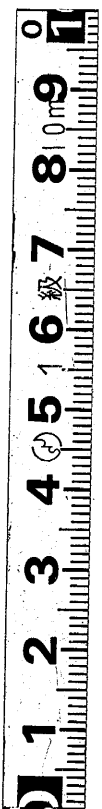


0001

64-7



A REVIEW
OF THE
REPORT OF THE BULLION COMMITTEE, &c.

A REVIEW
OF
THE REPORT
OF THE BULLION COMMITTEE;
OF
THE PAMPHLETS
WRITTEN UPON IT;
OF THE
DEBATE AND DECISION OF THE HOUSE OF COMMONS
UPON THAT IMPORTANT SUBJECT:
WITH
SOME OBSERVATIONS
ON THE CORN AND DISTILLERY LAWS.

BY *RUSTICUS ABNORMIS.*

Robert Anderson
Ille potens sui,
Lætusque degit, cui licet in diem
Dixisse, VIXI. HORAT.

EDINBURGH:
Printed by Thomas Allan and Company,
AND SOLD BY ARCH^d. CONSTABLE & COMPANY, EDINBURGH.

1812.

ADVERTISEMENT.

THE first part of the following desultory observations was originally intended as an answer to two Letters, under the signature of IDA, which appeared in *The Pilot*, in the month of August 1810; but the bustle of that active period prevented me for some time from arranging in a satisfactory manner my views on the subject, so as to refute the doctrines assumed in those Letters. The press soon after teemed with pamphlets on both sides of this question, and on which, as I had devoted a considerable portion of my attention to the subject, I was resolved to take a more comprehensive view, and for that purpose I procured many of these pamphlets; and I perused them attentively, but

my other avocations retarded my progress so much, that the debate and decision of the House of Commons had taken place, before I had concluded my notes; I finished them, however, merely for my own private satisfaction, and then I laid them on the shelf, considering the matter as completely put to rest by that decision. But the singular public notification sent by Lord King to his tenants, subsequent to that decision, and as it has appeared to me, in contempt of the spirit of it; and the wise corrective legislative measure, suggested by Earl Stanhope, having again brought that important subject upon the carpet, and having produced a farther temporary legislative restriction, I have resolved, during the existence of that restriction, to lay my humble opinion before the public.

Some of my ideas, I think, are new, or, at least, I have not observed them mentioned in any publication on the subject, that I have perused; but how far they are useful, it remains

for the public to decide, and to their judgment I shall, without controversy, implicitly submit. If, however, I shall prove so fortunate, as to draw the serious and grave attention of the Legislature to a revision of the present Corn Laws, and if that revision shall ultimately result in the adoption of a system, similar in its principle to that adopted by the Revolution Parliament, which I have endeavoured in the sequel shortly to illustrate, I will venture with confidence to assert, that we never can be reduced to the dire alternative, of either starving for the want of bread-corn, or of exporting our *specie*, to purchase a morsel of bread from our foes at an exorbitant price; and the smugglers of our gold out of the kingdom must soon abandon that nefarious practice; for, if we shall firmly refuse to admit within our ports any merchandise from those nations who refuse to deal with us upon the established principles of reciprocal commerce, these smugglers cannot get any one article in exchange for the gold they smuggle,

that will be admitted to enter our ports; and the articles they now bring, are too bulky and unwieldy to be smuggled on shore to any extent.

RUSTICUS ABNORMIS.

“Sith there is no man of so slender skill, that will de-
 fraude me of that reproche, which is due unto me, for
 the meere negligence, disorder, and evill disposition
 of matter, comprehended in the same; so I hope the
 learned and godly will beare with all, and reforme with
 charity where I do treade amisse.”—*Hollingshed.*

A REVIEW, &c.

MY attention to the Report of the Bullion Committee was first attracted by some extracts from it, which were published in *The Pilot*, in August 1810; then followed two Letters in the same paper, under the signature of *IDA*, sufficiently dogmatic and peremptory, in corroboration of that report. Sir John Sinclair next took up his pen on the opposite side of the question, who was answered by Mr Huskisson. Mr Chalmer replied to Mr Huskisson, and, in an able pamphlet, he brought forward such a number of astonishing facts, founded upon authentic documents, in support and illustration of the conclusions drawn from them, as, in my humble apprehension, might well have shaken the opinion even of the most devoted theorist.

I have perused also sundry other publications on that subject, of great national, and indeed of vital importance. I have studied the Report itself, and, latterly, the Debates in the House of Commons upon it, as reported in *The Pilot*; and now I venture to lay before the public the opinion of a private individual, who has ever had the true interest of his country deeply at heart.

I am now somewhat advanced into the vale of years; and although I have lived, as the poet, not inelegantly, expresses it, in the *fallentis semita vite*, I have occasionally taken a *Pisgah* view of the bustling scenes of this world, while in the act of passing at the bottom of that mountain; and I take the liberty to premise, that although I have not the honour of being personally acquainted with any of the members of the Bullion Committee, I know some of them by their public character, and respect them upon that acquaintance. I shall, however, speak of their Report with that degree of honest freedom, which candour, and the importance of the subject, requires; and it is no novelty for me to have seen two upright and able men dispassionately and carefully searching for truth in an abstract proposition, honestly draw

very opposite conclusions from the same principles.

Speaking generally, this Report appears to me very much to resemble the argument of an ingenious lawyer, engaged on the wrong side of a case, a circumstance which must always occur wherever two lawyers are opposed to each other. The evidence which that Committee have candidly furnished against themselves, has been strained and twisted, and, if the expression may be allowed, it has been reluctantly compelled and forced to support conclusions directly contrary to the true import and *bonâ fide* meaning of that evidence.

It is a self-evident proposition, that if Parliament had followed up this Report, and had ordered the Bank to issue guineas at 21 shillings for their paper, while the market price of that guinea is 24 or 25 shillings, in the course of six months, there would not have been one guinea left in circulation; every guinea so issued, would, long before that period, have found its way to the continent, as the most profitable, and, indeed, the only commodity that can with safety be now sent there. And it is another self-evident proposition, that there would have been, in six months, neither gold or *paper* in

our circulation; for the Bank of England never would re-issue their paper at such a heavy discount. And I may safely appeal to the judgment of every plain, thinking, honest man, if these two self-evident propositions are not the sound common-sense conclusions necessarily resulting from that Report.

The only way I can account for this phenomenon is, that the majority of the Committee confessedly, like the French academicians, very ingenious theorists and learned men, and, had they not been misled by this *ignis fatuus* of theory, I would have said also, able men; but they seem to me, before investigation and inquiry, and before listening to the sound experience of practical men, each to have mounted his hobby-horse, called, EXCESSIVE ISSUE OF BANK OF ENGLAND PAPER,—and off they instantly set, with a velocity and rapidity, exceeding even the wild and visionary phantoms which the German, Gesner, I think is the name, has spun out of his distempered brain; and this fanciful hobby-horse has carried them blindfold until it landed them, as Mr Vansittart has well said, upon the brink of a terrible precipice, infinitely more horrific than Shakespeare's Dover Cliffs, and, unlike old Kent, for they are not blind, they

durst not take the leap, but, panic-struck, they have never been able to retrace their steps; and there I shall leave them, and return to the Report, which I shall endeavour to clear of the clouds of dust in which Mr Huskisson and others have endeavoured to envelope it, in order to obscure it from too near a view.

