ON

COMMERCIAL ECONOMY,

IN SIX ESSAYS;

VIZ.

MACHINERY, ACCUMULATION OF CAPITAL,

PRODUCTION, CONSUMPTION,

CURRENCY, AND FREE TRADE.

BY

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TO

FRANCIS JEFFREY, Esq.

Without reference to his opinions on this particular subject, these Pages are inscribed, with the truest respect for his high talent, and even higher virtue,

By his affectionate and obliged,

E. S. C.

Wydale, near Malton,
February, 1830.

PREFACE.

A PATIENT investigation for a considerable period of time, has led me to believe that the chief considerations respecting Commercial Economy may be embraced under the heads, Machinery, Accumulation of Capital, Production, Consumption, Currency, and Free Trade. In the sequel it will be shewn how the action of these forces, combined as well as individually, affect the national welfare; and how they might be directed, so as to allay the existing public calamities.

The object of any publication on the state of the Country at the present moment, ought not, it seems, to be opposition to Free Trade as respects this Country, which is as yet pre-eminent in mechanical science; for our producers being in want of custom, we can do nothing more advantageous than to seize every opportunity to extend the market for their goods; but to shew how we can carry on a free trade so as to pre-

serve the ratios of property at home; that is, exhibiting a method of accomplishing sufficient remuneration to the property which is taxed, and at the same time commanding sufficient lowness of price for our foreign sales. This gained, our prosperity is for a time secure. But nothing will prevent those occasional intervals of distress, which the history of commercial nations teaches us are ever occurring; unless from time to time we apply a certain specific remedy in graduated proportions. These terrible intervals so well known, demand a cause for their existence, which has never been satisfactorily given; indeed I have seen hardly an attempt to assign one. I think the causes may be assigned; and those known,—the results may be counteracted better by preventives, than by violent treatment when the crisis has arrived.

What is the spirit that rises to scare us from the pursuit (so far as regards commerce) of our only true good? Can it be denied that there has existed a scarcely latent mistrust, a kind of "*timeo Danaos, et dona ferentes,*" among us, which eyed with suspicion any proposition which ap-

peared to emanate from what had previously been considered an opposite interest? Could that (we imagined) which the agriculturist so eagerly required, be of corresponding benefit to the manufacturer? Could that which was so earnestly called for by the manufacturer, bring prosperity to the agriculturist? This domestic war has for the most part ceased to exist; for the wretchedness of both parties is too glaring to be denied by either. Mutual sympathy has led to the settlement of preliminaries, but confidence is still too weak to add its signature to the treaty of peace.

Would that this age of science might discover some moral chemistry, by which to amalgamate our conflicting interests; or, in the purifying fire of adversity, weld our iron fasces into a Lictor's rod, that should hereafter be proof against the varying tide of human affairs.

ON

COMMERCIAL ECONOMY,

&c. &c.

MACHINERY.

" Fire and water are excellent servants, but dreadful masters."

" By the adoption of a certain kind of frame, one man performs the work of seven,—six are thus thrown out of business."—*Lord Byron.*

Nay, take my life and all: pardon not that.
You take my house, when you do take the prop
That does sustain my house: You take my life
When you do take the means whereby I live.

Merchant of Venice.

The object and use of Machinery was originally the reasonable saving of human labour: the present, much more the prospective, effect of Machinery is, the comparative displacement of manual labour. The loom is in other hands. An apparently self-impelling engine gives ominous warning to the artizan. However slow the operation may be, mechanical improvement must be progressive, for, with the wonderful contrivances of Nature for his direction, on this side of them, there can be no limit assigned to the constructiveness of man. While the gigantic power of steam, resembling, rather than any thing else, that energetic but invisible principle by which Nature puts in play her complex machinery, is ever at hand to obey his call. Thus it has become a serious and interesting question for in-

vestigation,—What is to be the remote consequence of a system, by which the greater part of the population of the globe, which has, to all appearance, been called into existence for no other purpose than for supplying a given quantity of power for the production of commodities, I repeat, what is to be the consequence to this class of beings, who have grown up on the strength of such expectations, when the substitution of a cheaper, more powerful, and less perishable force, supersedes the necessity of their existence,—and takes from them that on which only they can continue to live,—the reward of industrious labour? This inquiry, so much more easily suggested than replied to, with me, at least, must remain for future consideration. A few facts, however, to exhibit the ground-work of the prepossession I feel upon this subject, may not be useless, and these, of course, will turn upon the previous progress, and present state of Machinery.

To begin with cotton, which forms so large an item in our domestic manufactures, we have a quick succession of mechanical improvements from 1760, a history of which may be seen, in a very clear and compendious form, in No. 91 of the Edinburgh Review. 1738, came John Kay's picking peg, (not used in cotton till twenty years after,) which enabled a weaver to do twice the work he had been used to perform. 1760, Robert Kay's drop-box, by which a weaver can, at

pleasure, use any of three shuttles,—thus producing a fabric of various colours,—with the same facility almost as a common calico. About 1760, James Hargraves appropriated the woollen stock cards to the carding of cotton. This was soon superseded by the cylindrical cards, or carding-engine, (the inventor not known,) but first constructed, with Hargraves' assistance, by Mr. Peel. 1762, Sir Richard Arkwright improved on this, and added a very perfect apparatus for taking off the cotton from the cards. 1767, came Hargraves' spinning-jenny, doing away the tedious method of spinning by hand, and enabling a spinner to spin eight threads where one had been previously spun; and the machine was subsequently so perfected, as to enable a little girl to work no fewer than from eighty to an hundred and twenty spindles. The jenny was applicable only to weft, the yarn for the longitudinal threads, or warp, requiring greater fineness. Sir R. Arkwright's spinning frame, 1769, obviated this difficulty, leaving to man merely to feed the machine with cotton, and to join the threads when they happen to break. 1775, the mule jenny, a compound of the jenny and spinning-frame, was invented by Mr. Samuel Crompton, which is equally adapted to the weft and the warp, which Arkwright's spinning-frame was not. 1787, the power loom, enabling yarn to be wove by Machinery instead of hands, was invented by the Rev. Mr. Cartwright. I may

observe, says Mr. Kennedy, (one of the first and cleverest cotton manufacturers in the empire,) speaking of these improvements, that their united efforts amount to this: that the labour of one person, aided by them, can now (1817,) produce as much yarn in a given time as two hundred could have done fifty years ago."* (Manchester Memoirs, Second Series, Vol. VIII., p. 132.)

But we are not to forget, that almost the only cotton demand from the continent of Europe is for twist of every kind, and a Manchester correspondent is of opinion that it promises to be insatiable: the nearly total annihilation of our once extensive exportation of cotton manufactured goods to the European continent, is the consequence. "The export of cotton goods from the Manchester district, being," continues the correspondent, "now almost entirely confined to Rio Janeiro and the South American States."

Cotton is the chief item of all our exports; and yarn, forming so considerable an item of those cotton exports, and the manufacture of yarn requiring in proportion 200 times less of human labour than fifty years ago; and the United States now producing the same quantity of yarn at 10 per cent. cheaper, (as will be

* Allowing 22 square yards a day, as an average, to the supposed 58,000 looms in the United Kingdom, we have a yearly production of 376,200,000 square yards.—This is a calculation that has been made; but I am not myself aware of the grounds of it.

hereafter shown,) than the United Kingdom; a cloud is fast enveloping, with its chilling influence, the prospects of both our custom and poor houses: especially "as we understand," says the Scotsman, "that the inventor of the Machine for facilitating hand-loom weaving, which is now in operation at Wigan, challenges any power loom manufacturer, for any sum not less than fifty guineas, to weave with his machine, worked by one man, more cloth in a week than can be woven by a man with two power looms. The description of cloth, to be manufactured, not to be coarser than a 54 reed Bolton count, which is equal to a 90 reed Manchester count." It will be remembered, that Mr. Kennedy's calculation of one man being with Machinery equal to 200 fifty years ago, was founded chiefly on the productive riches of the power loom. Here is a prospect of making the difference between this period and that fifty years back, as one to 400.

It has been computed, when there were 350,000 persons operating in the British manufactories of cotton, that these produced commodities equal to what would require the labour of 53,000,000 persons to produce, if unassisted by Machines. The wages of the 350,000, at 1*s*. per day, for 300 days in the year, would amount only to £5,259,000., but, of the latter, at the same rate, to £780,000,000. sterling. If this calculation be true, the tremendous operation of Machinery is seen much more when we apply it to the number of weavers,

spinners, bleachers, &c. at present considered by Mr. M'Culloch to be employed in the cotton manufacture, viz., 705,000, which doubles all the results of the first calculation. When, to this, we add, on the authority of the American Harrisburgh Convention, that weaving by power looms is the most profitable employment of females; the male department of our cotton population, which, during the stimulus of the war, scarcely perceived the silent progress of that absorbing leviathan of their labour—steam, have rational grounds for despondency: to them, indeed, it must seem, as if Hope, that only blessing of Pandora's box, had been limited, in its existence, to the very moment when the Promethean gift had assumed a feature of refinement and power almost approaching the invisible agents of Nature herself.

Let us glance, for a moment, at our next greatest manufacture,—the woollen,—which, from the middle of the fourteenth century, has held so high a place in the commerce of the world; and see how the artizans dependent upon it, have been affected by Machinery directly; and indirectly, still more, through the medium of the cotton manufacture, which Machinery has encouraged and expanded so much. The great era of the begetting of that race, (if it may be so called,) of Machinery, which has lived to outgrow all calculation, appears to have been about 1760 or 70, just about the time, most probably,

when the world at large, which had looked to England so long for its woollens, began to entertain the treasonable idea of supplying itself: till this period, the English, inheriting a sort of prescriptive right to the trade, had, for want of any formidable competition, been enabled to continue nearly the old rate of prices, and so the necessity of any extraneous power had but partially suggested itself. The woollen exports, which, in 1738, had been 4,158,643, in 1776, were but 3,868,053, making, instead of an increase, in the forty years, a considerable falling off. It became our manufacturers then, in order to preserve their trade, to look less to their imagined right, and more to the influence of superior skill. Accordingly, we find, 1776, "the people employed by the manufacturers in the neighbourhood of Shepton Mallet, Somersetshire, being offended at the erection of some Machinery in that town, for the abridgment of labour in the woollen manufacture, assembled in a riotous manner, and destroyed the obnoxious Machinery, before they could be dispersed by the military."* The evils arising from this displacement of manual labour would not have concealed its

* M. Cæsar Moreau, on the British wool trade:—Too much cannot be said in praise of the indefatigable industry with which M. C. Moreau has tabularized, and thus brought into a practicable focus, an immense quantity of statistical information; and the Statistical Society which he, principally, is at this moment promoting, on the plan of the Bulletin Universel, promises great results, particularly as laying the only true foundation for Commercial Legislation.

head, until the peace of 1815, had it not been for an almost continued state of warfare since that time, giving to Great Britain the command of commerce, through the strength of her navy, and calling for such great additions to the clothing of the navy and military, and increasing our exports, of which the following Table bears witness.

M. C. Moreau on Woollens.—*An Account of the Number of Broad and Narrow Cloths milled at the several Fulling Mills in the West Riding of the County of York, distinguishing separately the Number of Yards (in length,) and Pieces made each Year, from* 1800 *to* 1817.

Years	Broad Cloths.		Narrow Cloths.		Years	Broad Cloths.		Narrow Cloths.	
	Pieces.	Yards.	Pieces.	Yards.		Pieces.	Yards.	Pieces.	Yards.
1800	285,851	9,263,966	169,262	6,014,420	1810	273,644	8,671,042	158,252	6,180,811
1801	264,082	8,699,242	137,231	4,833,534	1811	269,892	8,535,559	141,809	5,715,534
1802	265,660	8,686,046	137,016	5,023,754	1812	316,431	9,949,419	136,863	5,117,209
1803	266,785	8,942,798	139,575	5,023,996	1813	369,890	11,702,837	142,863	5,615,755
1804	298,178	9,987,255	150,010	5,440,179	1814	338,869	10,656,491	147,474	6,045,472
1805	300,237	10,079,256	165,847	6,193,317	1815	330,310	10,394,466	162,355	6,649,859
1806	290,269	9,561,178	175,334	6,430,101	1816	325,449	10,135,285	120,901	5,650,669
1807	262,024	8,422,143	161,816	5,931,253	1817	351,122	10,974,473	132,607	5,233,616
1808	279,859	9,050,970	144,624	5,309,007	1818	324,539	8,335,899	180,314	5,721,392
1809	311,289	9,826,048	151,911	5,951,762	1819	263,278	6,924,790	119,700	4,889,181

The war is no more,—the demand it stimulated and commanded has left us,—but the producers, whom it maintained, and encouraged to propagate a new race to succeed them, are not gone,—nor their progeny: the war producers remain, when war productions are no longer wanted. What must be the consequence, without increased demand from other sources?—overproduction or idleness are the only alternatives,—neither of these will purchase food.

The Rev. Edmund Cartwright, of Doncaster, in 1790, invented Machinery for combing wool, whereby one man and five or six children attending the mill, do as much work as thirty men can do in the old way.—See Moreau.

Mr. William Toplis, of Cuckney, in Nottinghamshire, also invented, in 1794, Machinery to go by water, for combing wool.

In 1795, as some relief to the wool-combers, (see C. Moreau on Wool, 1795,) "Among the attempts to improve the woollen manufacture of Great Britain, we must not omit the invention of Mr. James Booth, for fabricating wool without spinning or weaving. This was effected by felting wool into a web, by the aid of Machinery, which operated mechanically upon a tissue of carded wool, to entangle and interlace the fabrics together." This, though never as yet called into practice, seems to be a dormant principle, capable of great effects in future.

About 1800, the motion of the improved steam engine was also rendered as regular as a water-

wheel, and the great inconvenience and loss, from the interruption of the works by frosts, or continued droughts, were thereby avoided."

Hitherto the only sufferers from Machinery had been the labourers it displaced, the manufacturer making up for the cheapness of the finished article, in diminution of labour, and increase of sale. But, soon after 1800, the number of small manufacturers began to decrease, many of them being ruined, from the larger capitalists beginning to engage in the woollen trade; and they performing all the processes with their own Machinery, were enabled to work cheaper, and undersell the smaller traders.

In 1800, this manufacture is supposed to have given employment to 3,000,000 of men, women, girls, and boys, notwithstanding the decrease of the quantity of wool, and the great abridgment of labour by the use of Machinery, which, in the various processes previous to the weaving, was stated, by one manufacturer, to accomplish, by the hands of 35 persons, the work, which, about the year 1735, required the labour of 1634 persons. To this we must add, the operation of steam engines, and improved Machinery, since 1800.

If all other arguments were wanting, that our foreign trade in manufactures was on the decline, we have but to look at the decreasing exports of the finished article; and in cotton and wool to the amazing increase in the export of yarn, particularly of the former, from 1816 to 1828.

The increase of woollen looms in Leeds, we are informed by the Leeds Mercury, since 1824 inclusive, may be taken at 729. The whole number being now 2100. This addition to the number of woollen looms in Leeds is about 50 per cent. upon the former number of 1400; and two-thirds at least of the whole increase, (viz. 625 looms,) have been made since the year 1826. Now, in order to make this increase of Machinery profitable, or rather non-injurious, to the operatives of Leeds, there should be an improvement in the demand for woollen goods tantamount to the saving of labour; but our woollen exports have declined in value; and, I think, no one can say, that the home consumers have been, or are, in a condition to make larger purchases. But, supposing the demand for woollen goods only equal to that of 1824, if the number of looms in Leeds be increased one-third of the whole number since 1824, the displacement of one-third of the woollen operatives is a necessary consequence. It may be said, that the increased number of looms is a symptom of improvement in the demand; but it will be difficult to persuade us, considering the growing substitution of cotton for woollen, the falling off of our exports, and the miserable condition of our consumers at home, that the woollen trade has improved. And, if it have not improved, the new looms at Leeds must either have displaced human labour there, or other looms elsewhere.

The only object in this Chapter being to shew

the decided tendency of Machinery, and that at no very slow rate, to usurp the place of manual labour, enough has been brought forward to illustrate this; it were endless to pursue our course through mechanical improvements in other departments of manufacture, though they have obtained in cases, perhaps, where they might least have been expected: for instance, Mr. James Milne, an architect, has constructed a machine for the dressing or hewing of stones, by means of a steam engine, or any other adequate power; which, in the very short space of seventy-five seconds, broached the face of a stone five feet and a half long by twelve inches broad, the stone being rough as raised from the quarry when placed on the machine, and it drove the face of the same stone at the same rate, making it perfectly smooth and parallel. The practicability of cutting mouldings by this machine is self-evident from its structure, though this was not tried whilst we were present, (says the Editor of the Advertiser,) owing to Mr. Milne not being prepared with the requisite tools. Messrs. Braithwaite and Ericson, whose loco-motive engine excited such astonishment on the Liverpool rail-way, are said to be likely soon to bring to perfection a most powerful fire-engine, to go by steam, of about 30-horse power,* which

* The effects of this engine were tried at a late fire with a success that caused the workers of the old engines to stop playing, not only to admire it, but because it rendered their own labours superfluous.

will perform as much work in forcing water as could be performed by about 250 men. To lament such an improvement as this, would be like a surgeon complaining of the absence of disease.

