A LETTER,

CONTAINING OBSERVATIONS ON SOME OF THE EFFECTS OF OUR

PAPER CURRENCY,

AND ON THE MEANS OF

REMEDYING ITS PRESENT,

AND

PREVENTING ITS FUTURE EXCESS.

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ADVERTISEMENT.

In offering these few pages to the Public, the writer is influenced by a desire, which he has not the vanity, indeed, to suppose will be gratified much the sooner in consequence of his exertions alone, to remove what he conceives to be a sorely-afflicting, and widely-spreading evil. Facts, however, which seemed to him as clear as the sun at noon-day,—Propositions which he held to be of the nature of truisms—if they have not sometimes been boldly denied, have not always been candidly acknowledged, by men who, in general, are able enough to see and judge right. Whilst, on the other hand, tenets have been avowed, and attempted to be supported, which appear to him utterly subversive of justice, and manifestly tending to the ruin of the nation. He pretends not to novelty of doctrine or argument—though perchance he may have stumbled upon it. His arrows, it is likely, have all been shot before.

It is evident, however, that they have not yet brought low the giant against which they may have been directed. Whether they have been sharpened or blunted—more or less skilfully aimed by the present assailant,—will be better known when their effect has again been tried. It is true, the monster has hitherto borne a charm about it,—but the powers which bestowed the charm, will surely not permit it to prevail for ever against the arms of reason and truth. 'Yet, whether reason and truth do not aid it is first to be determined.' And this is a question within the scope of that, with a view to the determination of which the delegated Council of the Commons has actually been occupied, and that council, it is said, has actually pronounced the propriety of speedily dissolving the charm, of revoking the edict of inviolability, which has so many years been kept in force.

A LETTER,

CONTAINING

Observations on some of the Effects of our Paper Currency.

DEAR ***

I AM not surprized at seeing once more the threadbare hexameter —

"Tempora mutantur nos et mutamur in illis,"!!!

which, as long as the world endures, furnished as it is with human beings, will ever be applicable to the time being. The triple note of admiration, however, with which you have adorned the adage, is a mode of punctuation which does not appear to have been adopted by any of the old editors; but is pathetically intended by you, I presume, to apply to this time in particular.

You cast your eyes over your old weekly account book; you notice the entries that were made there, five and twenty, or thirty, years ago, and are too well satisfied of the fact, that the pound note and shilling of 1810, will not procure more than half, or two-thirds, of the provisions which a guinea did in those times. Should your memory have failed you, which, in matters of that nature, is not likely to have been the case, you see it recorded, in your own legible hand writing, what was the condition of things in the days that are passed.—You shrug up your shoulders, deprecate the frequency and long continuance of wars, and their numerous train of evils; the heavy weight of taxes they bring along with and leave behind them. To these you ascribe the distressing change which you know, and feel, has been effected, not only in your household expenditure, but in the aggregate of your comforts and enjoyments.—You had more meat from your butcher—more bread from your baker; you distributed more to the infant and aged poor, well-accustomed to your hospitable threshold; and, notwith-

standing you then maintained your children at home, your tradesmen's bills amounted to much less than they amount to at present—your equipage, though not shewy, was respectable—you felt easy in your circumstances, and were happy in the reflection, that you were making a decent future provision for your family. But that recollection must now be painful to you. War and its consequences are indeed severe calamities—many mothers have mourned for their children—many wives for their husbands. Our luxuries and our comforts, (to descend to a less afflicting part of the theme) have been abridged—the annually-allotted savings for our children have increased less rapidly, if we have not positively diminished them—nay, sacrilegiously entrenched upon the very capitals of our ancestors. The taxes are truly burthensome.—But the worst evils of war we have never felt,—and may this country never feel them.

You are wrong, however, to attribute the vast difference, which, with dismay, you be-

hold in comparing your account of seventeen hundred and eighty, or eighty-five, with that of eighteen hundred and ten, solely to the operation of the taxes. You say there can be no doubt as to the duties imposed upon your house, your windows, your horses, and your carriage; and that it is easy enough to perceive, there may be a multitude of taxes affecting the prices of many articles of consumption, besides those which are the immediate objects of taxation.—That of this nature are taxes imposed upon articles of general necessity—upon candles, soap, and leather,—since those who are employed in raising and manufacturing these, or any other commodities, must, (at least in this country) receive such wages as will enable them to procure the former; and if the wages of labour be increased, the price of the articles produced, or worked up by that labour, must also be increased.

I will not dispute with you upon the truth of the last observation, though it might very candidly be questioned, whether an increase in the wages of such as are employed in

agriculture does not, in a great measure, if not altogether, fall upon the owner of the land—so as partly, if not wholly, to exonerate the consumer of the article produced. But how does all this affect the point under consideration? What additional taxes have been imposed upon these articles of necessity? Examine the several items in your aforesaid weekly account book—for it affords instances of many articles of necessity, whereon no duties have been imposed, whilst at the same time it affords instances of the vast increase in their price. What has been the additional duty of Excise upon candles and soap, within the period of which I am speaking; and have not other articles of much greater importance, namely, butter, cheese, corn, and butchers' meat, and fuel, continued wholly free from such duty? But have not likewise coarse linen, and woollen cloths, continued so? Has any additional duty been laid on leather used for shoes? 'Tis true, the old duties upon salt, sugar, tea, and malt, have been repealed, and heavier duties are now levied upon them. But how little of these articles is generally consumed by the

labourer?*—Enough, I will acknowledge, to make it questionable, whether such duties ought to have been imposed—but too little to raise any reasonable ground for supposing that they have occasioned an increase in the price of the wages of labour, sufficient to account, in any degree worthy of our present notice, for the increase in the price of the other commodities to which I have alluded.

How, then, can it be said, that the taxes have occasioned this difference in price?

* It was supposed, at the time when the additional duty of five shillings per bushel was imposed upon salt, that the additional sum to be annually paid by the labouring class, in consequence of that duty, amounted upon an average to two shillings and sixpence for each family. And if any one will give himself the trouble to calculate the annual sum which is paid by the same class, upon an average in respect of the additional duties upon sugar, tea, and malt,—(not forgetting that the use of malt is very far from being general, even amongst the men, and that of sugar and tea, almost confined to the women) I doubt not he will soon satisfy himself, that it bears but a very trifling proportion to the increase in the wages of labour.

Abandon your prejudices—no longer fancy that to be the consequence of the taxes, which, upon a fair examination, you cannot perceive how the taxes can materially affect. Their direct and indirect perceptible operation is extensive and alarming enough. The circumstances of the times in which we live have called for extraordinary exertions and corresponding sacrifices. It may be worth while, however, to enquire a little further for the cause which has produced this rapid advance in the price of goods in general, that if practicable and prudent so to do, we may remove it.

Does the labourer who is employed in raising or manufacturing these articles of necessity, though his wages be increased, enjoy more of the comforts of life than he formerly did? Is he more capable of maintaining his infant family? Does he make fewer applications for assistance to the overseers of his parish, than in the times when a peck loaf cost him not more than twenty-pence or two shillings?—It cannot be pretended. Neither, then, ought it to be pretended,

that this advance in the price of goods proceeded originally from any advance in the wages of labour, which itself must rather have proceeded from an advance in the price of goods.

We have occasionally experienced bad harvests—the usual supplies of tallow and potash were for a time interrupted,—and the prices of grain and candles, and soap, were raised accordingly. The finer sort of wool, from its extreme scarcity, real or pretended, has also of late been greatly enhanced in value, which has led to an increase of demand, and consequently of price, for the coarser sorts; but I speak not of such temporary advances as these, which are sooner or later reduced, and the particular causes of which are sufficiently manifest—but of the continually-growing price of almost all commodities whatsoever.

Has our soil been less cultivated? Has the skill and ingenuity of our engineers and mechanics been cramped or lethargied? Have the labourers stood idle in the vine-

yard? On the contrary, have not extensive wastes been enclosed, brought into tillage, and their produce abundantly augmented? Where nought but rush and moss, or furze and heath, grew before, are not rich meadows and furrowed fields to be seen, smiling with numerous flocks and herds, or with loaded ears of corn? Have not a variety of bridges, iron rail-ways, turnpike roads and canals, been formed to facilitate the conveyance of the productions of the surface and bowels of the earth, to and fro, throughout all parts of the kingdom? Have not our manufactories been enlarged and multiplied to an extent that is amazing? Our machinery improved to such excellence, that in many instances it has been brought to perform the same quantity of work as formerly, nay, infinitely more, with half the labour, and in half the time? and shall it be maintained, notwithstanding all this, that the supplies of food have been diminished,—that the work of our manufactories has been retarded,—that no encouragement has been afforded to them,—that all things have hence become more valuable, and of greater price? Or,

shall it be said, contrary to the reason and experience of mankind, that the very improvements and facilities which we have slightly recounted, have eventually tended only to enable the farmer and manufacturer to impose upon the consumer? Shall it not rather be confessed, that some most powerful cause must have operated to prevent a reduction of price in the common articles of food, and all other articles, the production of which has been so accelerated and multiplied by our agricultural and mechanical improvements, and fresh-acquired means of intercourse?