That gentleman, in his argument in the House of Commons, with a considerable degree of confidence, asked for what he calls a STANDARD, by which he proposed to examine *intrinsic* value, as opposed to *nominal* or *depreciated* value. He expected, no doubt, to have been told, that the precious metals, as containing *intrinsic value*, was that STANDARD; but Mr Chalmer has said, that the only STANDARD or *unit*, is the English pound sterling, which, no doubt, has continued nearly stationary from the reign of Queen Elizabeth: but this proceeds from its being a *nominal* coin; for had it been a real coin, as a pound weight, or 12 ounces of silver or gold, it must have varied in its actual value in purchasing commodities, according to the market price of silver or gold bullion at the time the purchase was made. For my part, I know no fixed unalterable STANDARD in the kingdom, but the

King's STANDARD; and I trust every honest man will ever know it, and, if necessary, will shed the last drop of his blood to support it. But to shew that I do not hazard this opinion entirely without authority, I take the liberty to refer to the discussions that took place in the House of Commons more than half a century ago, upon a motion then made to fix a legal unalterable *standard* of a *measure of length*. It was at first proposed, that such a standard should be constructed of metal, and built into the wall of that House, and to this standard reference should always be made in every dispute upon that point; but the expansion of metals by heat, and their contraction by cold, was introduced into the debate, and the point was afterwards abandoned as impracticable. But although I hold it impossible to fix a standard of *value*, the standard *fineness* of the King's coin ought never to vary.

Here I shall leave Mr Huskisson's question of STANDARD, and I shall next proceed to examine another collateral circumstance Mr Huskisson has called to his aid; in the course of his argument, farther to establish the depressed value of the Bank of England paper. He has said, that the average price of corn was much higher for

the last fourteen years, from the year 1797 down to the present time, than it had been upon an average of fifteen years immediately preceding the year 1797. This assertion is perfectly true; but I deny the conclusion he has drawn from it; for the rise in the price of corn, during the last period, can be distinctly traced to other causes, totally unconnected with either *bullion* or *paper currency*.

The first and natural cause was, a remarkably unproductive crop in 1799, which he calls the year 1800, because the crop of 1799 was to feed us in the year following; and, in like manner, we have had sundry other unproductive crops of late: and, unless the wisdom of Parliament shall be gravely directed to a revision of the system of the corn laws, we may, with certainty, lay our account with the frequent return of years of scarcity; and at, or about the time this Committee was employed in constructing their Report, the price of a quarter of wheat, in Mark-lane, was as high as £.6. 8s. But, was this high price a mark of the *depression of Bank of England paper*, or a proof of the *scarcity* of wheat? When we look at the present prices in Mark-lane,* we find that a quarter of the best wheat can be purchased for

* July 1811.

£.4. 10s. or 12s. From this fact, let every man answer my question to himself.

Another cause for the rise of prices, and equally natural, is, the large additional taxes that have been imposed upon the nation; and, among others, upon the growers of wheat since 1797. Let no man, however, imagine, that I mean to complain of these additional taxes, as oppressive or unnecessary; on the contrary, I consider them as only a fair premium of insurance, which the nation cheerfully pays, to possess and enjoy the large balance that is left us, in security and peace. But still I conclude, that when the manufacturers of corn, or of cloth, pay such additional taxes, they must raise the price of their several manufactures; or when bad seasons affect the husbandman, and he feels more "pangs than war or women know,"—if, for example, his average crop is 12, and in these bad seasons he reaps only 8, he must have at the least the price of 12 for his 8, as neither his taxes or his other outlays are abated; on the contrary, some of them, particularly the price of labour, must be higher.

Having cleared this Report of some part of its obscuring rubbish, I shall now endeavour, shortly, to draw it to its *focus*; and it seems to

me to amount to this,—that the *market price* of gold bullion having suddenly rose to about 20 per cent. above the Mint price of the King's gold coin. If a man wishes to purchase gold bullion by a payment in *Bank of England paper*, he must now give 20 per cent. more in that paper, that is, he must give £.120 for the same weight of gold bullion that he could have purchased for 100 one pound notes of the same paper in the year 1797, when the market price of bullion and the Mint price of the King's coin were at *par*; but does it follow that the Bank of England paper has suffered a *heavy depreciation*, occasioned by the *excessive issue* of it?

This is a very limping syllogism of a tyro in the Aristotelian school; and I think the fair import and meaning of the evidence annexed to the Report is, that, unless, in the purchase of *gold bullion*, a Bank of England note of one pound and one shilling, or 105 of these notes, will pass as current in buying and selling, as 100 guineas of gold. Unless the seller shall have the nefarious and illegal purpose in view of melting down these guineas, or of selling them to another at 24s. for the same purpose, or of smuggling them out of the kingdom,—the witnesses, had they been asked, whether,

in great mercantile transactions, a seller, who was to receive £.10,000 in one payment, would prefer receiving that payment in guineas, or in Bank of England paper at *par*? I am certain, the answer would have been "in *Bank of England paper*," for, with paper, the transaction would have been settled in five minutes: but if the payment had been made in gold, it would have occupied the purchaser nearly a whole day to weigh and reckon it, and he must then have hired porters to carry it home. It is in the nature of things impossible to carry on an extensive commerce without Bank of England paper, or *checks*, or some other *symbolical* mode of payment. It is reported, that the late Mr Goldsmid's house dealt to the extent of £.100,000 a day, and although they dealt in *gold bullion*, they must of necessity have taken payment in *paper*. But I shall conclude this point with repeating the same question I formerly put, with regard to the price of a quarter of wheat in summer 1810; and now, the answer must be, that when the *market price of bullion* and the *Mint price* shall be at *par*, *Bank of England paper* will be in more request than guineas, especially in great commercial transactions.

Having thus examined the charge of *an al-*

leged depreciation of Bank of England paper, and having, as I trust, proved, that the *Bank of England paper* has suffered *no depreciation*, but that the market price of bullion has suddenly risen 20 per cent. higher than it has been for a century, I shall here leave it with only one observation, which cannot be controverted, viz. that a pound note of the Bank of England, forty years ago, would have purchased in Clare-market, or in any other butcher market, as much butcher meat as two of these pound notes can now purchase. If there is any analogy betwixt a *pound of beef* and a *pound of gold bullion*, and I confess I think there is, I must be told that the Bank of England paper has been in a progressive state of depreciation for these forty years back; but the nation, during all that long period, have been so blind as not to see it until now, that the enlightened Bullion Committee have cauterized or cut off the film from our eyes.

I shall now examine the charge so roundly and so boldly made in this Report, against the Directors of the Bank of England, of AN EXCESSIVE ISSUE OF THEIR PAPER, and perhaps I should have begun with it, as this alleged excessive issue is stated as the ground upon which the charge of DEPRECIATION rests, the excessive issue

being the *cause*, and *depreciation* the consequence. The proof of this excessive issue of Bank of England paper is, that since the restrictive act of 1797, the issue of paper from the Bank of England has been nearly doubled; and in round numbers I shall hold it to be now double what it was before that first restrictive act, while, at the same time, I deny the conclusion drawn from it, as this *double issue* is clearly deducible from sundry other obvious and necessary causes.

1st, The unavoidable consequence of the restrictive act must have been, to withdraw guineas very quickly from the circulation, the Bank never would issue more; many individuals, from an habitual predilection to that precious metal, would *hoard* the guineas they happened to be possessed of at the time the restrictive act was passed: of course, the sudden *vacuum* thus created in the circulating medium of the nation, must be supplied by some other *symbolical* medium; and, what other medium, I take the liberty to ask, could be so proper to fill this sudden *vacuum*, as the smaller notes of the Bank of England, which about that period were first issued? and, accordingly, it is in these smaller notes that the increased issue from the Bank principally consists; and when I read

the evidence of the late Mr Goldsmid, who says, that, to his own knowledge, the export of bullion to the continent frequently exceeded £.85,000 a month, my astonishment is, that the increased issue of the Bank of England paper has not been more nearly tripled than doubled.

