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# OBSERVATIONS

UPON

THE PAST AND PRESENT

STATE OF OUR CURRENCY.

BY A CITIZEN OF DUBLIN.

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“The substitution of paper in the room of gold and silver money replaces a very expensive instrument of commerce with one much less costly, and sometimes equally convenient.” SMITH.

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## INTRODUCTION.

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ALTHOUGH the subject to which I propose directing the following observations has already undergone a more extensive discussion than any which ever before occupied public attention, yet the materials of which it is composed, and the principles upon which the structure of public credit has been reared, are in their nature so complicated, and indeed so variously understood, that much may still be advanced without incurring the danger of exhausting the question, and still less, probably, of bringing the public mind to a positive conclusion upon its merits.

Some circumstances also of a national feeling, excited by an apparent indifference to, or an ignorance of, the real state of the question as it affected Ireland, have influenced the writer in offering these observations to the public; for instance, the

passing of lord Stanhope's bill without extending its operation to that country, where, in fact, the discount upon paper in exchange for gold may be said to have originated; along with this, the conduct of the Bullion Committee in preferring the information of an English tourist to the practical knowledge of the resident mercantile body in the same country, were in themselves circumstances strongly calculated to fix these impressions: when to these facts are superadded the late excessive advance upon the price of gold, and the continuance of the practice in Ireland, notwithstanding this advance, of exacting an enormous rate of discount upon paper in the receipt of rents, so high in some instances as six and seven shillings per guinea, it will be admitted, that every individual alive to the interests of his country was imperatively called upon to contribute his assistance in procuring the extension to every class and to every corner of the empire of an equal measure of protection and justice in the great struggle we are engaged in.

## OBSERVATIONS.

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THE acknowledged importance of a subject so intimately connected with the internal prosperity and political safety of these countries as that of its currency, was well calculated to excite that universal degree of anxiety which prevailed during the continuance of the last session of parliament, as to the probable decision of the legislature on the report of the Bullion Committee, and the literary warfare which followed on the merits of that report, and upon the question which it involved, may well be supposed to have exhausted much of the reasoning which the subject was capable of supplying.

Yet as there can be no difficulty in assuming that none of the opinions advanced upon that occasion, however able in theory, or sound in practical illustration, have been sufficient to satisfy the public mind as to the real cause of the evils

which they were investigating, or the effects likely to result from the remedies which they proposed; it will hardly be considered useless to reconsider the bearings of this important case, taking advantage of such circumstances as have since occurred, to render its nature less complicated, or its future consequences better understood.

The discussions upon this vital subject have been hitherto confined to the nature of a paper currency, its depreciation, and relative value contrasted with specie, and the nature and cause of the fluctuations in exchange; to all of which points I would mean to recall the attention of the public, adding some considerations upon the policy of constituting paper a legal tender under existing circumstances.

In proceeding to investigate this subject, and the causes which have produced so many commercial restraints and difficulties as have lately been visited upon these countries, our reflections imperatively point to the French revolution; an event which in the history of our times is likely to furnish a new era in the commercial, as well as the political, relations of Europe.

In reference, however, to our commercial relations, particularly as they respect our inter-

course with the continent, it has been too much the practice to consider this event as furnishing nothing new in the ancient theory of that intercourse; nothing in the variety or nature of the existing relations, whether constrained by the will of Bonaparte, or by the policy of our own government, that furnished proofs of a state of things in anywise different from any which ever preceded them; and consequently, that it was unnecessary and useless to resort to other remedies or expedients for alleviating the burthen of our sufferings, than those which it was usual for our government to adopt.

But nothing can be more fallacious than this, nothing likely to prove so fatal to that system of undaunted vigour and fortitude, which the unexampled state of our situation, and particularly as it respects our opposition to the power of France, demands from us. We see our inveterate enemy, whose ambition would leave no rival to his power, nor limits to his dominions, in the spirit of his vengeance, projecting a code of commercial restraint unexampled in the history of the civilized world. We see this sanguinary code, whose principal object is to exclude us from all intercourse with the continent of Europe, except such as shall be pre-

judicial to us, and beneficial to him, forced at the point of the bayonet on every state in Europe, whether under his influence or dominion: and shall we, under such circumstances, be governed by the ancient theory of political law? Shall we tamely submit to this monstrous and unnatural revolution in the order of our commercial relations? Or shall we not, by a system of commercial encouragement, calculated to inspire that confidence in our own resources which the state of things so particularly demands from us, endeavour to meet this great emergency, and prove ourselves worthy of that commanding situation in the rank of nations, which we so eminently enjoy?

Of this invincible hatred to the commercial prosperities of England, we have a thousand demonstrative proofs; and if we had no other testimony of the value and political importance of that great appendage to our glory, we ought to consider this sufficient to make us resort to every expedient which human wisdom could devise for its support, or human enterprize, spirit and perseverance, effect for its protection.

The stake, in truth, is no less than for our existence as a nation; for having in vain exhausted all the warlike projects which the fertility

of his genius was capable of inventing, he has now adopted, as a last resource, a war against our finances through our trade; which, with the auxiliary of the war in Spain, directed also to both objects, he hopes may be able to effect the decay of our commercial revenue, and by that means progressively to sap the foundation of our funded system, with which the credit and the stability of our government are so intimately connected.

Viewing the vastness and the importance then of these projects, the certainty of which as vital objects to the ambition, if not to the stability of Bonaparte's dynasty, no impartial man will doubt; can there be a question upon the policy of building a system of measures both for external intercourse and internal security, that shall be calculated to meet all the dangers with which we are threatened?

The circumstances which preceded the restrictions upon the bank are still sufficiently recent in the recollection of almost every individual to render any minute recurrence to them unnecessary. It is however proper to remark, that the French revolution had presented to the different governments of Europe, the most awful example of political instability that had ever before been witnessed in the modern history of

the world, and as in proportion to the magnitude of the work which had been effected, was the ruin which it produced, so in the same proportion, were the causes which led to this extraordinary revolution calculated to excite the notice of mankind, and to diffuse principles of a political tendency, dangerous to the peace and happiness of other governments.

To such impressions we may fairly attribute, that popular ardour with which this great but dangerous example of human exertion was generally received; and we may as confidently attribute to this cause that political contagion, which either openly or secretly so generally infected every state in Europe, as we may now attribute to the same source, those commercial difficulties which, within the last few years, have so greatly interrupted our trade and embarrassed our government, by raising questions of doubt as to the value and stability of our currency.

The fall of the most ancient government in Europe, of a government too which had practised the most refined systems of political finance, and had by various means accumulated upon the credit of its revenue an immense debt to its people, was an event well calculated to impress an alarming example of the instability of all human institutions.

Had this awful event happened without producing that infatuating sympathy, which in these countries had almost endangered the safety of the state, we may naturally conclude, that like any other great event viewed at a distance, we should have beheld it with perfect indifference and composure; but the diffusion of principles hostile to the spirit of our constitution, the practice of arts in direct furtherance of these principles, and the organization of a system absolutely directed against the safety of the state, placed the entire scene which had been acted in France so fairly before our eyes, that reflecting men began seriously to consider, confidence began to stagger, and although the danger was not admitted to be imminent, yet few could bring themselves to think it was remote.

At such a crisis there is nothing dubious in the character of man; he begins to think for himself, and is led by a kind of instinct to secure something for his individual safety, if that great emergency to which his reflections imperatively lead him should arise.

That such were the impressions, with which a great portion of the people of these countries viewed the political aspect of things at the period, which immediately preceded the restrictions upon the bank, there can be little doubt, and

we may as naturally conclude, that the population at large partaking of these impressions were led to anticipate the evil, and provide for its approach, by hoarding very considerable quantities of gold, much of which is still probably concealed.

To the influence of such feelings alone are we to attribute the extraordinary demands for gold at this period upon the bank, when at length the minister resolved to adopt that bold but providential expedient of restricting its issue.

This circumstance furnished a new era in the history of commercial credit; for it never was anticipated, or even conjectured, that this great institution, established for somewhat more than a century, and which had gradually grown into a state of unexampled confidence and security in the public mind, could be placed in so awful a predicament, or if it were, that its credit could for a moment survive the shock which such a measure would inflict.

But the comprehensive and enlightened mind of the minister of that day, fortunately for the welfare of his country, viewed the danger of the crisis without being appalled; and after a profound estimate of the nature of the difficulties which surrounded him, had the wisdom and for-

titude to apply that remedy which was alone calculated to meet the singular exigency of the time.

From this period we may fairly allow the legal circulation of the country to have been virtually changed; for although paper was not absolutely forced upon the public as a legal tender, yet in all the relations between debtor and creditor, except that of landlord and tenant, it was so protected as to be equally valid, and therefore became, as it naturally should under such circumstances, the universal medium of transfer. In all commercial transactions it was freely received, and in all others, except where the influence of private interest or some partial prejudice interfered, it was equally respected.

Although it is impossible to appreciate too highly, the advantages which the government and the country derived from this important change in the most vital branch of its political economy; yet (as might probably have been expected from a measure unsanctioned by experience, and unknown to these realms as one of political finance), it has been found in practice to be deficient in many of the requisites which were necessary, as well to recommend its expediency as to justify its adoption.

It was surely natural to expect, that where the

sanction of the civilized world had from time immemorial stamped the character of gold and silver as universal mediums of transfer in exchange for property, and where Providence had almost confirmed this privilege by their imperishable nature, and their scarcity as metals, that in effecting so great a change as that of conferring their value on a thing having comparatively no intrinsic or tangible property, the utmost care would be taken to recommend it to the people by such salutary provisions as would remedy the evils which in other countries had invariably attended the substitution of a paper currency; yet much of this cautious anticipation was omitted. It seemed altogether to have escaped the sagacity and foresight of the great author of this measure, that although political apprehension and suspended confidence had produced the necessity of closing the coffers of the bank, to prevent the continuance of the drain upon its funds from proclaiming its insolvency, yet that any further measures of precaution were necessary for securing the public from future danger, or the commercial interests of the country from future embarrassment and difficulty.

We justly boast of the constitution under which we live, yet we see the private creditor's

claims upon his debtor protected and enforced by penal restrictions of the severest kind, we see the claims of the crown in the collection of its revenue protected and enforced by restrictive measures still more severe, while the smuggler incurs the risk of equal penalties with the traitor or the rebel; yet from this case much more directly affecting the prosperity of the public creditor, the spirit of these cautionary and restrictive laws was altogether suspended.

The inquisitive and liberal mind in appreciating by contrast the respective value of paper and specie as common mediums of circulation, will rapidly trace the former to its source, and being satisfied that in representative worth it offers that which the latter may be admitted to have intrinsically, will not hesitate further, but accept it freely as satisfactory value for his property of whatever description it may be; but divested of this character in the slightest degree, if sullied by a single doubt of its representative value, he naturally takes it with distrust, and justly exclaims against the policy which gives sanction to its circulation.

When the government then of these countries was forced by a great political emergency to resort to the bold expedient of substituting paper for specie, they were bound by the most



solemn duty, which a government ever owed to its people, to enact such legislative restrictions respecting the security and worth of this medium, as would guard the people against those numerous evils which are the natural attendants of an unlimited power to create money, having within itself no intrinsic value.

But instead of this most necessary caution, as if the civil rights of the constitution could be unjustly invaded, by increasing the strength of the foundation on which it so greatly depended, no attention whatever was paid to the restrictions under which private bank paper which in future was to constitute so considerable a portion of the circulating medium of the empire, was to be issued.

With such powerful incitements to speculation and enterprize, it was to be expected, as the event proved, that like any other trade in which a man might embark without restraint and without capital, the rage for private banking would become general, and that in every town throughout the united kingdom in proportion to its trade and magnitude, establishments of this kind would rapidly be formed.

It was easy, however, to foresee, that establishments thus created without regard to the indispensable requisites of either capital, judgment,

or experience, as in many instances was the case, would contain within themselves the most dangerous materials for the manufacture of circulating property, and the most deadly engines for self-destruction.

The event has fully justified this construction of what was likely to follow, for both in England and Ireland private bank failures have been so frequent and so general, as justly to be considered among the national calamities which the war had inflicted; and the pressure of such a calamity, at such a crisis, is considerably embittered by the reflection that it has fallen upon the two countries in the inverse ratio of their power to sustain it.

An estimate of the extent of those failures in Ireland would exceed a million sterling since the period of the restriction; an immense sum sunk out of the productive industry and labour of a country but lately emerged from a state of commercial obscurity.