I leave it to those who are able to shew, what other cause has contributed to the increase in the price of such necessaries as I have mentioned, besides that which, to my mind at least, is nearly adequate to the effect. I mean the enormous increase of money, compared with that of the commodities which it is employed to circulate. —It is a principle admitted, I believe, by all who bestow the least consideration upon the subject, that the quantity of money,

whether it be bullion, coin, or paper money, (for they all serve the purpose of a circulating medium) be increased in a greater ratio than the quantity of commodities, which it is employed to circulate, its value will be diminished proportionably. Or, in other words, the nominal, or money-price of things, will be proportionably diminished. For, although it be evident that an increase in the price of divers particular articles may, and often does, take place, notwithstanding the relative quantities of such articles, and the money employed to circulate them, together with other commodities, continue the same; yet that is a circumstance to be ascribed to causes generally, if not always, discoverable,—as in cases of increased demand for those articles, or of taxes newly imposed upon them. But if the money-price of all commodities be increased in any considerable degree, whilst the demand for, and supply of them, appear to continue the same, and no other cause for such increase, than the positive increase of money, can be discovered, it is natural to conclude that it must proceed from this; nay the general

increase of price, if not otherwise to be accounted for, justifies a strong presumption, that the relative quantity of money has been increased, though no other proof can be adduced that such has actually been the case.

Had the absolute quantity of money continued stationary, the nominal price of the commodities, which I have above particularly referred to, must doubtless have been diminished, in consequence of the vast increase of the quantity of commodities in general. The trade and commerce of the country would have required it. Had the quantity of money kept pace with that of other commodities in general, but not exceeded it, there should have appeared no alteration in the price, the nominal price, of the latter.—The alteration, however, is most apparent; and whilst we have most positive evidence of the flourishing state of our agriculture, manufactures, and commerce, we have the strongest grounds of proof that the quantity of money has increased in a still greater proportion.

For it is further to be observed, that the troubles which so long agitated the neighbouring country, and the calamitous influence they have had upon the affairs of the continent of Europe in general, must have occasioned the introduction of an abundance of gold and silver, in coin and other articles, by those who, seeking refuge from the storms of revolution and war, from the pillage of public and private property, consigned every thing that was valuable, and, at the same time, portable, to the protection of this. Even the very captures which we have made, of rich vessels laden with bullion, must have contributed in no small degree to augment the stock of money, or what is capable of being used as such. But, above all, it should seem that the very long-continued prosperous state of our trade and commerce, must of itself have provided fresh and mighty means of circulation;—that millions, and tens of millions must, from time to time, have been imported to settle the balance of our foreign trade. So decidedly

and so greatly does it appear to be in our favour.*

There are persons, indeed, who habituate themselves to doubt the truth of official statements, or strive to weaken the force of the arguments which are grounded upon them; and whom, therefore, it may be difficult to persuade, that the balance of our

Extract from Papers lately laid before the House of Commons.

" Official Value of Imports. — Official Value of Exports.

Yrs. endg.	From Europe, Africa, and America.	From East Indies and China.	British produce and Manufactures.	Foreign Merchandize.
	£.	£.	£.	£.
Jan. 5, 1808	25,453,149	3,401,509	25,171,422	9,395,149
1809	23,780,704	5,848,649	26,691,962	7,862,305
1810	30,406,560	†	35,107,439	15,194,324

The actual value of British produce and Manufactures exported from Great Britain, according to the average prices current, and to the declarations of the exporters, was, in the year ending 1810..... .. £. 50,242,761

W. IRVING,
Inspect. Gen. of the Imps. and Exs. of Gt. Br."

† Account of Imports from the East and West Indies, and China, cannot yet be given.

trade has, for many years, been so decidedly and greatly in our favour; that any considerable quantities of bullion have, in consequence, been imported into our country. Yet most persons will probably acquiesce in the truth of those statements, and I do not feel much inclined to spend my time in arguing the matter with those who do not. It will, however, be admitted by all, since it has been confessed by those who are chiefly interested in concealing it, that the amount of promissory notes issued of late years, by the Bank of England, has been great beyond example; and that, according to the report which was lately delivered to the House of Commons, upwards of six and twenty millions of pounds in notes and dollars, of which more than one and twenty millions, four hundred thousand pounds were notes, had been issued by that company, and were actually in circulation, soon after the commencement of the present year; the amount of its issues, previous to the stoppage of payment in specie in 1797, not having exceeded, upon an average, ten or eleven millions.

But the Mint and the Bank of England are not alone possessed of this faculty of making money. As the former has admitted the latter to be its rival, so have they both a multitude of rivals in the country Banks; and it is a circumstance not unworthy of remark, that, amongst many of the lower orders, and, perhaps, amongst some of the higher, the notes of the country Bank are preferred to those of the Bank of England. Whether or not, upon any solid grounds, I will not now venture to determine; it is enough to observe, that both one and the other species are sufficiently abundant to admit a free choice of either to any person who is disposed to give for it its amount in gold or silver. The competition, however, in this, as in every other trade, has tended to reduce the value of the commodity, which is the subject of it; but does not, perhaps, alike tend to the advantage of the public.

That there should be so great an abundance of such money as this, is not at all to be wondered at. With what

facility may these promissory notes be generated? To beget such children as these requires no labour or ingenuity; the chief thought is how to dispose of them to advantage, how to change them for the legitimate offspring of the government, and to keep the ragged brood as long from home as possible;—whither, however, they are sometimes doomed to return, to the utter dismay, ruin, and disgrace, of their unfortunate parents.

There are, indeed, different degrees of prudence, if not of honesty, observed by the many who are engaged in this new system of money making, not to say coining. Some there are, I believe but few, who, not venturing much into the field of speculation, and contenting themselves with moderate profits, limit the amount of the notes they issue to the average amount of the sums usually lodged in their hands, and remaining uncalled for; others, less timid, confine them, not very narrowly, to the amount of their credits, their own capital in the public funds, on mortgage, or on land,

or wherever else it may happen to be vested; deeming it sufficient, if the aggregate amount of these be equal to that of the notes they put into circulation, and that they have assets, which, in case of failure of payment, may, by course of law, probably answer the demands of their creditors. Some, on the other hand, taking advantage of the easy indolence or credulity of the public, without any funds at all, or such only as exist in speculation, so long as their credit lasts, live upon that which their credit can raise for them, without care for the security of their creditors or themselves; or fondly trust, perhaps, to the success of their speculation for enriching themselves, and at the same time affording some security for the eventual discharge of their engagements. In each of these cases, an additional quantity of money is created, not always, it is to be hoped, in proportion to the inclinations and endeavours of those who create it, but according to their respective well, or ill-deserved credit with the public.

In former times, this practice of paying their own promissory notes as money, when drawn upon by their customer, either such as had money lodged in their hands, or such as was desirous of obtaining a loan from them, did not prevail amongst Bankers. To the former they paid back his own money, or as good; (for it was the common coin of the realm;) and to the latter they advanced part of the surplus, the otherwise unemployed part of the surplus, which had been deposited by the former, but not without taking solid and sufficient security for repayment; and it was from this latter transaction, that the Bankers of those days derived their profits,—large enough for men sitting idle in their shops, excepting that they were guarding the property intrusted to their care, or, at least, providing well that it should be forthcoming when called for. They hazarded little; their gains, therefore, were not, perhaps, always great, but they were certain. The Bankers of the present day, however, (I speak not of many of the old-fashioned Londoners, who abide by the ancient practice, so far as the wisdom of

Parliament permits them) have, in their eagerness to become rich, united the business of money-dealer with that of money-maker, amongst others; and the consequence is, that, instead of being freely and good-humouredly served with the lawful money of Great Britain, or that which the powers of Parliament have, by a sort of politico-chymical process, more than half converted into it, when we civilly wait before their counter, adorned with the needless furniture of a shovel, (as if to mock their customers) and humbly present them with a draft for a small portion of the money that has been lodged with them, they hand over to us nothing but divers dirty, old, tattered, and patched pieces of paper, called promissory notes, of their own fabrication, which, perhaps, without being naturally very suspicious, we may not feel content to put into our pocket books, but which, it too often, I will not say always, happens, they will not, without extreme reluctance, sometimes coupled with ill language on their part, if not on our own, exchange at last for notes of the Bank of England. To those who

have had occasional dealings with country Bankers, (not their own) this observation will not, I am confident, appear over-charged.