It may be objected, that much of the Machinery in our manufactures has grown up so gradually that there has become a mutual adaptation between it and the population; that the one has learned to fit the other, and, therefore, that the labouring class will not suffer from the adoption of Machinery. The main decision of this question rests so entirely on the progress of consumption compared with that of production, which I have reserved for separate Chapters, that the objection cannot here receive its most effectual answer. But, I may observe, that, though in 1825, in Manchester, there were upwards of 30,000 looms worked by steam engines, at the close of the year 1814, there was not *one* in use.* Steam cannot be said to have existed as a power above thirty-five years, more than half of

* See p. 69. Harrisburg Convention. "In 1815, when cotton was at 20 cents per pound, a yard of shirting sold for" 25 cents, and the cost of the cotton (¼lb worth 5 cents,) being deducted, the manufacturers had 20 cents for their labour and profit; and yet very few of them made money, because of the want of Machinery, and of management and skill. But, at the present time, 1827, when the price of cotton is 9½ cents, the same sorts of shirting are sold at 9½ cents, leaving only 7 cents for the manufacturer, the cost of the cotton being deducted, the business of making such goods, though made cheaper than they are in England, is a good one!

which time, what with the whole range of the market of the world, the call for soldiers and sailors, &c., our labouring class did not very sensibly perceive the operation of so powerful an antagonist. Since the peace, there has been a constant struggle for employment, (except during the short period of a dilatation in the currency, when the national powers of consumption and of foreign speculation were so much increased,) amongst the labouring class; and no wonder, when we remember the estimate of Dupin, that the power of steam engines in this country is equal to the force of 6,400,000 effective labourers, an effective labourer being equal, on the average, to rather more than two average labourers: but, as the population consists of average labourers, here are above 12,000,000 of the population operated upon in various forms and degrees by steam. Of course, deduction must be made for increased individual consumption, (which we shall hereafter show cannot possibly keep pace with increased general production,) and other matters; but an overwhelming tendency in Machinery and artificial power to displace an almost incalculable proportion of human labour, is a point, it appears to me, admitting of no dispute. If the progress of Machinery in usurping labour be greater than the means of the population for the consumption of the products of Machinery, the population of labourers must grow more and more supernumerary. It is a very lamentable truth, but we ought not,

therefore, to blink the question, in order to put off the consideration of the evil day, when it must be provided against at last.

It has been often asked, why the intervals of manufacturing distress have been more rapid in their recurrence of late than in former times? Is it not plain, that Machinery having usurped so large a proportion of manual labour, the market of labour is from being better supplied, always nearer the point of overflowing than formerly. The closer the fluid approaches the brim, the smaller is the casualty causing an overflow. What conduced greatly to the hastening this dilemma of overflowing labour, was the unnatural demand for labour during so many years of war, which acted as a blind to that consummation which Machinery was silently but surely developing. The cessation of that forced demand compelled the withdrawing of the curtain, and exposed to the view of the labouring class, an *opposing army of labourers*, ready for the same field of labour, all but equal to the whole work in demand, and cheaper to their employers, because wanting no food to support their existence.

The real point to be ascertained, at the conclusion of the war, was, how the population, which had been unnaturally* forced by its long duration, was to be so gradually brought to the natural level of the demand in peace, as to leave

* The increase, according to the three censuses made this century, is one-seventy-third per annum.

the fewest destructive traces behind; instead of this, by the oracular prophecies of people in some authority, of the probable continuance of our monopoly of the trade of the world, (a most futile expectation,) we have rather aggravated than diminished the evil, and it remains the hydra of the present hour. We are not to be put off by the abstract axiom of political economy, that the amount of products in demand, will always dictate the wholesome number of producers. If the thing produced never varied in the quantity of labour it required from century to century, the relations between labour and goods would, it is true, preserve their proportion; and the gradual declension of demand would re-act on the population, without much apparent distress; but new mechanical discoveries disconcert entirely the grounds of a supposed graduation in the change. Two principles, of precisely the same evil tendency, were in full operation at the close of the war, the sudden contraction of the market for our goods, the almost equally sudden contraction of the amount of labour in demand, through the influence of every day's improving machinery. The progress of Machinery has been so rapid, that it has outproportioned the market of demand for goods, (and not in this country only,*) while it

* In France, Machinery is advancing very rapidly. "M. Lirot, af Valenciennes, has 200 machines for nails of iron, zinc, and copper, and has made their use so easy, that a child of ten years old can make 8000 nails a day. A pump,

has, by a necessary consequence, surfeited that of manual labour. No wonder that Misery stalks abroad, when the healthy proportion is lost, between the demand and supply, which alone can constitute the sound condition of a commercial country; nor need it be expected that the proper adjustment will ever be made between the great market for goods, the prolific capacity of Machinery, and the employment of manual labour, otherwise than by an artificial expansion of the first, a partial oblivion of the second, or a proportionate diminution of the third.

But, if the cause requiring such decrease in the population have not been gradual, but of instantaneous origin, the birth of mechanical invention, and

made by M. Frimot, on the principle of the hydraulic balance, raises 87 unities of labour, or 260 cubic metres, in an hour, to the height of six or seven metres, and does as much work as 288 men applied to the best naval pumps. At the last sitting of the Society for the Encouragement of National Industry at Paris, a prize of 1000 francs was awarded to a Mr. Coffin, of New York, for a machine to remove fur from skins employed in making hats, by which four men in four hours are able to do the work of twenty-five men according to the old process. The mechanical printing-press of M. Gaultier Laguionie throws off 2000 sheets an hour; and the wine-press of Revillon, of Mâcon, obtains one-twentieth more juice than the common machines. M. Blanqui, in his late discourse on French industry, mentions many more cases of rapidly improving Machinery, and we cannot give a coup d'œil at the musée des arts et metiers at Paris, without being astonished at the mass and variety of Machinery there exhibited, comprising all our best cotton machines.

of immediate operation, what power on earth* can prevent its effect on the labouring class, the sudden cessation of the demand for employment? "Nevertheless, (we are bound to coincide with Mr. Ricardo,) the employment of Machinery could never be safely discouraged in a State; for, if capital be not allowed to get the greatest net revenue that the use of Machinery will afford, here, it will be carried abroad. By investing part of a capital in improved Machinery, there will be a diminution in the progressive demand for labour; by exporting it to another country, the demand will be wholly annihilated," (at least the foreign demand).

I have thus endeavoured to give a partial sketch of the workings of mechanical invention, as it relates to the labouring class of the community. It may be added, that there is always a moving power at hand, either of wind, water, or steam, applicable to every new construction of Machinery, which man, as he is advancing in knowledge, is adding to the existing stock of discovery. The more man knows, the greater will be his power over the combinations of matter. So great, indeed, may prove that power in the end, that it becomes a riddle, as I have before observed, how

* The number of patents for inventions, granted since the reign of Charles II., to the present time, exceeds 5,500, of which nearly 2000, having been granted since 1815, are still in force.

population can go on increasing, and still find employment to pay for the food which its existence requires, and which it is possible that an increasing knowledge of nature may procure for it by much shorter methods than the present. It is, indeed, a curious reflection, what the powers of natural agents, directed by mind, may accomplish, without the intervention of hands; or, rather, with an immense diminution of hands. The tendency of knowledge must be, though at an immeasurable* distance, in the result, the same in man as in the Deity, viz. to give power. Now, the omnipotence of the Deity over the elements of matter could, (supposing Him so to will,) give sustenance to an endless population by the simple fiat of his word. It is evident, that

* Surely there is nothing irreverent in this. Man is daily accustomed to expend his energies on such minute concerns, when compared with the vastness of the universe around him, that, at length, he conceives his own efforts to amount to something grand in the scale—(and so they do, by permission, in his proper field, human affairs;)—he has done much, when he and his goods travel twenty or thirty miles per hour, at a cost of three-halfpence per ton. A ~~common~~ cannon ball would be twenty-five years in travelling to the sun, a distance which light passes over in seven minutes and a half. Dr. Herschell calculates on sound data, with reference to the parallax, that even light, with all its inconceivable velocity, cannot reach our earth from some of the remote nebulæ of stars, in less time than (1,910,000,) very nearly two millions of years; and still we are as short of infinity as ever. Who then would vainly imagine to measure the intellect that created these stupendous things by any possible extension of improvement in man?

as the power proceeds only from knowledge, (intuitive in the Great Being,) that every addition to knowledge in man, will, through the accompanying increase of power,* enable him to provide both for the necessaries and luxuries of his fellow-beings at an easier rate; the proportion between the producer and the produce must go on incalculably lessening; and we know no limit to this principle. It is astonishing, even now, to see the advance of man in power; when we consider the intricate movements and prodigious results from the simple power of steam; so varied and extensive is its agency, that it seems almost worthy to rank with the all-pervading principles of electricity or gravitation; at least, it is of that minute and intangible species of power by which Nature appears to conduct her complex operations.†

If, then, a very limited number of producers shall shortly be able to supply the wants of the whole consumers, I repeat the question; What is to become of the old race of producers?

Nevertheless, although these seem to be the undoubted principles which operate in society at the present moment, with respect to the influence of Machinery upon the condition of the labourer,

* "Knowledge is power."—*Bacon.*

† The growth of vegetable productions may fairly be denominated a manufacture: the earth constituting the Machinery; the seed, the raw material; and the vital principle, the propelling power.

and which must regulate our present legislation; yet we ought not to take a narrow or temporary view of what is perhaps the greatest of Divine means for improving the human race. We judge only from what we now know; and are not aware of those discoveries which the Deity, in his stupendous wisdom, may reserve for the further developement of his plan; and we ought to be cautious as we legislate, to leave ourselves open to all the farther unforeseen possibilities of advantage that may arise. It would have been proper, in the early inhabitants of this island, who had no other resource than its native woods for fuel, to have legislated with attention to strict economy as to that fuel, when increasing population began to show, that, without a limit to the one, there must come an end to the other; and that thus the comforts and welfare of the people would infallibly be cut off by their own numerical increase; but, had they resolved to destroy any portion of their children at birth, to counteract this effect, thus to keep a balance between the fuel and the population, they would have been legislating on too narrow a principle. The hidden treasure of coal was not then in contemplation; but it would have been wise to have had full confidence that He who called us into existence would fully provide for all our future wants. The same case now exists as to coal as then did respecting forests; our coal fields are exhausting by gigantic strides, and steam is our la-

bourer through its consumption. What is to warm us, and be our slave, when all our coal is exhausted, I leave to the ultimate beings of that day to determine. We can already keep a tier of wires red hot as long as we please by galvanism; and the muscles of dead animals are put into full and forcible action by it. Who then can say, whether or not, with the progress of mind, this giant power, which supersedes all chemical action, and to which steam is a mere subservient pigmy, may not come in aid of a thousand of our future wants. It is the safest for man, as a legislator, to regulate those things only which he can perceive to exist; but, at the same time, let him feel confident that he cannot be doing wrong, in accepting, as an eventual benefit, whatever tends towards obtaining, with less exertion of body or mind, any of those products that are necessary or agreeable to the human race: however necessary occasional regulations may be.

It has been the habit of society for the labour of twelve hours to be expended in gaining support to a labourer and his family; and, alas! in the present posture of affairs, even that exertion either is denied him, or, if granted, will not maintain him. But, when this artificial state, induced by wars, debts, and bungling legislation, has passed away, the effects of knowledge and Machinery will, probably, enable the labour of fewer, and fewer hours, progressively, to give support to the labourer; when the surplus time

may be dedicated to mental improvement, and the pleasures of society. The population of the globe, at length, being only limited by the human beings it can sustain, in rational leisure, under the garden culture of the whole land, and the produce of the sea. These are the visions of ages to come, and I only glance at them hypothetically, to shew the ultimate tendency of the principles I advocate.

At present, it appears, beyond doubt, that the existing quantity of Machinery in the kingdom, amounts, under the absence of demand for labour, from artificial causes, to a very serious injury to the labouring class.

ACCUMULATION OF CAPITAL.

"An overgrown capital is the curse of industry."—*Bacon.*

THE accumulation of capital is always checked by bad government: for its growth and prosperity depend upon public faith. Men will not be at the trouble to attempt an increase of what they may have already acquired, unless they have tolerable security for an adequate return. The average object of accumulation of property being eventual enjoyment; if the chances are, that a rapacious governor will seize upon their property, self-interest will teach even the poorest intellects, unbiassed by superstition, not to delay the enjoyment of their own, and not to treasure up what they are not allowed to enjoy. Some of the provinces of Turkey seem to form a very partial exception to this rule; but the predestinarianism of the Mahometan prompts alike the capitalist and the soldier to rush upon certain destruction.

Let us look for a cause—for the wealth of the commercial cities of old—we find it in the exception they formed to the ignorance then existing on the subject of finance. In early times, Sovereigns imagined the shortest and best way to fill

their treasuries was to lay an embargo on money wherever it was to be found. But money was never wanting in caution, and always sped to the safest spot; and we may take it for granted, that the superior commercial wealth of Tyre and Carthage arose from their better government attracting the capital which violence expelled from other places: they being of course, at the same time, possessed of the common facilities for trade. But good Government, not situation, was the *primary* cause of their prosperity; because many places, then without trade, experience has shown to have superior facilities for it; and now that their government has ceased to be barbarous, outstrip the rest in the mercantile race.

The first object with a considerable accumulation of capital, must be a profitable investment for it; and as the best and most obvious account it could be turned to was artificial improvement by manual or mechanical skill on the raw products of the soil, the springing up of manufactures was a necessary consequence of the presence of capital; the encouragement of security ensuring a good school for improvement in the arts of manufacture; and when the raw material could not be forced in places where capital had settled, money procured it from other countries unable to manufacture for themselves. Thus we see, "according to the text of Ezekiel, in Jerom's translation, and Bochart (Gro. sacr. col. 155.) fine wool was imported into Tyre from Damascus by the Israelites; and Herodotus

(L. III.) says, that woollen goods were manufactured at Tyre."* In 1429, we see the commercial towns of Italy getting their wool from England.

The wealth of the Italian Republics could not have been acquired, notwithstanding their monopoly of the Indian trade, had it not been for the benefit of good government. The Jews, the great capitalists of those days, were not despised in Florence, as in other countries; and this liberality of her government contributed more than any other cause perhaps to her prosperity.

New countries, emerging from the savage state, require an accumulation of the proceeds of industry, in order to attain the conveniences attending the disposal of capital—the benefit of a just division of labour; whence results skill in manufactures corresponding to their wants and civilization: and the happy condition of a nation is when the quantities of agricultural and commercial labour are the most evenly balanced, the demand for the commodities of each being proportioned to the power of supply in each. After this happy point the scales are ever preponderating on the side of overproduction in manufactures; because of the homely requisites of nature being much less extravagant in their demands than the vitiated cravings of luxury. The thousands of shapes into which the raw material of manufactures can be, and are required to be, worked up, to please the imagination, and the comparatively few shapes which

* M. Cæsar Moreau.

corn and beef can be made to assume, except in the kitchen, must incline the tendency of over-production to the side of manufactures; especially if the increase in manufacturing production have not the effect of raising the price of agricultural produce; which, as it was the original source, continues to be the barometer of the powers of consumption in a nation. There cannot, I think, be a moment's doubt that the origin of all property was in the land; the produce of the soil is the spontaneous gift of Nature (always to be increased in quantity up to a certain limit by judicious management): this is the first and only wealth at the beginning; the surplus of this wealth over the immediate necessities of the cultivator (he producing quadruple his own consumption), becomes a fund applicable to other purposes, exercising the ingenuity and industry of the supernumerary cultivators, whose productions are all modifications merely of the original gift of Nature from the soil; which gift being susceptible of almost illimitable improvement, was constituted, in proportion to its improving capacity, the ever growing and principal means of the accumulation of national wealth in every country; for though manufactures can reproduce, and thus add to national wealth, they are dependent for their consumption on the quick developement of riches from the land; unless they are consumed rapidly, their rapid reproduction is useless. The producers of corn are, in like

manner, dependent for increase of wealth on the power of consumption in the rest of the country. The situation of these two great interests of a country is, that of the positive and negative cloud; the supply must be equalized, or a storm ensues.

The tendency to accumulate capital from the land before the facility existed of investing it in manufactures, shewed itself in the gigantic buildings and hearty hospitality of "the good old times." Manufactures never could have commenced but for the power of the cultivators to produce more than they could individually consume: the surplus was a means of existence to those who thenceforward found their profit in providing for the conveniences (the next step in civilization to the enjoyment only of the necessaries) of life: a similar tendency to accumulate has been always visible in this branch of industry, from the intervals of distress which, at various times, have afflicted it; particularly since the time when convenience began to degenerate into luxury, or rather when luxury was added to convenience; thereby affording more productions to be purchased by that fund which had previously been equal only to the consumption of necessaries. There is, doubtless, a growing capacity of consumption, first shewing itself in the power of adding the conveniences to the necessaries of life, and afterwards luxury to convenience; but the wholesome demand for products of luxury is much more difficult to estimate than those for

simple conveniences; and this cause, added to the eager competition of accumulated capital after profits, produced those intervals of distress which have arisen from production exceeding consumption.