In observing the local points of the kingdom on which this pressure bore most severely, it was singular to find it chiefly confined to the southern and western districts, in consequence of the determined hostility with which, for a considerable period of time, the northern district, the most populous and wealthy of the entire kingdom,

refused to permit the introduction of paper money as a medium of circulation.

As this circumstance is supposed to have had a considerable influence on the general merits of this subject, it will become matter of future investigation.

Had the losses sustained upon this occasion been confined to those with whom they originated, the punishment would have operated as a just infliction upon their temerity and inexperience; but in most cases they had, unfortunately for their creditors, little to lose; the eventual loss therefore to the public was generally in proportion to the extent of their engagements, and was in a few cases only assisted by the capital or property of the parties.

This was the great evil to which the attention of the government should have been directed: while the pressure of war and consequent taxation was daily accumulating new burthens upon the people, it became especially necessary that every endeavour should be used to protect their property from legalized pillage, and save themselves from that partial ruin which the credulity and ignorance of the lower classes so particularly exposed them to.

This, I conceive, could have been accomplished, as far at least as human wisdom can be

supposed to anticipate and avert the evils which an unexampled state of national difficulty had interposed, by enacting as a portion of the law under which the bank was protected from payments in specie, and under which, as I conceive, the legalized medium of the country was virtually changed, That no person or number of persons should henceforth be permitted to establish banking-houses, and issue paper, without first shewing to the perfect satisfaction of a tribunal or board, especially appointed for that purpose by government, an actual capital free of all debts, incumbrances, or other legal demands, in the national bank money of the country, amounting to at least 50,000*l.* (the maximum to be limited at the discretion of government): that they should be specially restricted from lending money on mortgage, or vesting it in landed or ineffective securities of any kind, as invariably fatal to the interest and prosperity of such undertakings: that, as in the law applicable to other public institutions, in which the prosperity of the country is deeply involved, this board should have power to call annually for certain documents explanatory of the nature and extent of their dealings, and to shew that they had carefully observed the restrictions of the above-stated provisions of the act, under which

they were suffered to carry on the trade and dealing of bankers.

Under other circumstances than those in which the country was placed, such penal restrictions might be considered an innovation upon the freedom of trade, and the fixed maxims of that well established policy, by which the spirit of commercial enterprize was suffered, if not encouraged, to expand itself: but exclusive of the dangers to which, on the present question, this policy has actually exposed Ireland, it may fairly be doubted whether under any circumstances, a country so young in the practice of foreign commerce, so weak in capital, and above all so little acquainted with the nature and trade of banking, should be exposed to the unlimited pillage which it has actually suffered from the unrestrained liberty of imposing upon its people a factitious currency, having in so many instances no representative worth.

To almost any body acquainted with the commercial history of Ireland, it would be unnecessary to enter into circumstantial evidence of these facts; but as nothing ambiguous ought to be suffered in a discussion so important, we must recur to a few facts, serving to contrast the relative situation of Ireland with England and Scotland, in reference merely to its currency and

commercial importance. In 1694 the bank of England was erected, in 1695 the bank of Scotland, and not till 1782, almost a century afterwards, was Ireland thought capable of maintaining, or worthy, probably from the limited nature of her trade, of having a great public establishment of this kind. These facts furnish demonstrative proof of our total inexperience in the relative nature of factitious or paper currency as contrasted with specie, and up almost to the period of the restrictions upon the bank, did this ignorance prevail; for until then, except in some of the great commercial towns\*, where a few private banks were established upon respectable foundations, but with very limited views of any benefit to be derived by the circulation of their paper, was the system of private banking, as it is now practised, totally unknown to Ireland.

The inference which those facts further force upon our conviction is, that until the period to which I have alluded, the population of Ireland, accustomed from time immemorial to the circulation of specie as a medium of transfer, in exchange for the produce of their industry and labour, were but poorly qualified to

\* Dublin, Cork, Waterford, Limerick, and Belfast.

be then our protectors, in judging of the value or nature of a paper currency, forced upon them from every quarter, and recommended by every means which either art, influence, or ingenuity could invent; and which, in many of the local districts in the south and in the west of Ireland, was the case to a degree, that proved fatal in numerous instances, as well to the parties concerned, as to the population of the country.

Yet this uncontroled liberty of exercising their own judgments and will, either in rejecting, or accepting what was offered them, would, of course, be the justification, for suffering the existence of a policy so directly injurious as this has been, to the vital interests and growing prosperity of this young commercial country. Arguments to be sure might be found in the practice of other countries to maintain this doctrine, in reference to the example both of England and Scotland, where no such restraints had ever been introduced; but they furnish no parallel whatever. In both countries a national bank had been established before the introduction of private banks; in both countries their trade was unshackled by political restraints, and its nature and operations therefore better understood.

Commercial industry was generally pursued

as a liberal profession, and when its knowledge and experience were thus sure of being connected with capital in forming establishments of this kind, there was a combination of all that was requisite to insure success. But above all these reasons, during the entire period to which the example would apply, bank notes were demandable in specie at the option of the holder, which always furnished a protection to the public more efficient, probably, than any which legal restrictions could apply; and consequently a more effectual check upon the establishment of banks as mere objects of speculation, as in the case of Ireland, after the restrictions on cash payments in 1797.

Reference may however be had to the example of Scotland, in a point of view much more applicable and more important, to a perfect understanding of the nature of this subject than the foregoing; its early practice in the science of banking; its characteristic sagacity and national industry, have peculiarly marked it as a country practising the arts of trade and commerce on more perfect and refined principles, than almost any other part of the empire; hence their banks were formed with more care, and conducted with more skill, prudence, and success, than those of England. We may therefore readily

anticipate, that since the first establishment of such institutions among them, fewer failures have occurred than in any other country probably in Europe; and it has consequently followed, that bank notes have long composed almost exclusively, the whole circulating medium of this country, a fact of vast importance and peculiar interest in considering this question.

This, to be sure, is not the confidence of legal restraint or legal protection, but the test of experience; the natural growth of their own judgment and feelings upon the facility, safety and convenience of a well regulated system of paper currency and circulation, and one which I am persuaded may always follow and result from a combination of similar circumstances.

In addition to these observations upon Scotland, it may be useful to remark, as applicable to my subject, that among the few failures which had occurred in this country, that of the bank of Ayr, founded upon the *patriotic bubble* of making advances upon landed security and agricultural speculation, furnished an awful example of the futility and danger of converting an institution of this nature into a depository for the care of dead property, instead of being always ready, by the possession of tangible and efficient funds, to discharge its engagements.

This bank failed for 800,000*l.*; but in the list of its original subscribers were included many individuals of large landed property, who were of course bound to make good the deficit, the creditors of the bank were therefore eventually paid 20*s.* in the pound. It is a further remarkable fact in respect to Scotland, given in evidence before the Bullion Committee, that no bank failure had ever taken place there, in which the creditors of the bank had not eventually been paid in full.

Although for a considerable time after the restrictions upon the bank of England, no other public inconvenience was experienced except those to which I have adverted; yet time and circumstances were gradually preparing a state of things, from which it was evident great commercial difficulties, involving in its consequences much embarrassment to the state, would arise.

To those who are acquainted by practical experience with the nature of a paper currency, and the system by which it is propagated, this will not appear extraordinary. The facility and convenience by which great transactions of property are dispatched by the intervention of paper as a substitute for specie, the existing rivalry between private banks to form and increase their connections, and the zeal which it was

natural they should exert, either to circulate paper, or to offer the means of undertaking speculative engagements, opened powerful inducements to men of enterprising habits, without capital, to enter into commercial pursuits, and even to men in private stations to anticipate their means and live beyond their incomes; all this had a gradual tendency to produce an indifference to the manner in which obligations for property were undertaken, and thus by slow but certain degrees, a mass of accommodation paper was created, either sustained by property which had lost a great portion of its value, or by men who had long been struggling with commercial adversity.

To these causes may be superadded, the boundless extent to which foreign speculation was carried almost to every part of the world, but especially to the Spanish American colonies, where, in the estimation of our merchants, an exhaustless mart was just opened for the consumption of our manufactures.

Such was the crisis to which things had arrived at the commencement of the year 1810, when pecuniary embarrassment and difficulty first began to press upon the commercial interests, and from them to pervade almost every class of the community, until it finally produced, in the

progress of that year, a more general and extensive scene of public distress than any which had been felt since the commencement of the French revolutionary war in 1793.

Although such consequences were little more than the natural result of a great political necessity, yet the influence of public opinion was strongly directed by a party in the state, avowedly hostile to the measures of government against the existence of a paper currency, as having produced, and likely still to produce, the evils under which the country was suffering; and although it was too manifest from what followed, that political prejudice more than political rectitude and public virtue had caused this hostility, yet the exertions which were used, and the general alarm which was excited by such means, induced the government (most unguardedly, as I conceive), to yield to a public investigation of the question, by a committee of the House of Commons.

It is hardly to be doubted that in hastily yielding to the alarm and prejudice which had been thus excited, government acted without that precaution which, in a question so vitally affecting the interests of the state, they were called upon to exert; a calm and deliberate consideration of the causes which had led to the

partial calamity, thus taken advantage of by those who are ever ready to embrace opportunities of embarrassing the administration for objects suited to their own views, would have produced conclusions sufficient to satisfy them, that many of the evils thus to be investigated, were absolutely inseparable, as well from the nature of a paper currency, as from the political circumstances and relations affecting us at the time; and that to check incautiously, or contract the resources which the commercial interests of the country had been accustomed to depend upon, by the aid of which, and assisted by their own industry, spirit, and confidence, they had raised the character of this empire to an unexampled pitch of glory and eminence, would be to aim the most unnatural and impolitic violence at our own existence.

In attributing certain evils as inseparably connected with the nature of a paper currency, I have already explained how they are likely to grow into existence; and I am free to confess, that I conceive it almost impossible, in a commercial country like ours, to devise means for altogether preventing them; but when we contrast the benefits which have resulted from this system, and when we reflect that the misfortunes to which we now allude, were to be considered

as the growth or produce of the entire interval between the restrictions and the period of 1810, we cannot for a moment doubt the value of the policy, exclusive of the necessity, which produced its adoption.

Next to the haste and impolicy of deciding upon the measure itself, was the care taken in forming the Bullion Committee. It seemed as if the majority was selected from among those who were most anxious to conceal our strength, and to expose our weakness; to proclaim the insolvency of the bank, by devising measures best calculated to insure its ruin; and while the country was actually possessed of wealth and strength equal to every exigence, if ably directed, to contrive arguments, clothed in sophistry, for impressing a different conviction on the public mind.

Judging from the experience of the past year, and what better criterion can we look for than the evidence of facts, such conclusions are justly to be applied to the substance of the bullion report; within this period of time we have had the price of guineas, or of gold bullion, it is perfectly immaterial which, advanced to nearly 25 per cent above the standard price of gold, solely produced by the state of our relations with the continent, which it was totally impossible

for any internal regulations to controul; yet in direct contradiction to the most experienced judges of the nature of these relations, of the circumstances by which the advance upon the price of gold was likely to be influenced, and has been influenced, did this committee recommend the necessity of resuming cash payments at the bank, as the only means by which the exchange with the continent would be lowered, and the price of gold reduced.

A more effectual way could hardly be conceived of reducing the commercial interests, and the country itself, to a state of absolute distress and ruin, of co-operating with the French ruler in devising the most deadly means to effect our destruction; for it is familiar to the conviction of every thinking man in the country, that the demand for gold has been so great, in consequence of the singular state of our intercourse with the continent, that no supply which the bank could provide or furnish would have been sufficient, except partially, to meet the drain which such a measure must produce upon their funds; and therefore that the measure itself was absolutely synonymous with the destruction of this great national bulwark of our credit.

Fortunately, however, the loyalty of the country was too great, and their confidence in

its real wealth and resources too strong to be influenced by so prejudiced an appeal to their understandings; and when upon a more close inspection of the minutes of evidence taken on this memorable occasion, it was discovered that men who had spent their lives in the practice of trade, whose dealings had extended to almost every part of the civilized world, whose educations were liberal, talents and understanding undoubted, and political integrity beyond suspicion; when it was found that such men had ventured before this dread tribunal of political finance, to give an opinion that bank paper in exchange for the merchandize and property of the country was not depreciated; that the bank issues were not excessive or beyond the natural wants of the trade and commerce of the country; and that neither the exchanges with the continent, nor the price of gold, could be controuled by an increase or decrease in the issue of paper, while it continued the circulating medium of the country, but was wholly influenced in the present case by the state of our relations with the continent; the alarm which in public interest and feeling had been excited began gradually to subside; and the subsequent investigation and decision upon this elaborate mass of hypothetic reasoning considerably relieved it.



