, at even less than the interest of

EVIDENCE.

* JOHN PEARSE, Esq. *page 127.*—"I do not think, so long as the Bank paper passes only as a circulating medium, that a diminution of it would tend in any degree to lower the price of commodities."

five per cent. (as charged by the Bank) rather than send it abroad.

This then would operate as a check upon an over issue of Bank paper; to whatever amount this species of currency had become excessive, that excess would be applied by the holders in the discounting of bills for merchants and others, who would consequently require so much less discount of the Bank. Merchants having bills for which they wanted Bank notes, instead of sending the bills into the Bank to be exchanged for new notes, would prefer to get them discounted by persons, who, having more notes than they had use for, would be glad to employ them in discounting the others' bills; and thus (as the Bank never issue their notes but on solicitation) a diminution of the issue of Bank notes would take place, until the possessors of bills could only get Bank notes, by soliciting a farther supply from the Bank of England.

In this manner an excess of Bank notes is rendered impossible**.

EVIDENCE.

** JOHN WHITMORE, Esq. *Appendix, page 79.*—"The Bank always act upon that prudent caution that their advances to the Public can be called in at two months; or at farthest in 90 days."

Page 97.—"The Bank notes would revert to us if there was a redundancy in circulation, as no one would pay interest for a Bank note he did not want to make use of."

Note.—An issue of Bank notes in discount of bills, does not increase the quantity of the circulating medium. It is

But though I hold it to be indisputable that Bank paper cannot be excessive, while it will circulate in common with the coin of the realm, I do not conceive that its ceasing so to circulate, is of itself, evidence of an excess of paper; because, if bullion be required to make payments abroad; and especially, if the amount wanted be large, and the demand sudden, and requiring to be immediately satisfied, the price will be raised, and the value of coin, on account of the gold or silver contained in it, will be raised in proportion, and will consequently get to exceed the value of paper; 100 guineas will get to be worth more than £105 in Bank notes. From this time the coin ceases to be a standard by which to try the value of the Bank notes*, the amount of which, not only may not be excessive in quantity, but (with reference to the public wants of a circulating medium) may even be scarce: It is in fact a common case for Bank notes to bear a high premium, especially at periods just

merely the Directors issuing a certain amount of paper which the public know to be good, for the like amount of paper which the Directors believe to be good.

EVIDENCE.

** JOHN PEARSE, Esq. *page 97*—"If there was with the public an excess of Bank notes, those bills would be sought for by the public at a reduced rate, and would not make their appearance at the Bank."

* J. L. GREFFULHE, Esq. *Appendix, page 102*—"I do not conceive gold to be a fairer standard for Bank of England notes, than indigo, or broad cloth."

before the issue of the dividends on the interest of the public stocks, when the notes are wanted by Receivers General, and others, to make those payments which can no otherwise be made; and yet, as compared with coin, Bank notes will wear the characteristic of excess in quantity, by appearing to be depreciated in value.

At such a time, to judge whether Bank notes are depreciated in value, they should be tendered in payment, in company with notes on demand, of Sir Francis Baring, Messrs. Harman and Co., Firmin de Tastet, or other merchants of known riches and character—when, if the payee should decide on receiving Bank notes in preference to the notes of such persons as above-mentioned, it seems to me impossible to establish the fact that the Bank notes are at a discount, or (in other words) are depreciated in value.

That such a preference would be universally given at this time, is unquestionable.

Having thus, as I trust, shewn that the high price of gold bullion has been occasioned by the state of the foreign exchanges, and in no degree by an over issue of Bank notes, I now proceed to explain the grounds upon which my opinion is formed, that the balance of trade, or rather, the balance of payments, has been so greatly against this country,

as to have given rise to the demand for bullion which has taken place*.

The witnesses in general attribute the fall of the exchange "to the commercial situation of this country with the Continent—to the circumstance of the imports, and payments, &c. having very much exceeded the exports."

The Committee on the contrary, coupling the fall in the exchange, with the rise in the market price of gold in this country, "very early discovered something in the state of our domestic currency as the cause of both appearances, assuming it as indisputable, that the real difference of exchange resulting from the state of trade and payments, never can fall lower than the expense of conveying and insuring the precious metals from one country to the other; at least, that it cannot for any considerable length of time exceed that limit." "They, however, are disposed to think, from the result of the whole evidence, contradictory as it is, that the circumstances of the trade of this country in the course of the last year, were such

EVIDENCE.

* J. L. GREFFULHE Esq. *Appendix, page 66*—"The par of exchange is the equality of currencies. If 20s. which compose a pound sterling, were taken from the Mint, and carried to Amsterdam, and there reduced to the Dutch standard, and coined into guilders, the amount of these guilders would constitute the par of exchange."

"as to occasion a real fall of our exchanges with the Continent, to a certain extent, and perhaps at one period, almost as low as the limit fixed by the expense of remitting gold from hence to the respective markets; to which opinion they are inclined, both by what is stated regarding the excess of imports from the Continent, above the exports; though that is the part of the subject which is left most in doubt: and also by what is stated respecting the mode in which the payments in our own trade have been latterly effected, an advance being paid upon the imports from the Continent of Europe, and a long credit being given upon the exports to other parts of the world."