We ought to ascertain, as exactly as we can, at what rate capital accumulates, compared with the demand for goods which it is the means of furnishing to the market. Capital appears to me to have a tendency to exceed population in its increase quite as much (at present, even more) as population tends to exceed agricultural produce in its increase. If £1,000., by compound interest, doubles itself in fifteen years, which it does, this is at a rate four times greater than the increase of population, (taking sixty years* as the average rate of doubling). Now, when we consider that

* Annual increase upon each million of inhabitants, and the period in which the population would double itself, if the increase continued uniform.

	Increase on 1,000,000 individuals.	Period of doubling.
Prussia	27,027	26 years.
Britain	16,667	42
Netherlands	12,372	56½
Two Sicilies	11,111	63
Russia	10,527	66
Austria	10,114	69
France	6,536	105
		7)427
	Average rate of doubling	60

Art. 9. Foreign Quarterly on Baron Dupin's "Force Commercial de la France."

ten per cent. used, until lately, to be below the average remuneration from capital actively invested, i. e. in trade, commerce, agriculture, &c. we may fairly presume that not more than one half of this, or five per cent. of the profits, was expended on the capitalist's own consumption, the remaining five per cent. going to multiply production. This will cause an accumulation of capital equal to that of money at five per cent. compound interest, or four times greater than the average increase of population; and when we remember the 15 and 20 per cent. so often made in manufactures in prosperous times, I do not think this an exaggerated estimate.

If the rate of profits, or interest of money, immediately preceding, and during all commercial stagnations, were correctly ascertained, I doubt not that both would be found comparatively low, from the great competition of accumulated capital. These storms of the commercial world seem necessary to clear the trading atmosphere. The stagnation is caused by capitalists discovering that there is no adequate remuneration for production: a partial cessation of employment to the labouring class ensues, which lowers wages universally, and at the same moment the greatest engine of consumption in the country is thrown out of gear. Dissatisfaction arises among the capitalists on account of a diminution of profits in the old channels, and the still greater loss when they have withdrawn from them; and then comes the last struggle of capital to find a profitable

investment, which ends in those fruitless speculations we have so often witnessed in history; and which are the positive destruction of all the capital embarked in them. Then the competition is diminished, and the atmosphere brightens. The remedy for accumulated capital may thus be said to be the violence of its disease; but the restoration to a state of vigour under these circumstances is seldom accomplished but by the tonic of an artificial stimulus to the consumption interest.

All the bubbles, from the South Sea scheme down to those of 1824 and 25, in this country, have, on their very face, carried evidence of being caused by over-abundance of capital, which competition had rendered unproductive in the usual channels. About 1720, the Government proceeded to lower the interest of the National Debt, an idea which would not have suggested itself had it not been for a superabundance of capital; and there was a struggle between the Bank of England and the South Sea Company which should lend to the Government at the lowest rate, the latter outbidding the former. In March, 1825, the speculations before the public were

22 Rail Roads.	18 Foreign Mining Companies.
12 Gas Companies.	8 English ditto.
	53 Miscellaneous.

Having a subscribed capital of upwards of £120,000,000. Two millions were required for the Northern Rail Road—in two days 16,000,000

were tendered. It is the accumulation of capital, impatient of non-employment, which gives rise to these fallacious speculations. The accumulated capital being, for the most part, in hands unused to an inactive investment for their money, no stone was left unturned to discover new channels for a profitable return: the loss sustained under fallacies of this kind is a sort of natural means of diminishing the accumulation of capital: the humours of the body being too great for its secretions, what is to be expected but eruptions at the surface—a bloated exterior, tending to gangrene. But because these bubbles ceased to exist when the fallacy of them was *blown*, it was no proof that there remained no surplus of capital; it only shewed that experience has at least a short-lived effect, that its lessons are not wholly lost: and those who would have been dissatisfied with two and a half or three per cent. in 1824, would now rather secure that than run the risk of entire loss for a distant chance of more.

Though the profits of stock were low in Holland at a particular period of last century, this was not, I conceive, the originating cause (as Mr. M'Culloch seems to imagine) of the decline of trade in that country at that time; but only a symptom of capital accumulated beyond the demand of the usual investments for it; which, acting in the same manner as a surplus population, of necessity was obliged to end either in great distress at home, or in emigration to some foreign country, where the rate of interest was higher,

and still secure. We consequently find that, in 1778, Holland had £62,000,000. in the English and French funds, because the returns for money invested at home had ceased to be sufficiently remunerating.

At the same time, the surplus accumulation of capital in a country does not depend exactly on the absolute existing quantity of capital, but on the proportion between the amount of capital, and the profitable demand for it in that country. If the demand for money, from the flat condition of the employers of labour, be small, then a smaller quantity of capital will leave a larger surplus of accumulation, than a much larger amount of capital when the demand for money is great.

When we find capital lying idle, and incapable of finding active investment, no other conclusion is left us than that it has increased faster than enough for the purposes required by the consumption of the population, and especially when we see that population consume as much on the average as heretofore.

There has been a gradual and general lowering of the rate of the interest of money for the last two or three centuries. The cause of its higher rate in former times, was the insufficiency of money to meet the demand for it; its lowness in the present age can be attributed to no other cause than that the demand for money is insufficient for the supply of it. Therefore, capital must have accumulated beyond the growth and the wants of

an increasing population, for we see it a drug in many places, notwithstanding the many sources to develop its use beyond those that existed when the rate of interest was much higher. So that surplus capital must seek new countries; and by encouraging manufactures every where, may form the means of executing a design of Providence, that population should overspread every portion of the globe. If we may not presume such a design, we shall have to seek a satisfactory theory for the magnitude of the earth beyond what is intended to be peopled.

It is a remarkable coincidence that the condition of the money market should have been so very similar at the commencement of this and the last century. The wars of William and Anne corresponding to those of the French Revolution, and the Peace of Utrecht in 1713 answering so nearly to that of 1815. The great tranquillity of the reign of George the First, the loans amounting only to £2,832,093., and the reduction of the national debt, contributed to an accumulation of surplus capital, which was evidenced by the lowering the rate of interest to the public creditor: the climax of the evil brought about the South Sea bubble.

The evidences at this moment of accumulated capital are so many, as hardly to need illustration. The state of the public funds may suffice. In a time of war or panic, when money is in great request, and difficult of access, more stock is given for a certain

amount of money, than in a time of peace and tranquillity: thus in the three per cents., for instance, during the late war, the public creditor lent £60. in exchange for £100. stock, that fund being then at £60.* But in a time of peace, as money loses the investments which may have been stimulated into productiveness only by warfare, and gradually becomes more and more plentiful; instead of £50. or £60. obtaining an exchange of £100. stock, £80. or £90. must be given, according to the plenty of capital in the market; and this accounts for the price of the three per cents. having ranged between 75 and 95 for the last few years.

* This is well illustrated by the French Funds.

Variations in the Price of French Five per Cents.

October	1799	..	7	June 20	1815	..	53
November	1799	..	11	December	1815	..	63
Ditto 21	1799	..	20	———	1816	..	55
June	1800	..	30	———	1817	..	64
December	1800	..	42	August	1818	..	80
———	1801	..	54	December	1818	..	63
———	1802	..	56	———	1819	..	70
———	1803	..	53	———	1820	..	78
———	1804	..	58	———	1821	..	84
———	1805	..	60	———	1822	..	89
———	1806	..	76	January	1823	..	77
August	1807	..	93	August	1823	..	93
December	1807	..	86	December	1823	..	92
———	1808	..	80	———	1824	..	102
———	1809	..	80	March	1825	..	106
———	1810	..	79	November	1825	..	91
———	1811	..	82	December	1825	..	96
———	1812	..	78	———	1826	..	99
———	1813	..	51	———	1827	..	101
March 29	1814	..	45	———	1828	..	107
December	1814	..	73	March	1829	..	110
March 4	1815	..	81				

The same wholesome effects have not resulted from the bubbles of 1824 and 1825 as from that of the South Sea Scheme, because more artificial processes have been in operation. The present amount of capital in the country might not be more than sufficient* to answer the increased necessities of trade, provided machinery (so much of which having arisen during the excitement of the war, when the consequences were unfelt) had not intervened to foster a supply of goods far beyond what would have been possible, if all the accumulated capital had been invested in human labour only: but machinery takes so little to keep it going compared with hand labour, that it cannot hold all the capital that had been previously ready to supply the employment of hand labour merely; therefore capital has to look out for other occupations than those it has been accustomed to:

* At the same time, we are not to forget that much of our capital has arisen from sources totally extraneous and unnatural: how much, for instance, has been extracted from that excrescence of England with 90,000,000 inhabitants, India, which should have gone legitimately towards its own civilization; but which has settled in this country; fostering the unwholesome results we are now witnessing,—a supply exceeding the bounds of demand. The same observation is applicable to other colonies. The riches which Nature has impressed on any country, we may fairly infer to have been intended first of all for its own improvement and civilization; and if they be for a period stolen away, there is a principle of equalization in operation, which will, eventually, force their return; probably by means of the emigration of people, and capital.

no easy matter to find amidst so much competition. Machinery, then, is not only the cause of throwing much labour out of employ, but is the principal cause of the inordinate distress (if it may be so termed) in capital also; because more capital being required for manual labour than for machinery, the accumulation would be less, if machinery were not so prevalent. But capital, we have seen, has always had a tendency to accumulate; and the various intervals of manufacturing distress we have so often experienced, are attributable to this cause. Therefore, though distress would exist at certain intervals, independent of the interference of machinery, yet the great overstocking of the market of labour by machinery makes that distress more frequent, and very greatly prolongs it. We are now reaping the first fruits of the great prevalence of machinery; but its harvest is not yet housed; nor is there any probability of its being yet so, unless, by legislative enactment, the property of the employers of labour be so expanded, as to enable the labouring class, the great consumers of products, to meet the growing productiveness of machinery, and the competition of the possessors of surplus capital. When we see the labour of millions concentrated in machinery, with (considering the fertility of human invention) a growing accumulation of labour of immeasurable and incalculable extent; and together with this an accumulation of capital beyond the limits of profitable investment,

what room is there left for prosperity to any portion of the community, except the receivers of fixed payments; who, it is true, are numerous, and rich enough, and are the chief preventives to the great reduction in the excise, which but for them must take place. At the same time, however, that they contribute to a part of the taxation of the country, they are the receivers of the whole taxation. Had they to pay more, and others less, the current of prosperity would return to its old channels very soon.

The very general suffrage in countries of old standing in the scale of civilization, in favour of the law of primogeniture, appears as if it were an intention of Nature to restrain, by this means, the too rapid accumulation of capital. In new countries, like America, there is a great demand for capital; there the primogeniture law is disadvantageous; and Nature seems to point this out; for in such countries the inclination to it is very partial, whilst the reverse may be observed of old countries. It may be said, that an equal division of properties might allot so much to each younger child as to prevent the necessity of its embarking in any trade, in order to increase its stock. This is possible in very large properties; but on the average of properties, it is probable that the equal division would only generate a larger supply of capital for the purpose of production, and leave less among the unproductive class, which performs the important function of consumption, without inter-

fering with the progress of the great army of producers, which is already bowed down by the weight of its own powers. If the equal division of property went only to increase the stock of unproductive labourers, such as the members of the law, physic, army, &c. then it would go to diminish the proportion which production bears to consumption, provided that the whole earnings of these unproductive members were spent upon consumption. But this is not the case; for they do accumulate; and their accumulation, to pay the ordinary rate of interest, must enter the common market of capital, and so swell the general mass of capital. Nevertheless, the profits of the law and physic may be fairly said to be a diminution of the profits of their neighbours; and though this applies equally to the unproductive as productive parties in the state, yet from the greater numbers of the productive class, the principal burden is upon them, and forms a kind of natural tax upon production. Thus, in the progress of accumulated capital, the unproductive class is one of increasing importance to balance the great scales of production and consumption; and thus we see that this class, which, in the commencement of society, was as a cypher to the whole, is now calculated by Colquhoun to be in this country one-fifth of the whole, and to derive from the productive classes one-third of the new property created annually.

That there is then more capital in this country

than sufficient for the purposes of active investment, and that this surplus goes to diminish the productiveness of the whole, there can, I think, be no doubt; and there is as little doubt that the capital unemployed here will abscond to other places, where the channels of trade are less choked up: there, together with machinery, undermining the only real natural privileges and facilities which Great Britain possesses for trade, and which advantages she owed to her early commencement in manufactures, the offspring of her free institutions. It is the long career of Great Britain in freedom, which principally accounts for the immense accumulation of capital she possesses; and this accumulation, from reducing the rate of profits, has enabled her hitherto to undersell the rest of the world. But when the two mainstays of machinery and surplus capital (to us the cost of centuries—to others, so quick is the communication, the acquisition a day) leave our shores, they become the stepping stones to the world's eminence in those commercial dealings, which, until now, had remained exclusively our own. If the surplus capital, which must of necessity, in self defence, depart the country, can be piloted to India,* the evil day may, for a short time, be partially avoided; and the wealth, which would otherwise contribute to the rivalry of other nations

* The population of India was stated by Mr. Peel to be 90,000,000.

with us in manufacturing skill, would then, (but only under improved government,) be applied to the production of cotton in India, the growers of which would consume a proportionate amount of the British manufactured article; at least, until capital became abundant enough there to fix itself in machinery. This transit of capital is, as I have before observed, of no new invention. It was the course of that produced chiefly by the advantages of good government in the Italian Republics, and other old mercantile places, now sunk to nothing. A part of their capital, it is true, remained, as it were, in charity to a population which had been fostered by a prosperity of extrinsic origin; and which source being laid dry, by the diversion of an extensive run of commerce from those channels; that population which it had forced into existence, were thrown for subsistence on the possessors of capital, gradually absorbing it for want of the means and opportunity for its reproduction. And this, in the course of time, must be the fate of all nations whose wealth has not the stability of domestic origin; because there is a growing tendency in every country to produce more and more the articles of their own consumption: and what mainly conduces to this result is, that the producers of any particular commodity for which a country may be eminent, are always outgrowing the consumers of such production; the supernumerary producers then fly to another species of industry,

which had before been in the hands of a foreign nation. At first, of course, from want of skill, there accrues some loss to this infant industry, which a paternal government will generally protect, on the principle, that a little loss for a time, is better than the longer loss of supporting supernumerary labourers in idleness.

The loans contracted during the long war, prevented capital from being distressed so soon as it must otherwise have been, through the competition arising from the immense accumulation of it which has been made within the last 50 or 60 years by the high profits of the originators of mechanical inventions under a depreciated currency. The public funds, however, hold fast a mass of capital, which would otherwise fly in self defence to other countries; and would then add to a second cause of distress, particularly in fixed capital, viz. other countries manufacturing for themselves what they used to receive from us.

On the whole, then, it appears evident, that the existing amount of capital in this country, even yet, is too great for the purposes of production, and goes injuriously to depreciate the profits of the producers.

PRODUCTION OF WROUGHT GOODS.

"It is the profitable employment of personal labour only that creates a wholesome public wealth."

THE largeness of production must, of necessity, depend on the facilities afforded to production. Abundance of capital and labour constitute these facilities, and *vice versa*. In a country, therefore, where, from the comparative prevalence of machinery, or other accumulation of labour, the wages of labour are low; and where, from the accumulation of capital, the hire of money also is cheap; it follows that production must be great, provided the consumption be equal. But it happens, even when the powers of consumption fall short, that production will, for a time, continue great, notwithstanding the glut of goods in the market which must ensue; because competition, lowering profits to the last pitch, the producers will work up more goods by means of increased activity, and the rack of invention to improve machinery (for the very fact of machinery diminishing productiveness as respects *value*, at its quondam rate of activity, redoubles its energy,); thus manufacturing perhaps a double quantity of goods for the same profit before derived from half the quantity; and even for these halved profits

the mad struggle of competition will often last till sufficient capital be destroyed to leave some remuneration for that which remains. And there is still another principle, even more detrimental, and which has operated to an alarming extent in this country. Men, who have given their exclusive attention, and dedicated their lives to one branch of manufacture, in which they have expended or fixed their whole capital, see no other prospect in life but continuing that trade; and, (stimulated by that feeling of hope so strongly implanted in the human breast) for the sake of keeping confidential servants and hands together, have, for a length of time, continued to work at no profit, and, in many instances, at a considerable loss, to preserve an efficient nucleus for better times. Moreover, machinery seems to contain within itself the seminal principles, as it were, of an endless supply to a glutted market; for capital being fixed in machinery, cannot, as its particular trade proves unproductive, turn off its hands, and apply itself to some other branch; because, unless the machinery, which is not a probable case, be applicable also to another trade, it must either continue working, or the capital invested in it be entirely lost: if worked, it must be with less human labour, and even then at a great diminution of profits, such as will increase inordinately the accumulation of goods in the market. The distress of the labouring class, thus thrown out of employment, must be accompanied by diminished powers to purchase goods in the most numerous

class of consumers; and it is an evil of growing magnitude.