2dly, The increased taxes, of necessity, require an increase in the circulating medium. I have not observed in any of the late publications on this subject, even a conjecture offered of the proportion in the circulating medium, that gold bore to paper; but, if my recollection is just, I think, when the light gold was called in some thirty odd years ago, about, or even above 40,000,000 of light gold coin was brought into the Mint, but there the exact sum must be found;—not that all this gold was then in the circle, for a portion of it came from private *hoards* which had continued from the practice of ancient times, and which the rebellions in the years 1715 and 1745 gave a colourable ground to persevere in: and I may mention here, that a similar circumstance occurred in the scarcity of the year 1782, which pressed particularly hard upon the north of Scotland, and forced into the circle an astonishing number of crown and half-crown pieces of William and Mary,

Queen Anne, and George the First; and many of these pieces were black, which the dampness of the hoarding places of the lower classes of people had given them; but they very soon disappeared, and the Birmingham half-crown pieces took their place.

3dly, Mr Chalmer has proved, that the internal commerce, and the exports from this nation, never were so great as in the year 1809; and an increased internal commerce requires an increase in the internal circulating medium to support it.

4thly, Although I can easily conceive, that a *private self-constituted banking company*, consisting of a few individuals, who each take a concern in the copartnery business of issuing their own paper payable to the bearer, in the shape of a pound or a guinea, or larger notes, might be induced to issue such paper coinage far beyond their *assets* to redeem them, because they can keep their own secret, and all share in the profit; but the case is the reverse with the Bank of England, where the direction is changeable, and each successor must see the conduct of his predecessor; and, independent of this, Parliament wisely do look at the conduct of the Directors of the Bank of England as to

their *issues* and *assets* with a watchful and an attentive eye; and as Sir John Sinclair has well said, that the Bank of England never give out their paper but upon a deposit of good bills at short dates, I believe of only 65 days to run, it is absolutely impossible their issues ever can be *excessive*, because every such issue is founded upon a real mercantile transaction.

If any culpability can attach to the Bank of England as to its issues, it is, in my humble opinion, that, in this respect, that Bank has been much too cautious and limited in the present unexampled emergency, which few, even wise men could foresee, and none prevent. It is in such critical times that chartered banks are particularly called upon to support fair and honest merchants. I mean this, as opposed to wild and swindling speculators, who, if they happen to catch a lucky hit, take all the profit; but if they lose every thing, they in fact lose nothing, for they had nothing to lose; while their uncautious friends are ruined, and such men, like the glassman in the SPECTATOR, we frequently see or hear of in the world. Had the Bank of England followed the salutary example of the Banks in Scotland, by establishing branches in the large manufacturing and commercial towns,

and in the agricultural counties, it would have wonderfully increased the *native products* of the kingdom, and, of course, have greatly promoted the industry and the *true wealth* of the nation.

This cautious circumspection of the Bank of England in its issues, has been, in my humble opinion, the cause of much mischief to the nation, for it has given rise to those local or provincial *self-constituted banks*, which, like a swarm of locusts, have of late spread over the country, and, like mushrooms, are suddenly rising in every corner of it, issuing *their own fictitious paper*, payable, like the King's coin, to the bearer. This evil has arisen out of the scanty issues of the chartered banks, and the absolute want of a sufficient quantity of a proper circulating medium, corresponding to the commercial, manufacturing, and the agricultural prosperity of the nation. I know some of these *self-constituted provincial banks* have large capitals, and by their landed property have given the public a still greater pledge for their ultimate solvency: nor do I mean now to say, that any of these *self-constituted banks* are of doubtful solvency; but I have observed, that when any trader has received in payment notes of these

provincial banks, of whose credit he is doubtful, and such notes, I believe from ignorance, are promiscuously received in every country market, but those that are thought most questionable are always the first to be again paid away, and, of course, the notes of these banks have not only the quickest, but generally the remotest circulation; and I know that these provincial banks have confidential agents who force their notes into the circle, by giving premiums to exchange their notes for the notes of the chartered banks.

The paper of these *self-constituted banks*, is supposed, upon tolerably well founded calculations, to exceed the issue of Bank of England paper. I take the liberty to say, that if the Bank of England paper had occupied the place that the paper of these *self-constituted banks* now hold in the circulation of the nation, there would have been no place for that *fictitious paper*, which the nation called for, from the deficient circulation of Bank of England paper, and without depreciating that paper, the security of the former would have been greatly preferable. Let those who shall be disposed to question this proposition, look at what the country suffered by the failure of the *Douglas and*

Heron Bank, and by the *Surtrees* Bank at Newcastle.

Mr Chalmer, in his treatise I have alluded to above, has fully and ably illustrated this subject, and to that treatise I refer; while, at the same time, I take the liberty to add my opinion in point of law, as to the right that such self-constituted banks have to issue their fictitious paper, payable to the bearer.

I distinguish betwixt *intrinsic* and *nominal* or *fictitious* value—needles and pins possess intrinsic value, let the trade in every such article be as free as the air we breathe—let every trader puff off, or, as the Roman law expresses it, “*civiliter licet mentiri*,” in the sale of his goods; but *fictitious* paper, bearing a picture and stamp, and calling itself a guinea or a pound sterling, possesses no *intrinsic* value whatever, and merits a very different consideration, when issued *by self-constituted banks*. Whether the almost universal usage for about thirty years, and I believe there is hardly one of these self-constituted banks now in existence much older than that period, but whether this usage may not now be too strong for the ancient law, I shall not stop to inquire, although I am inclined to think, that if the Crown Coun-

sel *ex officio* had challenged the right of the first *self-constituted bank* to issue their own paper, probably we never should have heard of another. Because,

1st, The King, as *pater patriæ* by his prerogative, possesses the sole power to issue coin from his Mint, but this coin must be of the precious metals, containing a statutory weight and fineness. These *self-constituted banks* assume to themselves much greater power than the Crown possesses, when they issue a piece of waste paper under the denomination of a guinea; the absurdity appears from this—had they issued the imitation of the King's coin, although of the standard weight and fineness, they would have been guilty of treason; but to coin a piece of waste paper into a guinea, is supposed to be within their right. A bill of exchange bears no analogy to this case, because it passes to the bearer only by indorsation.

2d, The Bank of England was originally constituted by a charter from the Crown, which seems to import, that, at that period, it was against the law of England for a self-constituted bank to issue paper-like money, payable to the bearer; and the law was wise: for a charter does not pass as a matter of course; the credit

or pledge offered to the public, and the character of those applying for the charter, is, or ought to be carefully investigated, before the sanction of the King in council is given to an incorporation by charter.

3d, It seems to have been a maxim of the law of Scotland, founded probably on the Claim of Rights at the Revolution, that the Crown of Scotland could not create a banking corporation by charter; and, in the year 1696, the Bank of Scotland was constituted by an act of the Scottish Parliament.

4th, Even so low down in the last century as the year 1727, a charter from the Crown seems to have been thought necessary, for the Royal Bank of Scotland was in that year constituted by such a charter.