Although the question was thus fortunately terminated, as well by the very decided sense of parliament, as the great majority of the people, yet the controversy raised upon its merits, and supported by the zeal and ability of its advocates on both sides, may be supposed to have left a considerable portion of the community in doubt, and attached either to one side or the other as their prejudices or conviction led them.

To those who labour on political questions under the influence of prejudice, it will be difficult, with almost any reasoning that can be made use of, to controvert successfully the favourite theories of their friends; but to the unprejudiced and impartial it may be useful to represent a few facts bearing upon the merits of this important subject, and leading directly to prove that the committee have promulgated theories, and maintained opinions controverted by subsequent facts: this it may be of importance to notice from a variety of motives, and none less than the character and influence attached to its members. Consequently to any opinions proceeding from such a source, but more than this again, to the necessity of keeping the public mind alive to the great interests of the state, and of assuring them that while their industry is unabated, their commerce protected,

their enterprize encouraged, and the dominion of the sea successfully maintained, their property during war, may as safely be represented by a well regulated paper medium alone, as in peace, this same medium will be sure of being again restored to its original foundation.

The first and leading position taken by the committee was, "That in the sound and natural state of British currency, the foundation of which is gold, no increased demand for gold from other parts of the world, however great, or from whatever cause arising, can have the effect of producing here for a considerable period of time, a material rise in the price of gold." Thus without any reference whatever to the circumstances which compelled the bank to restrict the issue of specie, do they lay this down as a foundation on which to build all their subsequent reasoning, and to maintain that series of hostility with which the measure of restriction is afterwards treated.

As a simple thesis in itself on a question of abstract reasoning, this position was perfectly tenable; but when it was followed by an implied doubt of the scarcity of gold, and of the consequent policy of the continuation of the restrictions upon the bank, built upon the assumed fact (pertinaciously maintained) that gold being still the legal coin of the realm, the measure of

all prices, the legal standard of the value of all property, it was consequently to be considered as in sufficient existence and quantity to maintain that legal standard, and to supply the market demand, whether natural or otherwise, there was an end, in my conception, after this early exposition of their sentiments, to any hope of having the question discussed upon the genuine principles of British interests, British feelings, and national policy. But fortunately for the argument, though not for the interests of the state, this question has since been decided upon still stronger and more conclusive evidence than mere argumentative controversy.

Within the last year the demand for gold, arising beyond all question from the extraordinary state of our relations with the continent, has advanced the price at different intervals, and by rapid degrees, so high as 24 and 25 per cent. above the mint or standard price; that is, our guineas have been purchased both in England and Ireland at from 5s. to 6s. per guinea premium, or in the language of the committee, one pound six shillings in paper could purchase no more than one pound one shilling in gold; and consequently the depreciation on paper would, in *their estimation*, amount to the enormous rate of 25 per cent.

This fact of itself proves one of these conclusions unfounded, for they expressly doubt the existence of a scarcity of gold, or that the demand could be such as to cause an excessive advance in its price, conceiving that the excessive circulation of paper was the *sole cause* of the high price of gold; and that as this might, and probably would be remedied by a contraction of that issue, so the price might be reduced to its legal standard, or so much reduced as to cause no public inconvenience. The result then of this anticipation proves how little theory is to be relied on in opposition to practice and experience; and how indelicate, if not illiberal, it was to extract information from men of the first practical experience, with a predetermination obstinately to resist all impressions except those which perfectly coincided with their own views of the subject.

We now come to the question of depreciation itself, and it is fortunate for the result, that the distinction between the relative nature and value of the two articles (specie and paper) has thus been widened so much, as to leave but little difficulty in defining their separate properties and attributes. We may assume then, that if a real depreciation had been caused in the value of paper by this rapid and enormous advance in

the price of gold, it followed as a thing of course, that paper being still a common medium of exchange, the same ratio of depreciation would follow it in exchange for other articles as for gold, which was to be considered, in the estimation of the committee, as the only legal standard for stamping the value of property, and therefore a perfect criterion of the fact of depreciation, as this was rated for or against, would the question be decided.

Will it be seriously maintained then for a moment, that any such depreciation did or has taken place? Where will it be found that any man has refused to accept bank notes in exchange for property, except at a depreciated value of 25 per cent.; or was it ever thought of or suggested by the community at large, that in consequence of this state of things they considered bank paper as absolutely depreciated to the extent of 25 per cent. and would accordingly demand this advance upon their merchandize or property; or did the price of all the products of the country, and of all other property which it contained, whether merchandize or else, keep pace with the depreciation in the value of paper and advance 25 per cent. within the period alluded to? It is, I presume, perfectly notorious that no effect whatever was produced on the

value either of the produce, manufactures, or merchandize of the country by these fluctuations in the price of gold; but that losing all connection with a currency no longer in use, they were subject to no other influence than that arising from the wants of the people, and the natural consumption of the market. But if there still be proselytes to this opinion of the Committee, from motives either of prejudice or conviction, they will not, I trust, fail to act upon that conviction, until those who think and act differently, shall derive all the benefit which their confidence so justly entitles them to.

The actual state of the case as between specie and paper, I conceive to be this; that ever since the restrictions on the bank, the latter has virtually constituted, and that almost exclusively, the circulating medium of the country; that it has been so universally acknowledged and taken in exchange for property, as completely to supersede the use of gold as a circulating medium; that the latter has been continued the legal standard of the country for no other reason or motive whatever, than a scrupulous regard on the part of government, to the ancient maxims or principles on which this medium or representative for property was originally founded, mixed probably with a prejudice taken from

the history of other countries, against the principle of a legalized paper currency; but for the first mentioned reasons I consider it a thing established beyond controversy, that gold is no longer our circulating medium of exchange, but a species of public merchandize, *similar to any other article of merchandize*, and subject precisely to the same laws of fluctuation in price (as the supply or demand shall regulate); but having, in the common estimation of mankind, intrinsic value beyond that of any other article, and being from its nature more conveniently transported from place to place in opposition to all restrictions or difficulties, is therefore in more universal regard, and more greedily sought after as an article either to traffic in, or to exchange for other articles.

For these reasons, I have no difficulty in maintaining that no depreciation whatever has taken place in bank paper, in all the important purposes to which it is applied; but I am aware that while gold is continued the only legal tender, it will be impossible altogether to establish this opinion. Political impressions and party feelings will, as they have hitherto done, constantly keep alive the spirit of opposition to this estimate of its value, and more particularly in the intercourse between landlord and tenant will this

difficulty be revived, from an idea, as I presume, that land being the basis and source from whence it may be said all internal property is produced by the labour and productive industry of the people, that therefore nothing should be taken in exchange for its use, but that which has intrinsic and tangible value.

Were this impression strictly confined to these latter motives, there would be less room for censuring its justice, and more difficulty in reconciling the idea of a substitute; but under the peculiar circumstances in which the country is placed, the question cannot fairly be argued on this narrow view of its merits, and we are forced to blend political with civil facts to guide our judgment.

The modern political system of France has been specially formed to effect a revolution in the national relations of Europe: this policy is dictated by the relation in which the usurper of France is himself placed with reference to the ancient dynasties of the continent; and having accomplished even more than his most ambitious fancy could have led him to hope, he appears giddy with his greatness, and aims at universal dominion; finding, however, all his attempts to mature his projects obstructed and defeated by the barrier which we oppose to his career, his

measures no longer keep within the bounds of national equity, but assume all the rancour of barbarous warfare, and political extinction.

It is in the motives of this policy we are to look for the secret to which our inquiries lead us; he had found from his experience, that a commercial country possessing the dominion of the sea, and maintaining through this means an intercourse with almost every part of the civilized world, *having ships, colonies, and commerce* in a greater degree, and to a greater extent than was ever before witnessed in the world, by which her people had amassed prodigious wealth, and her government derived unexampled credit, was an enemy too formidable to encounter by common means, and a power too great to reduce by main force.

Bonaparte therefore resolved to wage a new system of warfare against the revenue of England, against her paper currency and her bank, by which means he hoped to sap the foundation of her credit, and through that source to effect what he could no otherwise accomplish, her subjugation and fall. These, it cannot be doubted, are the leading facts to a right understanding of the state of our exchange, the high price of gold, and the alleged depreciation of our paper currency; nor is it less to be doubted that the

labours of the committee, by disclosing a series of facts intimately connected with the spirit of our trade, and the resources of our country, and by perverting the able and intelligent information of men best acquainted with British interests, to their own views of the subject, did, at such a crisis of our situation, most materially stimulate the vengeance and policy of France against our country.

Every man not influenced by prejudice or party, must have seen the policy of Bonaparte in this light; was it longer to be doubted, that, like another Shylock, nothing would satisfy him but the commercial blood of England in exchange for such merchandize, the produce of his own dominions, as he thought fit to send us, in order that thus enfeebled and exhausted, the constitution itself might eventually become an easy prey to his ambitious malignity.

In speaking of the bank, of the currency, and of the trade of England, I assume it as a fact incontrovertible (and proved to the conviction of every unprejudiced man by the recent and present state of things), that during the continuance of a war conducted on such principles, and under such a singular variety of events as that which we are now waging has been marked with, in which we are forced to contemplate

with awful apprehension the extensive calamities and vicissitudes which have visited other countries; it is impossible, without comparative annihilation to our trade, absolute danger to the bank, and the utter ruin of our national credit, to contract the issues of the bank so as to enable it to pay with specie.

This I lay down as a fact conclusive, as well from the price to which gold has advanced from the unnatural demand for the continent, produced by the circumstances I have explained, as from various other facts within the knowledge and recollection of the public. I would further maintain as a fact equally certain, that supposing the bank directors, as I firmly believe they do as far as circumstances will permit them, perform their duty to their trust with conscientious care, and discount no paper that is not sufficiently recommended either by the solvency of the parties, or the natural mercantile appearance of the transaction from whence it originates, there can be no excessive circulation of bank paper; for that, like an overgorged animal (to use a coarse metaphor), any excessive or forced circulation would, in the natural routine of trade, be instantly thrown back, and return to the source from whence it issued; and upon this principle again I would advance my former

opinion with equal confidence, that knowing as I do there has been no attempt to force the circulation of bank paper either upon the people at large, or to the creditors of government, but that it has even been, and under all circumstances, taken most freely without objection, doubt, or suspicion of any kind (except in the prejudiced squabbles between landlord and tenant) in exchange for property throughout the empire, there can be no depreciation affecting it.

I feel at a loss, indeed, to conceive how an excessive circulation of bank paper can be supposed to exist: the mass of circulation we must consider as exclusively applicable to the internal trade and dealing of the country, and as so much circulating credit when confined to paper, or circulating capital if confined to specie. This is in a constant state of activity, passing from hand to hand as property or produce is set in motion to represent it, or as skill and manual labour may as constantly be adding to the general stock of property existing in the country; but except for these purposes, paper as a general medium of circulation can hardly ever be required. The entire annual rental of the country we may fairly assume to be represented by so much property in produce as it amounts to, and

paper will of course be required to discharge it, but it must have previously been set in motion by the process I have described. The merchant, factor, or dealer, in the same way, can have no other means of distributing money in his general intercourse with the public than in payment for native produce, or manufactured property purchased from them; and the shopkeeper, through whose hands so large a portion of the circulating medium passes, gives property in exchange; nor can the wants of any individual, high or low, be supplied in any other way than upon the principle of an equivalent in value. But in all this dealing and extensive interchange of property, we can see nothing to prove the fact of an overcharged circulation; on the contrary, it seems to follow as a natural conclusion, that no man will retain in his possession a greater quantity of money than his wants require, of whatever description they may be, either for expenditure or purchase; for paper being equally liable to loss by interest as specie, he must evidently do so to his own prejudice; nor is it possible, I conceive, that this representative money can be created or issued when for general circulation, except for such purposes of general application as I have here described; large disposable sums are frequently kept by men of

independant means both private and commercial, but these are kept in deposit, and add nothing to the general stock of circulation. I am aware that in large mercantile transactions, where men engage in speculative objects, money will frequently be raised extensively on accommodation bills, to stand upon nothing but the credit of the parties with whom they originate; but supposing such bills converted into bank notes, still they cannot go into general circulation without an equivalent in property, and if disposed of otherwise, it must either be for property already purchased, or as a substitute for capital already either shipped or exhausted, and in either case cannot add to the stock of general circulation.