The wholesome condition of things, surely, is a demand equal to the supply of commodities: it is certainly the only means of continuing to the labourer his employment. This, however, was a relation much longer preserved inviolate in antient than in modern times; because from the scarcity of capital, that first mover of production, there were fewer competitors for the supply compared with the demand; a circumstance, it is true, leading to a few more scarcities; but these were of shorter duration, and less generally felt, than the privations occasioned by the absence of occupation consequent on a surfeit of goods, which may be called a starvation in the midst of plenty.

Whether it be that the astonishing profits made by the first introducers of the present race of machinery acted as an immoderate stimulus on the people of this country, I know not; but certain it is, that the tone of society, and standard of expectation, are much changed within the last half century. An insatiable thirst for riches, as the principal good, has supervened contentment with a sufficiency.* Half a century is time enough for the developement of the consequences

* There has been more than a common progress in operation throughout society generally within the last few years, which has sapped the foundation of all arguments derived from times gone by. Some summit has been attained from whence the

from such a change, especially when extraneous causes have added to the excitement.*

The stimulus to accumulate is greater than that to consume wealth among the owners of active capital, with whom gain has been a principle of education. A general disposition to acquire, and also to spend money, is not a common inconsistency, therefore the balance becomes overweighted on the side of production; repletion is the consequence, ending, as in the animal frame, in satiety, sickness, and decay, or for a length of time inaptitude to a healthy state. No one can pretend to check the tendency of mankind after riches; it can but be regretted, for their sake, that so miserable a result should accompany it. The question could never be amicably settled who is to enter upon the employments

march has been rapid in proportion to the difficulty of the previous ascent. An instance of this is related by Dupin, who says, that in the 375 years from the invention of printing to 1814, the productions of the press in France had grown up to 45,600,000 sheets per annum, and in the 12 years from 1814 to 1826 they had increased from 45,600,000 to 144,500,000: in other words, the advance made has been twice as great in these 12 years as in the preceding 375.

* The long continental war was one stimulus. Another, probably, was the greater freedom of domestic commerce. There can be no doubt that guilds, charters to private companies, or to private persons, very much delayed the progress of production; and the entire escape from them, which has not been accomplished more than 50 or 60 years, gives a clue to a cause for the great increase of population during this period beyond former periods.

rendered profitable by an abstraction of a portion of competition, and who is to sit down contented with the little he has.

It has been already shewn, that an accumulation of capital has taken place in this country beyond the means of profitable investment; and the strong symptom is, that the production of the country, which is under the commanding influence of the capital of the country, is too great for the consumption of the country. It is needless to offer any evidence of this; there are thousands at this moment eating the bread of capital, who would gladly produce, and are *compelled* to be idle. In the month of November (I believe) last, at a meeting of the manufacturers of India Imitation Trimmings, in the Saracen's Head Inn, Paisley, to take into consideration the depressed state of the trade, it was resolved, that they would recommend the weavers to work only during day-light until the beginning of January. Should this recommendation not be agreed to by the weavers generally, those who do not comply were not to receive their webs until three weeks after their former webs were out.* I give this only as one instance, among many, of the attempts made to palliate the evils of overproduction. Manchester, Leeds, Barnsley, Macclesfield, Paisley, Glasgow, and the rest, proclaim aloud the

* The Globe Newspaper, November 30, 1829, speaks of turns out among workmen as advantageous to trade.

same sad tale by the silent stillness of their looms.*

The old custom of merchants coming to manufacturers for orders, is now neglected: goods are consigned to agents abroad (often unknown) for the chance of a market. This used to be the habit only of such tradesmen as were declining in business. A trader in good repute is sought; he need not seek his custom. The very fact of his doing so is an argument either against his own stability, or of a failing market. The growing disproportion between the official and real value of our exports, is a sure proof of the falling off in the foreign demand; because the official value, which is only the criterion of *quantity*, is rising more and more above the real or declared value, and that is sinking below the declared values of former years. What can be more natural to expect than that the market of foreigners should fail us in the ratio of their own activity, and the prevalence of machinery abroad, worked possibly to some extent by British capital, which can find no employment at home.

When, because of the producing power of goods from the accumulation of capital, and progress of mechanical invention being more prolific than the absorbing powers of the human species, who are

* The following Return of a Committee on the state of the Population of Huddersfield, and its neighbourhood, will shew, in the convenient form of a Table, what, for want of such a methodical plan, may be concealed from view in other places equally distressed.

the consumers of those products, goods become

SECRETARY's SUMMARY of the RETURNS for November, 1829.

	Inhab.	Per Day.	Inhab.	Per Day.	Inhab.	Per Day.	Inhab.	Per Week.	Population, 1821.
		d.		*d.*		*d.*		*s. d.*	
Lepton	1084	earn $2\frac{3}{8}$	144	earn $5\frac{1}{2}$	—	earn —	99	earn 6 0	2729
Honley	1821	— $2\frac{1}{8}$	483	— $5\frac{1}{2}$	102	— 7	80	— 7 6	3501
Cumberworth, and Shelley	1740	— $2\frac{1}{8}$	121	— $5\frac{1}{2}$	27	— 7	43	— 7 6	1120 Cumberworth. 1329 Shelley.
Kirkheaton	874	— $2\frac{3}{4}$	191	— $5\frac{1}{4}$	41	— 7	50	— 7 2	2186
Dalton	892	— $2\frac{1}{4}$	173	— $5\frac{1}{4}$	37	— $7\frac{1}{2}$	68	— 6 9	2289
Almondbury	2191	— $2\frac{1}{4}$	337	— $5\frac{1}{4}$	107	— $7\frac{1}{2}$	122	— 7 $9\frac{3}{4}$	5679
Clayton, and Skelmanthorp	1244	— $2\frac{1}{4}$	192	— $5\frac{1}{2}$			51	— 6 0	say 2500
Kirkburton	1046	— $2\frac{1}{2}$	141	— $5\frac{1}{2}$			41	— 6 6	2153
Lindley	831	— $2\frac{1}{2}$	279	— 6			51	— 6 0	2040 L. and Q.
Cowliffe and Hillhouse	439	— $2\frac{3}{4}$	110	— $5\frac{1}{2}$	35	— 7	19	— 7 9	say 1000
Lockwood	470	— $2\frac{1}{2}$	73	— 5	34	— 7	9	— 7 0	partially 1881
Rastrick	594	— 3	195	— $5\frac{1}{4}$	38	— 7	27	— 7 0	say 1200
Total	13,226	earn $2\frac{1}{2}$	2439	earn $5\frac{1}{2}$	421	earn 7	660	earn 6 11	29,607

accumulated in a country, then there requires some artificial means of circulating goods more rapidly through society, in order to give a proper degree of profit to the increased number of producers; this can only be done by stimulating the

During the last week of December, the Leeds Relief Committee are said to have visited and relieved near 400 more families, containing more than 1000 souls, making an appalling aggregate already of upwards of 4000 souls, whose daily income is somewhat short of one penny.

FALL OF PRICE. (*Scotsman.*

At the Custom-House there is kept a comprehensive record of our exports, with a double register of prices—one fixed and uniform, according to an official scale; the other varying in conformity with the prices of the day. By comparing one list with the other, it is easy to ascertain the rise or fall of prices, and the result, in our principal articles of manufactures, is as follows:

Manufactures exported; comparative value of the same quantity at different periods, viz. in 1814 *and* 1828.

	Market price in 1814.	Market price in 1828.
Hardware	£100	£66
Woollens	100	60
Linens	100	58
Silk	100	48
Cotton	100	44
Leather alone has nearly maintained its price	100	98

At a meeting of Norwich weavers in November, it was said that if a man worked 18 hours a day, he could earn perhaps 10*s.* 6*d.* a week; but out of that the expenses must be deducted. A letter was read from Bolton, dated November 2, stating that for six-quarter seventies, which, in the year 1814, obtained 24*s.*, was paid only 8*s.*; for six-quarter sixties, in the

powers and property of the consumers, the fund from whence the purchase money for the products proceeds. The most natural means of quickening the circulation of goods, is by lowering their price; and this, no doubt, at one time, had the effect of increasing the number of purchasers generally. In those days, when cheapness arose from the progressive skill of hand labour, there ensued additional consumption from that greatest source of consumption, the working class: but now, unfortunately, the principal agent in cheapness is machinery, which not only is a very diminutive consumer itself, but, like the dog in the manger, objects to consumption by that class which had before contributed most to it.* If machinery did not supplant human labour, it would not be used;

year 1814, 20*s.*, now only fetched 5*s.*; for six-quarter fifties, in the year 1814, 20*s.*, now obtained only 3*s.* 9*d.*

These are striking facts, and admit of but few deductions; and these are, that since 1814 the lowness in price has arisen either from diminution in consumption, inordinate activity of machinery, or a return to dear-money; or from all these causes united: but they are all evidences of comparative overproduction.

* There are cases where machinery, instead of depriving the labourer of employment, continues it to him. "Fifty years ago, the mines of Cornwall were nearly at a stand, and no power existed by which they could be carried deeper, and their richness further explored." (Taylor's Records of Mining, in reference to the Steam Engine.) And this at least can be said of machinery, that it must eventually tend to discourage slavery, by the introduction of a cheaper slave, more than any laws of Parliament.

its benefit to its owner, its own prerogative, is to consume less than the live labourer. Its wages are less, only because it can consume less. Unless, therefore, there be found employment for those who have been artificially thrust out of the rank of producers, which, with the market of the world every day contracting more and more within itself, is not probable, consumption must decrease; and it will be the province of the next chapter to shew the tendency to that point.

But we hear from some quarters that overproduction is an impossible thing. If this means that there is always a *tendency* in the long run to limit the supply to the demand, it is perfectly true: few men are so liberal as to labour for nothing: but if it is an assumption that overproduction cannot exist for a limited period, or that there is any want of power to overproduce, I, for one, have come to a very different conclusion. The cessation of a large continental demand, stimulated by a general continental war, which is over; the return from a depreciated to a dear currency; the sudden absorption of a great quantity of human labour, and consequently of consumption, by machinery; are all means of overproportioning the production of a country to its powers of consumption. What are the great number of uninhabited houses in every large town, many of which have never been fitted up, instances of, but overproduction, and a surplus accumulation of capital, impatient of nonemploy-

ment? In that part of the new town of Edinburgh, extending northwards, it is really lamentable to see a great proportion, in a half completed state, going to decay. What do the 600,000 tons of wine in the department of the Gironde, unable to find an outlet or sale, mean but overproduction? It is true, there has been a great falling off in the Bourdeaux trade, because many of the foreign customers, who used to supply France with commodities which she has now determined to manufacture for herself, decline taking her wine from Bourdeaux; which is a legitimate cause for the surplus of wine, and for the distress in that department;* the markets are changed: the case is similar, in a great measure, with the operatives of this country; the manufacturer has gone for his labour to the market of machinery, and so has diminished the customers for the produce of the market of human labour, which is consequently surfeited and distressed. Every pressure on the consumptive interest, without some corresponding expansion, is attended with the inevitable result of overproduction.

M. Aubert de Vitry (Bulletin Universel) seems to attribute the universal distress to a decay of capital. In England, we have seen, this cannot be the case, because money is plentiful at a low rate of

* But the falling off in the foreign exports of Bourdeaux is not above 71,500 tons; whereas the surplus in that department was lately 600,000 tons. See Petition from the Gironde Department.

interest, and every investment for it fairly filled. It is a symptom of *want* of sufficient capital when the consumers complain of a deficient supply, not when the supply is overabundant. It is quite possible that France may not possess sufficient capital for her new internal commercial regulations; her government has never been such as to favour accumulation, or she would have begun to manufacture at home much sooner than she has done: if she has been accustomed to cheaper commodities from abroad than she now produces of the same kind for herself, there will be, of course, great call for capital to facilitate the interchange of goods by opening canals, making rail-roads, working mines, &c. These are, unluckily for France, at the same time, the greatest absorbants of capital, and precisely the worst feature of her commercial powers.* The law of mines gives the produce to the King; and the roads and canals are so inefficient, as often to allow the produce to go to nobody. It is very possible, therefore, that France may suffer not from decay of capital, but from the want of capital which she has never had, and which her new commercial regulations render essentially

* Dupin (Force Commerciale) states, that France, with a superficies three times as great as that of England, only allows one-third as much for roads. The canals recommended by a Report from the Administration des Ponts et Chaussees, independent of local difficulties which are forgotten, are estimated at £44,160,000. And taking the greater superficies of France into consideration, she is estimated to have only one-twentieth of the canals that England possesses.

requisite. It is said there is, and has been for some time, a great scarcity of silver from the American mines: if this be so, it is by far the most probable solution of any universal continental distress; because silver being the universal circulating medium of the continent (ought it not to be so here?), the diminution in the amount of currency, which must be consequent on such scarcity, would lower the value of all fixed real property, and cripple universally the means to employ labour: labour would thus become a drug in the market, and the powers of production would be increased in the ratio of the cheapness of wages. Every labourer begging for employment, is an evidence of overproduction.

Overproduction, then, not only does exist; but there is a constant tendency towards its existence. It is calculated, on the estimate of remunerating wages, that every labourer, on an average, produces fourfold the value of what he consumes, i. e. quadruple the amount of his wages.* Most of the emigrations from old countries † which we meet

* Manufactures generally, even in the coarse cotton business, for example, trebles the value of the material. Thus a pound of cotton worth 10 cents, will make cloth worth 37 cents. Harr. Conv. p. 67.

† The various colonies sent out of antient Rome, arose from its own exuberance of population, and the reverse in the places colonized; and are a parallel case with the present old European family (particularly Great Britain) emigrating to underpopulated America. From the same principle, some ages after the deluge, the East first, and successively all

with in history, were proofs that what the emigrants could produce at home could not be consumed with sufficient profit to the producers. Even when machinery had scarcely, if at all, commenced its influence on manual labour, we see this principle in operation.

It appears that the natural cure for overproduction, viz. cheapness, cannot obtain now in this country; because that cheapness is the consequence of a displacement, by machinery, of the employment of a great portion of labourers; whereby the average rate of wages must fall throughout the most numerous class of consumers; and with that, their powers to purchase: a diminution in consumption, and an increase of the general evil, is a necessary consequence; and that, beyond the natural limit which the necessity *to live* imposed upon human labourers, because of the inanimate agency superseding them requiring *no food*. The most natural of the artificial remedies for overproduction seems, therefore, unavoidable, and this is, to increase the quantity of money

the other parts of the globe, became inhabited; and to say nothing of the Phenician and Grecian colonies, so well known in antient history, it is notorious, that it was for the establishment of such colonies, that during the declension of the Roman empire, those torrents of barbarous nations, issuing, for the most part out of the North, overrun the Gauls, Italy, and the other southern parts of Europe. It is true, that in a minor degree, and on some occasions, the realization of conquest and commerce have also led to various colonizations.

in circulation in proportion to the quantity of goods, which causes an universal rise in the property of the employers of labour and the primary consumers of products: the producer is not injured by the rise, because of his production so much overbalancing his consumption. This remedy, from the stimulus it would give to agricultural produce, would render profitable the cultivation of a great part of the wastes of the United Kingdom of Ireland especially, which would create a vast body of consumers to meet the overproduction of goods, and that from the most wholesome and secure source. The opening of the India trade, though it would be doubtless a momentary stimulus to consumption, and therefore very properly taken advantage of, must, as it will be hereafter shewn, in the nature of things be transitory.

On the above grounds, then, I affirm, that, of late, production has been too great for consumption.

CONSUMPTION OF WROUGHT GOODS.

"A population can only acquire great activity when the demand for labour somewhat exceeds the supply."

I HAVE thought it of more consequence, in the preceding chapter, to confine my attention less to the developement of the raw materials of the earth, than to the modifications of the raw materials, which the various manufactures bid them assume. These modifications have appeared to me, to be capable of much more diversity and multiplication, than the raw materials from whence they are derived; and the demand for them susceptible of a limit much less definite; thus inducing unguarded speculation in proportion. The accumulation, too, of capital being naturally so rapid; and the quick progress of mechanical invention, being a means of self-defence among the possessors of accumulated capital, who will ever compete for profit; I have held the natural stimulus and powers to produce manufactures, to have a growing tendency to exceed the capacity for their consumption: and at the same time that the accumulating burdens, both from public and private sources, on what may be denominated as especially the goods consuming interest, are among the chief causes which unfit it to meet the growing

powers of production, unless its means be, on occasions, artificially expanded.

Both the manufacturers and the agriculturists, nearly in the ratio of their respective population, contribute to the consumption of each of their own respective products. But it may facilitate clearness of expression to consider the manufacturer as the consumer of agricultural produce, and the agriculturist as the consumer of manufactures. My remarks, being chiefly confined to consumption of the latter kind, in using the word consumer, I beg to be understood as meaning the whole agricultural interest, as well as the whole of the unproductive class in the kingdom: these classes being considered strictly as consumers of manufactures, as they do not interfere with their production, and are, therefore, wholesome consumers, from not aiding in the too rapid accumulation of goods in the market, but rather, when judiciously stimulated, serve to counteract that evil, the influence of which has been, at all times, gradually, and, of late, most rapidly, progressive; though the accumulation of capital, by the productive part of the agricultural class, may certainly be said to be an indirect abettor in this march of progression.