The chief circumstances which the witnesses point out as having contributed to cause the balance of payments to be against this country, and which they consider sufficient to produce the effect of lowering the exchanges in the manner we have seen; are as follow: viz.

Unusually large importations of

Hemp, tallow, and flax, from the Baltic;

Wine and brandy from France.

Sheeps' wool from Spain.

The prohibition to the export of bark, and cotton wool.

The suspension in the trade to the United States.

The great amount of remittances for subsidies, and to pay troops abroad.

The measures of the French against the trade of

this country, when they got possession of the north of Germany. The want of middle men to carry on the operations of exchange. The imperfect communication by letters. The inability to recover the amount of returned bills, issued from places which had become subject to French influence. Slow returns for exports. Freights to foreign ship owners. On the other hand, the Committee refer to official accounts of the imports and exports, by which it appears, (after deducting from the former, the produce of the fisheries, and the surplus of imports from the East and West Indies, which are of the nature of rents, profit, and capital remitted to proprietors in this country,) that the balance of trade was in favour of this country in the year 1809... £14,884,649

AS THUS:

Real value of imports from all parts of the world, as sold to the consumers (exclusive of duties)	£59,851,352
DEDUCT	
Whale Fisheries	.....
Surplus imports from the British Colonies	..... 8,718,289
Surplus imports from British India	.....
	£51,133,063

Brought forward	£51,133,063
Real value of exports, exclusive of freights outwards	66,017,712
Balance	£14,884,649

The Committee, however, acknowledge that these accounts is defective, (as Mr. Irving has himself stated,) inasmuch as it supplies no account of "The sum drawn by foreigners (which is at the present moment peculiarly large) on account of freight due to them for the employment of their shipping."

Nor on the other hand—"Of the sum receivable from them, and forming an addition to the value of our exported articles, on account of freight arising from the employment of *British shipping*."

As it leaves out of consideration—"All interest on capital in England, possessed by foreigners: and on capital abroad, belonging to inhabitants of Great Britain, as well as the pecuniary transactions between the Government of Great Britain and Ireland."

As it takes no cognizance of—"Contraband Trade, and exported and imported Bullion."

And, as it likewise omits a most important article, namely,—“The bills drawn on Government for our naval, military, and other expenses in foreign parts.”

Besides this statement of the *real value* of

imports and exports to and from Great Britain, and *the rest of the world*, the Committee quote an account of the *official value* from and to *Europe only*, which shews a balance in favour of Great Britain, in the year 1809, of.....£14,170,758

AS THUS:

Imports..... 9,551,857

Exports.....23,722,015

Balance.....£14,170,758

In proceeding to examine into the existence of those causes to which the evidence in general ascribes an unfavourable balance of payments, by which the low exchange has, as they conceive, been occasioned; I think it right to premise, that I assume, as indisputable, that the course of exchange is the criterion of the balance of trade; that the exchanges, though subject to temporary fluctuations, will inevitably be against that country, which, in its intercourse with another, (or with others, having means of commercial communication) sells goods to a less amount than it buys, whatever may be the nature or extent of its *local currency*; (and accordingly, in all times past, the exchange has been against the Continent, when our exports have exceeded our imports; and is now against this country notwithstanding there has been in France, and some other parts of the Continent,

“a material adulteration in the metallic currency, particularly in the gold coin;” and a bill on any of the branches of the French Government, is hardly to be negotiated at any rate.)

That, the exchange between two places is *at par*, when a quantity of gold or silver of the one place, is convertible at the market price, into such an amount of the currency of that place, as will purchase an order or bill of exchange on the other place, that will *there* command at the market price, the like quantity of gold or silver of the same quality*.

That, to admit of the exchange being *at par* between two such places, the trade must also be at par: that is, if one sells as much goods as will require 1000 ounces of gold or silver in payment; the other must also sell as much goods as will require 1000 ounces of gold or silver in payment; and when the trade is not at par, the one that has sold the least, must make up the difference in the precious metals, or remain in debt to the other†.

AUTHORITY.

* LOCKE.—“Foreign exchange is the paying of money in one country, to receive it in another.”

“The exchange is high, when a man pays for bills of exchange above the par. It is low when he pays less than the par.”