It is alleged on the authority of the committee, in opposition to this principle, that while issues are for natural and legitimate purposes of trade, in which purchases are made and property represented, no evil can arise; yet when in the pursuit of commercial speculation, mercantile men seek for capital by the discount of fictitious bills, and by a repetition of the practice are enabled to procure a perpetual capital to such amount as their speculative objects lead them; and that by an operation thus guided by the fancy of the trader, without being liable to the restraints

which would exist if paper were converted into specie, the mass of circulating currency is thereby unnaturally increased, and therefore prejudicial to its value by enhancing the price of that for which it is exchanged; but although this practice cannot by any possible caution on the part of the bank directors be entirely prevented, either with or without the restrictions, when banks are so numerous and wealth so abundant, nor does it prove the possibility of forcing paper into general circulation without being represented by actual property in exchange; yet as being part of the system of accommodation against which they exert every possible caution and restriction, I am persuaded it is not enlarged to an extent sufficient to produce any such dangerous consequences, nor could it be totally prevented in the soundest possible state of our currency.

Upon the continent of Europe we have had a great variety of illustrative examples upon this subject; but, except in this view alone, it is revolting to compare them to our own situation. Most of the governments upon the continent, previous to the convulsions produced either by French invasion or conquest, were in possession of a paper currency issued from banks, having so intimate a connection with the government to

which they belonged, as to be committed with their safety. The banks of Amsterdam and Hamburgh, Venice and Genoa, were probably exceptions to this rule as banks of deposit; but in most if not all of the former, the consequences of French dominion and conquest were universally fatal to the credit of their paper, and a real depreciation followed in proportion to the extent of the danger which impended. In Austria this depreciation rose at one time, during the occupation of Vienna by the French, to full 80 per cent., and in almost all the other states in a proportion exactly equal to the apprehensions of the public mind: this is what I would call a true depreciation resulting from causes which are the legitimate sources of this great evil, want of confidence in the stability of the government of any country, in the permanence of its revenue, or in the stability of the bank itself, and a bank or paper currency so connected with the government as to have its fate exclusively depending upon its safety.

But thanks to the commercial industry and enterprize of our people, to the glory of our navy, and the military ardour and spirit of our army, we furnish a proud contrast to this picture of continental desolation and suspended confidence, for with the partial exception of the



scarcity of gold, we suffer no other privation or misfortune to which the chances and circumstances of a war, unparalleled in history for its character, have exposed us.

Notwithstanding the evident anxiety of the committee to establish the fact of depreciation, yet it is remarkable how difficult they found it to extract any admission of such a conclusion from the witnesses examined, except in the instance of the continental merchant; and even he was particularly anxious to connect the depreciation, which he conceived to have taken place, with the state of the exchange, and which he admitted to have arisen from the restrictions upon our continental intercourse, particularly with the north of Germany, the great mart of our exports, the seizure of British property, and generally the unfavourable consequences resulting, as already detailed, from French policy and conquest, &c.; while at the same time he was careful to concede the undoubted solvency and stability of the bank, and the general estimation in which its paper was held for all internal purposes and use.

In point of testimony, therefore, as to the fact of depreciation, almost the sole reliance of the committee, and of those who maintained their doctrines (among whom was Mr. Huskisson, an

able and justly distinguished member of it), was founded upon this evidence, which it may be seen narrows the question to the single proof of an unfavourable exchange; and Mr. Huskisson, with all the logical ingenuity he can exercise, is reduced to the same extremity.

In this gentleman's reasoning upon the subject of exchange, there was little information in telling us that so long as the currency of any two countries trading with each other is convertible into specie, there can no other fluctuation arise in the rate of exchange than the expense of exporting specie from one to the other, in the event of an unfavourable state of the balance of trade; but this theory, however established in truth, is alone applicable to that common state of commercial connexion which two nations are supposed to maintain in a state of war, where the secret policy of both concedes the necessity of preserving their commercial relations under no other restraints than the usual ones of neutral flags and neutral bottoms: in this case reciprocal interests and wants, the great foundation of human intercourse, guide the policy of preserving that ancient system of barter and interchange by which they are respectively supplied with the products or manufactures of each other.

But where this state of political feeling is violated, if not extinguished, where one nation is obliged, as a measure of public safety and security, to change the character and nature of her currency, and substitute paper for specie; and where the other, in pursuance of a system of political vengeance and extermination, prohibits all intercourse upon *reciprocal principles* under the penalty of confiscation and punishment of death; where merchandize, already in the possession of the latter power, the property of the former is to an immense amount confiscated and burned; and where French rapine and pillage is by every possible means practiced against the same power, the legitimate source or foundation of a commercial exchange ceases to exist; and specie, the only article which from its nature can evade restraint, or from political motives will be suffered to pass, then assumes the character, to all intents and purposes, of an article of merchandize, as well in the country to which it belongs, as that to which it may be sent in discharge of the balance of debt owing by the former to the latter. No inference, therefore, I confidently rely upon it, can fairly be drawn from the unfavourable state of our payments to the continent in proof of the depreciation of our paper currency.

We have other proofs, and convincing ones too, that the connection between gold and paper is remotely and widely distinct in all the important functions of circulation. During the continuance of the late advance in the price of guineas, it was a frequent case that in the short space of one week they rose in price full 2s. each, or nearly 10 per cent. upon their value; yet during these rapid fluctuations in the price of gold, no advance whatever was produced (except in the ordinary course of trade) in the price of other commodities in exchange for paper; so that while a guinea in the short space of one week advanced in value full 10 per cent., you could purchase a hogshead of sugar, a barrel of wheat, or even an estate in land for the same sum in bank notes you could the preceding week; a demonstrative proof, to my conviction, that while gold may and does fluctuate in price according to the demands of the market, as a medium of remittance like any other article of merchandize, our paper keeps its value steadily, and maintains its price without any depreciation whatever. Yet, according to the doctrine of Mr. Huskisson and the committee, every such advance in the price of gold is certain proof of an equal degree of depreciation in the value of bank notes; here, however, is an undoubted criterion

and test of the fact, and let the public judge for themselves, so long as our paper is kept in a perfect degree of purity, as well by the solidity of our bank capitals, as the actual possession in these public depositories of paper representing real and substantial property, I cannot conceive any other national cause of depreciation than that arising from a suspension of public confidence in the case of public danger and alarm, and even this must be of a nature direct and imminent before its operation would probably be manifest; for in the case of the French attempt to invade Ireland in 1796, although at that time no bank restriction existed, yet no material effect was visible as to a want of confidence in paper. It seemed to proceed from the public reflection that such an attempt was again probable, that an extraordinary demand for specie followed this political cause, and produced in both countries the necessity of guarding these depositories of our coin against further danger.

The evidence of Mr. Chambers before the committee upon this subject is so clear, intelligent and satisfactory, that I annex the entire of it, not a partial extract, as was given by Mr. Huskisson\*.

\* In what line of commerce are you?—A general merchant.

Upon the question of exchange to men of practical experience, it would seem almost need-

Are you acquainted with the subject of exchange between this country and the continent?—Very little exchange business has been doing of late years, and less even since I have been established than used to be.

What has that been owing to?—To our exclusion from many parts of the continent, to which before we had free access, beginning with the French revolution, which destroyed one of the three great exchange marts in Europe.

Do you not conceive that the course of exchange between any two countries is liable to be affected either by the balance of payments arising out of the trade between the two, or by alterations which may take place in the currency of either?—By the first circumstance certainly, and I suspect by the latter also.

If the exchange is rendered unfavourable to one country by the balance of the debt which it owes to the other, are you not of opinion that such depression of exchange will be limited by the expence of transporting specie to equalize that balance?—Yes, if a sufficient quantity of the precious metals exist in the debtor side, and no impediments oppose its transmission.

If a country pays its bills part in paper and part in specie, as in Portugal, and that paper is at a discount, does it not, in the degree of that discount, render the exchange unfavourable to that country?—Certainly, in my opinion.

Would not consequently the exchange rise in favour of Portugal, if now they paid their bills entirely in specie?—Yes, or in paper that was not at a discount.

Supposing a country which used cochineal as an article of manufacture, exported large quantities of that commodity

less to offer any observations from what has already been advanced upon that of deprecia-

to balance its account with foreign nations, would not such exportation raise the value of cochineal in the country exporting it?—The scarcity of any article naturally enhances its price.

Might not this enhancement of the price of cochineal proceed so far as to make ineligible the exportation of any more?—If the price here of the article to be exported, rose above that of the foreign market for which it was intended, it would naturally cease to be exported.

Are not the same consequences likely to follow from the exportation of bullion in liquidation of foreign debts?—I cannot consider bullion as an article of merchandize, to be affected otherwise than any other article of merchandize.

Have you ever had opportunities or occasions to consider the effect of an excessive or forced paper currency in any country upon its foreign exchanges with other countries?—In a small degree I have.

What do you conceive the effect of such excess to be upon the foreign exchanges?—I apprehend the effect on the exchange would follow the depreciation of a forced currency.

What do you say as to an excessive currency, though not forced?—I do not conceive the thing possible.

What do you mean by a forced paper currency?—A paper which I am obliged to take, against my will, for more than its value; it is not forced so long as people take it willingly, which they will naturally do whilst undepreciated.

May not the quantity of metallic currency be increased in proportion to payments which it has to effect, by an increased issue from the mines; and will not that have the effect of raising the money prices of all commodities?—I conceive an

tion, as well as the convincing and decisive illustrative facts which have lately arisen out of the

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.

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 local prices of commodities?—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 for it; nobody will give a valuable article for a piece of paper that does not want it.

Have you ever happened to pay any attention to the history of the paper currency of Scotland between thirty and forty years ago, or that of Ireland about the year 1804?—Some years ago I remember reading something about them, but the recollection is rather faint upon my mind.

Do you call that paper, in your sense of the word forced, a forced paper currency, which either by law as it stands, or by force of public opinion, is not convertible into specie at the option of the holder?—If it be convertible into other objects of my gratification without depreciation, I do not consider it forced.

At the mint price of standard gold in this country, how much gold does a bank of England note for one pound represent?—5 dwts. 3 grs.

At the present market price of standard gold of 4*l.* 12*s.* per ounce, how much gold do you get for a bank note of one pound?—4 dwts. 8 grs.

Do you consider that a bank of England note for one pound, under these present circumstances, as exchangeable in

state of our relations with the continent; from these it would seem manifest, that although the

gold for what it represents of that metal?—I do not conceive gold to be a fairer standard for bank of England notes than indigo or broad cloth.

*Question repeated.*—If it represents twenty shillings of that metal at the coinage price, it is not.

If I go to a silversmith's shop and see a gold cup, which he tells me is in weight exactly a hundred guineas, and that he must have ten pounds more for the workmanship, will he give me that cup for 115*l.* in bank notes, gold bullion selling at 4*l.* 12*s.* per ounce?—He will sell his gold cup as he would any other bullion, at the bullion price, I suppose.

Am I to understand by that, that he would sell his cup for 120*l.* or thereabouts, being the value of the gold, besides the 10*l.* for workmanship?—Yes.

Will you state to the committee, in your opinion, to what cause is referable the present unfavourable state of exchange between England and the continent?—To the balance of payments being against the country.

Can you give cases to illustrate the fact that you have assigned to the balance of payments being against this country?—Large British armies on the continent; slow returns for exports; quick payments for imports; and very large stocks of imported goods now on hands in this country.

Is there any other cause to which you attribute the present state of exchange?—I know of no other that can effect it, excepting that of a forced depreciated currency.

Is it your opinion that the currency of England is depreciated?—Certainly not.

Is it the course of trade between Great Britain and the continent of Europe to pay by anticipation sometimes, or by

balance of trade be the basis upon which the state of our commercial exchange is founded, yet that the balance of payments, from whatever cause these payments require to be made, is the true and radical cause of the fluctuations in exchange, so that in the account current which

ready money, for our imports?—Almost without exception, as far as comes within my knowledge.

State the course of payments which the continent makes to England for its exports?—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.

From this course of trade does it not follow that the continent, at the present time, must be indebted to England?—I conceive it to be so generally, and know it to be so as respects myself individually.

You have stated, that there is at this present time a large quantity of merchandize on hand in England; is that quantity larger than in former years it has been?—In some articles I conceive it to be so, to many of which I have especially adverted before, namely, Baltic produce, and foreign wool.

Do you include in foreign wool, cotton wool?—I do not know that the quantity of cotton wool is larger than it has often been at former periods.

For such articles as we import from the continent for the purpose of exportation to the colonies, such as wines, linens from Germany and Russia, iron from Sweden, for which we have paid, do we not give credit for twelve or eighteen months when so exported?—I consider those happy who get paid so soon.

two nations hold with each other, the balance of debt due from one to the other will not exclusively arise from the balance of trade, but from the balance of payments, either upon account of that trade, or upon such other accounts of a public or private nature as may exist between them respectively.