Do not, however, suppose that I think there are no exceptions to this practice.—Without doubt there are amongst the class of Bankers, to which I have alluded, men of the highest spirit, and of most exemplary liberality,—who, although, the profits of the business in which they are engaged, depend almost entirely upon the circulation of their promissory notes, (for they deem it no crime to make a profit of that confidence which they know to be well merited; nay, perhaps most conscientiously believe, is, at the same time, employed serviceably for the public, whilst they themselves make a profit of it) would scorn to compromise the character of their House, by meanly endeavouring to evade the due discharge of their engagements.—But the class does not consist of men of this stamp only.

Nay, the practice of issuing promissory

notes, to answer the purpose of ready money, is not confined to bankers properly so called; I mean those who have the *safe* custody of other persons' money, according to the new method;—it extends, also, to attornies, manufacturers, and tradesmen, to the proprietors of waggons and stage coaches, to linen drapers and tea dealers.—These, also, inundate the country with their paper currency.—Not a town, scarce a village, that is not furnished with counting house or desk, whence the floods issue forth; and, as if it were decreed to overwhelm and wash away as much as possible the original coin of the kingdom, pasteboard tokens are forced into the circulating medium, as a substitute for the crown piece, and the workman, who receives any payment at all, is oftentimes under the necessity of receiving it in that form.

I do not by this representation mean to insinuate that there is any greater abuse in the latter practice, than in pressing upon the public notes of a larger amount. The abuse is not so great; and if it be true, as I believe it is, in some degree, that the scarcity of

small coin or silver has at times occasioned the necessity for a few manufacturers to employ these tokens in paying the wages of their workmen, such a practice, in such a case, is hardly to be condemned, however we may lament the necessity of adopting it. Yet we must, at the same time, be permitted to observe, that the additional profit arising to the manufacturer is probably, in most instances, alone, and independent of every other consideration, a sufficient inducement for him to resort to it. But, whatever may be the motive, the fact is the same. Notwithstanding the very narrow circulation of these tokens, it is plain they answer the purpose of money. The manufacturer who issues them, does not require the same quantity of coin he would require without them; and may be considered as adding as much or more to the public stock of money than he adds to the demand for it. He keeps at a distance that which he before employed, or stood in need of,—and, by the circulation of his tokens, although extremely limited, he renders the coin more plentiful elsewhere, and thus tends eventually to depreciate it.

Whilst the quantity of paper money is thus made to depend upon the discretion of the persons whose profits are proportional to the share of it which they can keep in circulation, it is rational to suppose that, at least, so much as they expect to keep in circulation they will issue. The obligation which the Bank of England, in common with other Banks, formerly lay under of paying their promissory notes in specie, when called upon to do so, had, by some persons, been considered a sufficient security against too profuse an issue of them;—it was conceived by them, that the quantity of paper money could not long exceed the quantity of specie of which it supplied the place, that is, which was immediately before in circulation; that the depreciation in value, occasioned by the superabundance of paper money, would necessarily occasion its return upon the hands of those who had issued it, and thus speedily restore the circulation to its due level. That such would be the case were paper money at a discount when exchanged for gold or silver, may be true. But why should the superabundance

of paper money necessarily occasion its return? If the credit of those by whom it is issued be not dubious, it is freely taken in exchange and circulated; and it is of little importance in the opinion of the farmer, manufacturer, or shopkeeper, whether he holds a bank note or specie, whilst he knows that the same quantity of goods may be procured by means of the one as of the other. As long as the public are content to look upon them as of equal value, for what reason should he endeavour to exchange one for the other?

The case is not the same with respect to money as it is with other commodities. If there be a superabundance of corn, more than the existing number of mouths, and keenness of appetite, can devour, or more houses than there are people to inhabit them, it is true some of the corn, or some of the houses, must remain upon hand. But the superabundance of money, though it lessens its value, does not necessarily lessen the demand for it. The demand for it rather rises as its value diminishes—double the

quantity of money, you double the price of other commodities—consequently, you double the demand for the former quantity of money. He who would purchase a quartern loaf, for which he formerly gave but sixpence, must now pay a shilling for it, and a shilling will therefore be requisite where before sixpence only would have been sufficient. Upon the whole, therefore, the superabundance of paper money does not appear necessarily to occasion its return upon the hands of those who issue it.

It may, undoubtedly, be the interest of the banker, or other manufacturer of paper money, whose profits are derived from, or closely and necessarily connected with, the circulation of his own promissory notes, to prevent the circulation of those of other persons, more especially if he can thereby ensure the circulation of his own in their stead. Accordingly, whenever the former happen to come to his hands, either deposited there by customers or otherwise, it is his practice straightway to return them for payment in cash, or in notes of the Bank of

England, which he may invest either in the public funds, in the purchase of land or houses, or in any other less harmless speculation he may think fit, after, perhaps, retaining what he conceives to be sufficient to answer the demands for cash or Bank of England notes, which some of the holders of his own promissory notes, issued in lieu of those which he has thus disposed of, are likely to make upon him. But the quantity of money is but little diminished by this operation;—it is generally but a small number only in comparison with the whole of the notes that are issued by any company that are speedily thus driven back upon their hands;—were it otherwise, the profit derived from issuing them would be trivial, and not worth the risk;—and it is always to be remembered, that, in lieu of the greater part of those which are thus driven back, it is probable that similar notes of other bankers are introduced into circulation. But it is also further to be remembered, that as there is a never-failing call for money on the part of individuals, who, to have it, must borrow it, of whatsoever description, and, as there is

also a numerous tribe of tradesmen, who, to obtain or preserve the custom of opulent bankers, are willing to receive, as money, their promissory notes, there are always channels through which they may be brought into circulation.

But the security arising from the obligation of payment in specie, when demanded, if it ever were a security, no longer exists. The Bank of England is freed from that obligation—and great apprehensions are, in consequence, entertained, lest it should have exceeded the capital that is to answer the demands which, at some future period, may be made upon it. If we do not hear complaints against the partial protection originally afforded to it by the legislature, in order to screen it from bankruptcy, we hear complaints against permitting it any longer to issue its notes without restoring its former liability to pay them, when tendered, with cash. It is thought folly to trust any longer to its moderation and prudence; moderation worthy of little praise, if we reflect upon the magnitude of its profits, and the

means by which they appear to be acquired—prudence, which has been tried and found wanting. Little apprehension, however, seems to be entertained of any unwarrantable issue from the country banks; their present liability to pay with cash, or the notes of the Bank of England, is considered as an adequate security against any abuse of the credit they enjoy—as the similar liability to pay with cash was against any abuse of the credit formerly enjoyed by the Bank of England.

But though, as a matter of policy not measured strictly by honesty, the Bank of England may with safety, at present, under the restrictions imposed by Parliament, put into circulation any number of its notes without fear of Bankruptcy, whilst the private Banker is liable to that misfortune, should he issue more than he could satisfy, when presented to him for payment; yet the privilege bestowed upon the former is not made permanent; it continues only till the expiration of six months after the termination of the war; and may at any

time before that period be withdrawn, should the legislature think fit. It may, therefore, very plausibly, if not properly be questioned, whether, possessing that privilege, liable as it is to such uncertain continuance, it is likely to be much more abused than the confidence reposed in many of those private Banks, whose profits depend chiefly, if not altogether, upon the circulation of their notes.

But however solid or feeble may be the grounds upon which their respective claims to public confidence are founded, the probable effect of the restriction from payment, in specie, by the Bank of England, is to augment the quantity of paper money; for it must, I suppose, be conceded on the one hand, that, under favour of such a regulation, the Bank of England may, with greater safety, and, therefore, probably will issue more of their notes, than when liable to be called upon for payment of them in cash; nay, the very fact proves itself; and, on the other, that the private Banks, not being under the necessity of paying in cash,

provided they make a tender of payment with notes of the Bank of England, their own notes being generally in as high credit as the former, are less likely to be returned, in order to be exchanged for them, than they would in order to be exchanged for cash, in case those private Banks were under such necessity. Their promissory notes may, therefore, be increased with less hazard, and, consequently, are in all probability increased more abundantly.