† “The par is a certain number of pieces of the coin of one country, containing in them an equal quantity of silver,

But if different *periods of payment* be fixed, or occasioned, for the goods which these two places take of each other; if one, for instance, from whatever cause, has to pay for the goods received within two months from the date of delivery, while, on the contrary, it gives twelve months credit; or, if the place of delivery of the goods of the latter being more distant, the delivery takes more time, the effect for a certain period will be, that the one will have *immediate* demands which (if it cannot or will not receive goods) must be satisfied, or paid with gold or silver, notwithstanding the goods supplied by the other may greatly exceed in value those received, and for which it has thus in the first instance, to pay; and accordingly, the balance of payments, and a consequent low rate of exchange, *may be, to a considerable amount, and for "a considerable length of time,"* against

AUTHORITY.

to that in another number of pieces of the coin of another country, viz. Supposing 36 skillings of Holland to have just as much silver in them as 20 English shillings, bills of exchange drawn from England to Holland, at the rate of 36 skillings Dutch for each pound sterling, is according to the par. He that pays the money here, and receives it there, neither gets nor loses by the exchange; but receives just the same quantity of silver in the one place, that he parts with in the other. But if he pays one pound sterling, to receive but 30 skillings in Holland, he pays one sixth more than the par, and so pays one sixth more silver for the exchange, let the sum be what it will."

a country, that, upon the whole, has the balance of trade in its favour.*

Having assumed these principles, it remains to be seen, whether in fact, during the period that the exchanges with the Continent have turned so greatly against Great Britain, the balance of payments has been unfavourable, (as asserted by the witnesses) or greatly favourable, as inferred from the balance of trade exhibited in the official accounts; and if favourable, whether peculiar circumstances have existed sufficient to counteract for a time, the natural effects of a favourable state of our commerce, to such a degree, as to produce the fall which has been felt in the exchanges; or whether (no such peculiar circumstances ap-

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 71*—"The balance of payments for the year may be against us, while the general exports exceed the imports. Returns are now, even from neighbouring quarters and from distant parts of the world, may be, delayed, not only for months, but for years."

Appendix, page 66.—"Goods imported by the British merchant are paid for immediately, while the returns for exports are slow, and cannot yet (for the last year,) have produced their due effect upon the exchange."

W. E. CHAMBERS, Esq. *page 103*—"The English merchant exporting on his own account, is generally obliged to wait the sale of the goods exported, before he gets his payment, and often gives long credit to foreigners, for whose account he exports."

pearing to exist) the inference of the Committee is established, that "*something in the state of our domestic currency,*" has been the cause of that fall.

In perusing the evidence annexed to the Report, it has struck me forcibly as matter for regret, that the *extent* of the particular causes which are said to have contributed to the fall in the exchanges, were not made the subject of minute enquiry. The article of *Foreign Freights*, for instance, is represented to be one that has a certain weight in the scale of imports; but it is mentioned only incidentally: and yet, if the estimate I have made, (which will be found at the close of this work,) be correct, it amounts to upwards of six millions of pounds sterling. Several other important items might also be quoted: I have therefore endeavoured to make such estimates and calculations as may in some measure supply that deficiency: and in order to shew the result, I have judged it advisable to have recourse to the plan of a *debtor and creditor account*, taking as my basis, the balance of our trade to all parts of the world, as shewn by the official documents*.

* *Note*—SIR JOHN SINCLAIR, in his observations on the Report, (page 15,) says, "it were much to be wished, that the Committee had favoured us with a distinct statement of

It must be unnecessary to say that I do not pretend to accuracy in my computations, which, from their nature, are not capable of being correctly stated. Of the amounts of some of the items, I cannot form any idea; these, therefore, I leave to be filled up by those who have means of information; and, as to those to which I have ventured to fix amounts, if any of them should be found to be materially incorrect, it still will be a point gained, to have selected them for the consideration of persons who can give them their due weight in the scale. Without further preface, I now proceed to state my account.

the various circumstances, which, in the opinion of the intelligent individuals who appeared before them, had occasioned the unfavourable rate of exchange, and not contented themselves with a few short extracts from the evidence, given by some of the witnesses."

EVIDENCE.

WM. IRVING, Esq. *Appendix, page 138.*—"I have no official means of ascertaining the real value of foreign merchandize imported, or any other means that would be satisfactory to the Committee."

BALANCE OF TRADE

IN

THE YEAR 1809.

Cr.

In favour of Great Britain, in her intercourse with all parts of the world. £14,884,649

The following are among the specific causes, which, according to the Evidence, operated to reduce or counteract the effects of this balance, and to turn the actual payments of the year against this country. The amount set against each, is the sum which I suppose to be applicable to the reduction of the above balance.

Mr. Irving states, that in calculating the real value of imports, he estimated every article according to the prices current in this country, "on an average of several years."

In order, therefore, that the account of imports may include the true value of articles, of which the prices in the year 1809, greatly exceeded the average of the preceding years, it will be necessary to notice the difference between such estimated value, and the real cost.

IMPORTS FROM THE BALTIC, &c. viz.

Dr.

Flax, Hemp, and Tallow. cwt.

The quantity of flax imported was 532,942
Average price of 3 years, per cwt. £3

£1,598,826

Being lower than the average price of the year }
1809, in the proportion of at least one third } £532,942

Hemp imported 795,963 cwt.
Average price of 3 years per cwt. £2. 10s.

£1,989,907

Being lower than the average price of the year }
1809, in the proportion of one third } £663,302

Tallow imported 349,302 cwt.
Average price of 3 years, per cwt. £2. 10s.

£873,255

Being lower than the average price of the year }
1809, one third } £291,085

IMPORTS FROM AMERICA.

Tobacco.