The only answer to all this, and at best a poor one, is, that I am not obliged to receive the notes of these banks in payment; for the fact is, these notes are universally received, particularly by the most industrious of the lower classes, whose transactions are all in ready money, or its *symbol*; and their transactions, although taken individually, are small in extent, but taken collectively, from their immense number, amount to millions yearly: these people

are always the great sufferers when any of these banks get a crash; and, as they are the least capable of taking care of themselves, the Legislature seem to be more particularly called upon to afford them protection. The rule of the Roman law is, "melius est rem intactam servare, quam post vulneratam causam remedium querere;" and I humbly think the caution of the apothecaries in the sale of arsenic should, in some shape, be applied to this case, for, although few people administer poison, and still fewer swallow it, apothecaries do not sell arsenic to all and sundry indiscriminately, they must know the person and the purpose of the buyer before they give it out.

The Parliament wisely, as I have already said, look at the conduct of the Bank of England with a watchful eye, not only because it is the national Bank, but because it is the public agent for the receipt and issue of the whole national revenue; and it appears to me, with deference, that Parliament might occasionally cast a side-glance to the *assets* and the *issues* of every bank, whether chartered or self-constituted, by compelling each to lodge annually, upon oath, in some one of the King's Courts, the extent of their *issues* and their *assets* at the time; 2dly,

the extent of their capital; *3dly*, the amount of that capital that has been actually paid up by each individual partner; *4thly*, that the state of each bank, as thus ascertained, should be published twice, yearly, in the King's Gazettes: the consequence would be, that the credit of substantial banks would be confirmed, and only swindlers would be drove out of the market.

These observations on *self-constituted banks issuing their own paper*, payable to the bearer, may seem an episode, and I confess they are not necessarily connected with the subject I am treating of, still it appears to me not absolutely foreign to it; and I shall now proceed to inquire into the causes that led to these restrictive acts, beginning with the first restrictive act of 1797, the cause of which is to be found on the table of the House of Commons. I speak of the paper I allude to from memory, but, with reference to the record, I must however premise, that I really admire the national character of John Bull, as superior to any national character now existing in the world; or that the most ancient history has handed down to us, for manly firmness, humanity and candour, and every action, whether at sea or land, from Drake to Trafalgar, and from Poictiers

down to Albuera, proves, that without regard to numbers, he meets his foes with unexampled courage and gallantry; at the same time, honest John will pardon me for saying, that he is wonderfully attached to his belly; and if the alarm of famine, or even of scarcity, shall be whispered in his ear, however groundless, he is immediately seized with a violent frenzy, and "without rhyme or reason," to use the old proverb, he roars and bellows "for his mess of pottage." This exactly happened in the year 1796, owing to a short crop of wheat in the year 1795; our wheats in that year were partially blasted with what the Roman rustic writers call the *rubigo*, and were a trifle below an average; but our other crops were abundant, and we had no just cause for alarm, or the fear of want, for our merchants would quietly have purchased a full supply of wheat in the foreign market, at a reasonable price: but, no! this would not please John; he was panic struck, and he insisted that Parliament should offer a high bounty for the importation of foreign wheat, and Parliament improperly and unwisely yielded to his importunity, and the nation paid, I think, above two millions of bounties upon foreign wheat imported into Great Britain in the year 1796, exclu-

sive of the prime cost in the foreign market, where the price immediately rose, I believe nearly 40 per cent. upon the proclamation of an approaching famine in England, and a bounty offered for foreign wheat; besides, the nation had paid in that year many millions for American wheat, antecedently seized and brought into Great Britain on its transit to the French market; and this American wheat was afterwards sold by public sale at very low prices, the highest I think was not above 40s. per quarter, and as the alarm was not then raised, this wheat was mostly exported to France. In short, the nation paid to the Americans, and in bounties, above eight millions, exclusive of the prime cost and freight of the foreign wheat, which I take moderately at four millions more; and all this immense sum was carried out of the kingdom in *specie* in the course of a few months. This was the sole cause of the restrictive act in 1797; for I do not admit that the foreign subsidies had the smallest connection with this act; these subsidies, like pigeons which leave their house in the morning to feed, do all return before night: so these subsidies generally remain with our manufacturers, and go abroad in the shape of arms and clothing, for the troops of the

prince we hire to fight our battles; or, if they do leave the kingdom in *specie*, they soon return like the pigeons, for the purchase of these necessaries. But when the foreign husbandman gets *specie*, which he always insists for in payment for his wheat, he carries it perhaps far into the interior, and he *hoards* it; for he uses little or none of our manufacture; and we never see our guineas more.

To prevent the recurrence of such a serious evil, the corn laws should be revised, and if the British husbandman shall be secured in the exclusive possession of the British corn market, until the home price shall rise to a dearth price, before the importation of foreign corn shall be allowed, he will feed the nation plentifully and reasonably, but no husbandman will grow corn when it does not pay him, especially when he can turn his grounds to a different *use* which will pay him, and pasture is that *use*. This is not the time to enter at large into this point, but importation ought never to be allowed until the quarter loaf shall exceed 20d.; and to prove I speak upon the authority of the principle adopted and acted upon by the Revolution Parliament, the act then passed, did not open the ports until the price of wheat was at 52s. per

quarter, that is, the quartern loaf was at the price of about 6½d, and at that period the hire of a common labourer was 6d. a-day ; and now, when the hire of a common labourer is 2s. 6d. a-day, I do not think I am above the mark. The principle seems to have been at the Revolution, that the dearth price was to be a little higher for the quartern loaf than the price or hire of one day's labour of a common labourer, while my proposition, is to fix the dearth price one-third below the daily hire of such a labourer ; and the price of the inferior corns should be equally raised against importation, for the husbandman cannot grow wheat without growing also a proportion of these inferior corns. But to return to the restrictive act 1797, the cause which I have shewn was only accidental and temporary, and in proof of this, we find the Bank of England soon recovered this unexpected drain of *specie*, by offering to resume as formerly, to pay *specie* for their notes ; but the sagacity and wisdom of the immortal Pitt, foresaw the tempest that was soon to arise, long before it made its appearance in our hemisphere, and Parliament rejected this offer of the Bank, for reasons of state totally unconnected with any commercial system ; but now. when the tem-

pest rages all around us, the Bullion Committee seem to me to have shut their eyes and stuffed their ears, that they might neither see nor hear it.

Mr Goldsmid states, that there are not now on the Continent what he calls *midsmen*. I am not sufficiently versant in commerce, to know, whether this is a *technical term*, or one made for the occasion ; but at present, there is not upon the Continent, either paper or a banker. Should any man be bold enough, to shew but half the specie that is to be seen every night upon the *Pharo Tables* in London, a *civil* nocturnal domiciliary visit would soon lead him to say, "*Vale Bank.*" Napoleon, like Macbeth, has murdered CONFIDENCE : where is now the Bank of Paris, of Amsterdam, of Hamburgh, and other national banks of minor importance ? they exist not, "*Seges ubi Troia fuit !*" If a British merchant wishes to trade on the Continent, he must go, as Shakespeare says, with "*crowns in his pouch ;*" and when the continental merchant receives these crowns, having no Bank where he can lodge them, he carefully *hoards* them, under the apprehension that a still more evil day may arrive. EXCHANGE as a principle of commerce does not now exist. When a merchant, or a friend of some of the unfortunate

British prisoners, still so unjustly and cruelly detained in France, wishes to make a remittance for their temporary relief, he must buy a bill at the rate of 25s. for the guinea, because that bill must be paid in France in *specie* at that value; or if a continental merchant wishes to purchase a bill on London, he also must buy it at the rate of 25s. for the guinea, for he must pay for it in *specie* or in bullion; but when that bill arrives in London, it finds the guinea at only 21s., and his correspondent gives him credit upon that bill for no more; and what is as bad, if the continental merchant was to collect our British gold coin, in order to make this remittance, he must buy them in the foreign market at 25s., and when these guineas arrive here, they fetch only 21s.; and the commercial intercourse betwixt Great Britain and the Continent, must continue in this novel and deranged situation, while the Continent of Europe shall continue so disorganized and convulsed. EXCHANGE is the same commercial term that was used twenty or thirty years ago; but although it is the same word now, it does not admit of the same meaning, nor is it to be governed by the same principles as then; and at present, it has no clear or definite meaning, nor

are there any fixed and established principles by which it can be tried.