There is another and a most convincing test of the influence which the balance of trade and payments invariably produces upon the fluctuations of exchange, I mean the supply of bills offered on the exchange mart for sale, the price of which is invariably governed by the same principles which govern the price of merchandize; thus, if the power to draw bills be increased either by the shipment of goods, by the sale of merchandize on the other side, or by any other circumstance whatever, an extra supply of course offers, and the exchange market immediately feels the effect by a decline in the price; upon the other hand, if the demand for bills should increase from any particular circumstance, and the supply fall off, the rate of exchange will of course advance, and in both cases the ratio, either of advance or decline, will be in exact proportion to the operating cause, i. e. the payments to be made, or the money to be withdrawn. And this I conceive also most conclusive evidence, that the balance

of trade and payments arising out of the intercourse between two nations, will always govern the rate of exchange; and consequently that the rate itself will equally prove whether this balance be for or against a country.

Thus in enumerating the circumstances from whence public and private payments have been required to be made to the continent, we may place very large sums to the account of payments for military and government expenditure in various quarters; foreign subsidies during the Austrian and northern coalitions; the annual payment of the interest due to foreigners on money vested in our funds; and a very considerable annual supply to British prisoners of rank detained in France at the commencement of the war, with a variety of minor items, all of which, on the average of our intercourse, must be in favour of the continent.

Of the whole or annual amount of those payments it is difficult to form any exact estimate, except as to the foreign property in our funds, which is supposed to amount to little less than 16 millions (the income from which is most probably in many instances the sole support of the proprietors, as the remaining wreck of their ruined fortunes): we know, however, from positive proofs in the state of our practical inter-

course, that they compose an aggregate sufficiently large to weigh most materially in the scale of our current payments, even in a state of unrestricted intercourse; but under the existing prohibition upon our exports, they become a most formidable instrument for the practice of the Corsican's rancorous ingenuity.

To these remittance engagements we have to add those of a more public and different kind, but equally powerful in the scale of intercourse when they do occur, we mean the grain imports of 1809 and 1810, which are calculated to have amounted to nearly the enormous sum of five million imported from the continent, when from the state of our intercourse in other respects we were exposed to the necessity of paying for it in specie; to which, upon this side of the question, I may add as assumed facts equally effective in assisting the unfavourable state of our intercourse, the extensive loss of British property on the continent, either unpaid for or unsold, by confiscation and burning; the forced or careful concealment of British debts under the pretence of political necessity; and the difficulty and danger of attempting any commercial negotiation likely to expose the parties engaged in it; and finally, that most powerful cause of all, as directed against the spirit of British commercial

enterprize, the absolute prohibition of all reciprocal intercourse.

To this general estimate, in which there is nothing unsupported by facts, we have only to oppose a balance of trade in our favour for the five years preceding that of 1810, shewing an average annual balance of more than  $1\frac{1}{2}$  million, or upon the whole an aggregate one of  $8\frac{1}{2}$  million taken from the real value of imports and exports during this period, as returned to the committee. And were there no other proofs than those which may be inferred from a contrast of these estimates, they would surely be sufficient to explain the causes of the unfavourable state of our foreign exchanges for the last three years; it may be said with equal confidence too, that they exhibit in a striking and conclusive point of view, the necessity of meeting those difficulties under which our commerce and manufactures have been lately so much depressed, if not by restraining the importation and use of foreign luxuries upon justifiable principles of retaliation, at least by avoiding all speculative restraints upon the resources of our merchants, until by industry, enterprize, and perseverance, they shall have time to recover from the effects of the violence thus done to the commercial rights and privileges of Europe; and by finding new channels of trade

and other marts in the various climes and colonies of the new world and the east, not only survive the blow itself, but raise themselves and the country into new wealth, glory, and splendour.

It has been alleged that the activity and ingenuity which commercial men, extensively engaged in trade, are able to exercise on a great scale of exchange operations, by taking advantage of the fluctuations, and by a command of capital employed either in the purchase of bills, in anticipation of a future advance, or in the purchase and importation of merchandize lowered in price by a depreciation in exchange, the exchange itself may thus be kept in an average state of moderation; but although in times of peace such practices might obtain, and partially succeed; yet, with practical men, it is well understood that just now all disposition to commercial enterprize, either to or from the continent, is completely extinct, and therefore that no such effort could either be attempted or accomplished: national causes, such as the balance of trade and payments, will always be too powerful, on a great scale of commercial intercourse, to be governed or influenced, except very partially, by such artificial means.

The extraordinary demand for gold in our market, solely produced by the unfavourable

state of our payments to the continent, naturally excites a disposition to enquire how far the use and consumption of the article there, has increased by the recent changes in the state of its political relations, or by what other causes, referable either to the continent or to ourselves, this demand and consumption have been affected, with a general view to the question, whether the supply of gold from abroad has been sufficiently great, to enable the governments of Europe to procure a supply for all the necessary purposes of circulation and general consumption.

It must be evident that we can have no certain scale, and but few leading materials, for forming a distinct or conclusive estimate upon this proposition; but we have a wide field of conjecture founded upon principles that bring home a sort of circumstantial conviction to the mind.

We know that for the last half century, the annual average supply of gold from the new to the old world has hardly been maintained, while in the same space of time the population of the latter has been increased more than one-fifth, and the trade, manufactures, and produce of active industry, whether in tillage or stock, must have been more than doubled; and that wealth, from whence the luxuries and refinements of life are supplied, consequently in-



creased in a still greater proportion; but within the narrow space of the last ten years we have seen almost every state on the continent undergoing some political change, or political convulsion, directly calculated to suspend all confidence in the permanence of its government, and to extinguish almost every impression of the solidity of its paper currency. We have seen kings made and unmade like so many puppets, or characters in a drama, political faith violated, and all commercial or moral obligations invaded; we have seen civil rights trampled on, and personal liberty and life sacrificed at the mere will and discretion of the tyrant; all this we have seen exercised either under the direct controul of France, or under the influence of its power; and can it be supposed that this great revolution in the political order of things, has not produced, a corresponding revolution in the moral reflections and impressions of that population on which it has been inflicted?

We need hardly doubt that it has, and produced a universal tendency in the people of the continent, to establish for their own safety and protection, a system of transfer and interchange of property, bottomed either upon the ancient principle of barter, or on that of specie; this right of choice in that which respects what is

most valuable in a state of civilized life, next to life itself, we may assume to be the only right of man, on which human tyranny can exact no tribute, or human despotism exercise any successful controul.

To this view of the state of the continent, we may add the enormous drain of specie which the maintenance of the war in Spain must now require. In the early part of the invasion of that country, we have reason to presume that the pillage which every description of property must have sustained, together with the sacrilege committed on church plate, and the religious repositories of every kind, abounding as they did in gold and silver, must have produced an immense sum; but whatever this may have amounted to, we have reason to conclude that it has long since been dissipated, and the supplies in Spain (for nothing else could be effective) for the support and food of the army thrown upon France; we may also entertain an undoubted conviction, as well from the history of other times, as from our knowledge of the instinctive nature of man, acting under the impression of danger and alarm, but looking to the prospect and hope of better times, that all over the continent of Europe, wherever war or the danger

of war may have reached, considerable sums in specie have been hoarded.

Two most important conclusions, as I conceive, result from this train of reasoning, assuming, as I do, that nothing has been advanced inconsistent with the state of facts. First, that the consumption of specie for the general uses of circulation throughout the continent of Europe has been so much increased by late political events, as to have occasioned considerable embarrassment and difficulty in procuring a sufficient supply; and that we may reasonably attribute to this combination of circumstances a most imposing influence, in producing those unnatural restraints which go to secure *specie alone* in return for merchandize. My next would be, that supposing these conjectures even in part true, they recommend to us, in most imperative terms indeed, the policy of withholding by every means in our power the specie we still possess, in order that the measures by which the drain has hitherto been fed (that is, by an impolitic commercial intercourse with us), may be forced to expire; and that by this addition to their sufferings and privations, they may at length be forced to adopt the policy of a reciprocal intercourse, or compelled to relinquish some favourite

political project either in prosecution or reserve.

In aid and furtherance of this policy, dictated as well from motives of political necessity as commercial retaliation, I can have no hesitation in thinking that the export of specie ought to have been prohibited in any shape, with even more care and anxiety than we have been accustomed to prohibit the export to an enemy's country of naval or military stores; for it may be truly said, that specie is an instrument of equal if not superior importance in the prosecution of war to either of these; and that even yet to protect what remains to us, it would be wise and expedient to amend lord Stanhope's bill, making it felony to export either gold bullion or guineas to any part of the continent of Europe occupied by the enemy, during the continuance of the war. This would, in truth, be no more than an amendment in one respect upon the common law as it now stands, which goes to prohibit the export of the coin of the realm; but we have unquestionable proof of the inefficacy of this law, in the notorious traffic carried on for the last two years to the enemy's coast, by the clandestine export of gold in every shape; nor can it be doubted that three-fourths of the gold sworn off for export as foreign gold had been converted into bullion from guineas;

for such inducements as offered upon this occasion were too powerful for either moral principles, or indeed acts of parliament, except of the most penal and severe kind, to resist.

Along with those powerful, and to my mind, imperative motives to husband this branch of our resources for future occasions, even under the common circumstances of war, there may be other and still more powerful ones found in the existing circumstances of the country, and those of the bank at the period of the restrictions in 1797, when the test of its ability to pay in specie such portion of its engagements as the public might think proper to call for in a time of suspended confidence (from whatever cause), was probably reduced to a narrower limit than was consistent with prudence to permit.

We may presume (for I can offer nothing with certainty upon this subject, as all such matters, for obvious reasons, are concealed), that the established system of the bank may have been to keep in their coffers a quantity of specie and bullion equal on the average of their dealings to about one-third of their circulation; and taking the average of that circulation previous to the restrictions at ten and a half million, we find materials to form some estimate of the extent to which their funds in specie were reduced. The

drain, though gradual, continued without intermission from the 21st of January until the 25th of February; during the latter part of which time we have it on record that the anxiety and alarm of the directors had been so much increased, as to have produced no less than twenty-nine remonstrances to the minister up to the 25th of February, when the order of council was promulgated suspending any further issue. At this period the outstanding engagements of the bank, in notes and post-bills, amounted to eight millions and a half; and presuming, as we fairly may, that the reduction between the two sums of ten millions and a half and eight millions and a half was actually confined to specie, and that the original amount was three millions and a half, or one-third of the average circulation, the sum still left to meet the demands of the public would be reduced to about 1,500,000*l*. I know that other estimates have made it considerably less, but having no disposition to magnify the danger, or diminish the confidence of the public, I have ventured upon this calculation, as reasonably founded on what may have been the actual state of things. But will any man, deeply and anxiously participating in the interests and safety of his country, venture to assume, that even without these leading facts before his eyes,

it would be eligible or prudent to resolve upon a system of preparatory arrangement for recommencing the issue of specie from the bank, when, as an indispensable step to the safety of the bank itself, it would become necessary, as a part of this arrangement, to contract its circulation to the exact amount of its capital in specie; and not again, as it would be at the risk of forfeiting its credit, to increase the circulation beyond that limit while the war continued; or in other words, to change the original form of the establishment, and create it a bank of deposit? In this view of the question it might be curious to enquire whence the supply itself to recruit the coffers of the bank, in the revolving state of their receipts and payments with the public, was to come: or rather it would be a fruitless enquiry. Already the country is drained of at least three-fourths of its circulating gold; and while the continental system continues, it must be evident from the experience we have lately had, that this drain will also continue in exact proportion to the supply we are able to furnish; that is, so long as we are permitted to import freely from the continent, but to export nothing but gold, this unnatural and impolitic trade will continue. We ought also to recollect, and with a powerful effect upon the line of our policy,

that France, with the whole continent of Europe, except Spain and Portugal, in whose supplies of specie we may be supposed exclusively to partake, being now almost entirely cut off from foreign intercourse, and totally bereft of colonial possessions, has no source from whence she can draw supplies of specie but what she finds in England. How proud the distinction which confers this exclusive privilege, and how inestimable the means by which it is secured! But when we consider the unlimited variety of dangers which must be connected with any attempt of this kind, or with a change even of commercial restraints in the continental intercourse, it would be revolting almost to common sense to entertain for an instant the idea of abandoning our present comparative state of security for a system of speculative theory, recommended to us from an authority to which we can neither attach the wisdom of experience, nor the virtue of political liberality.