But it is time to ask, whether, under such circumstances as have been enumerated, with such extraordinary sources of supply as have been noticed, there is any reason to doubt what is the real cause of the dearness, or rather the increased money price of provisions. Is it not plainly deducible from an excess of money? Can it seriously be imagined, that when all have a power of fabricating money, such as it is, part being the representative of substantial property, part mere counterfeit,—where so many do, in truth, exercise that power to its fullest extent, that the price of all commodities

will be naturally, though enormously increased? Is it necessary to explain, step by step, the whole process by which that effect is produced, or barely refer to the principle which has been stated, generally, above? Is it worth while to shew that he who pays only with the money, which, with a scrawl of his own hand, he can in an instant create, will feel less disposed to haggle about the price of the article of which he stands in need, than if the payment were to be made with money earned with much difficulty, by the sweat of the brow, by toil and labour,—that, where it is the interest of many to lend, many will borrow,—that the greater the number of bidders in the market, all having plenty of money at their command, by whatever means they have it, the higher will the article bidden for be sold,—that the farmer, manufacturer, and merchant, will each, under these circumstances, bid higher in the markets they respectively frequent, than if money were scarce, and obtained only with great difficulty. That hence labour in general,—the stock to be improved by the farmer,—the

raw material to be worked up by the manufacturer, and the finished article to be sold by the merchant or trader, and retail dealer, will all be purchased by them at an increased price; but that, having purchased at an increased price, they will also sell at an increased price, or lose their accustomed profit—a case not now to be supposed,—that the price of the necessaries of life being thus enhanced, the price of labour must be enhanced accordingly, and hence tend to a further increase of the price of all commodities whatsoever;—and, lastly, that the longer this system is continued, the more powerful will be its effects, inasmuch as it feeds upon, and is nourished by itself.

Though I would have it fully conceived how many, and how abundant are the sources, whence the circulating medium has been derived; yet I do not mean to insinuate that there still remains, in this country, the total quantity of the precious metals, which, from time to time, have been imported into it in the manner above mentioned; if it had so remained, the price of provisions

would have been yet further increased. But it is not to be supposed, that the vast supplies of gold and silver, with which we have been furnished, should be permitted to remain at home, whilst they could be employed so much more profitably abroad. We know, on the contrary, that the scarcity of them here is extreme. Anxious for the increase of the wealth and prosperity of the nation at large, not with any view of private benefit to themselves, it is hence, no doubt, that the Bank of England, and a multitude of other banks, profiting by its good example, have, in the fervour of their patriotism, busied themselves in providing vast supplies of paper-money, so as to supersede the necessity of gold and silver coin and bullion, as the medium of circulation at home; and thus to afford to traders the opportunity of trafficking with them abroad—a noble instance of public spirit, and much to be commended. But I can hardly prevail upon myself to think, that the country really required of them such violent exertions on their part, or that any great good is necessarily to arise from scouring the land of all its gold and silver.

But they were fearful of doing too little, and therefore did too much. We could have proceeded very well without the assistance of so much as two or three Banks in every town, to shed their benign influence over such of the adjacent villages as had not one or more already established in them. We could have spared them, and also the Bank of England, the risk they have encountered in putting forth their credit to such an alarming extent for our sakes. We could have spared them those extraordinary expenses which they have incurred, in the heavy salaries to the multiplied tribe of clerks and other officers, employed in the money-forming department, the mere signature of one of whose names upon the notes, issued by the Bank of England, has been considered so laborious, from its frequent repetition, that it has of late been solemnly dispensed with. We could have borne the weight of a few guineas in our pockets, and made room for a few more in our bureaus, without much burthen or inconvenience to ourselves, without much injury to the nation at large, and without materially cramping and disabling

its commercial interest in particular. At least, the total dismissal of gold, and almost total dismissal of the silver coin of the realm, was not, in any political view, so desirable an event upon the whole, that the country really required such an inundation of paper money to bring it to pass. Neither do I apprehend, that such an inundation, like the waters of Egypt, will bring along with it the plenty and riches which have been ascribed to its influence—whatever may be its effect in generating, and maintaining, a swarm of caterpillars and locusts, to devour the harvest of the husbandman.

That the diminution, nay, almost total expulsion, of the precious metals, is the natural consequence of constant and unlimited issues of paper money, I had imagined would scarcely have been denied. If the gold and silver coin, and bullion, be of such little value here, that paper, which can be fabricated almost for nothing, is become equally valuable, stands as high in repute, and answers every purpose as well—provided it bears the signature of a man of

opulence or credit?—if the promissory notes of the company of the Bank of England, who are at liberty to issue them to any amount, without being under any present obligation to pay in cash beyond the trifling sum of a few shillings?—if those of every shopkeeper in England, Scotland, and Wales, who thinks proper to issue them, and is not already a bankrupt, or does not deserve to become one, are to be received as of equal value with gold and silver, and are circulated as freely—of what value are either? Well, indeed, must it be worth the while of cunning traders to convey the latter, whither they are held in greater esteem than with us. They have found how profitable the traffick is,—and no sooner are the precious metals poured into the country, than they are poured out of it. They have thus become scarce, because they have become comparatively valueless. Even the very weeds themselves, by being constantly eradicated, at last become a curiosity. Here, alas! the goodly herb is rooted up, and the weed is suffered to remain, and overrun the land.

That the deficiency of gold and silver coin and bullion, and the unfavourable state of the exchange, must have proceeded, if not altogether, at least principally, from the cause here assigned, I had, indeed, imagined would have been generally understood and acknowledged. And, truly, I believe there are but few who do not ascribe them, in some measure, to the enormous issues from the Bank of England. Care, however, seems to have been taken by some persons, to absolve the notes of private bankers and tradesmen, from every imputation of having essentially contributed to the same effect. With what view, or ground of persuasion they have formed an opinion of the inefficacy of the paper, which seems to constitute almost the only currency, at a distance from the metropolis, I am at a loss to discover—especially when I reflect upon the very numerous manufactories and marts with which the country in every direction abounds. They give, however, full credit for the operation of divers other causes, which have been suggested—such as the diminished profit, or rather absolute loss

from our foreign trade,—the vast expenditures for the maintenance of our army and navy on foreign stations,—the prodigal subsidies to foreign states,—the slender supply of gold and silver from the mines of South America, and the multitude of pecuniary interments on the Continent of Europe.

There is, however, a degree of boldness in these suggestions, and of simplicity in yielding credit to them, which commands admiration.

That our trade should be on the decline,—that our forces abroad should have exhausted all our stock of specie, that had escaped the capacious net of the princes we have subsidized, unless it were before reduced to a very low state indeed, to such as nothing but the operation of some most powerful cause could have reduced it, I thought, was hardly to be credited by any one who had the common means of judging of what passed before them. If we do not utterly deny the direct conclusions to be drawn from the only documents, to which we can have

recourse with any hope of correct information upon the subject, we must admit, that the vast importations of gold and silver, to which I have before alluded, must have proved much more than sufficient to provide, not only for those scanty subsidies which have lately been afforded, but also for those extraordinary supplies, which, from time to time, have been remitted for the maintenance of our army and navy upon foreign stations. It is not, however, to be imagined, that specie alone is employed upon these occasions, or that the specie which is so employed is wholly lost to this country. In furnishing such subsidies and supplies, it is not necessary that any money at all should be actually remitted from hence, provided the balance of trade be in our favor—a circumstance which would soon restore it, even if it were so actually remitted. And can it be doubted, that the present peculiar state of Portugal and Spain, where our troops have of late been chiefly occupied, (for really it is idle to talk of the recent subsidies; and the temporary retention of Walcheren, so far as it rendered necessary

any remittance of gold or silver, for the maintenance of our troops, is not much more worthy to be noticed) has necessarily tended to increase our exportations thither to a considerable amount? Desolate and laid waste by a cruel war, their manufactories can hardly have provided, in any sufficient degree, for the necessities of the people. They must have needed assistance from without, and have doubtless received it more particularly from us. The specie, therefore, with which our armies have been supplied for procuring their subsistence in those countries, has thus, probably, been rendered back by our merchants, in exchange for the produce of our manufactories.*

* The passages which have been cited by Sir Philip Francis, (p. 31 and 32 of his Reflections) from the letters of Sir John Moore, may, perhaps, be thought a refutation of what is above stated. Those passages, indeed, shew the difficulty under which that accomplished officer laboured with respect to the obtaining of money, and the probability that ministers here were not well acquainted with the channels through which he might have been supplied, without actual remittances from this country,—the old channels having, I conclude, been disturbed and broken up,—the regular system of commercial credit having

And, with regard to the alleged poverty of the mines of South America, or the failure in remitting their recent produce to Europe---taking also into account the possibility of hidden treasures on the Continent, I really cannot consider these causes, if viewed within the extent of their probable existence and operation, though co-operating with those which I have just been alluding to, viewed by the same rule, as at all adequate to the effect under contemplation—accompanied as they are with circumstances of a totally opposite tendency, sufficient it should seem at least to negative their effect.