For nearly a century back, and while CONFIDENCE was alive, and active, and vigorous, *paper currency* as the *symbol of specie* was the principal commercial circulating medium, and it kept the market price of the precious metals very nearly stationary all over Europe during that long period; for although it does appear, that latterly the Bank of England did occasionally purchase gold bullion at a trifle higher than our mint price, still this accidental circumstance forms no just exception from the general principle; but now the sudden and violent death of CONFIDENCE, which Mr Pitt foresaw and looked forward to, has deranged and convulsed every ancient habit and principle; for *paper currency* being completely annihilated on the Continent, that counterpoise which kept the price of the precious metals so nearly stationary has been lost, and these metals forming now the only circulating medium, their price must be greatly enhanced on the Continent; for although their trade is now comparatively small, there must be a supply of these metals to take the place of the former *paper currency* now lost. The conclusion of the whole matter is, that the House of Commons

has acted wisely in continuing the restriction against the issue of *specie* from the bank, and thereby allowing the nation to rest upon its oars, until we shall see how the continental convulsions are either to evaporate or settle.

At the same time, it seems truly a matter of grave consideration, whether some *positive* protection might not be wisely superadded to this merely *negative* prohibitory restriction, in consequence of the law prohibiting the exportation of the King's coin, being with so much safety, and so extensively evaded, that it is perfectly nugatory; and if this shall be considered a wise law, which I think it is, although the theorists of the Bullion Committee have insinuated a doubt upon this point; it might perhaps be proper to consider a pound of gold and silver bullion, as we do a pound of wool, and taking it merely in the light of a *raw* material, to prohibit the exportation of it, without regard, whether that bullion is composed of the King's coin, *nefariously* melted down, or of foreign coin, and to allow it to be exported only in the *finished* manufacture of plate; and even this permission to be so guarded as to prevent its being only *nominally* so converted into plate.

I am much inclined to think, that such a pro-

hibition would tend to distress the French Ruler more than 100,000 men in arms. But, at all events, we should not do any one act, especially at some risk to ourselves, that can have the tendency to render the oppressive rigour of the continental servitude less severe. Our laws prohibit the exportation of corn when the price rises to a dearth price, and there really does not appear any material difference in principle, betwixt a scarcity of bullion and a scarcity of corn, if both are, as they seem to be, considered essential to the nation.

The *licences* to trade with any part of the Continent seem also to require some restrictions, and they ought to be limited and confined to such articles of *prime necessity*, which we have not, and cannot do without. What should be the enumeration of these articles, I pretend not to say, but I do venture, *negatively*, to state, that neither *wood*, which we get from our colonies in America, nor *corn*, of which we have plenty at home, ought to be found in that enumeration.

“Non ego sum vates, sed prisca conscius ævi,” says the poet; and I do with confidence say, that bullion must for ever be a scarce commodity in Great Britain, until we shall grow as

much corn as home as we consume ; and if we wanted two months bread for the whole island, Europe and America could not furnish that quantity, nor would the whole *specie* in the island pay for it, and our fleet, great as it now is, could hardly fetch it. Whoever shall be inclined to question any one or all of these propositions, let him calculate the quantity of wheat necessary to give. Say in round numbers, one pound of bread a-day for two months, to our population of about twelve millions, and then let him decide for himself. Perhaps this average, it may be said, is taken a little too high ; and I know that the lower orders of the people feed themselves very differently in years of *plenty* than they do in years of *scarcity* ; for in these scarce years they *eke* out their loaf with frugal and wise economy, by occasionally substituting stews of pulse and potatoes, which are equally healthful and nutritious as wheat flour in any shape ; and as it very rarely happens, that the crop of every species of corn is equally scanty in the same year, truly, if we could persuade ourselves to lay aside our groundless alarms, we have no reason to apprehend a dearth of bread, for the scantiness of the one species, say of wheat, will be made up to us by the

abundance of the crop of the other species of corn, more especially now when potatoes are so generally and so successfully cultivated all over the island ; and at all events, we should be silent, and trust with confidence to British capital and British mercantile enterprize, to find a supply of corn, in place of proclaiming our distress all the world over, and offering large bounties, as we did in the years 1796 and 1800, to sweep all the musty granaries on the face of the earth. In the year 1800, large bounties were paid for *Paddy*, the most inferior species of rice, from the East Indies, which the natives of India never eat, but in cases of extreme necessity ; most of it came too late, that is, in August and September 1801, when the new crop had come to our relief, and the little that did arrive earlier, was so abominably bad and dirty, that *honest John* would not let it within his lips.

Those men who think with the Report of a Committee of the House of Commons, now some years old, that Great Britain, *communibus annis*, cannot grow a sufficiency of corn for its own consumption, entertain, in my humble apprehension, a very erroneous opinion ; and as facts are more conclusive than theory, do look a little back, only to the years 1805, 1806, and part of

the year 1807, while the war betwixt Russia and France raged in Poland, which suspended the peaceful labours of the husbandman in that country, from whence we used in former times, to draw our greatest supplies of corn.

In these years, and particularly the two first, we got no corn from Poland; and during these years, the sullen fluctuating American government, always hostile to Great Britain, shut their ports against export to us, and allowed their superabundance of corn to grow musty and spoil in their granaries, so we were compelled to trust to our home produce for bread corn; and although our crops in those years did not exceed an average, we had plenty, and the quartern loaf never rose so high as 1s. 2d., until the mildew made its appearance upon our wheats, a little before the harvest 1807. The conclusion arising out of these facts is obvious; and the truth is, Parliament have only to raise the protecting price against the importation of foreign corn, sufficiently high to give the British husbandman the exclusive possession of the British market for corn, until the price of British corn shall rise to a dearth price, and that dearth price, we, in all human probability, shall never experience.

The principle that should govern the corn

system, seems naturally to arise out of the three different modes that the husbandman must necessarily adopt for the management of his farm; viz. either by the *plow* or by *pasture*, as opposed to *tillage husbandry*; and perhaps the best method is a third mode, which combines and incorporates *tillage* and *pasture* into one system. Still, however, the question that remains for his decision is, Shall *tillage* be rendered subservient to *pasture*? or shall *pasture* be rendered subservient to *tillage*? and his decision will be in favour of that mode that pays him best. To illustrate this proposition by an example, I shall suppose that he has decided in favour of *tillage*, and in that case he adopts either a *five* or a *six course rotation of crops*, according to the quality of his soil; in a *five course rotation*, he has only one year of grass and one year in turnip or potatoes, as a preparation for wheat, and the other three are in corn; so he has three-fifths of his farm in corn every year, or in a *six course rotation*, one may be in turnips or potatoes, two in grass, and he has the half of his farm every year in corn. But, on the other hand, suppose he has decided in favour of *pasture*, as making the most profitable return, he can easily convert his *five course rotation* into a *ten* or a *fifteen years rotation*, in which last, or fifteen years rotation,

he will have only three fifteenths in corn; in place of three fifths of his whole farms, by his *five years rotation*, and the other twelve fifteenths will be in *pasture*; and in like manner, he can with equal ease convert the *six years rotation* into *twelve* or *eighteen years*, and the same consequence will be the result.