Imported chiefly by vessels that broke the embargo 28,858,418 lbs.
Average price, per lb. 4d.

£485,993

Being lower than the average price of 1809, in }
the proportion of one half } £242,996

Carried forward £1,730,325

	Dr.
Brought forward.....	£1,730,325
IMPORTS FROM SPAIN, &c.	
<i>Sheep's Wool.</i>	
Imported	3,046,608lbs.
Average price of 3 years, per lb.	5s.
	£761,652
Being lower than the average price of 1809, at } least one half	380,826
Of the <i>Exports</i> from this country, in the year 1809, amounting to 66 millions of pounds sterling, those to the West India Islands, and Continent of America, amounted to	
	£38,827,375
Of this portion I imagine that the exports to Spanish America *, Brazil, St. Domingo, and the	
Carried forward	£2,111,151

* It having been frequently mentioned as matter of reproach, that the trade of this country has got into a new channel; that the present merchants are young adventurers, in general with small capitals, who embark in speculations contrary to the practice of the old regular merchant, who was content to receive consignments on commission, and to ship goods by order, watching his opportunity to remit for the one, and to draw for the other, as the variations of exchanges should invite; I cannot deny myself the opportunity of observing, that those who consider this as an evil, seem to overlook, or not sufficiently to attend to the great change that has taken place in the world during the last few years. Were our merchants now to wait for orders for goods to come from abroad, would they be received to any extent; and if received, would our old merchants be inclined to execute them? What benefit would this country have derived from the opening of the trade to the Southern World, had we waited for orders from the Spanish and Portuguese settlers? To avail ourselves of the troubled, and ever varying, and hazardous state of things, it was necessary that enterprizing men should be

	Dr.
Brought forward	£2,111,151
British free ports in the West Indies, for which Returns have not yet been received, amount to at least	
	8,000,000
Carried forward	£10,111,151

found to embark in new adventures; our manufactures have thereby been introduced into the remotest ends of the earth; and though it should happen to most of the adventurers, as it has happened to many of them, that the prospects that had opened, have led them to engage too deeply, whereby the benefits of their first successes have been lost, and that by not being able to support the delays of the returns, they themselves have been involved in irretrievable embarrassment, yet the country at large has derived an important benefit from their exertions, which will be felt and appreciated, when the rage for speculation having ceased, and the extent of the demand in distant places, with the tastes, wants, and prejudices of the inhabitants having been ascertained, trade shall flow regularly through those new and boundless channels explored by those adventurers, to the great and permanent advantage of all parties concerned: benefits that not only would not have accrued, had there not existed a spirit of enterprise to discover and improve them, and at the same time confidence and credit to support and give effect to the energies of these spirited merchants; who, whatever may be their own fate, will eventually be found to have greatly conduced to the promotion of the best interests of this commercial nation.

“ Currents of trade, (says LOCKE) like those of waters, make themselves channels, out of which they are as hard to be diverted, as rivers that have worn themselves deep within their banks.”

It may be observed too, that the ready sale, and quick returns in dollars, of the adventures to Vera Cruz, Havana, and Lima, just before the general opening of the trade to South America, were temptations sufficiently strong to encourage, and for those on whom it depended, to countenance and support extensive exportations of our manufactures; shut out, as they were, from almost every other market of the universe.

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Dr.

Brought forward.....£10,111,151

Bills drawn on Government for Expenses in Foreign Parts.

For *Army Extraordinaries*, between 20th December 1808, and 25th December 1809. (See *Appendix to Report*, page 225.)..... 4,162,290

Specie and Bullion

Exported by Government in 1809. (See *Appendix to Report*, pages 231 and 232.)..... 1,540,000

Bills drawn on Government from Abroad.

On the Pay Office, Victualling Office, Transport Office, Navy Office, and Ordnance Boards, in 1809..... 4,000,000

The remaining causes of the balance of trade being against us, as assigned by the Evidence, I do not feel myself competent to bring into the account in figures; I therefore pass them over for the present, and proceed to state such *additional causes*, as, in my opinion, may be added to this account, in reduction of the balance.

Purchases of Foreign Ships.

It is impossible to form any thing more than a guess at the amount of this item, but I think it will be stated low at 500 vessels, of 200 tons each, on an average; making 100,000 tons, at £10 per ton.£1,000,000

Carried forward£19,813,441

75

Dr.

Brought forward£1,000,000£19,813,441

Deduct one year's freight } 500,000
less the outfits, &c. }

difference 500,000

The recent practice of exporting to the Continent, on British account, instead of shipping to order.