What, indeed, may be the degree of importance intended to be attached to these allegations I know not.—But, unless it can be shewn that the present state of the world requires a greater stock of the precious metals,

been destroyed, or much impaired, by the violent shock which had been given to the Portuguese and Spanish nations. It is pretty plain, however, that specie was at length obtained, and proved so cumbersome to our army, on its retreat to Corunna, that it was absolutely thrown away.

than was required prior to the supposed failure from South America, this latter circumstance should have no effect towards producing any greater absolute scarcity of them than existed before.—But, whatever further supply that state might require, and whatever temporary deficiency may have been occasioned by the sepulture of gold and silver, it is not, perhaps, too much to imagine and presume, that they are well nigh, nay, much more than compensated by other means, when we reflect how great a portion of the accumulated wealth of the ages which have passed since the discovery of the mines in the new world,—what a multitude of ingots, or bars of silver and gold, which, from time to time, had been formed into innumerable articles of ornament and use,—what heaps of sacred utensils, and offerings of richly-endowed churches and monasteries,—what splendid services and appendages, with which the tables of nobles, dignified ecclesiastics, princes, and sovereigns were furnished, have been brought forth, cast into the crucible, and melted down to save them from, or to glut the rapacious hand of, anarchy and conquest

These calamities of revolution and war, which have overspread the greater part of civilized Europe, overturning and destroying, in great measure, the mechanic arts, the trade and commerce of nations, and thus rendering unnecessary so large a share of the money requisite for maintaining them, have, at the same time, in other respects, by injuring or impairing the credit of those nations, excluded it in a manner from their dealings one with another, and thus rendered the use of specie alone almost necessary amongst them; the precious metals, therefore, have thus, from the degraded state of public and private credit upon the Continent, been cherished there, perhaps, as much as they have been despised and rejected by us.

Indeed, it is not till lately, that those who are much listened to, when they raise a complaint, have felt any weighty inconvenience from this almost total expulsion of our gold and silver coin. So steadily was the credit of our paper money, I mean the paper of the Bank of England, supported,

even when the holder of it was by law declared incapable of obtaining payment of it in specie, that the same value continued to be attached to it as to the coin itself, in our dealings amongst each other; and so long as a pound note could procure as much bread or beef as could be procured with twenty shillings in silver, it seemed immaterial to the holder, which he was master of. And so, perhaps, it was. But now that we begin to open our eyes a little, and to see what those around us have been doing;—that the country has been so drained that it is hardly possible to get a sufficiency of silver, excepting in dollars, to answer the common purposes of buying and selling in a meat or a fish market,—when we are astonished at the production of a guinea, we think of inquiring how it has all happened, and apprehend some dreadful public calamity.

And it is well if, by this lack of specie, we are roused not only to inquire into the cause which has led to it; but, also, to reflect, and seriously too, upon a few other

effects, which have been wrought by the same cause.

Those of our forefathers, who were so lucky as to be possessed of real estates, in adopting the practice of settling upon their wives and younger children, certain yearly incomes, or gross sums of money to be paid out of the lands, which they gave or permitted to descend to their eldest sons, did no more than what was just and reasonable; they considered the value of that land, and laid proportionate charges upon it, for the above praiseworthy purposes. In our days, I speak of a period of thirty or forty years, provisions of this nature answer, but in a small degree, the end proposed; that of a reasonable jointure for the widow, and portions for the younger children. In consequence of the depreciation of money, and of the great addition to the taxes, a thousand pounds will not now purchase more than a half or a third of the commodities they would then. But the land, which is charged with the payment of that sum, yields double, or three times, the rent

it then did. The eldest of the children is thus apparently enriched, (it is true) but at the expense of the rest, and their widowed mother, who are in reality despoiled.

But how great soever may be the additional rental which the man of landed property may boast of, with whatsoever satisfaction he may compare the fresh with the faded rent-roll, and imagine that, because the nominal amount of income has increased so enormously since the days of his grandfather, his powers have increased accordingly;—yet, if he examine the relics of his grandmother's account book, he will find that he entertains not so hospitably, that he is obliged to dismiss the servants and the horses of his acquaintance, his friends, and his relations, from his board and his stables,—to look narrowly to his consumption; or if not, to take heed of the sheriff's officers.

"But all this proceeds from the pressure of the taxes;" the greater part, I will allow, but not all.—For if the gentleman of landed

property will give himself the trouble to reflect a little, he will find that his income does not keep exact pace with the price even of such provisions as the taxes do not affect; and he may be well satisfied that he will, in the long run, be a loser in consequence of this depreciation of money.

Let him suppose only the case, which has actually happened to himself, of a lease for the term of twenty-one years, granted fifteen or sixteen years ago, at a rent fixed upon what was then considered a fair valuation, being estimated at the value of the produce of the land upon the average of a few years preceding, when the price of meat, of grain, and hay, and of all the necessaries, as well as luxuries of life, were much lower than they have been of later years.

The average produce has continued nearly the same, or perhaps increased; but the price at which it has been sold has advanced prodigiously, so that if the lease were now expired, the landlord would be justified in demanding,

and would be paid, at least a third more rent than he has hitherto received for it.—But as the price of the produce of the land which he has let has risen, so has that of all other commodities, for which he has had occasion; insomuch that he has deemed it prudent to abstain from so large a consumption of them as formerly, rather than exceed his income; and thus from time to time he is compelled to lessen his enjoyments, till, by the expiration of the lease which he has granted, he is enabled to lay on an additional rent, in proportion to the depreciation of money, which has gradually taken place; and the further depreciation of which must subject him to the repetition of the like inconvenience and loss; whereas, had the relative quantity or value of money, and the taxes, continued the same, his income, though stationary, would, without the influence of any other cause, have afforded him a continuance of the enjoyments to which he had been accustomed.

I have here adduced only the instance of a farm, let upon lease for one and twenty years.

Where leases are granted for a greater number of years, or upon lives, the loss to the landlord, it is evident, must be proportionably greater.

Neither is it permitted to a landlord, in fixing the rent to be paid for his land, to calculate upon the probability of a future depreciation of money.—The average of the crops, and the price they have obtained at market, for the few years last past, are the only criterion by which a farmer will admit the value of the land, for which he is in treaty, and consequently what rent he ought to pay to be estimated. As he is not on his side allowed to stipulate for the contingency of any additional taxes, which may happen to be imposed upon the house he is to inhabit, its windows, or the increased rates for the maintenance of the poor of the parish; neither will he allow any thing for the contingent depreciation of money; and the utmost a landlord can provide for himself, is an earlier determination of the lease, manifestly tending to check the improvement

of the land, and thus eventually the solid improvement of his own income.

It is plain, however, that the injury sustained by the land owner, in consequence of this depreciation of money, is but trifling, compared with that sustained by others, who have merely annuities, or gross sums of money charged upon land.—It is the fate of these, together with the stock-holder, to see and feel their property sink yearly in value, without the means of preventing it.

Since the vast accumulation of national debt, the number of persons whose sole, or chief property consists of stock in the public funds, must be very considerable; if we add to them the number of those whose sole, or chief property consists of annuities, mortgages, or other charges upon land, the amount will probably appear not very insignificant, compared with the landowners themselves.

But, whatever be the privations which the former two may suffer from the value

of money being thus lowered, we shall be told, that the nation at large has been benefitted by it; that it matters little how reduced in circumstances those may be who add nothing to the stock of the nation,—those idle drones who, without toiling, consume the fruits of others' industry.—Conditioned, however, as society now is, this is dangerous language to employ. If the interest of the stock-holder, or man possessed merely of personal capital, is so little to be regarded, what regard is it likely, or is it reasonable, that he should pay to the interests of others? Or why should the land-owner enjoy advantages which the former does not? Does the utility of the country gentleman, busied as he is with the ordinary occupations and pleasures of that class, appear so pre-eminent, that he is peculiarly entitled to our regard? But let us consider a little further, who are the idle drones here spoken of. Are they not the representatives of, if not the identical persons, who, in their time, toiled, ere they enriched themselves; who, whilst they laboured to acquire independence and ease to themselves, and those most dear

to them, at the same time laboured, in effect at least, to acquire wealth to their country; and, having laboured successfully, supplied others with the means of enriching themselves and their country in their turn, or accommodated them in their distress? Are they not men who, in times of public exigency, have come forward, not without self-interested views I will acknowledge, but at the same time, with real advantage to the community, (and what would we more) to tender the wealth, which their industry had accumulated, for the defence and service of the nation? Is it for the private, or the public debtor to upbraid them, or those who represent them, as idle drones, who consume the harvest they have not sowed, — who deserve no pity, and no redress?