It is not the husbandman who loses by this change, but the nation suffers materially in its vital interests; for in the first place, our only productive population is much abated, for in a *ten* or *twelve years rotation*, he dismisses the *one half* of his ploughmen, and in a *fifteen*, or an *eighteen years rotation*, he dismisses two-thirds of his ploughmen, and one shepherd will manage a greater extent of ground in pasture, than six ploughmen can cultivate in corn; and if an unproductive year of corn shall follow this wonderfully abated sowing, the nation suffers severely by being reduced to the necessity of sending its *specie* to foreign nations to beg and purchase at an exorbitant price, a scanty morsel of bread.

From these premises, it seems obviously to be our wisest policy, to make the scale rather preponderate in favour of *tillage*; and the question is, How is the object to be attained? And for this purpose, two important propositions seem

naturally to offer themselves to our grave consideration; the first is, to examine the prodigious difference in the expence of raising *corn*, as opposed to *pasture*; for although corn may give a larger *gross* return, if it shall not *nett* as much to the husbandman as pasture, he will unavoidably adopt his long rotation, in which the plough will be rendered subservient to *pasture*; for example, a three year old colt, that 30 years ago would have been well sold for L.25, will now fetch L.50, and his *keep* then would be nearly as high as now; wool is more than double the price it was then; butcher meat is one-third higher; butter and cheese are also double. *2dly*, A grazier can manage three or four times more ground than a husbandman can cultivate; for if a grazier sees his pastures under the charge of one shepherd once in two weeks, it is enough; whereas a husbandman must feed his horses every day, and he must yoke and unyoke his ploughs, that is, he must see it done, and his orders given over night, from a change of weather, must frequently be altered in the morning; in short, he must be always on the alert, and the extent of his farm is confined to the natural limit of his horses walking to and from the field of his operations, without wasting too much time in going or returning from it.

I hope these occasional desultory hints may have the effect of leading more able men to give some portion of their time to this great national object; and I shall conclude this review of the Bullion Report, by one other observation upon a suggestion of Mr Fuller towards the close of the argument on this subject in the House of Commons, which seems to import that we should strike an ASSIZE of the *silver* price of our guinea, according to the market price of gold in bullion, just as we strike the price of the quartern loaf according to the market price of the quarter of wheat or the sack of flour; and although we do not eat our guinea as we do our loaf, and novel as this idea may appear, if the present convulsive state of the Continent of Europe shall continue for any length of time, it seems highly probable we must either resort to such an ASSIZE in the *silver* price of the guinea, or totally to prohibit the export of bullion; and as guineas can without detection be melted into bars, and the smuggling of these bars out of the kingdom so difficult to be checked, from the small space they occupy, perhaps Mr Fuller's ASSIZE may prove the most effectual mode to keep our gold in the kingdom.

Whoever shall peruse the late Lord Liverpool's able treatise on the coins of the realm,

may trace the gradual progress of civil society, even in the history of our coins.

We know from the Roman law, that in rude and early times, *barter* was the parent of commerce, and as *pecora*, (cattle) was the subject principally used in *barter*, the first *symbolica* measure of value constructed of the precious metals, bore the stamp of a *cow*, and was called in the Latin language, *pecunia*, from *pecus* a cow; and, in like manner, *barter* being the basis of every mutual contract in the primitive days of our own country, of which the balance only was to be paid in a different measure of value; silver coin was gradually introduced, and was for centuries the only *legal tender*, and the balance being small, silver coin was found perfectly convenient for all such payments; but as civilization advanced, and the reciprocal wants, either real or imaginary, of social life increased, the intercourse of nations became more general, and their dealing more extensive; gold, mostly *Saracenic coins*, as less bulky, and of course more portable, were gradually introduced, and although not a *legal tender*, were received by common consent, like the Bank of England notes; and at last, the kings of the Norman race bethought themselves of issuing gold of their own coinage, probably on account of their

foreign wars, whereby both gold and silver coins became equally a *legal tender*; and then, as Lord Liverpool informs us, it became necessary for our kings to watch with attention the fluctuation in the market price of gold and silver bullion; for his Lordship states, that frequent tricks were played, by melting or exporting that species of coin whether of gold or of silver, when the market price of the bullion of either fell below the proportionate value fixed at the mint for the gold and silver coin. And the Continuator of Baker's Chronicle informs us, that James the First of England raised his gold coin, called the *unite*, from 20s. to 22s. It is true, that both Houses of Parliament entered upon their Journals, resolutions against this measure, but these resolutions were directed more against the prerogative right of the Crown, to issue such a proclamation, than against the wisdom of the measure in itself. Mr Horner says, that in King William's time, the guinea was in *silver* equal to 40s. : this he does indeed attribute to the debased state of the silver coin at that period, but perhaps some part of this excessive difference may have been occasioned by the fluctuation in the proportional market price betwixt the bullion of gold and of silver, an extraordinary influx of silver bullion, which is at

best an unwieldy measure of value in extensive commercial transactions, may have sunk the market price of its bullion, below its proportionate mint price in coin. Sir John Sinclair tells us, the *silver price* of a guinea has been at 30s.; it has been as low as 20s., and up again at 22s., and at last it settled at 21s., I think, in Queen Anne's time, and it has continued stationary since that period. Now, however, that is since the act, which I shall denominate Lord Liverpool's act, enacting that silver coin is not a *legal tender* above £.25, our silver coin may be considered as confined to the ordinary transactions of common life, and somewhat resembling the *Courie Shell*. of Bengal.

While the Dutch republic existed among the independent nations of Europe, and in that character it is but of yesterday, although their paper and their ducats travelled all over Europe, still, however, the only *legal tender* in the Dutch provinces, was their silver coins; but the Dutch were a commercial people settled at Antwerp, long before they acquired their independence as a nation, and they knew the almost inextricable difficulty of making gold and silver coin of a fluctuating, and frequently of a disproportionate value, equally a *legal tender*.

The Venetians, instructed by their country-

man Marco Polo, were the first commercial nation, who, I believe, introduced *bank paper* into commercial transactions in Europe. That bold and enterprising man, of high rank in his own country, travelled in the course of the 13th century over land to China, he brought from thence the art of making paper, and at the risk of his life, he brought also the silk-worm to Italy in his walking staff, hollowed for the purpose of smuggling a clew of the *ova* out of China, and when he returned, he told his countrymen, an apparently very marvellous story; he said, that when he entered the wall of China, the people at the gate took all his money from him, without robbing him; they gave him a letter of credit, of the nature of which he was ignorant, which procured him money as he wanted it; and when he returned to the gate, they settled his account, and paid him the balance. That enterprising commercial nation discovered, as their commerce increased, that the precious metals were a cumbersome and unwieldy measure of value in great payments, and they introduced *bank paper* as more easy and expeditious; and should ever the Halcyon days of Peace, with their inseparable companions, good order and security, be restored to the Continent of Europe, commerce

will revive, and bring back in its train, *confidence* and *bank paper*, and the precious metals will again degenerate into the trifling, as compared to commerce, to the ordinary transactions of human life. We may now justly say of the convulsed state of the Continent of Europe, what the Scriptures emphatically say of "the barren womb, it is never satisfied." The Continent demand gold and silver not so much as a measure of value, but to *hoard* as a jewel of inestimable price, under the panic terror of even worse days approaching; and while this unnatural craving appetite shall remain, if the whole gold and silver in the world should be poured into its devouring maw, it would still be unsatiated, and gaping wide, would demand more; and the question is, How are we now to defend ourselves against this all-consuming vulture?