Of the EXPORTS from this country in the year 1809, to all parts of the world, amounting to 66 millions sterling, it is stated that those to Europe, alone, amounted to£27,190,337

Now supposing that for this sum, Returns were made in goods to the amount of£17,190,337

There is left a balance of£10,000,000 to be remitted. In the ordinary course of trade, none of these goods, (or only a small proportion of them) would have been sent from hence unless by orders from abroad, when remittances would have been made, or directions would have been given to draw for the cost and charges; but, in the new state of things, they have for the greatest part, been shipped by British merchants, on speculation; principally to Heligoland, Malta, Cadiz, and other *entrepots*; and as it is well known that there have been no importations of bullion from Europe, and as it seems quite out of the question to suppose that any part of the proceeds of these goods has been remitted circuitously through any country

Carried forward£20,313,441

L 2

Brought forward.....Dr. £20,313,441
 out of Europe; it may, I think, be assumed, that
 at the close of the year 1809, the balance of 10
 millions remained to be received, and consequently
 that this sum, in forming the balance of the year,
 should be placed to the debit of the account;
 since, as affecting the exchanges, the goods might
 as well have remained in the warehouses of this
 kingdom: but, in order not to overcharge this
 item, compute it only at.....5,000,000

Total Dr. £25,313,441

Deduct the favorable balance, as shewn by the
 Custom House accounts (pages 62 and 70) Cr. £14,884,649

*Leaves a difference (or balance against this
 country,) between the sums we had actually received
 for our goods exported; and the sums that we had
 paid—that were due—and that we had sent abroad
 for public purposes—in our intercourse with all
 the world, during the year 1809—ten millions
 four hundred and twenty eight thousand seven
 hundred and ninety two pounds sterling.....£10,428,792*

But, confining the question to our
 intercourse with *Europe alone*.

Mr. Irving estimates the balance in our fa-
 vor in the year 1809, to beCr. £7,368,736

Now, if against this we set
 The under estimate of the value of
 Flax imported£ 532,942
 Hemp 663,302
 Tallow 225,000
 Wool 380,826

Carried forward£ 1,802,070

Brought forward.....Dr. £1,802,070
 Cost of foreign ships 250,000
 Goods exported, for which returns were not come : 5,000,000
 Bills drawn on Government; and specie and bul-
 lion exported, suppose.....7,000,000
 £14,052,070
 Deduct the balance as shewn by the Custom
 House accounts7,368,736
 £ 6,683,334

The result will still appear to be, that the balance has been
 greatly against us. A want of bullion with which to pay it,
 was the certain consequence; and a considerable rise in the
 price no less certain.

On this view of the subject, then, it would seem that causes have existed in the year 1809, to turn the balance of payments against this country, sufficiently in themselves (admitting the very questionable fact, that even a large balance had been due from the Continent to us, which was first to be set off) to create an unfavourable rate of exchange; but when to these causes are superadded—the sequestration of British property in various parts of the Continent overrun by the French—The want of middle men to carry on the operations of exchange—The imperfect communication by letters—The inability to recover protested bills returned to places which had become subject to French influence—The suspension of trade with the United States—(which prevented those remittances from being made to the Continent of Europe, that would have been applied to the payment of debts due to this country)—The loan to Ireland—The difference between imported and exported bullion;—Contraband traffic—(which whether carried on by persons who enter out their goods for exportation, and then run them into the country to be consumed, or who import them without entry, alike contributes to swell the apparently favourable balance of trade;—The interest of capital in England, possessed by foreigners resident abroad—and merchandize exported, consumed by our armies and navies on foreign sta-

tions, (which, though included in the account of exports, has no more influence on the exchange, than if it were used at home) it seems difficult to resist the conclusion, that the exchanges have been lowered by these causes; or the admission, that they would have produced the same effect, had there not been a Bank note in the kingdom at the time of their existence*.

To such causes accordingly, have the witnesses, with the exception of one or two, uniformly and entirely ascribed the state of the exchange; and here it may be proper to observe, that the gentlemen from whom the evidence has been obtained, were not persons selected by interested individuals, to establish a particular fact,

EVIDENCE.

* J. L. GREFFULHE, Esq. *Appendix, page 71.*—

“The low exchange, in my opinion, does not arise from our receiving Bank notes in payment for bills. The specie of the country is exhausted by our foreign balance, and would not be more abundant, (at least in no degree worth mentioning,) if Bank notes were not in existence. Whatever means might in that case be devised to answer the purposes of trade and circulation, gold and silver would remain equally dear; that dearness therefore cannot be called a discount on Bank notes.”

AUTHORITY.

LOCKE.—“I suppose it is the present balance of trade, on which the exchange immediately and chiefly depends, unless some accident shall make a great deal of money be remitted at the same time from one place to another, which will for that time raise the exchange all one as an overbalance of trade; and indeed, when examined, is generally very little different from it.”

but the very best informed, and most honourable men that could be selected from that class, from which the best information was to be expected, and selected too, by the Committee themselves.

It is true that some causes existed which operated to occasion a favourable balance, as shewn by the accounts of the Inspector General, and which are noticed in the Evidence, or in the Report; in the value of imports, freights are included; but in the value of exports, freights are excluded; as far, therefore, as these outward freights were earned by British shipping, they should be added to the value of exports; but the amount of these is small, compared with the freights earned by foreign ships, inwards; and, as foreign ships were also great carriers outwards, it would perhaps add but little to the balance if an accurate statement could be made, but which is impossible—However, that I may not be thought to omit to give this point its proper weight, I will here make the statements upon which my conclusion is founded.