Discouraging, indeed, it is to the exertions of the industrious, pressed hard as he is with taxes, to find that the wealth acquired with labour and difficulty, is rendered yearly less availing; that the income, arising from the funds wherein the earnings of a toilsome,

frugal life, had been invested, is, together with the capital itself, constantly and rapidly diminishing in value; that income, which he relied upon as a resource for the support and comfort of himself and his widow, in their declining years; and for the maintenance and education of his children in their youth; and that capital which he had cherished, as the means of their eventual establishment in the world. By this exorbitant increase of money, the aged, the widow, and the orphan, are effectually despoiled of the full benefit of the provisions intended for them; the income and capital reserved for them continue stationary;—the fruit and the trunk of the tree, do not extend or enlarge themselves; they grow not with the growth of price, of all the necessaries and comforts of life; they are overshadowed, and not only rendered comparatively insignificant, but they positively lose their former efficacy.

But let us now examine a little, how far the nation has been really benefitted by this depreciation of money. We have heard

much of the advantages arising from a free circulation; that the accommodation afforded to the agricultural, manufacturing, and mercantile classes, by the Bank of England, and the numerous private Banks, which, from time to time, have been opened in all parts of the country, has contributed largely to the wealth and prosperity of the nation.

That a nation, such as ours, should thrive as it does, were it confined and straitened in its means of circulation, no one perhaps will be found to assert; that it is necessary such wide and unbounded means should exist, as do at present, no one, perhaps, will more readily be found to assert. The money that is borrowed of a Banker, or any other individual, for the purpose of employing it in the cultivation of land, the establishment, enlargement, or improvement of a manufactory, or in extending the commerce of the country, supposing there are hands enough to be engaged in these new undertakings, as it conduces to the productive labour of the country, is certainly employed to greater advantage, than whilst

sleeping in the drawer or closet. But it is not the great absolute numerical quantity of money, or the facility with which it may be obtained, that are alone to be considered; the quantity of additional productive labour that it can purchase, should also be taken into the account. The loan or command of a pound, in the early part of Elizabeth's reign, would have been as serviceable in the latter point of view, as of eight or nine pounds in these days. The effect of multiplying the quantity of money beyond a certain demand for it, beyond what is requisite for the improved state of the country, is to diminish the value, to increase the number of figures in the column for pounds in our account books, and leave that for pence, a mere [illegible], as it often is,—it can serve no good purpose whatsoever. That the plough, the loom, and the wheel, should stand still for want of money to pay the wages of workmen; that goods should rot in a warehouse, because none have money wherewith to purchase them, would, indeed, be a serious evil; but not one which need at present be much appre-

hended; our fears should lie rather in the opposite direction.

From the circumstances which have been alluded to, from the improved state of agriculture, and the arts in general, our trade and commerce have been swelled to such unprecedented magnitude, that it was necessary there should be a proportional addition to the means of circulation, or that the relative value of money should be increased. The condition of Great Britain, at the commencement of the nineteenth, differs so widely in these respects from what it was at the commencement of the eighteenth century, that its trade and commerce could not be carried on by the same quantity of circulating medium, without greatly enhancing the value of that medium.—An evil to be avoided as much as the directly opposite. But, in consequence of the establishment of numerous Banks, and a regular system of correspondence throughout all parts of the kingdom, not only has much of the money which before remained idle been brought into action, but Bills of Exchange and Orders have super-

seded the use of money upon many occasions, where it before was absolutely necessary.—And hence, as well as from the vast additions which have been made to the circulating medium, from the many and extraordinary sources which have been above noticed, it has increased much more than the exigency of the case required; as the prodigious advance in the price of the necessaries of life, as well as of almost all other commodities whatsoever, and the absence of gold and silver money, most clearly testify. The nation, however, seems smitten with the magnificence of its ideal riches, with the shew of the many millions worth produce of its industry, its amazing commerce, gigantic revenue, and extended power.—She smiles in the embraces of the deity, I will not say the deity which she worships, approaching her not like a shower of gold; neither will I say, in a flimsy tattered garb of paper, but with the superior glory and effulgence of unbounded universal credit. It is to be hoped, she will not, like Semele, expire under those embraces.

Injurious as this practice of putting into

circulation such vast quantities of paper-money is to the land-holder, the stock-holder, and others of fixed incomes, to what length is it decreed that it shall extend? What limit is proposed to be assigned to it? Shall the Bank of England, year after year, be allowed to add millions to millions of the currency, merely in order to give larger dividends to the proprietors of Bank stock? Is it not enough that it should be excused the pain, if not the disgrace, of having disappointed the public confidence, in refusing payment of its promissory notes,—without being allowed to accumulate and distribute amongst its members fresh and unheard-of profits, by means of the unlimited multiplication of those notes unblushingly intruded into circulation?

The Parliament hath in its wisdom effectually upheld the Bank of England in this practice.—Yet, no doubt, originally with views of high consideration.---But is it pretended, that the necessities of government have of late required such large supplies of gold and silver, as to render it expedient

that the Bank of England, in order to furnish them, should continue to avail itself of the act for restriction from payment in specie to its creditors, and to augment its promissory notes to the amount of one and twenty millions and a half? Does not this very restriction operate to the exclusion of all other means whereby specie might be obtained by government? Is it not in consequence of this restriction, that little or nothing else but paper money is brought into the treasury—that the taxes are all paid with notes of the Bank of England, or such as are finally exchanged for them? And is it not, therefore, in consequence of this restriction, that the government is obliged to have recourse to the Bank of England for such specie, as it may stand in need of for the public service? It is true we are in the front of the stage, and cannot see well what is passing behind the scenes; but, after what has passed before them, it is a serious responsibility which the government would take upon itself, if it were, without absolute necessity, to involve the Bank of England in its former difficulties;

or, on the other hand, to support and abet it in its schemes of unfair gain. Many years have elapsed since the act alluded to first shielded it from the peril with which it was environed—the effect of unforeseen accident, patriotic zeal, its own avarice, or want of prudence. If the intervening time has been honestly and well employed, that peril should have been removed long ago, and its coffers should now be opened to satisfy the claims of its creditors. Is it wise, is it conduct worthy of Statesmen, to rest the credit of a government upon that of a mercantile body such as the Bank of England, important and magnified as it is? Suppose the case of its failure,—(which no one will now be bold enough to say is out of the sphere of possibility,) are there not many who do not scruple to affirm, that the government itself would in such a case become bankrupt? And with such an enormous debt as at present incumbers it—relying as it does at present upon the Bank of England for every supply of specie—making the promissory notes of the same company equivalent to a legal tender for

satisfaction of all claims on the part of government, for taxes, and other dues from individuals; and on the part of individuals for debts from government, how can it be well denied? But is it, I ask, the measure of Statesmen to rest the credit of a government upon such a prop as this—to make its honour, its power, nay, its very existence, depend upon the prudence, and the integrity of a mercantile company? Does it not become them, with all possible speed, to rescue the government from such a degraded and alarming state?

For us, the people, it is left only to lament the enormous amount of paper money, which has of late years been issued by this Bank of England—it is hardly in our option not to assist in the circulation of it. But, complaining so bitterly as we are of the heavy taxes, tithes, and rates, which we pay of necessity in support of the government, the clergy, and the poor—it is somewhat strange, that we should voluntarily subject ourselves to the payment of an additional imposition to the several private companies of bankers, and other makers of money,

resident in all parts of the kingdom. How long will the folly of the nation, thus already oppressed from the fullness of its circulating medium, permit it to be still further increased by the overwhelming tide from country Banks, Factories, and all the curious variety of other rival offices, sources, countless and exhaustless? What ground or pretence have the proprietors of these, for expelling the good and lawful coin of the realm, and pouring forth in lieu of it the uncalled-for engagements of their own partnership and individual persons —many of them mean persons, of doubtful wealth, and little consideration in the country; whose joint and several securities for a hundred, or a thousand pounds, no prudent man would trust to? Of what estimation are they, in the scale of public utility, that they should be allowed to detract from the honest gains, the fair inheritance of the people? What obligations to them do we lie under? On what, but a short lived precedent, do they ground their title to this eleemosynary tribute—this share of our daily bread? There are some amongst us, I am aware, whose interest it is to keep well with them, who occasionally

have need for a loan of such money as they can obtain—to wit, these promissory notes, which oftentimes come thus into circulation. But the great body of the people is not, I trust, in circumstances so depressed—notwithstanding the pressure of the times, and this sad feature of them—to be subject to the controul of creditors; more especially of such as are fattening upon the blindness and folly of those whom they pretend to serve.