In the primary stages of barbarism, the manufacturing, as a separate interest, is as a cypher to the whole community; the small conveniences then known are the produce of time spared from the hunting or agricultural labours of the day; and, until

experience has instilled the first dawning of the benefit of division of labour, a distinct race of manufacturers is a thing unknown. The first source of demand for manufactures was from the first cultivators of the land;* the first supply of manufacturers was from the surplus of those first cultivators over and above the labour required for the tilling the soil: the two interests have grown up and depended on each other ever since; for the surplus goods, beyond the wants of him who produced them, were consumed by the agriculturist; and the surplus produce of the earth, over and above the cultivator's own consumption, were purchased by the manufacturer. These interests have not only been original, but growing sources of wealth to each other. The characters of their prosperity are indelibly pictured on the same canvas. So long as the supplies of each are nicely balanced to their respective markets of demand, cheerfulness is spread around: the equality of the scales is the Utopia of commerce. But there is a preponderating tendency, from causes already assigned, for the production† of goods to exceed the powers to purchase in the true and original

* "The antiquity of this art, (says Cowley, in his Essay on Agriculture,) is certainly not to be contested by any other. The three first men in the world were a gardener, a ploughman, and a grazier; and, if any man object that the second was a murderer, I desire he would consider, that as soon as he was so, he quitted our profession, and turned builder!"

† From Mr. Taylor's Records of Mining, it appears, that such has been the improvement, at various times, in steam

consumers, the owners and cultivators of land. Then arises the necessity of finding other markets, or of stimulating the means of the consumers at home. The first was the origin of foreign trade; a legitimate opening for the discharge of surplus commodities, but profitable only so long as the consequences were innocuous to the interest of the great mass of consumers at home, the market of whose demand has been as yet far richer to the producers of this country than what they have ever found in the whole world beside.*

The present prospects and condition of our foreign trade is better reserved for a Chapter, which will be dedicated to the subject of Freedom of Trade. At present, I speak of domestic consumption; the

engines, as to allow of *one* bushel of coals at present supplying as much power as was in the earliest periods of the steam engine, (perhaps thirty years ago,) obtained from *seventeen* bushels.

* Even in America, unclogged as it comparatively is by the artificial incumbrances of older states, and possessing the raw material of both manufactures and luxuries, which she dispenses to the European continent, we hear the following from the Report of the Harrisburg Convention: "Of this we feel confident, on the estimate above, that the aggregate value, at the selling price of commodities, is more than one thousand millions of dollars a year. This is the home trade or internal business, without reference to exports or imports, which nearly balance one another, and would not affect the amount. We have no further remark to make upon it, except to quote the exclamation of Mr. President Cooper, 'How do the boasted panegyrics of foreign trade dwindle into insignificance when set in competition with this!'"

balance between that and production once lost, there ensues, (unless the foreign outlet be certain,) those periods of distress in trade we read of in history, and, at present, see distributed around us. The more gradual the progress of a nation in producing manufactures, the fewer will be the intervals of its commercial misfortunes. Its accumulation of capital cannot indeed be so rapid, and its sinews in war by consequence must be less strong, but it will preserve that even tenour of course, that peaceful middle way, that state of progression, which is true national happiness, much longer than in a country where from the progress having become too rapid for the powers of consumption, and the accumulation of capital so great, that the fluctuations are constant from the mad competition of money to find profitable investment; a struggle which costs the peace, the livelihood, and the loss of thousands, to determine.

The condition of a country, as it respects its degree of manufacturing activity, may be seen in the division of the population into its various employments. The larger the proportion on the side of artizans, the greater the advance in manufactures, and the probability of recurring distress, from a surfeit of goods and labour.

In France, (says Baron Dupin,) about sixty persons in the hundred subsist by agriculture, and forty by trade, manufactures, and handicrafts, including a small number who live idle. The

preponderance of the agricultural class, however, in numbers, becomes less every year. This is proved by the increase in the octrois, the rapid extension of manufactures, and the enlargement of towns. The 100,000 of Lyons in 1812, have now become 150,000.

The same author calculates, as follows, the annual increase, in France:

	per Cent.
Of the population	$\frac{2}{3}$
Of consumption, as indicated by the indirect taxes	3
Ditto, as indicated by the octrois	$3\frac{1}{3}$
Of commerce, as indicated by the customs	4
Of manufacture, as indicated by the consumption of coal	4
Of ditto, as indicated by the iron fabricated	$4\frac{1}{2}$

	Families.
Labourers in English agriculture and mines	1,302,151
Ditto, in English manufactures, foreign commerce, and shipping, trade, fisheries, &c.	1,506,774
Fine arts	5,000

More than one-fifth of the whole community being unproductive labourers. (Colquhoun.)

Baron Dupin has calculated the animate and inanimate forces applied to agriculture and trade, in France and Great Britain, thus:

	France.	British Isles.
In agriculture	37,278,537	32,088,147
In arts, trade, &c.	11,536,352	28,118,164

From these instances, as well as from every other country, in a progress towards civilization, it

will be seen, that the proportion of agriculturists is gradually decreasing, that of manufacturers increasing; and, hence, we observe what may apparently seem the ambition, but what is, strictly, the necessity of nations, to export their produce. The progress of a nation's foreign trade may be fairly taken as a symptom and evidence of the existence and degree of overproduction in the articles exported, for which articles, the custom, no longer to be had at home, is found abroad.

I know, it will be said, that the production of a country, beyond its domestic consumption, is to supply some chasm in the universal market, for which no other nation possesses equal facilities; in many cases, this is true; and, it is possible, that the producers of silk and wine in France might find other channels of trade in that country, not so advantageously filled as they ought to be, because, from her short manufacturing career, a general overproduction is improbable: but I do not think even those, who deny the overproduction of cotton, can imagine, that there is, at present, room for the producers of it in this country in any other channel of industry; or, surely, the many unprofitable speculations which have been entered into, (particularly that of over-building,) could never have suggested themselves

With the facility which, in the progress of skill, obtains in all commercial productions, there should

also be a growing and accompanying facility in procuring those commodities which convention has made the representatives of their value,—I mean gold and silver. The effect of a facilitated production of (say) silver, would be to give to the possessors of real and fixed property a proportionate nominal increase in the value of their property. Thus, if double the quantity of silver were to be obtained at the old cost, i. e. with one-half the labour; all debts, contracted before this change, could, after it, be paid with just half the difficulty, because all fixed property would have become doubled, by having two ounces of silver where it before had only one.

A progressive depreciation in the standard of value sets at liberty, in a great measure, the incumbrances of all fixed property; and thus the consumptive powers of a country are kept from falling too much in the rear of the rapid march of the producers. This desideratum of stimulating the powers of real property was effected in this country previous to the discovery of the American mines by the Government enacting that the piece of metal which had before gone for (say) 5*s*., should, thenceforth, pass for 6*s*. 7*s*. or 8*s*., as the urgency of the case might require. The standard before being 5*s*. would then be altered to 6*s*. 7*s*. or 8*s*.*

The discovery of the American mines effected a

* See Fleetwood's Tables.

similar result in a more natural way, viz. by additional cheapness giving so much more weight of metal for the same price; which, by preserving the old standard rate, proportionably increased the nominal value of all fixed property: the only difference between the artificial and natural means of depreciation being, that in one case the standard price was altered to meet the scarcity of metals compared with the increased powers of production; in the other case, an increased abundance of the precious metals at the old standard rate, brought about the same result,—an expansion to the powers of all fixed property.

But, whether by artificial or natural means, the obtaining so much more of the medium of value for a given quantity of real property, is, in the average progress of society, a point of necessity; in order to relieve the incumbrances which, from the public necessities of the State, as well as from private mortgages and debts, attach themselves to all fixed property; for instance land, the owners and cultivators of which, in all old countries, are the least prejudicial consumers, from their not assisting directly in the quick increase of goods; which goods, were there no market for their consumption, would gradually cease to be produced, and the producers of them, in a country where the channels of trade were tolerably full, would not only be incapable of contributing any longer towards the relief of national incumbrances, but would curtail the

powers of the rest of the country to incur taxation, inasmuch as they would be unable to support themselves.

It is for these reasons that we have witnessed in this country the raising of the standard price of gold, on the average of £10. per century, for three or four centuries, from 1344 to 1717, where we stopped. And this artificial expansion of the powers of fixed property has been necessary, notwithstanding the greater supply of metal from the American mines, which produced a similar result by a more natural progress. I do not say, that the powers of production were not essentially benefited by a larger amount of circulating medium; on the contrary, its effect was wonderful, not only in assisting the distribution of a number of products then new to the world, but also in promoting the manufacture of them.*

It will, probably, however, be said, that the constantly growing cheapness of production is a very fair set off against the growing incumbrances on

* The great tendency within the last fifty years to increase the number of banks, is a proof both of the productive channels being too full to absorb accumulated capital, and of the wants of the consuming interest; for it is the province of the country banker to negotiate, as it were, a loan from the capitalist to the employers of agricultural and other labour. "There are, (says Joplin,) thirty-two banking companies in Scotland; and it is computed by the bankers themselves, that the money deposited with them, by the public, is considerably above £20,000,000.

consumption: this would be true enough, provided the improvement in the consumptive powers equalled that of the productive; but among those classes removed from the lowest, I know no one that would double the number of his blankets or his shirts, on those articles diminishing one-half in price, though the next set might be laid in of a finer texture. The greatest demand is for coarse goods for the wear of the working classes; and the purchases from this source are undoubtedly very much increased, when cheapness of production is connected with manual skill. But, when lowness in the price of goods is the offspring of improved machinery, the consequences are widely different. All cheapness is the effect of the saving of labour; but the labour saved to the manufacturer through machinery, in a densely peopled country, is the livelihood destroyed of so many labourers, who, under such circumstances, can hardly be expected to increase their purchases; it is well if they can continue to buy the same quantity of goods as before, even at the reduced price; and, therefore, it is that all fixed property requires periodically expanding, in order that sufficient wages may be afforded to labourers to enable their purchases to meet the rapid increase of production; for, as a general rule, minus that limited extent to which new luxuries induce new branches of labour, every step upwards in machinery is a step downward in the consumption of the working class; and, if the labourer

cannot support himself, the consumption of others likewise is curtailed in supporting him.

We may almost measure, in some degree, the injury done by machinery and power other than human, to the consumption of the working class; for, machinery, with its various artificial propelling powers, guided by one man, being calculated in instances already quoted to perform the work of 150 men, we have, at a time when the labour market is overflowing, 150 times less consumption from this cause, deducting the human labour necessary for replacing machinery, supplying fuel, &c.

The various depreciations in the currency, which have occurred in our history, have been made more or less as a means to incur public taxation, or under manufacturing distress, in order to increase the nominal value of land, from whence essentially proceeds the power of consumption and of incurring taxation. The land, being the principal really permanent interest in the country, always on the spot to meet both public and private charges; in the course of years, unless, in some degree, freed from its fetters of public taxes and hereditary mortgages, &c. becomes so suffocated with those weeds as to find its consumption disabled from keeping pace with increasing production. The population, issuing from the proprietors of land, far exceeding the extra accumulation of capital in landholders, there ensues a necessity of mortgaging, to provide for

younger children. The land from such burdens becoming the debtor, and this debtor being the main stay of the consumption interest, the whole community of producers is benefited, by giving deliverance to the incumbrances on the land: the creditor, also, who may be, at the same time, a producer, (and this is a frequent case,) is benefited too; for what he loses partially by debts in this process, he more than regains in a general addition of custom. And the means for accomplishing this relief to fixed property has always been by increasing the nominal value of the current coins, as the effect is general on every kind of property.*

It might appear, too, that the tendency towards the accumulation of capital might be a fair set off on the side of consumption, against increase of skill and improving machinery on the side of production: but capital, to be remunerating, must either be invested in land, or let out to hire; if the former can be done to any extent, it is a symptom that the old proprietors of land are sinking under accumulated burdens; if the latter, it goes to swell the mass of production. Even if the effects of accumulated capital were divided equally between production and consumption, there still remains skill and machinery to cast the beam on the side of production.

But if, heretofore, there existed the necessity for periodical stimuli to the consumption interest,

* See Bishop Fleetwood's Tables on the Depreciation of the Gold and Silver Standard in this Country.

how much more imperative is it now, when, if the artificial condition and national burdens of every preceding period were gathered together into one heap, the mass would neither be so large, so heterogeneous, or unbearable, as that which is concentrated on the shoulders of the existing generation. The present is an æra, there can be no question, complicated beyond all others, and requires more artificial stimulus than has ever been employed before; for the loans which were smiled into existence during the depreciated currency of the war, now press for payment of interest on that fixed property, which in its deceptive plenty voted them, it is true, but which has since been deprived of at least one half the means it then counted on for paying the interest; so that the profitable employment of labour from these parties is thus prevented, with a consequent amount of consumption: and not from this cause alone, but from the influence of machinery, which, by usurping the place, and lowering the wages of the hitherto best consumers, leaves them with diminished means, or altogether without the capability, to purchase.

The Bill of 1819 lowered, as will be hereafter demonstrated, the value of all fixed property full one half; just at the moment when, from more than common improvement in skill, the substitution of a novel species of power in the place of human labour, capable of unlimited extension, facility to production was in every way great. At a time like this, when also the burdens on con-

sumption were unexampled, it appeared prudent to our Legislature, by returning to an obsolete standard of value, to diminish one half, the powers of the consumers to buy; and not satisfied with this, for the first time in history, and precisely at the period in the history of the world least fitted for such a change, our Legislature has subjected the country to an exclusively gold standard; which, as a metal, not only imposes the most obstacles to a rapid circulation of goods, when the smallness of demand requires an extraordinary facility for their interchange; but, from its powers of easy transition, exposes us to the danger of being deprived of our circulating medium (the essence of the means for a quick power of consumption) altogether, by making England the largest and most invariable market in all Europe for the purchase of gold.

It may be objected, that every new machine, by giving facility and cheapness to production, is a benefit to the consumer. To the independent consumer, who is secure of his dividend, and unconnected with the internal welfare of the country, it is; but the benefit even to him, unqualified as it may seem, is affected, when a diminution in consumption causes the capital usually applied to production to overflow, and the rate of interest to fall. To some other classes, also, which appear more or less independent consumers, cheapness through machinery may appear a direct advantage; but if the labourers thus dis-

placed be thrown on these classes for idle support, and the indirect injury from this cause be greater than the direct benefit from the other, the benefit ceases to be, with, perhaps, the addition of some loss.

The returns of the revenue are not always a very true barometer of the ratio of distress at the time being, because the taxation on commodities, (like tithe,) is seized in the first instance out of the price of all consumable commodities; and the concussion is gradual; but the falling off a million in the Excise of last year is symptomatic of its having reached the centre. The lowness in price, too, of goods, occasioned by the high price of money, and inability in general consumers to buy, holds out an inducement to the receivers of fixed payments very materially to increase their purchases; for though their incomes are only directly doubled by the Bill of 1819, the falling off in general consumption, and consequent smallness of competition among purchasers, makes their income equivalent perhaps to treble.

To shew the real effect of the pressure of taxation on the consumption of the population, I cannot do better than select a very interesting Table out of the Scotsman, August 22, 1829, founded on a Parliamentary Paper newly published, (No. 340.) And from the great respectability and talent of the contributor to the statistical articles in that paper, every reliance may be placed on its correctness. "From the three enu-

merations made in this century, we find that the population of Britain adds one seventy-third * part to its numbers every year. Suppose, then, that our revenue yields £700,000. (one seventy-third part) more in 1829 than in 1828, and that the tobacco, brandy, and wine consumed, have risen in the same proportions, what is to be inferred? Not surely that people were richer than they were, but that their state has undergone no change whatever! If the increase exceeds the rate alluded to, we have then a symptom of improvement; if it falls short, or is stationary, decay is indicated. The value of the following Table, which applies to Britain only, not Ireland, it will be observed, lies chiefly in the second column of figures, which exhibits *the quantity of the different commodities consumed by* 10,000 *persons* at each of three periods." Without being strictly necessaries of life, the articles in the Table are yet consumed by all classes, and in greater or less abundance, according to the degree of ease they enjoy.

* The population is taken for the middle year of the triennial period in each case. In 1790, it is assumed to be 10,000,000, as computed by Mr. Rickman; but if we count backward from 1801, according to the present rate of increase, it would only be 9,500,000. In 1802, it was almost exactly 11,000,000. In 1827, according to the ascertained rate of increase, it would be 15,627,000. In the present year it should be 16,060,000.