The total amount of the tonnage of British ships cleared outwards to foreign parts, in the year 1809, was 1,531,152 *Tons*.

Of these ships, 8,230 cleared for Ireland, Isle of Man, Guernsey, and the Whale Fisheries; of the burthen of *Tons* 708,886

And *in ballast*, for other parts, 889 ships, of the burthen of *Tons* 185,256

Which being deducted 894,142

Leaves the total burthen of }
British ships employed in carrying goods to foreign parts } 637,010 *Tons*.

As a large proportion of this remainder consisted of ships bound to the West and East Indies, and America, it may, I think, be concluded, that in general they were only half laden, so that the net tonnage outwards may be estimated at 318,505 tons; which, at £3 per ton, amounts to £955,515

The total amount of foreign ships outwards in the year 1809, was 4,530, of the burthen of 699,755 *Tons*.

Of which 1,664 cleared *in ballast*, of the burthen of 275,961

Remainder 423,794 *Tons*.

Considering that such of these ships as returned to the Continent with cargoes under licences from the French Government earned the most extravagant freights, it probably would not be found that the amount of freights of British and Foreign ships outwards would much affect the balance of payments, if an accurate statement could be made.

The Rents or Interest receivable by persons in this Country on Capital abroad, is also another item; but of the importance of which, I have no further idea, than that it cannot be considerable; and nothing equal to what was drawn from this country by foreigners, on a similar account.

Premiums of Insurance also, as far as the underwriting risks on foreign account, has been profitable, (but of which I entertain great doubts) form a fund that might be added to the list of exports, the greatest part of the insurances on the trade of Europe being now effected in this country.

Prize ships and cargoes are also included as imports, but as these are not *paid for*, except in the outfit of vessels making the captures, they should not form part of the account.

Goods sent to this country for sale on foreign account, upon which only partial advances have been made by the consignees, should also be taken into the scale; and though no

estimate can be formed as to the extent to which these operate in diminution of the unfavourable balance of payments, the amount must be considerable; this being the only place of safe deposit for goods. Since the Warehousing-Act, England has been made the store-house for the whole world.

On the other hand, it would be right to take into consideration the effect of the *conquest of the foreign West India islands*. I am not acquainted how far property in Guadaloupe, St. Croix, St. Thomas, &c. &c. which belonged to persons resident in the enemies countries in Europe, may have been made the *subject of prize* on the capture of those colonies; or whether it is practicable to distinguish such property;—but if such persons are left to derive the rents and profits of their estates, which they cannot receive in the produce of them, or in other goods, the consignees of the produce in this country, will have had to remit the amount in bullion; or in bills, which bullion must be sent to pay: Mr. Irving, I observe, notices the surplus imports from the *British colonies* as favourable balance, but whether in his estimate he has made the allowances I have suggested, the evidence does not point out.

Having thus explained the grounds I have for concluding that the truth, as to the balance of trade in the year 1809, is widely at variance

with the result, as exhibited by the accounts of the *real value* of the imports and exports, it may perhaps be deemed incumbent on me to shew that the accounts of *official values* are not more to be depended upon, especially as the Report observes; that the balances with Europe, "in favour of Great Britain, as exhibited in this imperfect statement, (the account of *official values*) are not far from corresponding with the general, and more accurate balances before given; the favourable balance of 1809, with Europe alone (say the Committee), if computed according to the actual value, would be much more considerable than the value of the same year, in the former general statement" (of the trade with all the world).

It appears by the evidence, that the official values of goods imported and exported was fixed in the year 1696, since which time there has been no alteration. "These accounts," adds Mr. Irving (p. 137), "better serve the purpose of a comparison of the trade of one year with another, than as shewing the true balance as affecting the course of exchange with foreign countries."

Since, however, these accounts have been referred to, let us see how far they serve the purpose of elucidation, upon the principle of exhibiting a "comparison of one year with another."

The imports of goods estimated at the official value in 1808, was £ 4,210,671
In 1809..... 9,551,887

Excess in the year 1809..... 5,341,216
Being an increase of imports upon the year 1808, of about 56 per cent.

The exports of goods estimated at the official value in 1808, was.... 11,280,490
In 1809..... 19,821,601

Excess in the year 1809..... £8,541,111
Being an increase of exports upon the year 1808, of only about 44 per cent.

I however, am inclined to think, that these accounts by no means exhibit a just comparison between the trade of even two years, so fluctuating as it was in the years 1808 and 1809, though they may answer the purpose of such comparison for a series of years. Since the year 1696, our list of articles allowed to be imported, has, as compared with those exported, been but little increased; it being the principle of our laws, to confine imports as much as possible to the staple commodities of foreign countries; such as wine, spirits, corn, wool, hemp, timber, iron, flax, tobacco, sugar, coffee, drugs, &c. while, on the contrary, our list of goods exported, must have increased beyond all calculation, and

have become so various in name and value, as to make it impossible to assign to each article, a value corresponding with what it might be supposed to have been worth a century ago; hence (as I apprehend) it must happen, that the official values of these new articles of export, are given in the account at higher rates than they should be, when the object is to fix a value that shall serve as a measure of the quantity of each sort of goods exported.