A curiosity will probably result from these conclusions, to inquire into the foundation on which the stability of the bank itself stands; and seeing, as we must, the necessity of protecting it from any improvident attempt to place it under circumstances of difficulty or embarrass-

ment totally uncalled for, either from any doubt of its security, or the state of existing circumstances, there can be no good reason for withholding from a publication of this kind some leading facts upon this subject, which can only tend to confirm the public confidence in its stability.

Previous to the year 1797 all that was disclosed to public knowledge, or indeed demanded by public curiosity, in respect to the state of the bank, was the dividend likely to be declared at each half-yearly meeting of the proprietors; which dividend was made upon the capital stock of the company, as increased from time to time under their charter.

But upon the passing of the restriction bill, it was justly considered expedient to satisfy the public mind, by an investigation of their affairs by a secret committee of the house of commons; and upon that occasion it appeared, from the report made to the house, that exclusive of their capital stock (on which they annually paid a dividend), amounting to £11,686,800, they had further accumulated by the profits of their trade and dealing a sum amounting to £3,826,890; that they owed the public in engagements of every kind, bank-notes, post-bills, &c. &c. the sum of £13,770,390; and that they had in bills,

bullion, and other effective securities, the sum of £17,597,280, leaving, as before stated, a clear balance of property, over and above their engagements to the public, the sum of £15,513,690; £11,686,800 of which was capital, and £3,826,890 accumulated profit.

It will be remarked, of course, in analysing this property, that as they kept no part of their capital unproductive, except what was contained in specie, the whole of their stock was vested in government securities, and therefore that their tangible funds to meet their engagements were composed of bills and bullion, with which latter article I have no doubt they are at this time better provided than at any period since the creation of their establishment.

This, it will be recollected, was their situation fourteen years ago, during which interval of time we may confidently assume, although they have latterly made a permanent dividend of 10 per cent. upon their stock, that their accumulated fund has been increased in a ratio much greater than in any similar period of their trading, and consequently that the public security is by so much increased.

The connection between the government and the bank is doubtless so intimate, as to form a strong impression of identity between them;

but it must be recollected in admitting this, that it can only go so far as the question of their stock, which is alone vested in government securities, their engagements to the public being secured by the possession of bills representing real property, and bullion to the full extent of these engagements.

Exclusive of this connection with government by the vestment of its stock in government securities, the bank is in the habit of making advances in anticipation of the permanent revenue of the country, which advances on the average may amount to from seven to eight million, but this sum fluctuates as the receipts enable government to reduce it. In a great variety of other dealings, such as loans, government contracts, and exchequer bills, the bank is in the constant habit of holding the securities of the state to a very large amount, but always on the principle of having such advances as it may thus make repayable at short periods. The bank has also made two advances to government in loan of three million each; one upon the renewal of its charter, the other upon that of an equivalent for the use of, or the average balance of public money lying in its hands.

It may be demanded, why commit the bank so deeply with the government in money trans-

actions, when the security of the government itself is the only surety the bank has in those dealings? But it may be fairly retorted, why should government sanction the existence of an establishment of this kind, which has grown under its patronage into a state of prosperity and wealth unexampled in the history of Europe, and, speaking politically, capable of connecting with itself a state of power and influence totally incompatible with that subordinate controul which the perfect organization of all things in the state requires? or why permit the exclusive benefits and privileges appertaining to the charter of the bank to be enjoyed by any body of men in the state, without a controuling influence in the first place, and in the next a full and adequate compensation to the state itself?

Indeed the connection between the government and the bank appears to be founded upon a state of obligation so perfectly reciprocal, that it may be difficult to determine upon which side the scale would preponderate; at the same time it must be admitted that the latter has of late become almost a necessary appendage of the constitution itself, considering the immense extent to which the property of the country is committed in aid of the government by the operation of the funded system, and the facility

with which these operations are conducted by the bank as an organ of the state.

This it cannot be doubted has materially contributed to inspire that confidence which has enabled government to borrow money with so much advantage, and to such an extent; and so far it must be admitted to have had a powerful influence in maintaining the strength, security, and integrity of the empire unimpaired.

Having thus examined sufficiently the nature of the subsisting connection between government and the bank, that between the latter and the public, touching the confidence to be placed in bank paper, naturally follows. And it fortunately happens, that from what has already been advanced, we are completely relieved from any disposition to exercise an inquisitorial power on this branch of the inquiry; the disclosure just made, as to the immense accumulation of profits up to the year 1797, places the fact of their progressive prosperity beyond controversy; and as this must be considered the truest test of good management, it seems quite unnecessary to advert more particularly to the unsullied character for integrity, great experience and judgment which the directing body of this great institution has always maintained.

With regard to the representative worth of the paper which they issue, exclusive of their stock, the extent and particulars of which we have already examined, we know that their practice in the discount of bills is governed by as prudent and strict a system of caution as it is possible to introduce into the management of a machine so immensely extensive as that which they preside over: they confine themselves, except on very special occasions, or to manufacturers, to the discount of bills having no more than two months to run; and on all occasions take care to have at least two local names or approved securities on each bill, otherwise it cannot be offered for discount; this, with a very scrupulous regard to the character and solvency of the parties, and an attentive consideration of the natural appearance of all mercantile paper which may excite any particular notice, or is offered under any peculiar circumstances, constitute what may be considered the commercial discount practice of the bank; to which, when we add the judgment, experience, and unsullied integrity of the directors, we may freely pronounce, that a more perfect and satisfactory one for the security of the public could hardly be devised. Cases will always arise, and will doubtless multiply in proportion to the magnitude of the

trade and dealings of that great theatre of wealth and commerce on which they practise, where neither caution nor judgment will be sufficient to prevent loss, or to avoid deception; but, except in years of extensive commercial calamity like the last, losses arising in this way never amount to any thing worthy of notice.

When the discounts of the bank are thus founded upon real mercantile transactions, or upon property already accumulated, we have the most secure and perfect pledge for the representative worth of the paper which it issues, in addition to the collateral security of its stock, on which is founded the strength and solidity of the British empire itself.

But it will be urged that the late commercial calamities furnish certain proof of an excessive circulation, as well from the extensive ruin which these failures produced in the commercial community at large, as from the limit to which in consequence the circulation of bank paper was contracted: to this I rejoin, by admitting both facts, of which I have personal knowledge; but I deny that they furnish positive evidence of the over issue of paper; they furnish most certainly proofs of an overstrained trade, of improvident speculations, of unfortunate adventures in foreign merchandize, supported by the deceitful power

of a paper accommodation at home; but none of these operations were actually represented by bank paper, they were supported by accommodation bills deposited in the chests or coffers of either the bank or private bankers throughout the kingdom, represented it is true for the moment in bank paper, but as instantly reconverted into bills by the repetition of a practice perfectly understood by commercial men; and the consequent contraction of bank issues which followed these extensive calamities, arose from the universal alarm and stagnation in trade, and the total cessation for a time of all disposition to attempt the purchase of any article of either native produce or foreign merchandize, except for immediate want and actual consumption.

Although the distress which had thus resulted from an improvident system of commercial extension was justly to be considered as a national calamity, yet it may be truly said to have relieved the commercial community at large from a monstrous incumbrance upon its prosperity, and an unnatural innovation upon its interests; an immense mass of accommodation paper, and a multitude of speculative men, trading beyond their means, were at once swept away; and thus a revolution was effected, which, by slow yet certain degrees, has restored trade to its natural



level, and secured its revival upon a basis more solid and durable than for many years. The revenue of the state, as might have been expected, has suffered chiefly in the custom department; but it is astonishing that the deficiency is so small, with such powerful causes to make it greater.

The funded capital of England, and consequently the accumulated wealth of its inhabitants, is admitted to be greater than that of any country of Europe, or probably the world, and we see just cause to exult in the means by which this wealth has been acquired; it feeds our future prospects with hope, and supports our present suffering with fortitude; it has been the gain of successful industry, labour, and commercial enterprize, more ingenious in its application to manufactures, and more active and general in every similar pursuit than any other country can exhibit. By such means we are enabled to produce an immense annual excess in the various branches of labour, manufactures and arts beyond our own wants, and fitted either for the use or luxuries of mankind.

The excess thus created may be considered as so much superfluous property produced by the industry, ingenuity, and labour of our people, which, as we have no occasion for ourselves, we

barter with other countries for such commodities as either our wants or luxuries require; for in either case they become valuable, though in different degrees, the former as necessary either for actual consumption, or as necessary to the production of other articles; the latter as furnishing incitements to the expenditure of superfluous or accumulated wealth, and the consequent diffusion of that which would otherwise become dead capital.

The result of this I conceive to be, that the quantum of property so created and transported is so much spared from the industry of our population, and is the actual creation of so much wealth, as it produces in return the various product of other countries which we either cannot produce ourselves, or not upon such terms as we thus secure them on.

In this great and extensive interchange by barter, constituting the foundation of our wealth, it will, I presume, be admitted, that we have received back in specie but a trifling proportion of the wealth we have otherwise gained; and that at no period of modern date has England been in possession of a surplus capital in specie equal to the circulating credit which the enormous amount of her increasing trade required; hence, I infer again, the great impolicy of di-

minishing the quantum of that specie by the improvident policy of permitting it to be exported, except upon terms of a reciprocal intercourse, or the still more dangerous one of attempting to remove the existing restraints upon the bank.

From this short view, however, of the creation of money, we see abundant reasons to maintain the perfect stability of a paper currency, founded upon the security of actual property; we see, in truth, that gold itself is produced from the produce of industry and labour; that while it is turned out from the bosom of the earth in its native state, it is still comparatively useless until exchanged for other articles produced by the labour and industry of man. Industry, therefore, which thus gives life to property, is the germ from whence all property, even gold itself, is produced; and while the vigour and enterprize by which this industry is fed shall continue to be protected, so long shall we continue to keep it in a state of perpetual regeneration.

The debt of England has been frequently held as a subject of awful contemplation to those who, taking no more than a superficial view of its nature, would pronounce against the possibility of its being increased much beyond its present amount, without imminent danger to the state,

or the safety of its credit; but the civil administration of our affairs regulated by prudence and fortitude, and the commercial rights and privileges of the empire vigorously protected and sustained by the dominion of the sea, I cannot be persuaded that we have any cause whatever of apprehension.

In fact, I would maintain it as a principle fully sustained by the evidence of human experience, and by a profound and attentive consideration of the causes which in other periods of the world have led to the declension of states and empires, that the consumption of the accumulating or redundant wealth of England, by its application to the expences of the state, has been and may still be conducive to its prosperity, and to the permanence of the empire itself; for in proportion as wealth has accumulated without such means of a full and ready application of its use, it begins to lose its value in the estimation of mankind, and is then more likely to be devoted to the purposes of luxury and vice—evils calculated in all ages to produce by slow but certain degrees a relaxed degree of activity and vigour in the pursuits of labour and industry in the physical energies of man, and to repress, if not extinguish, by the same slow but certain progress, that spirit of enterprize by

which the commerce of England has been so much promoted, and her wealth increased: we might thus, by the continued effect of such moral causes, see the foundation of this great empire shook by a much more powerful and dangerous enemy than either the inveterate enmity of France, or a debt, however great, lent by her population, and distributed in that way which seems best calculated to feed and invigorate the natural energies of the state, and to secure its continued regeneration.

After having for fourteen years suffered from a variety of evils appertaining to the inefficacy of the bank restriction law, as well with respect to what I have already advanced upon the subject of private banks, as the power which it still afforded either to the prejudiced or interested to exact excessive, and, in some cases, enormous rates of discount between paper and gold; in the dealings between landlord and tenant, it was a most singular fact, that this most irritable and vexatious question, which had grown into a national evil, and was likely still to increase in public interest and feeling from the unexampled effects of the continental system, should at length be taken up, and in part remedied, by an individual having no connection whatever with the administration, I mean lord Stanhope; nor is

it matter of less astonishment still; that Ireland, in which this question may be said to have originated, and was much more extensively practised than in any other part, should have been altogether left out of the operation of this remedy, upon the alleged ground of its being inapplicable and unnecessary to this part of the empire.

It is to be presumed that an impression so perfectly erroneous and unfounded has ere this been removed, either by representations of its impolicy, or by the conviction of experience; yet still it becomes necessary to examine a little how far the omission was at the time justified, and to what extent the question of alleged depreciation, as affecting Ireland, has been hitherto influenced by the want of a remedy of at least equal if not greater efficacy than this.