	Consumed in all Britain.	Consumed by 10,000 Persons.	Duty.
TOBACCO.	*lbs.*	*lbs.*	
Average of 3 years, ending 1791	8,810,000	8800	1*s* 3*d*
Ditto of 3 years, ending 1803	11,740,000	10,630	1*s* 7½*d*
Ditto of 3 years, ending 1828	14,340,000	9200	3*s*
WINE.	*Gallons.*	*Gallons.*	
Average of 3 years, ending 1791	6,650,000	6650	1*s* 6½*d*
Ditto of 3 years, ending 1803	7,180,000	6530	3*s* 3*d*
Ditto of 3 years, ending 1828	7,100,000	4540	4*s* 10*d*
BRANDY & GIN.	*Gallons.*	*Gallons.*	
Average of 3 years, ending 1791	2,060,000	2060	5*s*
Ditto of 3 years, ending 1803	2,730,000	2480	10*s* 8*d*
Ditto of 3 years, ending 1828	1,710,000	1090	18*s* 9*d*
RUM.	*Gallons.*	*Gallons.*	
Average of 3 years, ending 1791	2,310,000	2300	4*s* 4*d*
Ditto of 3 years, ending 1803	3,060,000	2780	8*s* 8*d*
Ditto of 3 years, ending 1828	4,300,000	2750	7*s* 1*d*
SUGAR.	*Cwts.*	*Cwts.*	
Average of 3 years, ending 1791	1,490,000	1490	13*s* 1*d*
Ditto of 3 years, ending 1803	2,170,000	1970	21*s*
Ditto of 3 years, ending 1828	3,180,000	2050	27*s*
TEA.	*lbs.*	*lbs.*	
Average of 3 years, ending 1791	14,770,000	14,770	12¼ pct
Ditto of 3 years, ending 1803	21,230,000	19,300	from 20 to 95 pr cent
Ditto of 3 years, ending 1828	26,020,000	16,700	96 *a* 100 pr cent
COFFEE.	*lbs.*	*lbs.*	
Average of 3 years, ending 1791	980,000	980	10½*d*
Ditto of 3 years, ending 1803	860,000	782	1*s* 5½*d*
Ditto of 3 years, ending 1828	14,740,000	9450	6*d*
MALT MADE.	*Qrs.*	*Qrs.*	
Average of 3 years, ending 1791	3,920,000	3920	10*s* 12*s*
Ditto of 3 years, ending 1803	3,460,000	3150	10*s* 18*s* 8*d*
Ditto in 1828	4,297,000	2750	20*s* 8*d*

"

By increasing the value of domestic industry, the means of the industrious to buy taxable commodities becomes in such ratio extended.* By throwing any large portion of domestic labour out of employment, through procuring the goods previously produced by it from abroad, the Excise revenue becomes materially affected, because, though the Customs may remain as large as before, by means of the larger importation of foreign goods, (any duty on which, however, is contrary to the principle of free trade), against which, nevertheless, the smaller consumption of them at home might be opposed: still, none will be hardy enough to affirm that the foreign labourer would consume any of those articles subject to our Excise duties; therefore *that* portion of the revenue must decline: particularly, if by the pretty free importation of foreign corn we displaced a corresponding amount of agricultural labour; which would also reflect a general depression upon ALL the labourers in agriculture, in numbers alone a very important part of the consuming population. For the sake of calculation, let us suppose a lowering of wheat, which lowers other

* "Notwithstanding the tariff law of 1824, (says the Report of the Harrisburgh Convention, U. S.) the years 1825-6 produced nearly 6½ million dollars more of revenue than 1822-3, and 17,000,000 more than 1820-1. Mr. Cambreberg asserted that we should lose 2,000,000 revenue, if the bill of 1824 passed into a law; but the consumption has been increased at the rate of 9,000,000 the average of three years, and the revenue has been proportionably augmented."

articles of food, though not quite in the same ratio, (through foreign importation) from 8*s.* to 6*s.* a bushel; this is a fall of one-fourth, or 25 per cent.; so that from £108,000,000. (Colquhoun's estimate of property created annually by the productive agricultural class,) this deduction, which, on account of the inequality of the fall in other agricultural articles, we may reduce to 15 per cent., would be £16,200,000.; we may add to this about £6,000,000. for the land that would cease to be cultivated altogether; and £4,500,000., the 15 per cent. deduction on the £30,000,000. income of the unproductive agriculturist, or landlord: together an annual diminution of the agricultural property of the kingdom of about £26,700,000., besides a corresponding decline in the business, and consequently in the income of all those artizans (in number more than one-twentieth of the direct agriculturists,) who are employed in making implements of husbandry;* and who may be said to contribute as much to the growth of corn as the

* "The total number of inhabitants in England being estimated at 14,383,331, it allows about $4\frac{3}{4}$ individuals for each family throughout the nation; but if we take into consideration that families employed in agriculture are greater than of any other class, excepting those of the gentry, I think they would not be overrated, if we calculated each family employed in agriculture at $5\frac{1}{2}$; and this rate gives us the number of 5,332,608 individuals employed in agriculture, without reckoning the blacksmiths, cartwrights, &c. &c., who amount to more than one-twentieth of that number. I think the man who makes my plough, is as much employed in forwarding the growth of wheat as the man who sows it." *Mr. Robert Merry.*

sower himself. Here is no small decrease in the consumption of manufactured goods, inasmuch as it appears that a fall of 6*d.* in the price of corn is a diminution of £6,000,000. per annum in the consumptive powers of the agricultural class:* not to be made up by any probable extension of foreign trade, which can hardly be preserved even by unnaturally low prices at its present magnitude: but there would be a plentiful increase of poor's rate, especially under the calculation of the population having increased one seventy-third part every one of the 14 years since Colquhoun's estimate was made—thus swelling the competition for the poor-house.

Nor can it be said, that the displaced corn lands would be profitable in pasture; for there would be so many fewer cattle, horses, and people, capable of consuming pasture produce, the demand for which will always diminish in proportion to the laying waste of corn lands; for arable and grass land are as mutually dependent, as are the two interests of agriculture and manufactures.

It is thought by some, that, without touching the currency, if our ports were shut against all foreign commodities which interfere with our domestic manufactures, that prices would rise, and so enable us to give remunerating employment to all the industrious classes, which from their numbers form the most important branch of the consumers: so far as regards those particular manufactures which

* This is also equivalent to a direct taxation upon the landed interest of £6,000,000. per annum.

are undersold in the English market by foreign goods of the same kind; this might be very true; silk, for instance, would rise in price, and so most probably would the raw material, and consequently the manufacture of wool; but cotton, which is not at present undersold by foreigners in England, would (without some extension of the currency) rather lower in price than otherwise, from the additional quantity of cotton thrown into the market by the cessation of a considerable part of the foreign demand for English cotton, when our ports were shut against foreign goods; the quantity of cotton in the market would then exceed the quantity of money in the market more than it does now; therefore cotton would receive a fall even from its present low price: or if cotton refuse to be manufactured cheaper, some of its producers must leave that investment of industry, and go to swell still more the flood in the market of labour. A general expansion of property, by means of a cheaper currency, would, however, meet a great way, if not entirely, the greater supply of cotton thus thrown into the home market.

With respect to corn, too, the entire shutting of our ports would not raise its price, without a depreciation of the currency; for as far as 55*s*. per quarter, the present protecting duty is high enough to exclude foreign wheat; but it is well known, on the average of the last few years, (barring scarcity,) that the tendency of wheat has been to fall some shillings below 55*s*.: therefore, though, under a perfectly free importation, wheat might

fall to 40*s.*, now that the protecting duty ceases to operate as to price below 55*s.*, any falling beyond that cannot be said to be caused by the competition of foreign corn; the truth is, that the quantity of money in the market remaining the same as before such prohibition of foreign corn into this country, the price of wheat would retain its previous price, or about 50*s.* per quarter. Throw an additional supply of money into circulation, the supply of corn remaining the same, corn would immediately rise: and *vice versa.* Increase the supply of corn, the quantity of money remaining the same, corn would fall.

In a Chapter on Free Trade, it will be shewn that almost every country has now assumed to itself the possibility of manufacturing, in a great measure, for itself; and that the only means of securing the infancy of manufactures among these beginners, is by prohibiting worked up goods from other places where experience has, for the present, bestowed greater skill. The outlet for our surplus manufactures is thus becoming every year more and more contracted; and protection to that domestic industry, which is the purchaser of those surplus goods, if not as a measure of policy, at least as one of necessity, must ensue. Means to purchase taxed commodities must be supplied to the home consumers. And the taxes which affect the labouring class (the largest consumer) should be well considered. The chief part of the assessed taxes, it seems to me, touch those only

who can best afford to pay them; and as they in the long run form a just measure of the real superfluous wealth of the parties; therefore are best kept on: but high taxes on malt, beer, tobacco, &c. are a wretched policy; because they immediately diminish consumption to an extent ruinous to the revenue; and at the same time increase production unnaturally from the extra hours a man will work to earn as nearly as possible the same amount of luxuries he has hitherto enjoyed. A tax on malt moreover lessens the consumption of the landed proprietor, as the market for barley is thereby contracted.

The consumers, then, of the country (I mean those that consume without producing manufactured goods) are weighed down (as I shall shew in the next Chapter, on Currency) by the Bill of 1819 having diminished the quantity of nominal money in the country at least one half; the value of the commodities they have to sell (which is the measure of their powers to buy) is thereby lessened one half; the taxes remaining the same as before, and only half the property remaining to pay them. The £800,000,000., at which the private debts of the country were estimated at the peace, and the £500,000,000. of public debt which have been contracted in a currency depreciated at least 50 per cent., have, as the commodities of the tax payers are now selling, to be paid at double their value. The borrowers (chiefly agriculturists) have to pay twice what they borrowed; how can they

consume as much as before? How, indeed, can the man who, when his property under the war currency was estimated at £1,000. per annum, borrowed the principal of £500. per annum; now that his property is altogether worth not more than £500. per annum, how can he afford to consume at all?

The producers of the country are weighed down from the foreign market contracting, because of the expansion of foreign industry; they are weighed down because the home market has contracted from the contraction of the currency; the producers again are sinking fast to destruction, because, at the same time that the power to purchase goods every where is diminished, the power to produce goods has of late years, from the cheap hire of capital, machinery, skill, and artificial power, been inordinately increased.* The producers have, therefore, the power of supplying more than can be consumed. The other channels for industry in this country being filled,† idleness

* There can be no doubt that we have lost many old customers of late years, even in cotton; up to the present time, this loss has been made up in a great measure by the greater sale of goods at the lower prices resulting from improved machinery, and wages altogether unequal to support the operative; but this will find its limit: whereas there will be no limit to the cause which has lost us custom, viz. other nations manufacturing for themselves.

† At a Meeting of the Iron Masters of Staffordshire, about the last week in December, it is reported that it was agreed to blow out 15 blast furnaces, in the hope of improving the trade. *Birmingham Journal.*

must be their lot, unless they fly to countries where labour is scarce, or unless the cultivation of the waste lands of their own country be rendered profitable.

What this country now requires, therefore, appears to be a stimulus to what may be distinctively called, its consumption interest, in order to enrich the home market for the goods of the production interest. It appears, from what has been before stated, that the method pursued, to assist the consumptive powers in this country, for three or four centuries, has been to increase the nominal value of the standard which represented property. The course, then, to be pursued now is clearly (with some consideration to a certain class of fundholders) to depreciate the standard in precise relation to those circumstances *which affect the consumption interest so much more grievously* than it has ever experienced within the records of history: for as all taxes on commodities are laid on the supposition of their being eventually defrayed by the consumer, whose property it is expected will be proportionably increased; and the present taxes being so much larger than were ever experienced before, and falling principally on the consumers, (except where producers send more to market than will sell,); and these consumers being chiefly producers of agricultural produce, which is low, on the sale of which their power to purchase manufactured goods depends; we may cease to wonder why consumption should

not go on prosperously, and why so many products should remain on hand.

An artificial expansion to the property of the consumption interest has been gradually more and more necessary, ever since the origin of machinery; because not only were the powers of production thus comparatively increased, but every subsequent improvement in machinery relatively doing away with so much hand labour, has been evidently the displacement of as much consumption, in proportion to the thing produced, as machinery consumes less than human mouths: thus the breach between production and consumption tends to widen at every step.*

Machinery, together with steam, and other artificial powers, will go eventually to diminish the consumption of corn, and of course tend to equalize the price of food compared with manufactured articles, which conclusion removes a considerable difficulty in political economy; for the price of manufactures having always a tendency to recede, as art and civilization advance, and the price of corn, from addition to population, to rise, there seemed no limit to the increase of price in the one, or the decrease of it in the other; but if machinery goes on to displace human labour at its present rate,

* The issue of Country £5. Notes in 1776 proved the want of a more enlarged currency than the old metallic standard would allow; and if no twenty years war had occurred, would probably have supplied the place of the £10. per century alteration in the gold standard which since 1324 had obtained.

corn must advance comparatively slower in value. This is, indeed, cutting down the population of the globe to the consumption of manufactured goods, while it may be very obviously questioned whether such a criterion is destined to be the eventual limit to population. It is, perhaps, more rational to expect that the most extensive peopling of the earth, on the most economical plan, will be found the first principle; the supply of artificial products secondary to this. A difficulty, however, may be started even here; for it is just possible that the earth may be destined to perform only a limited amount of operation, divided among its inhabitants, each having a part apportioned; and that the more extended individual capacity becomes, the fewer will be the number required. The progress of skill and knowledge, even now, gives to one man the capacity which was once divided among 150. This idea apart; when steam, &c. shall have, in a great measure, removed the necessity of horse power, an additional supply will remain for the purpose of human food. Who knows what chemistry may yet do for the race, in its discovery of elementary combinations, and their adaptation to food? Possibly, too, the existence of some animals may be rendered unnecessary by means of chemical combination; they (as many wild beasts are now doing, and, as fossils assure us, others have done before them) may cease to live, giving way to the superior competition of man. Unless, however, there shall arise

new wants, generating new sources of industry for that part of the population exceeding the demands both for agricultural and manufacturing employment, I am at a loss to conceive how additional numbers will find a livelihood. A moral or necessitous check must intervene, to prevent an accumulation of misery under such circumstances; which will retard the increase of population beyond the demand for industry. From the lower classes, then, after the population of the world becomes, in a measure, equalized, no great increase of numbers can perhaps be expected. But it is otherwise with those possessed of land and capital. The numbers from these sources may go on increasing *ad libitum*, until property be subdivided to the lowest pittance capable of supporting life in comfort. Whether a great subdivision of property has to take place; and how long it will be in taking place; or whether there be a still greater tendency to the accumulation of property in larger masses remains to be proved. There is, certainly, a very strong feeling in the human mind towards transmitting property downwards as unbroken as possible; and as the law of primogeniture is frequently spoken of in the Old Testament without disapprobation, and sometimes I believe in the New Testament, we may suppose this feeling in the mind given for some useful purpose. It will be one of the accompaniments of increased morality and prudence that there should be less recklessness among individuals as

to the capability of supporting a family, previous to a connection tending to an addition of numbers. This moral tendency may be the means eventually designed by the Deity for the greatest comfort of the greatest numbers possible, consistent with it, on the face of the globe. His benevolence will not allow of a supposition so derogatory to it—as that misery shall await the ultimate destiny of man upon earth.

CURRENCY.

Quos Deus vult perdere priusquam dementat.

" Voila l'Angleterre, qui se coupe la gorge."

Exclamation of a French Statesman on the passing of the Currency Bill of 1819.

" Better to sink beneath the shock ;
Than moulder piecemeal on the rock."

MONEY is the circulating medium of merchandize in the same way that language is of mind; and the simple state of barter may be likewise compared to the simplicity of signs before language began. But a complex and general interchange of ideas, without the help of words, was as impossible as the present intricacy of commercial dealings would be without that current, and to every one, intelligible representative of value—money. Both language, and a money circulating medium, no doubt, in the beginning, served as imperfectly the object of communication, as the corduroy roads of the back settlements of America now do; but gradually these tracks became smoothed into rail ways, until they have at length reached their present destiny of prime conductors of mind and matter. The analogy, however, may

here close, for a multitude of words do by no means enhance the value of an idea; whereas, with money, the more of it there is, in respect to the goods circulated by it, the higher is the price which those goods will bear. It will be evident, then, if such be its effect on the prices of property, that the quantity of money circulating in a country should never be lessened from a point where it has sustained a wholesome position: for (however it may partially benefit an isolated interest) the mass of property throughout the country, by such a proceeding, would be laid under a tax equivalent to such diminution of circulating medium; because the money in the market being less, less of it would be paid for each individual commodity brought into the market; and as the price of goods regulates the value of all real property, all such property would thus be lessened in value; whilst all the pounds which had been borrowed in a plentiful currency, or when money was cheap, would, in a contracted currency, have to be paid when money was dear; that is, in the latter case a nominal sum of money would buy more commodities than before; which means, that more goods, and consequently more labour, would have to be paid than was ever borrowed. This, it will shortly be shewn, is precisely the condition of this country at the present time, in respect to the period of the late war.