From what has been said, I trust it will appear, that the balance of payments during the period the exchanges have been so depressed, has been against this country (taken into consideration with other circumstances) in a degree to cause such depression. In other words, that the remittances we have had occasion to make to the Continent, have been infinitely greater in amount than it has been possible to make with goods. That the sudden, great, and continued demand for gold in the first place, and in the next for silver, has been the natural consequence. That the restriction on the issue of coin by the Bank of England, has in no degree contributed to produce that effect, but on the contrary, by enabling the Directors to continue to assist, and even to extend their assistance to the

merchants, has been the means of promoting the exportation of produce and manufactures, and thus conducing to the remedy of the evil: that the issue of Bank notes, governed as it has been by the demand for them, and restricted as it has been by the judicious rules adopted by the Governors and Directors, neither has been, nor can be excessive; and consequently, that the interests of the nation will be best consulted *by continuing the restriction, until the powerful inducements to export gold, which at present exist, shall have ceased**. That this period would be rendered more distant; that the arrival at it would be hopeless; nay, even, that the most fatal consequences might be expected to arise, if from apprehension of being compelled prematurely to remove the restriction, the Directors were reduced to the necessity of resorting, for self-

EVIDENCE.

* JOHN PEARCE, Esq. *Appendix, page 126.*—"It would not be possible for the Bank to continue to supply the public wants with a circulating medium, if the Restriction Bill were removed, whilst the foreign exchanges remain so unfavourable as at present; a profit of 10 to 15 or 20 *per cent.* upon converting guineas into bullion, would be too great a temptation to allow any to remain in the Bank, as long as a Bank note remained in circulation. The Bank would therefore inevitably be driven to the necessity of calling in its notes, or in other words, of reducing its advances on bills; which would produce that distress which the Restriction Bill was passed to prevent."

preservation, to the expedient of calling in their notes, until the amount should be so reduced as to make the sum of coin in their hands sufficient to answer those demands for it, which would inevitably be made upon them, as long as the claims of the Continent for a balance of debt, and the difficulties of discharging it by other means than with bullion, shall continue to operate as sufficiently powerful motives to encourage interested persons to violate the laws, for the sake of the benefit to be derived by them, from converting the coin of the realm into an article of export trade. And though (denying as I do, the possibility of an *excess* of Bank notes,) I dissent from the opinion of Sir Francis Baring, that "a case may arise when *excess* will be proper, and it would be culpable "to withhold it," I yet entirely agree with him, that "it may prove dangerous to impose any positive restraint on the Bank, by law or otherwise."

I cannot, however, close, without acknowledging, that the general principles, or rather the abstract reasonings of the Committee, are clear and indisputable: they have led to an investigation, a consideration, and I trust will, in the end, lead to a right understanding of subjects, than which there can be none more important to this great, and still flourishing nation.

But, while the Committee have treated these subjects on which their labours have been bestowed, in a manner to prove themselves philosophers and men of science, well qualified for the task; they will, I trust, be found, and as men of honor and candor, having no other desire than to support the cause of truth, and the interests of their country, will be willing eventually to acknowledge themselves not to have been sufficiently aware of those new and peculiar circumstances which have tended to produce that disordered state of things, which they have concluded to be owing to our local currency having been depreciated; and which is only to be explained and accounted for, by ascertaining the *nature and extent of those circumstances*. And should the Committee be satisfied, that an unfavourable balance of payments has been the real cause of the drain of gold that has taken place, they will doubtless think with me, that the mischief may be best counteracted by wholesome restraints upon our importations from those countries from which the British flag is excluded, of every article not of the first necessity, or for which substitutes can be found at home, or in those climes still accessible to our merchants; such as brandy, geneva, linens, &c. That considering the immense sums we are paying for corn, and the distress of our West India

planters, arising from the want of a market for their produce, the prohibition to the use of grain in the distilleries should be continued; and that while means are thus resorted to for the purpose of diminishing our imports, every measure should be used to promote the export of our produce and manufactures of every description, to those countries (except arms, naval stores, and provisions to enemies' ports,) that will admit of their introduction. It is in vain to withhold the articles of cotton, bark, &c. while our merchants, who, in the expectation of finding a sale for them on the Continent have made large importations, are ruined by their superabundance. "The restoration of peace," observe the Committee, "by opening new fields of commercial enterprise, would multiply instead of abridging the demands upon the Bank for discount, and would render it peculiarly distressing to the commercial world, if the Bank were suddenly and materially to restrict their issues." Distant as is the prospect of peace, and especially such a peace as shall open these new fields to our merchants, and ensure to us the advantages of the superiority in the skill and courage of our seamen, and the ingenuity of our manufacturers, is it not obviously the policy of this kingdom, by a liberal assistance to her merchants in the mean time, to encourage and protect their commerce, and thus extend our exports to every corner of

the globe into which they can be safely introduced?