Although Mr Fuller's *ASSIZE* is not unattended with difficulties, and ought not to be adopted without grave and mature consideration, it appears to me, that Mr Vansittart had this *ASSIZE* in his eye, when in his able speech on this subject, he alluded to a mode of relief, which he did not detail, being apprehensive, it would, as he stated, be an act of injustice

to the public creditors; but with deference to so great an authority, and holding this ASSIZE to be the measure he alluded to, it does not appear to me in the same light of injustice as it seems to have struck his mind, because the Parliamentary Commissioners for liquidating the National debt, do not sit at the Treasury and send for the national creditors to attend them there, to receive 20s. in the pound for every hundred or thousand, or million of pounds, of the National debt they are to pay off; for in that case, if those creditors who lent their money to the public in guineas at 21s., were to be payed with guineas at 25s. value, they might have cause to complain; but take the fact as it stands, and even the shadow of injustice flies off.—For these Commissioners go quietly to the Exchange, and privately buy up the National debt at the current price of the market, for the day. Of course, as no national creditor is obliged to sell his stock, those creditors who chuse to sell, are not entitled to complain.

I mean only that the *silver* price of the guinea should be raised to the market price of gold bullion on the Continent, which will effectually put an end to the nefarious practice of melting our guineas, and exporting them in bars, or of

smuggling our guineas out of the kingdom; and although the Continuator of Baker's Chronicle lived in the reign of James the First, he does not allege that the ten per cent. James added to his gold *unite*, occasioned the smallest complaint in the nation, it is by no means impossible that the proposed rise in the *silver* price of our guineas might for a very short period create some confusion in our domestic markets; but to remedy this evil, let the butcher or other sellers in these markets, have the option to demand Bank of England paper, or the paper of other chartered Banks at par, in place of a proferred guinea at 25s. value; at the same time, let the *silver* price of the *paper* guineas issued by these Banks remain as before, at 21s., if this temporary expedient, which the pressure of the present times may seem to require, shall be adopted. Experience will probably suggest some further restraints and alterations which may render it more correctly useful.

One advantage may immediately result from this measure. Lord King, and all those seized with the "*auri sacra fames*," would in all probability be cured of this distemper, if they shall be obliged to receive their *golden guineas* at 25s. value.

It is curious to mark the powerful influence of ancient habit, even in the circulating medium of the nation; for although the Bank of England had subsisted fully a century before the restrictive act in 1797, the Bank paper was hardly known in the domestic markets remote from the capital, of which Mr Chalmer mentions a very striking example of a country man having accidentally received in payment a Bank of England note, he knew so little about it, that next day he carried it to a *self constituted provincial Bank* in his neighbourhood, and by his earnest entreaties, he in a manner compelled a teller in that Bank, to take it, and to give him in exchange, the notes of that Bank, which failed in a very short time thereafter. And before the restrictive act, almost all the rents of England were paid in gold, probably, because the Bank of England notes were for large sums, and not easily broke or subdivided in making smaller payments; but now, when perhaps nine-tenths of the circulating medium is *paper* of one description or another, the raising of the *silver* price of our guinea to correspond with the market price of gold bullion, would hardly be sensibly felt or known. It would seem that the Bank paper, in the payment of

rents is hardly known in Ireland, even at this day; for the Bishop of Derry has advertised that he will accept of *bank paper* without discount from his tenants and vassals, on condition, that they will do the same in receiving their sub-rents from the occupiers of the Bishop's lands holding under them.

I shall conclude this *hotchpot* collection of hints with some observations on the distillery, which, from the year 1786, has been a thorn in the side of every minister, and will continue to be so, as long as the *duty* or tax shall be levied upon distillation, by a mode in England, different from the mode used to levy the same duties in Scotland.

The calculations of the several distillers of the two countries for fixing what they call the *equalizing duty*, are so wide of each other, and perhaps of the truth, and the *data* upon which these discordant calculations are grounded, are so involved and perplexed with the mysterious process of distillation, that it seems hardly possible for any minister or any man, not a distiller, to make up an opinion on the subject that will prove satisfactory to his own mind.

When the late sugar spirits bill, which was thrown out in the House of Lords, was in agi-

tation, the distillers of Scotland boldly asserted, that the principle of that bill would have annihilated the distillation from corn, as it loaded the corn spirit with 1s. and 7d. of duty higher per gallon, than was to be paid upon the gallon of the sugar spirit; and to prove this assertion, they produced calculations founded, as they alleged, upon the principle assumed in that bill, and if they were right in their premises, their conclusion seemed to follow. At the same time, I do firmly believe, that the Chancellor of the Exchequer did, *optima fide*, intend to place both the corn and the sugar spirit upon a footing of perfect equality in their common market; but as that point is for the present at rest, I shall not enter further upon it now, and I shall proceed to offer a few hints, which would tend, in my humble apprehension, to render the system of taxation upon the distillery more perfect, much less complicated, and might perhaps increase that branch of the revenue.

The *licence* duty in Scotland, and the *excise* duty in England, is directly contrary to the treaty of Union, and Mr Pitt was perfectly satisfied of this; and in the 1786, he said, he was aware that this objection did truly lye against

that measure, but he yielded to it at the joint request of the traders of the two countries, and he meant it merely as an experiment for a period of two years; but long before that period was elapsed, the London distillers persuaded him, that the distillers of Scotland had overreached him and them, and that the revenue then arising from the London distillery would be lost, and they themselves would be ruined, as the *licence* spirits from Scotland were sold much cheaper in the London market than the *Excise* London distilled spirits could be sold for; and Mr Pitt, alarmed for the revenue, put an end to this experimental trial, in January, or February 1788, and the Scots distillers were mostly ruined; the real fact, however, was, that these rival distillers *in odium* the one against the other, were each selling their spirits in the London market at a loss, and had the experiment been allowed to continue until the 5th of July 1788, it is highly probable, that both these classes of distillers would have been ruined; but the English capital being larger, stood the shock, and the distillers of Scotland generally fell.

The *licence* duty still remains in Scotland, in so far as relates to spirits distilled for the con-

sumption of that part of the island ; and the distillers of Scotland are said to have made of late such wonderful and astonishing discoveries in the process of distillation, that the *licence* duty, which in 1786 was fixed at L.1. 10s. on each gallon of the *content* of their still, is now L.162, upon each gallon, besides additional duties on the wash and on the spirits. I cannot detail the particulars, nor is it to my purpose, for my object is to do away the *licence* duty altogether, as oppressive and unjust to the growers of barley in the north of England and in Scotland, while at the same time it creates a heavy additional expence to the distiller by the waste of fuel and the waste of corn, occasioned by the rapidity of his distillation *against time*.

My first proposition for improving the system of the distillery law, in so far as it relates to revenue, is to levy the duty, or tax, by one and the same mode all over the island ; and indeed, this proposition seems to me so clearly and deeply founded in the good faith of the solemn incorporating treaty of union betwixt the two kingdoms, and in the sound principles of material justice and wise policy, that to be assented to, it requires only to be distinctly stated.

My second proposition is, that the modē le-

vying the tax upon distillery by *EXCISE* as in England, under certain modifications, is preferable to the *LICENCE* in Scotland, as a more correct mode of levying the tax according to the quantity of the *finished manufacture*, that is, the *spirits* actually produced by each distiller, and for other reasons also, which shall be stated in the sequel. My third proposition is, that the *Excise presumptive charge* of duty should be departed from ; that *presumptive charge* of duty is founded on the law, which *assumes as a fact*, that every hundred gallons of distillers wash, produces at least sixteen and one half gallons of spirit of a certain strength, and the Excise duty is charged by that *assumed fact* ; and if more than sixteen and one half gallons of spirit shall be drawn from that quantity of wash, a surcharge of the single duty is made upon that surplus quantity of spirit ; but, on the other hand, if that quantity of wash shall produce, suppose only fourteen gallons of spirit, the charge of duty remains against the distiller for sixteen and one half gallons of spirits, grounded upon a *presumed fraud* ; viz. that the distiller has *fraudulently* withdrawn the quantity *minus*, the sixteen and a half gallons from the view of the officer.