If it be proved that the distinction between bank notes, gold, and the consequent discount upon the former, which frequently amounted (in the year 1804) to eight and ten per cent., was entirely owing to a political prejudice upon the one side, and private interest upon the other, and that at any time since the date of the restrictions such a remedy as the present would have partially, if not totally, removed the evil, it will serve at least to shew how narrow and

short-sighted the views of public men have been upon questions of political economy involving the best interests of the state; or if this be denied, it will prove a timid and pusillanimous policy in failing to adopt measures best calculated to protect the interests of a state placed under singular circumstances of difficulty, in defence to maxims which were alone applicable to the times with which they originated.

It has been already noticed that the northern district of Ireland, or the province of Ulster, in which that great staple of the country the linen manufacture is established, had obstinately refused the introduction of a paper currency as a substitute for specie, while the rest of the kingdom, without difficulty or hesitation, yielded to the political necessity which produced the measure of restriction, and submitted to the change. This partial exception to the conduct and sentiments of an entire country was in itself a singular and interesting fact, justly calculated at the time to have excited the notice of the government, and to have produced measures of redress and prevention; but it was imputed, most erroneously, as I conceive, to natural causes arising out of the state of the country and the habits of the people, and therefore it was permitted to continue.

I have already adverted to the powerful operation of political prejudices in keeping alive the objections to a paper circulation, and the acceptance of paper as a substitute for gold in the payment of rent. This in individual cases has frequently, even by example, produced the extension and duration of the evil: and here, in my conception, was the original source of the cause which operated so powerfully in the north in the rejection of paper as a medium of circulation.

The restrictions, it will be recollected, took place in March, 1797, from which period until May, 1798, the commencement of the rebellion, the town of Belfast underwent a considerable degree of agitation, from a very general prejudice among its inhabitants on political questions against the measures of government.

From this prejudice, there can be little doubt, followed, almost immediately after the restrictions, a resolution to reject the use and substitution of paper for specie, and to adopt this resolution in all local transactions either of a private or mercantile nature.

It will be admitted that such an example was well calculated to produce a powerful and extensive effect, the capital of the province, one of the greatest linen marts of the kingdom, in the

heart of the wealthiest and most populous district of the entire country, and with a character for intelligence in matters of trade and commerce almost peculiar to itself, was altogether a circumstance hardly to be resisted in giving the law to the rest of the province, and so the event proved.

The first local consequences which followed the adoption of these measures, was the dissolution of two respectable banking-houses, whose trade could be no longer profitable when specie was to be the sole medium of circulation; and this instance may well be urged in proof, that prejudice, more than any other feeling, had influenced the rejection of paper, as the stability of these houses was proved to be undoubted.

The next and most important consequence was, the general diffusion of this prejudice throughout the entire province, and the consequent rejection and refusal of any thing but gold in exchange for the products which it so extensively produced. In the first case the character of this prejudice may fairly be considered political, in the latter it seemed to be more the influence of example, acting upon ignorance, but supported afterwards by private interest; and such a combination of causes was powerfully calculated to perpetuate the evil, but it was

equally so to excite the observation of government, and the application of a remedy.

That I am justified in these conclusions of the force of example (proceeding from a prejudice which nothing but experience could remove, and has since removed), is, I think, manifest from the mere fact that among the linen weavers and lower classes paper as a medium of exchange for property was rejected upon any terms, and nothing but gold accepted; while among the upper classes, comprising the land proprietors of the country, represented in general by their agents, and the mercantile body, the dealing in paper was soon established upon the principle of a discount or premium on gold, and conducted as extensively as if no such prejudice had existed among the other body.

The mercantile interests, and linen merchants in particular, who had to provide the medium which was thus established as the exclusive circulating medium of the province, soon found it impossible to maintain the monopoly of gold, which formed the basis of the measure, without submitting to this discount; for as the rental of the lands passed twice in each year into the hands of the proprietors, and as the latter or their agents would accept nothing but gold, which it was evident they were justified in doing

so long as the capital of the province set the example, a great portion of the circulating medium or capital of the country would of course pass away from it in remittances to absentees; if by this means it had not been prevented.

It is evident then, that while the professed motive for this exclusion of paper might have originally been to establish a basis of greater security in the mercantile dealings, and the extensive interchange of property which this rich province so abundantly produced, yet that its operation was soon felt to be a heavy inconvenience, by the extra charges of discount or premium which they had always to pay in procuring gold, while, upon the other hand, it secured an equal degree of advantage to the landed proprietors; and we may confidently infer, that a knowledge of this advantage, so perfectly understood as it soon came to be, has been one of the powerful causes why the measure itself was so long suffered to exist without a remedy.

It will be recollected (according to Mr. Huskisson's illustration of the principles which govern the exchange between two countries), that so long as paper is convertible into specie, the exchange can never advance beyond the expences which may be incurred in transporting specie from one country to the other; and there-

fore it is clear, that so long as the absentee agents in the north of Ireland could secure the payment of their rents in specie they were sure of making their remittances at a trifling rate above par, the expence of transport for gold being no more than one-half to three-fourths per cent. : this, it will be seen, was a powerful inducement to retain the use of specie, when exchange so frequently fluctuated from five to ten per cent. above par for paper; but it will be recollected with astonishment, that under such circumstances, and with a record of such facts as I have here stated, all of which are recent in the remembrance of the public, it should still have been thought unnecessary to include Ireland in the operation of lord Stanhope's bill. It was still more singular too that a member of the house of commons so perfectly acquainted with Irish affairs as lord Castlereagh should have altogether omitted this important illustration of the relations between landlord and tenant in Ireland, in his speech defending lord Stanhope's bill; which speech was afterwards distributed to the people of this country gratis, as a full exposition of the question, and a perfect explanation of the causes which justified the exclusion of Ireland: but it will probably be recollected that his lordship might have had other

*motives for omitting also any allusion to the absentee list and drain of Ireland; his arguments, however, were weak and imperfect without it.*

I am aware that but a portion of the rents belonged to absentees, it was however very considerable; and where human interests were so materially committed, the force of this example would generally influence and regulate the entire intercourse between landlord and tenant, as it universally did.

Late events have, it will be admitted, produced a great revolution in the extraordinary state of the circulation of the north; the exchange between England and Ireland, governed by natural causes on the balance of trade and payments, which, upon the part of government, have been of late years so conducted and managed as very powerfully to influence the rate, and to limit the fluctuations to one and two per cent. above par, had reduced the rate of discount in the north to a rate corresponding with this ratio; and as the mercantile interests had long been convinced from the test of experience, as well of the perfect stability of the national bank money, as of the advantages and facilities which it gave to trade, contrasted with the inconvenience which they suffered, a very general disposition now began to prevail to remove the existing re-

straints upon the circulation of paper, and to place this part of the kingdom upon an equality with the rest.

In conformity with this disposition, the restraints, aided by the same force or influence from whence they originated, but with a different tendency, have within these four years been gradually removed, and the establishment of three new banks at Belfast, upon most respectable foundations in point of stability and experience, proclaims at once the complete and perfect existence of the revolution to which I allude: guineas are no longer thought of, nor their removal in the slightest degree either felt or regretted, and the property of the country created from its industry is now represented to the satisfaction of its population, by a circulating medium founded upon existing capital, and as well as it was before by a circulating capital, incumbered by fluctuations in its value, and a consequent difficulty in procuring it highly inconvenient as well to the trader and factor as to the community at large. It is much to be wished that the confidence entertained in the stability of the foundation on which the trade of this province rests may not induce the too frequent and extensive issue of paper from these banks on securities, beyond the usual period of

the national bank, on single personal securities, or on landed security, all of which have a tendency to create fictitious capitals, and to induce an improvident and dangerous spirit of commercial enterprize: it would be well, in truth, if the entire practice of the bank of Ireland, in respect to discounts, was strictly enjoined and even enforced as the principle and rule of guidance in all these cases.

But the evil of a discount on paper in payment for rents remains still in existence, though partially exercised; and the price of gold having of late so enormously advanced, this practice, when exercised in any ratio to this advance, must be considered as an exaction of the most oppressive nature, loudly calling for parliamentary interference. In my estimate and view of the causes which have led to this state of things, it is totally impossible to find any justification whatever for this right of exaction as between landlord and tenant: the claim of the absentee to save himself from loss might, under such circumstances as produced the necessity of his absence, be justified; but on a more extended scale of his rights, blending the great interests of his country, no individual privilege could with justice be maintained, nor is it easy to withhold our censure from the government of a country

to whom these facts were either actually known, or ought to have been known, omitting to extend its protection to that part of its dominions where such evils were prevalent, to a country too with whose political bearings and prejudice they had so good a right to be acquainted, where, in fact, the question as between specie and paper originated; where it commenced with political prejudices, and was suffered to be perpetuated by political negligence.

The right of exacting gold from the tenantry has, I know, been maintained upon a variety of principles, some of them newly broached to accord in equity, if possible, with the enormous rates of discount lately demanded and enforced; one of these is, that where leases had been granted previous to the restrictions, it was equitable the tenant should pay in gold, from the great advance in the value of his land; this is plausible, but is, to my conception, equally delusive and unjust as if his lease were but newly granted.

Every contract for land, no matter what the period, must have been undertaken in the implied anticipation of abiding all the consequences attending the country's fate, whether that was progressive or retrograde; and as the tenant was thus bound by his contract to encounter all



chances, he was surely entitled to the benefit of an advance; if he was so firmly tied to the disadvantages of a decline in the value of his land; the landlord too, as a member of the state, partaking of its protection, and committed with its interests, was still more deeply interested in its welfare, and more imperiously called upon to submit to any changes in the currency of the country, dictated either from the necessities or the policy of the state. Can it therefore be defended, that under the existing circumstances of the country it was equitable to exact what no longer existed as a circulating medium, what is never thought of in the common intercourse between man and man, and hardly mentioned in the practice of that intercourse except as a matter of curiosity to inquire the fluctuations in its price? Was it right then in such a state of things, when in truth the former currency of our country had altogether lost its legal standard, and vacillated like other articles of merchandize, to withhold from Ireland the protection of a law that would only have extended to her the same advantages intended for her English fellow subjects?

The existence of the practice in some of the northern counties immediately after the passing of lord Stanhope's bill is notorious, and the rate of discount exacted, particularly from the te-

nantry of a young *patriotic* nobleman just of age, was in some instances so high as 6s.\* and 7s. in each guinea.

We can hardly refrain from connecting with such conduct as this either a spirit of avarice and rapacity, or of political prejudice totally inconsistent with those refined sentiments of public virtue and patriotism which on all great occasions it is so much the desire of such characters to impress on the public mind, both in this country and the next.

But this spirit or practice, from whatever source it originates, is rendered still more reprehensible when it is recorded as a fact universally known throughout the entire kingdom, that with-

\* Extract of a letter received by the author from most respectable authority.—“The marquis of D———e is certainly much blamed for the exorbitant discounts he has charged his tenantry through his agents, but by his positive orders; in many cases, I understand, where guineas could not be obtained, so high as 7s. per guinea discount has been charged the unfortunate tenant, and in many instances nothing but gold would be taken: a very considerable proportion of the guineas he received the last half year were bought by —— for —— of Dublin. Lord C———t is another who charges discount of the day of all his rents; but the number who follow their example in this way of raising their rent-roll is very considerable, and it would be the most desirable of all things that lord Stanhope's bill should extend to this country.”

in the space of the last twenty years almost every estate in Ireland has more than doubled its rental, and is in a constant state of progressive improvement; a ratio of advance in the value of property, which as it far exceeds that which could be applied either to the products of the land, or of any other property affected by the consequences of the war, ought surely to have been sufficient to satisfy the utmost stretch of either private interest, open rapacity, or political prejudice; and if grievances are to be measured by their effect upon the private peace and happiness of a state, how infinitely more must these be considered as militating against both than those of a political kind so loudly complained of in respect to Ireland.

I anticipate with confidence then, that the equitable claims existing in favour of extending the operation of lord Stanhope's bill to Ireland will force the measures before parliament, and that redress will be obtained in the present session; and I can have little hesitation in thinking, that if after the trial of this remedy for an entire year it should still be found that some of the motives to which I have alluded shall continue to influence the conduct of individuals, it would be expedient, during the existence of the war, to extend a further protection to the sub-

ject, to whose labour and industry the state is so deeply indebted, by making the national bank paper a legal tender; and by a reference to the arguments I have already used in support of the stability of this currency, will be found my motives for reposing this ultimate proof of confidence in its value.