In proportion as we succeed in these objects, will be our success in restoring an abundance of gold: until that end be accomplished, whether the period be "two years," or twenty years hence, it will not only be unadvisable, but impossible for the Bank of England to resume its payments in cash; and the holders of Bank notes must be content (as no doubt they are) that though not issued for gold and silver, and (for reasons before mentioned) not at the present moment exchangeable for coin, they are the just representatives of other property; and that every legal purpose of purchase and sale (which are the only lawful uses of coin,) may be, with more convenience, and as much security, performed by Bank notes, as by guineas, crowns, or shillings*.

However the Bank Directors may differ in opinion with the Committee in sentiment, "That it ought to be their general policy to diminish their paper in the event of the long continuance of a high price of bullion, and a very unfavourable exchange," all are agreed, that the Directors may err by a too scanty supply, in a period of

EVIDENCE.

* SIR FRANCIS BARING, *Appendix, page 132.*—"The paper of the Bank of England has stood firm for above a century, and flourishes at this moment with unabated confidence."

stagnant credit; and that "it is essential to the
 " commercial interests of this country, and to
 " the general fulfilment of those mercantile en-
 " gagements which a free issue of paper may
 " have occasioned, that the accustomed degree
 " of accommodation to the merchants should
 " not be suddenly and materially reduced; and
 " that if any general and serious difficulty or
 " apprehension on this subject should arise,
 " it may be counteracted without danger, and
 " with advantage to the Public, by a liberality in
 " the issue of Bank of England paper propor-
 " tioned to the urgency of the particular occasion.
 " Under such circumstances," add the Com-
 " mittee, "it belongs to the Bank to take likewise
 " into their own consideration, how far it may be
 " practicable, consistently with a due regard to
 " the immediate interests of the public service,
 " rather to reduce their paper by a gradual re-
 " duction of their advances to Government, than
 " by too suddenly abridging the discount to the
 " merchants."

As it may appear that in considering the
 subjects of which I have been treating, I have
 dwelt too exclusively on the advantages de-
 rivable by the *mercantile and manufacturing in-
 terests*, from the use of paper currency, I would
 remind my readers, that "the decays that come

" upon and bring any country to ruin, do *first*
 " *fall upon the land holder*," who, therefore, is
 quite as much, if not more concerned in the
 success of our trade than the merchant himself;
 it being most certain, that a decline in the value
 of land will at least keep pace with the decay of
 our commerce; that rents will fall, and the in-
 come of the landholder be diminished, until by
 the revival of trade, the nation shall be restored
 to its wonted prosperity.

FINIS.

TABLE OF FREIGHTS PAID TO FOREIGN VESSELS
WHICH ARRIVED IN GREAT BRITAIN FROM ALL
PARTS OF THE WORLD, IN THE YEAR 1809.

From whence.	Tons of Shipping.	Rates of Freight, Primage, &c.	Totals.
Dantzic	13,000	£10 p. ton	£ 130,000
Denmark	249,000	£ 7	1,743,000
Norway			
Sweden			
France			
Flanders			
Germany	4,500	£ 4	18,000
Hamburg			
Heligoland			
Holland	67,500	£ 5	337,500
Prussia	63,500	£10	635,000
Russia	126,500	£12	1,518,000
South America	13,500	£14	189,000
United States	154,000	£10	1,540,000
Portugal	30,000	£ 6	180,000
Madeira			
Spain			
Canaries			
Malta	16,000	£12	192,000
Africa			
Florida			
Gibraltar and Streights			
Italy			
Turkey	16,000	£12	192,000
West Indies			
Total	737,500*		£ 6,482,500

The average rate of freight is about eight guineas per ton. As the amount of tonnage is taken from the ships' reports, and as ships in general carry considerably more than the register measurement; and as vessels that come in ballast are not included, I conceive that this account is by no means exaggerated.

* In the year 1808, the foreign tonnage amounted only to 283,657 tons.

Year	Month	Day	Time	Location	Remarks
1900	1	1	10:00	...	...
1900	1	2	10:00	...	...
1900	1	3	10:00	...	...
1900	1	4	10:00	...	...
1900	1	5	10:00	...	...
1900	1	6	10:00	...	...
1900	1	7	10:00	...	...
1900	1	8	10:00	...	...
1900	1	9	10:00	...	...
1900	1	10	10:00	...	...
1900	1	11	10:00	...	...
1900	1	12	10:00	...	...
1900	1	13	10:00	...	...
1900	1	14	10:00	...	...
1900	1	15	10:00	...	...
1900	1	16	10:00	...	...
1900	1	17	10:00	...	...
1900	1	18	10:00	...	...
1900	1	19	10:00	...	...
1900	1	20	10:00	...	...
1900	1	21	10:00	...	...
1900	1	22	10:00	...	...
1900	1	23	10:00	...	...
1900	1	24	10:00	...	...
1900	1	25	10:00	...	...
1900	1	26	10:00	...	...
1900	1	27	10:00	...	...
1900	1	28	10:00	...	...
1900	1	29	10:00	...	...
1900	1	30	10:00	...	...
1900	1	31	10:00	...	...