The injustice of this last *presumption* to the

distiller is obvious; but it further bears, with severe oppressive injustice upon the north of England, and upon all Scotland, for their husbandmen have to contend against a much inferior soil, and a more precarious climate, than the husbandman occupying the richer soils in the southern counties of England, blessed at the same time with a more mild and genial climate.

The highly matured barley of these southern counties, when converted into distillers wash, will frequently give nearly twenty gallons of proof spirit, while the same quantity of the barley of the north will hardly reach to twelve gallons, and in unfavourable seasons will not yield so much spirit; a distiller thus circumstanced, will rarely purchase the inferior barley of the north, while by this *presumptive charge*, he must pay the duty for sixteen and one half gallons of spirit, and has in fact received a return of only twelve gallons; or if he shall purchase such inferior barley, he must abate out of the price, that over-payment of duty.

The husbandmen of the southern counties of England have a fair and just title to the highest price, the superior quality of their barley warrants them to demand; but it seems a very

questionable proposition indeed, why a *bounty* should be given in favour of their barley, arising merely out of this *presumptive charge* of duty, more especially, as now an exact account is kept of the stock or actual quantity of spirit the distiller receives from his still, every time he runs it off; let the *presumptive charge* remain as a *check*, but where there is no ground to *presume fraud*, let the duty be charged on the quantity of spirit, or the *finished manufacture* actually produced, be it more or be it less.

These observations naturally suggest, a very strong objection to the LICENCE duty of Scotland, which compels every distiller working under a LICENCE, to work against time, and if a hundred gallons of wash, producing only eleven gallons of spirit, shall consume nearly as much of this *precious* time as a hundred gallons of wash, which shall produce sixteen and a half gallons of spirit; this LICENCED distiller will rarely use the inferior northern barleys, when he can find in the market, the superior highly matured barleys of the south of England; while, at the same time, if he shall be put under the *Excise*, and if that *Excise duty* shall be levied, not upon a *presumptive charge*, but upon the quantity of spirit actually produced, *time* in that

case becomes comparatively of little value, and the inferior barley of the north will have a fair chance in the market, of fetching a price in the exact *ratio* of the relative value it bears to the superior quality of the barley of the south, and be relieved of that *bounty* it is loaded with in favour of its rival, and which the *licence* duty of Scotland compels, not the *licenced distiller*, but the *growers* of that inferior barley, to pay.

My fourth and last proposition is, that the malt duty should be considerably abated, provided this abatement can be made without lessening the revenue. The mode of levying a duty by a *measure of content*, without any regard being had to the *quality* of the material contained in that *measure*, seems a rude and primitive mode of taxation, and where the quality of the material thus *measured* and taxed by that *measure*, is so various and unequal, as is the case of barley, it seems also unjust, and this injustice is increased, when it is considered that this duty is levied upon a *RAW* material, which Sir R. Peele successfully combated in the House of Commons very lately, in the case of a duty of one penny only on the pound proposed to be imposed upon foreign or American cotton, at the act of its importation into the Imperial

Kingdom; at the same time, if our own colonies and the India Company jointly, can supply us with a quantity of that commodity equal to our consumption, this opposition may seem questionable, but in the case of the *malt-tax*, which is an *internal duty* upon British produce only, the question, as now stated, seems to require some modification; and it will be observed, in the *first* place, that *malting* is only a primary step to the manufacture of ale and beer, a fermented liquor, or the manufacture of an ardent spirit extracted from malt, by distillation, and the ale or beer in the one case, and the ardent spirit in the other, constitute the *finished manufacture* extracted from *malt*, and when thus prepared, is brought to the hand of the consumer; and it will be observed also, that another duty is levied upon each species of that *manufacture* in its *finished state*.

These premises being granted, and another also cannot justly be refused, viz. that the *primary* duty on malt is, for the reason already assigned, the most liable to uncertainty and of course to injustice: It seems to follow as a safe conclusion, that this *uncertain duty*, in place of being the *highest*, as it is at present, should be the *lowest*, and that whatever shall

be abated of this primary and uncertain duty, should be added to the second duty, which can be done with perfect certainty, because that second duty can be levied upon the *finished manufacture*.

I shall, for the sake of the revenue, endeavour to corroborate this abstract reasoning, by calling the attention of my readers to a notorious fact. It is universally confessed, that a large proportion of the barley now consumed in the distillery, never has undergone the previous or primary process of *malting*, it is used in the *raw* state of barley grinded into meal, of course, it has never paid one farthing of the *high* malt duty; in what proportion the raw grain is now used in distillation, it is impossible correctly to state. I have been assured, that when this mixture was first introduced, it was half and half. I have since been informed, that the proportion of *raw* grain to malt has been greatly increased, and that above three fourths of the *raw* grain is now used, and only one fourth of malt, at the utmost, but perhaps the proportion may now be greatly abated, for the principal use of malt in the distillery, is to bring on the fermentation, as flavor in an ar-

dent spirit is out of the question, until it undergoes the *process of rectification*.

It is also a well known fact, that brewers of late do use *raw* grain in their process of brewing, although prohibited by the 42d of his present Majesty, but it seems more wise to adopt a mode of levying the duty, by which the payment of the *malt* duty cannot be evaded, than by exposing the trader to penalties, if he shall attempt to evade them.

I am aware, that another objection may be stirred against this proposed charge, founded upon the popular clamour "*of liberty and property and no Excise*." Such as history informs us, was raised against the late Sir Robert Walpole, in the reign of George the 2d, by the factious Tory Patriots of that day, who detested Sir Robert; and as it is now known, were secretly plotting under the mask of patriotism, a counter-revolution in favour of the house of Stuart; and in more modern times, when the Excise was extended to the cyder counties of England, a similar feeble effort was made against that extension, but it soon died away.

I do give honest John much credit for holding his house as his impregnable castle, and

that no man can violate that sanctuary, except upon a charge of a breach of the peace; but as he is a fair, as well as an honest gentleman, I would humbly suggest, that he should answer satisfactorily to his own mind this question. Upon what principal of equity and material justice does he ground his claim, that he and all the wealthy men in the island, merely by brewing at home, should drink their malt liquor cheaper than the common mechanic or day-labourer?

Besides, as no suspicion of fraud can rest against that class of people, it might answer all the fair purposes of taxation, should they lodge, at the nearest Excise office, immediately after every brewing, upon the oath of their brewer or other confidential servant, a note of the quantity and the quality of their ale or beer, they have actually and *bona fide* cellared; in place of *weakening*, this mode would confirm and strengthen his castle.

I shall conclude with this observation, that the partial stipulation contained in the treaty of union, in favour of *Scotch malt* should be done away, as unfair to our fellow subjects of England, and in fact useless to Scotland, for English barley imported into Scotland, and

malted there, becomes *Scotch malt*, and pays only the Scotch duty, and creates at the same time an embarrassing *equalizing duty* when *Scotch ale* is imported into England.

If these desultory observations shall suggest only one useful idea, to men more wise and better informed than I am, *Sat. Est.*

RUSTICUS ABNORMIS.

0035