At present it will be right to state, as correctly as the very contracted means of information at present before the public will allow, the progress in the rise

A TABLE, ; Money, and also in Decimals, at different periods, from the Co ue of Money inferred therefrom. To which is added, the Mean t, during the present Century, at shorter periods, deduced by Inte

Year of our Lord.	Wheat per Bushel			Beef and Mutton Per lb.	Labour in Husbandry Per Day.	Depreciation of Money, according to the Price of				
						Wheat	12 Miscellaneous Articles.	Meat.	Day Labour.	Mean of all.
	s.	d.	£	d. qr.	s. d.					
1050	0	2¼				10	42			26
1150	0	4½			0 2					
1250	1	7¾								
1350	1	10½			0 3	100	56		75	77
1450	1	5			0 3¾					
1550	1	10½		1 0½	0 4	100	100	100	100	100
1600	4	0½		1 2	0 6					
1625	4	11			0 6½					
1650	5	6								
1675	4	6		1 3½	0 7½	246	239	166	188	210
1700	4	9½								
1720	4	4½		2 2	0 8					
1740	3	8	1	3 0	0 10	197	434	266	250	287
1760	3	9¾	1	4 2	0 11	203	492	400	275	342
1780	4	5½			1 2					
1795	7	10	1	5 3	1 5¼	426	752	511	436	531

TIMES.

Mean Appreciation by Interpolation.	
A.D.	
1050	26
1100	34
1150	43
1200	51
1250	60
1300	68
1350	77
1400	83
1450	88
1500	94
1550	100
1600	144
1650	188
1675	210
1700	238
1720	257
1740	287
1750	314
1760	342
1770	384
1780	427
1790	496
1795	531
1800 nearly	562

n for the integer, viz. 100.

Beside . Bishop FLEETWOOD's *Chronicon Pretiosum*, 1st and 2nd edit.; *Liber Gerderobæ*, of Ordinances and Regulations of the Royal Household, in divers Reigns, from Edw o the Prices of Wheat and other Provisions in England, from the Year 1000 to 1765, litical Œconomy; and Dr. HENRY's History.

of agricultural prices for some centuries back ;* subjoining an estimate of what may be attributed to the influence of the circulating medium, and what to other causes; for an addition to the circulating medium is by no means the only cause of a rise in agricultural produce.

The opposite Table is the best authority I can lay hold of; and, as far as it goes, it seems as well supported as it can be. It is taken from an elaborate work, of five or six volumes, on the British coinage, from the earliest times to the present, by Mr. Ruding.

According to Baron Humboldt, the amalgamation of silver ores, in the Mexican mines, may be dated from the year 1557. Any great quantity of the precious metals from these mines, notwithstanding their earlier discovery, would not overflow Europe, till the

* M. Say, from a comparison of facts collected from various sources, has calculated the price of a hectolitre ($2\frac{3}{4}$ bushels) of wheat, at different eras, in grains of pure silver, and gives the following as the result :-

	Grains of Silver.
At Athens, in the time of Demosthenes	303
At Rome, in the time of Cesar	270
In France, in the time of Charlemagne	245
Ditto, in the time of Charles VII.	219
Ditto, in 1514	333
Ditto, in 1536	731
Ditto, in 1610	1,130
Ditto, in 1640	1,280
Ditto, in 1789	1,342
Ditto, in 1820	1,610

M. Say infers from these facts, that the value of silver has sunk in the above period in the proportion of six to one.

introduction of the easy process of obtaining silver from the ore by means of mercury. Even for a short time after 1557, the supply would be contracted, compared with a few years posterior.* This will account for Bishop Fleetwood giving no material rise in the price of corn, from 1500 (about the period of the discovery of America) to 1570, when the amalgamation process would begin to have a general effect; after that time the price of wheat cannot be estimated as continuing at less than 30*s.* per quarter, which is a quadruple rise from the 8*s.* per quarter, which it had been at for some time previous. The mean rise in price of the twelve agricultural commodities in the Table, from 1050 to 1550, is more than treble; which may suppose a depreciation of three (out of the nineteen fold increase in price, from 1050 to 1790) in the coins, from the gradual accumulation of the precious metals.† Wheat, it is true, rose six fold during this period; but owing to the imperfect and negligent cultivation of those early times, and to the panics caused by a prospect of a deficient supply, wheat is hardly a criterion by itself of a rise from depreciation of money, at least until about the days of Magna Charta. To shew the panic at the prospect of a dearth, even later, Stow tells us, that

* In Mexico, at this present time, (says Taylor, Records of Mining,) they use eight times more mercury than in Saxony, to extract one pound of silver.

† The real depreciation of silver, according to Fleetwood, from 1300 to 1550, was from 20*s.* to 40*s.* for the pound of silver; we may safely add 1, as the depreciation of the 250 years previous.

wheat, before harvest in 1557, rose to *2l.* 13*s.* 4*d.*, and fell after it, in London, to *5s.* per quarter; and in 1497 it was £10. per quarter; in 1499, 4*s.* per quarter; and this shews, also, the imperfect communication between this country and the continent at that time.

If we take, then, the depreciation of money, before the influx into Europe from the American mines, at three; and that, owing to the opening of the mines themselves at four;* and add three more for the gradual depreciation from accumulation of the precious metals for the two or three centuries since; we shall have to deduct from the whole rise of nineteen times in the value of agricultural produce, between 1050 and 1790, ten for the depreciation of the coin; leaving nine for the rise from another cause, the advance of the manufacturing population in proportion to agricultural produce; which would, of course, greatly enhance the value of such produce, and would also be caused by a depreciation—not of money, but of manufactures—the rise in price, from a depreciation of money, being from an additional quantity of money, in proportion to the quantity of agricultural produce in the market; the rise in price, from a depreciation of manufactures, being from a larger amount of them in the market, compared with agricultural produce. The depreciation from this latter cause is particularly visible, if we observe, in Ruding's Table, the mean rise from

* From a table furnished by M. Cuylen, Secretary of Regency at Brussels, it appears, that the price of corn at Brussels, rose nearly five fold from 1500 to 1580.

1750, (about the time from whence manufactures in this country have advanced with such rapid strides) to 1790. The rise, during this period, is as seven to the whole rise of nineteen; part of which may, no doubt, be attributed to the partial issue of country bank notes in 1776; for which cause suppose two be deducted; this leaves a rise of three to spread over all the seven centuries previous to 1750, for the gradual advance of manufactures; and four for their more rapid advance during the forty years between 1750, and 1790.

From the commencement of the war of the French Revolution, or rather from 1797 to 1815, an immense increase in prices was universal in every product of industry, through a depreciation of the paper currency, which was unrestricted, during that period by metallic payments. This is a fact which, although declared when the bill for resumption of cash payments, passed in 1819, by Mr. Attwood, Sir John Sinclair, Mr. Ellice, and others, was denied by the generality of men; at least, to the extent these Gentlemen supposed. At the present day, the current of opinion is setting fast in favour of a depreciation of at least fifty per cent.; some of the Ministers even, who carried through the measure of 1819, have confessed their error; the fear now is of retracing our steps.

It would be useless in me to attempt elucidating the progress and actual state of the depreciation during the war, when it has been so ably done by Mr. Attwood, who possesses perhaps more accurate

knowledge on this important question than any other person But it will not, I think, be useless (as a publication in a provincial newspaper may not have met the general eye) to include in these pages (which I trust are devoted to a search of the truth wherever it is to be found) an exposition made by Mr. Attwood, to the Agricultural Committee, on the 9th of April, 1821, which was *refused insertion* in the Minutes of the evidence, but which Mr. Attwood himself published, July 4, 1829.

An Exposition of the Cause and Remedy of the Agricultural Distress; by Thomas Attwood, Esq. &c.

State of Agricultural Prices before the late War.

The prices of agricultural produce, so long as they were measured by intrinsic coins of the same weight and quality, were necessarily preserved at a certain level, which varied but little for a hundred years.*

That level generally amounted to rather more than an ounce weight of silver, say about *5s.* or *6s.* to the Winchester bushel of wheat; and other things in proportion.†

About the same level also existed upon the Continent of Europe, where the ounce weight of silver very generally commanded about the same quantity of agricultural produce as it commanded in England.‡

* See Lords' Corn Reports, Appendix, No. 12.

† See Wealth of Nations, Vol. 1. p. 311, and elsewhere.

‡ See Young's Enquiry into the Rise of Prices in Europe.

An ounce of silver may, therefore, be considered as the natural or real price of the bushel of wheat.

State of Agricultural Prices during the late War.

At the beginning of the late war, the system of taxing and loaning, which was then commenced to a very great extent, carried with it an activity and vitality in the circulating system, which had the effect of immediately depreciating the general currency of the country, when compared with the prices of property and labour; and soon afterwards, the Bank Restriction Act released the currency from the metallic standard, and established an artificial and non-convertible circulating medium in the place of that real or convertible circulating medium which had formerly existed.

The consequence of this state of things was, that the instruments which acted as money, became *doubled* in their number, or in their activity and vitality, and thus produced that general doubling of the prices of property and labour which took place during the war.

It was thus that the price of the Winchester bushel of wheat rose permanently from about 6*s.* or 6*s.* 6*d.*, equivalent to little more than one ounce of silver, to 12*s.* or 13*s.*, equivalent to rather more than two ounces of silver, and that other articles of agricultural produce rose in the same degree.

It was to these *doubled* prices of property and labour, that all the relations of society had accommodated themselves during the war; it was to them

that men's calculations and actions had reference; and it was upon them that the national debt and the taxes, and the great bulk of all public and private obligations, were founded.*

That the prices of property and labour generally did become *doubled* during the continuance of the war, and continued so permanently for the last ten years of the war, is fresh in the recollection of every one; or, it will appear, on reference to the prices of wheat, as stated in the Lords' Report on the Corn Laws in 1814, Appendix, No. 12, or to the prices of provisions and of labour, as stated in the Bank Reports, Appendix, No. 36 and No. 39.†

State of Agricultural Prices since the Peace.

When, therefore, this system was discontinued, and the Legislature proceeded to sanction the restoration of the old metallic standard of value, the effects which had followed the permanent suspension of that

* It would be erroneous to estimate the powers of consumption in the landed interest, during the war, by the mere amount of rent. The rent of land was then by no means commensurate with the value of its produce, as measured either before the war, or since. Those were the halcyon days of the farmers,—when their rent was not within a fourth or a sixth of the value of the land. The drinking and feasting of that class from this cause, must not be forgotten in estimating the amount of revenue from taxes on Consumption. The price of corn is a much fairer test for this purpose, than the simple rental;—because it includes the capabilities of both landlord and tenant.—*The Author.*

† See also Young's Enquiry into the Rise of Prices in Europe.

standard necessarily ceased. The artificial currency of many kinds, which had been the creation of credit and confidence, began to shrink and contract into conformity with the quantity and value of the *real* currency into which it was becoming convertible; and the artificial prices of property and labour upon which such a prodigious superstructure of public and of private credit had been raised, began to shrink into the ancient level which the ancient standard had prescribed.

The bushel of wheat, which was about to become again convertible into an ounce of silver, according to the *real* prices which had existed in Europe for a hundred years before, began to fall into conformity with its new relations. All the other productions of capital and labour were acted upon by the same principle. It was thus that the foundations of the national strength and happiness were removed, and that all the *doubled* burthens of the country and of individuals were left to be sustained out of *halved* means. Hence the bankruptcy, the poverty, and the insolvency of the last six years.

From this great principle proceed all the distresses of Agriculture, and all the calamities and the dangers which afflict the country. The Legislature have adopted measures, the slow but inevitable effect of which is, to reduce the prices of property and labour to the level which existed for a hundred years before the late war; but they have not adopted measures to reduce correspondently the monied burthens and obligations with which those prices are charged, and out of which alone they can be defrayed.

It is thus that the prices of property no longer cover the reward of industry, and that all the modes and the means by which labour is employed and life supported, are obstructed or broken up.

To endeavour to obviate this state of things by law restricting the importation of grain, is a vain and visionary attempt. Other laws would still be necessary to restrict the very production of grain, and even to force its consumption, without the country's possessing the instruments through the means of which alone its consumption is effected; and even then it would still be necessary to enact other laws counteracting the laws of Nature; forcing the importation of bullion on the one hand, and preventing its inevitable exportation on the other.

If then the restoration of the old prices of value which we now perceive is the necessary consequence of the restoration of the old measure of value, and if the monied obligations which are charged by law and by custom upon the monied prices of agricultural produce, amount now to a greater sum than that produce will redeem, after discharging the expences with which its production is necessarily attended, it follows as a matter of course that either the old measure of value must be altered, or that some part or the whole of the monied obligations of the country must be overturned. The capital of the farmer falls first, for that has the weakest hold upon the productions of the soil. The rents of the landlord fall next, for they are not so immediate and imperative in their action as the taxes of the King; and it is but too

probable that these latter will ultimately themselves be sacrificed, when the ruin of the two former shall have produced its full harvest of national misery and discontent.

The bushel of wheat for a hundred years before the war, had proved itself worth about 5*s.* 2*d.*,* or one ounce of silver, or about 480 grains of silver. During the war, its *nominal* prices became permanently *doubled;* but its *real value* could not have permanently doubled. That must have remained the same, or rather have become lessened, by the improvements in agricultural economy. When, therefore, the Legislature deemed it proper to render the currency of the country convertible into bullion, under the old standard, the bushel of wheat at the permanent prices of the war, say 14*s.* 4*d.* per bushel, if those prices had been preserved, would have commanded nearly three ounces of silver, or 1440 grains of silver, instead of *one ounce or* 480 *grains* of silver. Of course, such an anomaly could not exist permanently; and, therefore, the depression of prices which has attended it has been but the natural accommodation of the prices of value to the arbitrary level of the measure of value.

Cause of the anomaly between the Prices of Bullion, and of Property and Labour, during the War, explained.

But, it may be asked, if the prices of property and

* See the Accounts from Eton College, which gave this average for the 100 years, ending with 1700, and an average of 5*s.* 4*d.* for the ninety-three years ending with 1793.

labour did really double, and if the depreciation of the currency was in reality full cent. per cent. during the war, how was it that the prices of bullion exhibited only a depreciation averaging from 5 to 40 per cent.?

During the war, the use of a metallic coinage was discontinued in England in a great degree; and the *diminution of demand* which was thus occasioned in the bullion markets on the one hand, combined with the *increased supply* which was thus thrown upon the bullion markets on the other hand, occasioned, *pro tempore*, a *real* depreciation in the exchangeable value of bullion in the markets, an ounce of silver becoming exchangeable for only *one-half* or *one-third* of a bushel of wheat, instead of a whole bushel of wheat; and the same *real* depreciation of silver was visible with regard to other articles of agricultural produce. It could not be the *diminished* production of agricultural produce which occasioned this *real* depreciation in the exchangeable value of bullion, because no such diminished production took place. But it must have been occasioned by the increased supply of, and diminished demand for, bullion in the markets, because such increased supply and diminished demand really did take place.

The war which occasioned this state of things prevented British capital from seeking foreign investments and expenditure, the only country which was open for these purposes being the United States of America, where the same principles were at work, producing nearly the very same state of things.

The use of a metallic coinage was also during the war in a great degree discontinued in other countries, such as Austria and Russia, and thus the exchangeable value of bullion, as compared with commodities and labour, was beaten down lower than the average level which had existed for a hundred years before,* and which had been found consistent with the labour and expenditure required to obtain any given quantity of commodities, and of bullion.

The depreciation of the currency during the war, which was in reality full cent. per cent. as compared with the prices of property and labour generally, was thus prevented from exhibiting itself to its full extent when compared with the prices of silver and gold, articles which had, as it were, been thrown out of use in society, in the great purposes for which alone their use is required. Nevertheless, during the latter ten years of the war, when the continent was, in a great degree, closed to British manufactures, and when the demand for bullion, for military and political purposes, called bullion again into use, and gave scope for the depreciation of the currency to exhibit itself as compared therewith, at that period the prices of bullion rose about 42 per cent. above the level of the metallic standard, the price of gold rising to £5. 11*s*. per ounce, and that of silver to 7*s*. 4*d*. per ounce.†

Under no circumstances, however, could the prices of bullion have exhibited any fair criterion of the

* See Young's Enquiry into the Rise of Prices in Europe.

† See Wetenhall's Stock List of Nov. 18.

actual depreciation of the currency, unless those immense quantities of bullion, which were formerly occupied in the coinages of different countries, could have been kept out of the market; nor, unless those other quantities of bullion which were formerly required for the annual supply of those coinages, could have been annually removed from the market. If the whole immense mass of bullion, which was thrown out of the uses of coinage in Europe and America during the war, had been locked up in public vaults, and if an annual addition had been made to that mass, equivalent to the annual demand, which the supply of the different coinages formerly occasioned in the bullion markets, then the prices of bullion would have exhibited a fair criterion of the depreciation of the currency in England. The permanent prices of silver would have risen to about 10*s.* 4*d.* per ounce; and those of gold to about £7. 15*s.* 9*d.* per ounce, which would have been a rise of cent. per cent. in those prices, equivalent to that which had taken place generally in other prices,* and preserving to the ounce weight of bullion the same exchangeable value, the same command over property and labour, as it possessed before the war.

Necessity of conforming the Metallic Standard to the Agricultural Prices of the War.