Why any gentleman of moderate fortune, and in his senses, who has no desire to throw away his money, or render it less valuable than it ought to be, should seek to do any further service to the bankers with whom he intrusts his money, than to allow them the use of so much of it, as, from time to time he himself does not stand in immediate need of;—why, instead of insisting upon payment in cash when he draws upon them, he should be content to put up with their flimsy fetid promissory notes, and thus countenance and contribute to the depreciation of the currency of the kingdom,

contrary to his own interest and feelings, I am quite at a loss to discover. There may be still, indeed, a little mystery in the business—and good-natured neighbours, and old women, who do not thoroughly understand it, although they would not wittingly throw away a counterfeit halfpenny, or pay a farthing more than the common assize price for a peck loaf, will indulge their banker most readily in his fancy of paying them his own promissory notes instead of coin, doubting not that they will pass as readily, and procure as much corn or meat in each of the neighbouring markets—for the banker is rich, and has acquired great landed property in the country.

That great and small gains are acquired by these means, there can be no doubt at all—the number, character, and situation in life, of those who employ them, sufficiently prove it. But the folly of those, who do not profit by, but encourage it, is amazing. They are blind to the consequences which are so ruinous to themselves—so long as they fancy, that the persons whose name is

subscribed to these notes are not in jail, or likely to be there, they are willing to accept them as readily as cash—not considering that in the very next article which they purchase, they pay a tribute to the maker of the note,—or, if they do consider it, they imagine that the tribute is so small as to be unworthy of consideration,—they forget what a few years since would have been paid for the same article, or fondly impute the difference in price altogether to the operation of other causes.

But the mischief increases so rapidly, that it is high time to put some check to it—if we do not resolve and endeavour to put down this craft of money making, it will effectually put us down, unless, indeed, it first ruin and destroy itself. For it is no longer the mystery it was thought to be—the knowledge of it is widely disseminated. No more is it sought after in vain in the laboratory of the alchymist---the art of conversion is now easily acquired, and practised in every corner of the kingdom. The school master in every village---the

clerk in every counting house, with his "Easy method of Arithmetic" before him, is well instructed how to calculate the compound interest upon a pound, or a penny, with sufficient accuracy to show how much may be made in process of time, by means of the circulation of promissory notes---and the attorney, or linen draper, at the next door, who has credit enough in the neighbourhood to get them into circulation, will have boldness enough to try the experiment of fabricating them, fearless of the explosion that may ensue.

It is putting an extreme case, and I do not despair that the eyes of the public will be opened long before such an event will happen. But, suppose that every one who is not in a state of insolvency, who has property in land, or the funds, or any where else, should set about to circulate his promissory notes to the full amount of the value of that property, that these notes should be generally received as money, being considered as the representative of such property—I ask, what would then be the

real value of a guinea, or a guinea note?—Would it buy us a pair of shoes, or even a string to tie them with? The real case before us is different only in degree, and the effect, therefore, is less violent. Comparatively, a few only pledge their property in this manner; but it is to be feared, that some of those few, instead of confining the amount of their pledges to the value of their property, considerably exceed it, as many innocent persons can testify, to their irreparable loss. But the effect, however small it may be in the view of those who are rolling in affluence, is sufficiently alarming and distressing to the multitudes who have difficulties to encounter, who suffer many privations of former comforts, and are unable to maintain their birth-place, and rightful situation in society.

It is on account of these, and many others who depend upon the same fountains for support, that humanity and policy require even those who are not individually interested in the restoration of the former value of money, to exert themselves in promoting

it. No arguments need be employed to stimulate such as are so interested; it is sufficient to shew them plainly, what is their real situation, and leave them to judge how much worse it is soon likely to become, if this pernicious system of money-making be much more generally adopted, as it is likely to be, unless proper means be speedily devised and employed to prevent it.

It is not to be denied, that the sudden restoration of the circulating medium to its proper level, may prove prejudicial to certain interests of those who lie under engagements for the payment of such sums as may have been advanced to them, or for which they have received the consideration, since this depreciation of money has taken place. And, no doubt, the difficulty of providing that perfect justice shall be done, in every case, is great. But the number of those, who may be thus injuriously affected by such an event, bears but a small proportion to the number of those who have long suffered, and are yet suffering, under the present system and, if it be continued, will con-

tinue to suffer from it still more and more; and who, whilst they are the more numerous, are not the less estimable class of individuals. But it is further to be considered, that the present system cannot last for ever; it must sooner or later destroy itself. The time must come, and that shortly, if it has not come already, when the promissory notes of the Bank of England, and other Banks, will be viewed with jealousy, and accepted with reluctance. The competition has been already commenced; new companies are perpetually obtruding themselves, to the detriment of those already established; they glean in the same field, and interfere with, and press upon each other, in their eagerness to pluck, with unsparing hands, from the harvest of the public. Is it not the wisest conduct, therefore, to check the growing evil, and with all reasonable promptitude to correct it? Long delay can serve no good purpose; it manifestly tends to ill.

But humanity again steps forward and exclaims, "Would you ruin a multitude of

respectable gentlemen, who, trusting to a continuance of the present system, have ventured their fortunes in the speculation of Country Banking, which you are invidiously pleased to call the craft of money-making; who, if you insist upon the payment of their notes in cash, or notes of the Bank of England, must inevitably become Bankrupts, and whose Bankruptcy will assuredly effect the ruin of many persons, who have kindly confided in their solvency."

That their boldness in speculation might terminate unfavourably, ought to have been previously well weighed by these gentlemen who have engaged in it. If they mounted upon the wings of Icarus, they should expect his fate. If any have voluntarily trusted their fortunes on board a rotten vessel, or foolishly depended upon the solidity of a bubble for support, they have little else to accuse than their own blindness and folly. But I do not desire any wide calamity. Let those who have soared upon false wings drop, but drop gently. With prudence they may ease themselves in their descent. Take

from them, however, no more of their paper money. They have profited, and we have suffered from it, enough already. But do not press clamorously and all at once for payment of all that is now in circulation, for that would speedily end in a refusal of payment altogether.

If resolutions were publicly entered into by men of consideration, in every county, giving notice that they would not receive in payment the promissory notes of any private Bankers whatsoever, beyond a limited period, suppose it were twelve or fifteen months, such an expedient, at the same time that it would give a caution to the customers of those bankers, not to take from them any more of their notes, would be a caution also to the latter to call in their securities, and provide for the discharge of such notes as they have now in circulation; and thus might the evil, so far as it proceeds from them, be remedied without any serious distress to any persons engaged in Banking, except those who would experience it in consequence of their own rash, not to say dishonest, specu-

lations; and to whose distress, therefore, it need not be the care of the public to pay much regard.

But that the aid of the legislature may not be wanting to render more effectual the endeavours of individuals, to redress the whole evil complained of, it is desirable that its authority should be employed, not only for restoring, as speedily as is consistent with public security, the liability of the Bank of England to make its payment in cash; but, also, for immediately limiting the amount of its promissory notes, a measure of itself highly conducive to the speedy reproduction of the precious metals; from the want of which so much inconvenience has been suffered. Without such a precaution as this, on the part of the legislature, the reduction, or total destruction of the notes of private Banks, would tend only to the further increase of those of the Bank of England, which would negative the desired effect of diminishing, and keeping within due bounds, the quantity of circulating medium.

Enjoying the privilege from payment of their promissory notes, it cannot be thought unreasonable that the Bank of England should be prohibited from issuing them beyond a limited amount; but no such privilege being allowed to private Bankers, the people themselves, without the legislature, having full power to suppress *their* promissory notes, the same reason or necessity does not appear to prevail for its interference in respect to them. If the people themselves think it not worth while to make any exertions for that purpose, it is a work of supererogation, perhaps, in the opinion of some persons, for the legislature to make them. Nay it may, perhaps, be considered as an exercise of power, somewhat incompatible with the principles of a free and commercial people, to restrain any set of men from employing the credit they enjoy in any manner they shall deem most profitable to themselves, provided they do no other injury to the community than such as is voluntarily courted and submitted to by individuals. But here the injury is done to a multitude of individuals who have no power

of avoiding it. But though it were not so, had it not frequently been found requisite and necessary, however, to interfere with the acts of divers sets of men, and of public bodies, when individuals are thus injuriously, though voluntarily, affected by those acts? Most assuredly it has;—and the occasion, perhaps, has not often been more pressing than that afforded at present. If the effects, resulting from the system of money-making, now so commonly adopted, be in reality so baneful as I have represented, and believe them to be, it is surely high time for the legislature to interfere and put a stop to them.