The drain of specie from Ireland for the last two years must have been excessive, and although it might not probably have been prevented, yet assuredly it must have been considerably checked had lord Stanhope's bill had effect: in consequence of this omission, the trade of purchasing guineas was openly conducted, and avowed as a branch of commercial traffic; English Jew dealers were even induced to come over, and country agents were employed in all directions to pick up what the country was disposed to part with. Such a traffic, it must be confessed, conducted openly in one country, but restrained by heavy penalties in the other, was a curious instance of legislative sagacity; but when the motives and causes of the dealing were openly avowed to be a clandestine export to the French dominions of the continent (as was freely admitted by the parties themselves), it could not fail to produce emotions directly hostile to a policy which went to sweep our *own dominions*

of their legitimate coin, and to supply our most formidable and inveterate foe with the only sinews of war which he had not himself the means of supplying in sufficient abundance.

With such impressions of the nature and policy of this traffic, it will be interesting to inquire to what probable extent it may have been carried as between Ireland and England; and if we can form any idea of the quantity of paper at present in circulation in the northern province, where gold formed the exclusive medium of transfer, we shall be able pretty accurately to estimate what may have left the kingdom, paper having now become the universal substitute for coin throughout the entire province.

Attributing to this province full one-third of the wealth of the entire kingdom in productive industry, I can have no hesitation in thinking that the circulating paper must at present amount to full two millions, all of which, I conceive, may have been at one time represented by gold and silver; and making a probable allowance for such sums as the natural anticipation, the craft or the foresight and timidity of man may have still withheld, I calculate that one million and a quarter must at least have been exported, and finally made its way to the continent.

An interesting fact, as it respects the question

of depreciation, arose out of the export of this coin during its entire continuance; the exchange, as the restriction existed in the north on the circulation of paper, generally varied according to the premium on gold, that is, English bills could always be purchased for gold on better terms by the whole amount of the premium between gold and paper than for paper exclusively; but they at once lost this connection when by general consent the population of the province agreed to accept paper as a substitute, and ever since the separation has been so perfect and complete as entirely to establish that universal principle of distinction before existing throughout the empire, subjecting gold to the same causes of fluctuation in value as any other article of merchandize.

It was evident that the entire circulation of the province was required to be kept constantly recruited with a sum in gold fully equal to its wants; and it was equally evident that from the nature of the subsisting connection between this province and the capital, the means taken to recruit this supply would be as constantly impeded by the reaction of the demands of the latter; so that the contending difficulties of the connection settled into that of an exchange as between a province arrogating to itself all the

distinct attributes of a separate state, trading with another having a distinct and separate currency, requiring, as the fact virtually was, to have specie and nothing else in exchange for produce; regardless, at the same time, either of the difficulties thrown in the way of the parent state, or of the impolitic tax upon the cost of the manufacture which they dealt in.

Thus it was that the exchange with England constantly partook of the fluctuations in the premium on guineas; for it was evident that from England they could draw no guineas, though the bulk of the linens produced in the entire province went to that market: the great supply, therefore, of gold may be said to have been raised upon the equivalent of English bills, passed either in the principal towns within the province where exchange marts existed, or in Dublin; and in proportion as the demand was increased or diminished, according to the seasons at which linens were brought to market in the greatest quantities, did the exchange and premium on guineas fluctuate. Upon the other hand, when a capital for the purchase of linen was raised upon the credit of bills drawn on Dublin, the produce was of course issued in paper, and as this must afterwards be converted into gold either at Dublin or at some exchange

mart within the province before it became effective for use, hence arose that phenomenon at Belfast and other towns in the north of an exchange at two prices, one for gold, and the other for paper. By the general substitution of paper, however, the unnatural barrier before existing between this province and the rest of the kingdom was removed, and the intercourse as well with the capital as with England through the latter being no longer impeded by an internal exchange, the intercourse by a direct exchange has evidently assumed a less fluctuating shape, for within the last five years it has not varied more than from  $1\frac{1}{2}$  to 2 per cent.

The causes which led to the high rate of exchange in 1804 it may be difficult altogether to explain; but it may very naturally be inferred, however, that a powerful effect was produced upon the public mind by the temporary insurrection in the summer of 1803 in Dublin, when the vigilance of the government had so much relaxed as to have left the city but a very narrow escape from an extensive scene of pillage and bloodshed: this circumstance, connected with the attempt of the French at invasion in 1796, and the rebellion of 1798, formed altogether a most impressive combination of facts, calculated to reproduce that cautious anticipation of future events which

in 1796 operated so powerfully on the two banks. At that time, as I have already stated, I conceive that a large proportion of the gold of the country was hoarded, and I suspect the same consequence followed the evil to which I have alluded, though not probably to the same extent; but to whatever extent it proceeded, the supply of gold for the circulation of the north was decreased, and in proportion to that decrease must the premium have advanced, and consequently the exchange (as I have already shewn) from the existing regulation of an internal exchange, bottomed upon the necessity of constantly recruiting the supply of gold for the circulation of the province; and it is evident that a comparatively small sum taken from the circulation by hoarding would produce a considerable advance in the price of the article exclusively required for the uses of trade.

The silver issues by the bank of Ireland in 1805, 6, and 1808, produced also, as I conceive, a powerful effect in reducing the rate of exchange to a less fluctuating state; for as it was freely taken, it became an immediate substitute for so much gold; and as it removed at once all the inconvenience before felt for change, extinguished other existing clamours about bad silver, it afforded a most important relief indeed

to the community at large: the exclusive preference before given to gold was of course in so much relieved, and as there was no temptation to export it from the country, it remained in a state of revolving circulation answerable for all purposes, and especially for that of diminishing the preference and the demand for gold.

But however important these changes have been, as well for the interests as the convenience and facilities of trade, they are still more important as they regard the question of depreciation, which I cannot help thinking is completely overthrown by a reference to certain facts resulting from the existing state of things.

If the connection between gold and paper was really so intimate as the committee and their advocates would teach us to believe, it follows that when the former was removed from circulation in the north, and the latter substituted in its place, still that whatever change afterwards appeared to arise, by which an increased quantity of paper was required as an equivalent for the same quantity of gold, it was a positive criterion of the depreciation of the former to the same extent, and consequently, that as an equivalent for all other articles this depreciation must of necessity follow it: now it is a positive fact that linens have experienced no ad-

vance whatever in consequence of the change, contrasting (which is the fairest principle to establish) the present value with that which they were known to sell at when gold was the medium of equivalent; and it is equally certain, that about the period of the change, although the premium before that amounted to more than three per cent., yet that no difference whatever was observed to take place in the subsequent price of the article when it came to be paid for in paper; and this equality still exists; that is, the web of linen that could be purchased five years ago at two shillings per yard for gold can now be purchased at the same price per yard paid for in paper, while gold itself has advanced full twenty-five per cent. beyond the price which it sold for at the before-mentioned period of the substitution of paper for gold.

Another and a still more conclusive fact, if possible, according to the theory of the committee, is, that during the entire period at which gold was progressively advancing in Ireland the exchange with England was progressively declining, so that while gold had risen full twenty-five per cent. in its value, the exchange with England had declined to par: this is an incontrovertible truth not to be shook or affected by any casuistry whatever, and proves beyond ques-

tion the complete and entire distinctness and separation between gold and paper, and the consequent equality and maintenance of the undepreciated value of the latter.

The substitution of paper being universal and complete, it was no longer to be doubted that the fact of distinctness would openly shew itself, that gold, in truth, would leave paper, and transfer to it exclusively the medium of circulation; and it must be equally manifest that no revival of the question of depreciation can or will arise in Ireland if government shall perform its duty to the country, by extending to it at least the protection of lord Stanhope's bill.

The foundation of the bank of Ireland, its constitution, and rules of discount, being precisely similar to those of the bank of England, it is unnecessary to enter into any other particulars of its history than to state that its capital amounts to two millions and a half, vested in government five per cent. stock; the issues up to the 1st January, 1811, never exceeded 3,200,000 in paper, but of its accumulated profits, nor of its bullion, I am unable to form any estimate: it has, however, divided for the last three years 10 per cent. upon its stock, including a bonus of  $2\frac{1}{2}$  per cent., from which, and from the acknowledged judgment, ability, and integrity with

which its affairs have been conducted, we may justly conclude that its prosperity has been even more rapid and extensive in proportion to its funds than that of the bank of England.

The consequences of the war, it is true, have produced manifold evils; but it is equally certain, that maintaining as we have done the dominion of the sea, and by that means been able to extend our conquests and our trade to almost every part of the civilized world, our commercial revenue and wealth has, in despite of all obstacles, been in a progressive state of improvement and accumulation, far beyond even the corresponding expences of the state, or of the debt of the nation; nor is it less certain, that although all the necessaries of life have advanced in price in consequence of the war, yet that we are by the diffusion of that wealth which our increased industry and trade has created, and which the expences of the war itself so generally circulates among our population, still better able generally to sustain the burthen of this advance in the expences of our living than we should have been without the war.

Speaking of Ireland, our national debt, it is true, has increased beyond our means of either sustaining its weight, or raising the ratio of our quota to the general expences of the state as

settled at the union; but this unquestionably results from the application of a principle to the ratio of this quota as then settled, the most unjust and erroneous that could well have been conceived. Will it be doubted for a moment, that in establishing the ratio of expence to be borne by the two countries, the accumulated wealth, that is, the funded debt of each should have been taken into calculation? Upon this principle alone, which in truth was a much more conclusive criterion of the productive power of each country respectively than any which could be formed, we should have found England in possession of an accumulated capital of nearly 600 millions, and Ireland possessed of no more than about 30 millions, forming a proportion of comparative wealth and productive power of exactly  $\frac{1}{20}$ th instead of  $\frac{2}{17}$ ths.

This conclusion is rendered so perfectly familiar by a contrast of the powers which two individuals may be supposed to possess in the opposite relations of immense wealth and comparative poverty, one having accumulated, by a long series of successful industry and commercial enterprize, an enormous capital exclusive of his annual income, the other but lately permitted to enter upon the full enjoyment of his hereditary estate, has had only time to accumulate wealth in proportion to the period of his possession; in

such a case surely the united powers of wealth and income are to be included in any estimate made of their respective ability either to raise money or to bear taxation; or, in other words, the income derived from the interest of the capital already accumulated has every right to be added to the revenue otherwise derived, in forming any calculation for future purposes, whether that be to raise money on the gross, or to bear the increasing burthens imposed by the necessities of the state.

In direct application to this reasoning is the case of Ireland: the estimate made of her powers to bear future loans and taxes at the union was founded upon a contrast of the revenue and expenditure of the two countries, without including any estimate whatever of the respective powers which they both derived from their accumulated wealth, the true criterion of national as well as human ability. Hence it followed that ever since the union Ireland has been unable to raise her quota of the expenditure of the empire, and consequently a considerable portion of it has fallen as a burthen upon England; a natural, and probably a just, consequence of the improvident contract entered into upon that occasion.

With an imperfect recollection of these facts, or an inattentive regard to the application of

them, it was probably natural for an English commoner to exclaim, "That Ireland being no longer able to raise the whole amount of the contribution imposed upon her by the terms of union, but was obliged to borrow from England, was therefore an intolerable burthen upon the latter." But, without entering further into this subject, as foreign to my purpose, had he stated the account fairly between the two countries, he might have introduced a few items on the side of Ireland, such as food, men, &c. &c. that would have gone a considerable way in balancing the account, if not turning it in favour of the latter.

This recurrence to facts of a political kind is merely brought forward for the purpose of shewing that what regards the state of our national expenditure has no reference whatever to that of our currency; nor is our relative situation with England in that respect any proof whatever of a declining country: on the contrary, we have decisive proofs of our increasing trade in common with England by the annual returns of our exports and imports to parliament; what relates, therefore, to England in those particulars equally applies to our situation, as with her prospects, hopes, and natural objects, must our fate be inseparably connected.

Let us again recur then to the scenes which



have been passing around us, and gather a lesson of political experience and instruction for our own conduct under the circumstances in which Providence has placed us; let us recollect that while we have no tenure of the duration of states or empires more than of other human foundations, yet that the obligations we owe to the security of our own, together with those which its pre-eminence and elevation so exclusively impose, teach us to regard and to protect, with enthusiastic ardour, a fabric raised by such distinguished efforts of human industry, enterprize, and skill.

Let us be true to our interests, to our happiness, and to our glory; let us confide in the substantial and elastic power of our resources, foster and encourage our industry, protect our trade, and, combining wisdom with fortitude, maintain the naval dominion we have acquired at the risk of every thing that is dear to us: by such means our revenue, the basis of our greatness and credit, will not only be supported but improved; and our resources thus made inexhaustible, we may brave the power of France for ages, and secure to our posterity the safety of that inheritance which we owe them.

THE END.

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