"But it is the excess of paper money, not the moderate issue of it, that is injurious." Yet more, its utility is most apparent; nay, I am willing to confess, notwithstanding all that has been said, that the total suppression and prohibition of promissory notes, (those I mean which are intended to answer the purpose of money,) would be attended with great inconvenience to the public. The facility with which they may be remitted from place to place, render

them more useful in that respect than specie; and if means were devised for keeping the issue of them within due bounds, that is, to limit the amount of them, together with the specie remaining in the country, to the amount of the specie which, from time to time, would be employed there, in case there were no paper money, little but what is good would result from such a mixed medium of circulation.

But what are the means to which we can have recourse, in order to accomplish this end? Suppose it were permitted to the Bank of England, country Bankers, and others, to issue their promissory notes to a limited amount. What are the proportions which ought to be assigned to the various Banks, that are already or may hereafter be established throughout the country? Who are the persons to compose the Board of Control in this department, to arrange and assign those proportions? and what is the security which ought to be required against the issue of notes to a larger amount than may be authorized? The difficulties and

objections, which must necessarily attach to any scheme founded upon a general license to issue them, subject to such provisions as would be expedient, must be extreme.

Were the practice of issuing promissory notes payable without interest, by private Bankers, tradesmen, and all others, except the national Bank, altogether prohibited by law, and the national Bank permitted to issue them to a limited amount only, from time to time, to be regulated by the legislature, according to the exigency of the trade and commerce of the country, which might be discovered with sufficient accuracy from the price of necessaries, a fair comparison of our Exports and Imports, and the state of the exchange, due regard being always paid to such other occasional causes, as may affect the price of necessaries, our trade, and the exchange, independent of the quantity of money; and if such notes were in no case made a legal tender, but were faithfully to be paid with specie, whenever demanded, all the convenience of a paper circulation

might be obtained free from the inconvenience, nay, the positive ill, now attending it. But another and great advantage might also be derived from this exclusive privilege of issuing paper money. The public would be justified in requiring, whilst the company possessing that privilege would, doubtless, gladly render a fair compensation for it, even under the regulations adverted to.

But what an alarming innovation is this! What a dreadful monopoly of paper-money! What total ruin to our trade!—What a sudden, what a paralysing shock to our manufactures and agriculture!—What a death-blow to the industry of the people! Stupendously grand, indeed, are the ideas of the all-pervading beneficial influence of promissory notes, as if heaven itself, in the fulness of its bounty, had showered down this blessing upon us, to vivify, invigorate, and multiply, every herb and every beast of the field that are food and raiment for man—and it is natural there should be correspondent ideas of the mighty mischief which would ensue, if any considerable

check were put to the issue of them; but I have touched upon this string before, and, therefore, need not now dwell upon it. Let it, however, always be remembered, that neither the relative, nor the absolute increase of money constitutes, or necessarily contributes to the absolute increase of food or raiment. Our trade, our manufactures, and our agriculture, may live and flourish, the industry of the people may be exerted to its utmost extent; though half the money now in the kingdom were absolutely annihilated; and when we are told that commerce cannot exist without money, that our merchants have oftentimes stood in need of more than they could command or procure,—that our goods have hence remained upon the hands of our manufacturers, and the people sat idle for want of employ,—let it be clearly understood, that all this affords no proof whatsoever, that half the money, half the number of pounds, shillings, and pence, to which the gold and silver coin, and bullion, and promissory notes of Bankers and others are current, would not answer every requisite

purpose of trade and commerce, and afford every requisite encouragement to national industry, as well as the present total, provided the price of things in general were, as they soon would be, reduced to half their present price. Nor that the same lack of money, of which our merchants have complained, might not be experienced, though twice the present quantity of money were in circulation.

It was partly to the practice of our merchants that I attributed the present deficiency of gold and silver; I meant not any thing, however, to their prejudice. If there be any real calamity arising from this deficiency, let the blame fall where it ought. To trade with gold and silver, as with other commodities, deserves no condemnation. It would be folly to prohibit it. Here they were to be purchased cheap. Here, therefore, it was rational to purchase them and to carry them elsewhere, where they bore a higher price, there to be exchanged for raw or manufactured produce; and to return hither

with that produce to be disposed of here with advantage to the merchant; and, by so disposing of it, to enable him again to carry out gold and silver with the same object and success as before; and every attempt to prevent this practice, so long as there is an excess of circulating medium, is not merely idle and absurd, but it is mischievous and earnestly to be deprecated.

By the adoption of such a measure as I have proposed, enough of the precious metals would, ere long, return, the balance of trade continuing, as of late, in our favour; but it were well to ensure their return more speedily. It were well if the merchant, instead of exporting our gold and silver, and importing the consumable articles of luxury, furnished to him by other nations, were to export the produce of our own land and labour, and import the gold and silver of other nations.—No danger of future deficiency need be apprehended, (except from such accidental causes as can be provided against, if at all, only as they

occur.) However more remote may be the event, which our patriotic purveyors of promissory notes have been so active in their efforts (with other views, no doubt) to bring to pass—I mean the emigration of public and private creditors—that injured multitude who, in consequence of the excessive price of all the necessaries and comforts of life in this country, would seek to enjoy them in another, who would either dispose of their capital in the public funds, on mortgage, or elsewhere, and flee with the amount in silver and gold; or, from time to time, obtain remittances of the dividends and annual produce of that capital in the same form. A consummation devoutly to be wished by our inveterate and jealous enemy.

That these evils may beeffectually prevented, that the *Golden Age* may speedily return, and that we may enjoy that plenty which, I trust, we should, without murmur, manfully resign for the real service of the state, when fairly called upon; but which we

cannot be expected, with cheerfulness, childishly, yet knowingly, to surrender, for the mere benefit of a tribe of men who have no solid claims whatever, either upon our gratitude or our bounty, is the earnest wish of,

Dear ***,

Your's, &c.

June 1, 1810.

ERRATA.

Page.	Line.	
8,	21,	For the last "Has," read "Have."
9,	15,	for "Our machinery," read "Has not our machinery been."
10,	21,	dele "that of."
12,	19,	for "the latter," read "those particularly referred to."
13,	11,	after "thing," insert "they had."
14,	5,	for "weaken," read "lessen."
16,	9,	for "Bank," read "Banks."
27,	1,	after "in," insert "government securities."
28,	5,	for "they," read "these."
39,	22,	for "them," read "him."
42,	9,	for "alluding to," read "examining."
44,	9,	dele "or impairing."
46,	8,	for "lands," read "land."
47,	16,	for "that he," read "he."
48,	15,	for "price," read "prices."
51,	11,	for "preventing," read "ever occasionally restoring."
64,	17,	for "his money," read "it."
65,	last,	for "name is," read "names are."
66,	5,	for "maker of the note," read "makers of the notes."
75,	2,	for "had," read "has."
—	3,	dele "however."
76,	17,	after "Banks," insert "and offices."
80,	5,	for "they," read "it."

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POSTCRIPT.

You, perhaps, will think that I have not sufficiently anticipated and discussed the various objections that may be raised against the restoration of the circulating medium, to what may be considered its natural level. I did not, indeed, conceive it necessary to bring before you, for the purpose of refutation, all that might be made to bear upon the subject. Those persons, (and you, I now presume to be amongst them,) who will keep in mind the probable, I had almost said, the inevitable, and alarming consequences of persevering in the present system, will not feel much inclined to listen to the many frivolous pretexts which may be employed in its defence, however ready

may be to examine candidly what
's the semblance of reason and argument,
oints of magnitude and importance ;—
you will possibly say that, even with
mpression, I ought to have noticed
the interests of the lessees of land might
rotected in the event first referred to,
ng already noticed how those of the
lord are affected, under the present
m.

at you may not think I have neglected
onsideration of the former point, it may
s well to observe, that the tenants whose
s have been of many years duration,
ld cease to enjoy so large a share of
t as they have of late enjoyed:—
st, on the other hand, those whose
have lately been granted, would
ably pay higher rent than the
al value of the land. With regard
e first, therefore, that only would

happen to them which ought to happen—and with regard to the last, it surely is not too much to suppose, that they would experience the good sense, if not the favour or justice of their landlords, by a remittance of a reasonable part of the rent—for the landlords themselves would ill consult their own interest if they denied it. In all likelihood their rent would run into arrear—their lands would be deserted, and returned untenanted upon their hands. Cases, indeed, might occur where the rent could not so easily and conclusively be remitted without the aid of Parliament ;—but with its aid they might easily be provided for, and no doubt would be so. It seems needless to press this point further ;—I shall, therefore, only hope that your patience is equal to mine,—not having the modesty to doubt, that it will bring you to the same conclusion as I have long continued to embrace.