When the Legislature thought it necessary to make prodigious and continued exertions in the prosecution

* See Tables, No. 1, 2, 3, &c.

of the late war, if they had thought proper to effectuate those exertions, by open and continued operations upon the coinage, instead of effecting them by the silent and unseen operations of the paper system, and if other nations had acted upon the same principle, in that case, there can be no doubt that it would have been necessary to have *doubled* the nominal prices of the metallic standard, and to have coined an old mint shilling into two shillings, before those doubled prices of property and labour could have been substantiated, upon which all the great operations of the war, and all the public and private obligations of the country were founded. The *doubling* of rents and of prices, which took place during the war, the doubling of all the *numerical denominations of value*, could never have been obtained, unless the instruments which measure those numerical denominations had also been doubled in quantity; and the doubling of these instruments in quantity, the doubling of the general mass of money in the country, could not have been effected without doubling the particular quantity of money which was formerly coined out of the ounce of bullion.

It is, therefore, evident, that the depreciation of the currency was full cent. per cent. during the war; and it is also evident, that if it was necessary to restore a metallic standard on the return of peace, that standard ought to have been depreciated correspondently with the depreciation which existed in the practical currency of the country, in which all the taxes and obligations of the country, and all its public and private burthens had been incurred.

Such a metallic standard ought to have been adopted as would have preserved the *nominal* prices of property and labour on the same level as existed generally during the last ten years of the war; and no metallic standard could have preserved that level, unless *doubled* in nominal price, or reduced *one-half* in the quantity or quality of the bullion which it contains.

How far this reduction of the standard of value was originally just or unjust, it is not necessary to inquire now. It is sufficient for us to know, that it was virtually effected by the Bank Restriction Act, and by the system of taxing and loaning which existed during the war. If it was adopted for the purpose of defrauding annuitants and creditors, it was undoubtedly unjust. But if it was adopted for the furtherance of great public measures, which were alike essential to the interests of all annuitants, and of all creditors, as well as of those of all proprietors and all debtors, it was then evidently most just; for the safety of the people is the first great object and duty of the Legislature; and, if the fulfilment of that duty has the effect of injuring private interests, it is fit and just that those interests should be injured, although it may afterwards become a question how far it is right for the nation to make compensation to such interests.

Reduction of the Metallic Standard proposed.

Since, then, it must be acknowledged, that a reduction in the metallic standard of value is alike just

and necessary, it becomes then the question to what an extent this reduction ought to be carried.

The wisdom of the Legislature has decided, that the prices of property and labour must be preserved on a level equivalent to 10*s.* upon the bushel of wheat, in order to enable the agricultural interests and the country to bear the burthens with which they are loaded. To coin the ounce of silver into 8*s.*, and the ounce of gold into about £6. 6*s.* will accomplish this object at once without difficulty or distress, and without any comparative injustice towards any class of the community. For, if 5*s.* 2*d.* to the ounce of silver, according to the old standard, produced a state of prices equivalent to about 6*s.* 6*d.** to the bushel of wheat, for a series of years before the late war, it follows, as a matter of course, that 8*s.* to the ounce of silver will produce a state of prices equivalent to 10*s.* to the bushel of wheat; and thus the prices of property and labour will ascend over the level of the monied obligations with which they are loaded, and all the productive and consumptive powers of the country will be instantly set free. A reduction of the standard to this extent will insure to the agricultural interest the same level of prices which the Legislature contemplated in passing the Corn Law. It will also insure to all other classes of the community the means of paying those prices; and it will effect these great objects without affecting the monied interest any further than the Legislature

* See Table, No. 4.

intended in passing the Corn Law, because it will not elevate prices beyond the level which that law contemplated. The only way in which it will injure the monied interest beyond the contemplated effects of the Corn Law will be in withdrawing the immense profits, which are now made through the foreign investments, and the foreign expenditure of capitalists and *Absentees*, for in all other respects the alteration of the metallic standard of value to the extent proposed, will secure to them the very same command over property and labour in the reduced coins, as the Legislature contemplated to give them in the ancient coins.

A measure of this kind would act virtually as a duty of 50 per cent. upon all foreign importations, for it would give to the foreigner only the same weight of bullion or *real value*, under the denomination of 10*s*. to the bushel of wheat, as he now receives under the denomination of 6*s*. 6*d*. to the bushel of wheat, and it would also act virtually as a duty of 50 per cent. upon the foreign investments and expenditure of British capitalists and *Absentees*, for the ounce of silver or of gold, in which foreigners measure British values, would require 50 per cent. more of British currency to obtain it than it now requires, and it is from British currency that the power of making British remittances arises. It would act also as a bounty of 50 per cent. upon the exportation of British manufactures, until their prices rose to a correspondent level, at which time they would bear their just and necessary relation to the monied taxes and burthens with which they are loaded.

For these reasons, therefore, it is necessary to advance the Mint prices of the metallic standard of value to the extent of full 60 per cent., coining an ounce of silver into 8*s.* sterling, and an ounce of gold into about £6. 6*s.* sterling.* This alteration will still leave a premium of about 40 per cent. in the hands of all public and private creditors and mortgagees, who advanced their money during the last ten years of the war. It will secure a permanent increase of 40 per cent. in the whole taxation of the country beyond the level of those ten years; and a permanent addition of the same amount in the real burthen and the real value of all the debts, mortgages, and obligations, which existed during that period. If the monied interest are content with this enormous profit upon the debts and obligations contracted during the last ten years of the war, there can be little doubt but that the capital and industry of the active classes will be competent to insure it to them. But, if they persist in attempting to exact a *doubled* payment of those obligations, if they persist in requiring from the country a *doubled* amount of the property and labour which they ever advanced to the country, and if the Legislature continue to sanction such an object, then there can be no doubt that either the capital and the industry of the country will be crushed under its burthens, or that the convulsive movements of society

* The alteration proposed will be a reduction of 32½ per cent. in the present silver coins, and of 37½ per cent. in the present gold coins. It will be coining 13*s.* 6*d.* of our present silver coins into a pound sterling, and 12*s.* 6*d.* of our present gold coins into a pound sterling.

will shake them off for ever. As things now stand, the restoration of the old measure of value, forces the restoration of the old quantity of value. Thus, the money prices of agricultural produce are reduced below the monied expenses of cultivation, and the landlord has no longer an interest in his own estate. His title-deeds may indeed remain, but they are of no more value than his manorial rights.

THOMAS ATTWOOD.

April 5, 1821.

No. I.

Table of the Prices of Wheat, before, *and* at the end of the War, *extracted from the Custom House Account, as given in the Bank Reports, Appendix, No.* 39, *and exhibiting the Depreciation of the Currency during the War.*

Average price of wheat in the two half years of the year 1792—40*s.* 9*d.* per quarter.

Average price of wheat in the five years ending with 1808—73*s.* 9½*d.* per quarter, which is an advance of 80 per cent. above the average price of 1792.

Average price of wheat in the five years ending with 1813—105*s.* 11*d.* per quarter, which is an advance of 160 per cent. above the average price of 1792.

Average price of wheat in the ten years ending with 1813—89*s.* 10*d.* per quarter, which is an ad-

vance of 120 per cent. in the price of wheat in the ten years ending with 1813 above the level of the year 1792.

No. II.

Tables of the Prices of sundry Articles of Agricultural Produce, before, *and* at the end of the War, *extracted from the Custom House Account, as given in the Bank Reports, Appendix, No.* 39, *and exhibiting the Depreciation of the Currency during the War.*

Average prices in the year 1792:—

Wheat	40*s.* 9*d.*	per quarter.	Rye	29*s.* 7*d.*	per quarter.
Barley	25*s.* 11*d.*	ditto.	Oats	17*s.* 4*d.*	ditto.
Beans	30*s.* 10*d.*	ditto.	Peas	31*s.* 10*d.*	ditto.
Oatmeal	33*s.* 3*d.*	ditto.			

Average prices of the same articles in the five years ending with 1813:

Wheat	105*s.* 11*d.*	per quarter.	Rye	63*s.* 8*d.*	per quarter.
Barley	51*s.* 11*d.*	ditto.	Oats	34*s.* 11*d.*	ditto.
Beans	63*s.* 7*d.*	ditto.	Peas	65*s.* 9*d.*	ditto.
Oatmeal	50*s.* 7*d.*	ditto.			

which exhibits a permanent rise of 160 per cent. in the price of wheat, of 115 per cent. in that of rye, of 100 per cent. in that of barley, of 100 per cent. in that of oats, of 100 per cent. in that of beans, of 100 per cent. in that of peas, and of little more than 50 per cent. in that of oatmeal.

There must, however, be some mistake in the Custom House account of the price of this latter article, because the price of oats, from which oatmeal is

made, had risen full 100 per cent. in common with other things. Besides, in the account from Greenwich Hospital (see Bank Reports, Appendix 36,) the prices of oatmeal are given as averaging 12*s.* 8*d.* per Winchester bushel, or 98*s.* per quarter, in the five years ending with 1813; being 115 per cent. above the prices paid in the years 1785 and 1790, which were only 5*s.* 3*d.* per bushel, or 42*s.* per quarter.

No. III.

Table of the Prices of sundry other Articles of Agricultural Produce, before *and* at the end of the War, *extracted from the Greenwich Hospital Account, as given in the Bank Reports, Appendix, No.* 36, *and exhibiting the Depreciation of the Currency during the War.*

Average prices, in the year 1790, of

Flour 43*s.* 4*d.* per sack.	Butter 6½ per lb.
Cheese 4*d.* per lb.	Oatmeal 5*s.* 3*d.* per bushel.
Butcher's meat 36*s.* 10*d.* per cwt.	

Average prices of the same articles, in the five years ending with 1813, viz.

Flour 93*s.* per sack.	Butter 1*s.* 2*d.* per lb.
Cheese 8*d.* per lb.	Oatmeal 12*s.* 3*d.* per bushel.
Butcher's meat 75*s.* 1*d.* per cwt.	

which exhibits a permanent rise of near 115 per cent. in the price of flour, of 100 per cent. in that of butter, of 100 per cent. in that of cheese, of 125 per cent. in that of oatmeal, and above 100 per cent. in that of meat.

No. III. (a).

Table of the Prices of Labour before *and* at the end of the War, *extracted from the Greenwich Hospital Account, as given in the Bank Reports, Appendix, No.* 36, *and exhibiting the Depreciation of the Currency during the War.*

Average wages of labour in the ten years ending with 1790:—

Carpenters, 2*s.* 6*d.* per day; bricklayers, 2*s.* 4*d.* ditto; masons, 2*s.* 10*d.* ditto; plumbers, 3*s.* 1½*d.* ditto.

Average wages of labour in the four years, ending with 1808:—

Carpenters, 4*s.* 9*d.* per day; bricklayers, 4*s.* 9½*d.* ditto; masons, 5*s.* ditto; plumbers, 4*s.* 6*d.* ditto; which is an advance of cent. per cent. in the wages of bricklayers and masons, and near cent. per cent. in those of carpenters, and of 50 per cent. in those of plumbers.

Average wages of labour in the five years, ending with 1813:—

Carpenters, 5*s.* 6*d.* per day; bricklayers, 5*s.* 3½*d.* ditto; masons, 5*s.* 6*d.* ditto.; plumbers, 5*s.* 8*d.* ditto; which is an advance of 120 per cent. in the wages of carpenters, of 125 per cent. in those of bricklayers, of near cent. per cent. in those of masons, and of 80 per cent. in those of plumbers.

Average wages of labour in the nine years, ending with 1813:—

Carpenters, 5*s.* 2*d.* per day; bricklayers, 5*s.* 1*d.*

ditto; masons, *5s. 3d.* ditto; plumbers, *5s. 2d.* ditto; which is an advance of more than cent. per cent. on the wages of carpenters and bricklayers, of about 85 per cent. on those of masons, and of 65 per cent. on those of plumbers.

N. B. The wages of masons had been raised from *2s. 6d.* to *2s. 10d.* per day, immediately preceding the average of 1790. The trade of the plumber seems in the first period to have been a kind of craft, superior to common labour.

Wages of agricultural labour in Cumberland, on the average of seven years, ending with 1792, *7s. 3d.* per week.

Wages of agricultural labour in Cumberland, on an average of twelve years, ending with 1816, *14s. 9d.* per week, being a rise of full cent. per cent. during the war.

Wages of agricultural labour in Cumberland, on the average of seven years, ending with 1813, *15s. 2d.* per week, being a permanent rise of near 110 per cent. in the wages of agricultural labour during the war.—(See Rooke's Tables on Money, published by Baldwin and Co.)

No. IV.

Table showing the relative Prices of the Bushel of Wheat, and of the Ounce of Silver, before the War, *at* the end of the War, *and* since the Peace, *collected in part from the Accounts at Eton College, and in part from the Accounts at the Mint Office.*—

(*See Bank Reports, Appendix, No.* 14, *and Lords' Corn Reports in* 1814, *Appendix, No.* 12.)

Price of the bushel of wheat in Windsor market, on the average of the five years *before the war*, from 1787 to 1792, 6*s.* 5*d.* per Winchester bushel.

Price of the ounce of standard silver on the average of the three years *before the war*, from 1789 to 1792, 5*s.* 4*d.* per ounce: the bushel of wheat being worth about one-fifth more than the ounce of silver.

Price of the bushel of wheat in Windsor market on the average of five years, at the *end of the war*, from Lady-day 1809 to Michaelmas 1813 inclusive, 14*s.* 4*d.* per Winchester bushel, which exhibits a permanent rise of 125 per cent. in the price of wheat during the war, and is nearly equal to three ounces of silver at the old Mint price, and fully equal to two ounces of silver at the then market price.

Price of the ounce of standard silver, on the average of five years, *at the end of the war*, ending Michaelmas 1813, 6*s.* 5*d.* per ounce, which exhibits a rise of only 20 per cent. in the price of silver, and leaves the bushel of wheat worth $2\frac{1}{4}$ ounces of silver, instead of one and one-fifth ounce of silver, which was its value before the war.

Price of the bushel of wheat *since the peace,* on the average of two years, ending 1820, 8*s.* 6*d.* per bushel, which is little more than $1\frac{1}{2}$ ounce of silver, at the existing market price as stated below.

Price of the ounce of silver *since the peace,* on the average of two years, ending 1820, 5*s.* 2*d.* per ounce.

N. B. Wheat having now again fallen to 6*s.* 6*d.* per bushel, gives to the ounce of silver at the end of the war about the same quantity of wheat as it commanded before the war.

No. V.

Table comparing the Prices of Wheat in England and on the Continent, proving the impossibility of obtaining permanently under the old Standard of Value any higher Prices than at present exist.

Present Prices of the bushel of Wheat at Antwerp, Amsterdam, Rotterdam, Dantzic, and Bourdeaux, as stated in the " Return to an Address to His Majesty, from the Honourable House of Commons, dated the 6th of February, 1821,"—viz.

Antwerp, 4*s.* 3*d.* per bushel, or only four-fifths of an ounce of silver.

Amsterdam, 4*s.* 7*d.* per bushel, or about four-fifths of an ounce of silver.

Rotterdam, 4*s.* per bushel, or not quite four-fifths of an ounce of silver.

Dantzic, 4*s.* per bushel, or not quite four-fifths of an ounce of silver.

Bourdeaux, 6*s.* 1*d.* per bushel, or about one-tenth more than an ounce of silver.

Highest present price of the bushel of best English wheat in Mark-lane market, 6*s.* 6*d.* per bushel, or one and one-fifth ounce of silver.—See Wetenhall's List of 3rd April, 1821, being exactly the same as the average price of the five years ending with 1792.

No. VI.

Table showing the Comparative Value of Silver and Wheat, and exhibiting what may be termed the natural or real *Price of the Bushel of Wheat.*

Average price of the Winchester bushel of wheat in the 100 years, ending with the year 1700, as per accounts from Eton College, as given in Dr. Copplestone's 2nd Letter to Mr. Peel, page 70—*5s.* 2*d.* per bushel.

Average price of do. in the 93 years, ending with the year 1793, as given in the Lords' Corn Report of 1814, Appendix, No. 12—*5s.* 4*d.* per bushel.

Price of the ounce weight of silver during the above period of 193 years, from 1600 to 1793, as per Mint regulations—*5s.* 2*d.* per ounce.

It thus appears that the value of the bushel of wheat and of the ounce of silver, are very nearly the same.

No. VII.

Table showing the Profit which has been made by Loans to Government, made in depreciated Currency under the War Prices of Property and Labour, and now re-payable in an undepreciated Currency under the low Prices which the attempt to restore the ancient Standard of Value occasions.

Price of wheat on the average of five years, ending 1813, 14*s.* 4*d.* per bushel, as per Bank Reports, Appendix, No. 39.

Price of three per cent. consols in 1813, as per Wetenhall's Stock List—58, 57, 57$\frac{3}{8}$.

Eighty bushels of wheat, at 14*s.* 4*d.* per bushel, makes £57. 7*s.* 6*d.*, or $57\frac{3}{8}$, the then price of £100. consols.

Present price of wheat in Birmingham market, 5th April, 1821—6*s.* 6*d.* per bushel.

Present price of three per cent. consols, 4th April, 1821—$72\frac{1}{2}$, $72\frac{7}{8}$.

224 bushels of wheat, at 6*s.* 6*d.* per bushel, makes £72. 17*s.* 6*d.*, or $72\frac{7}{8}$, the present price of £100. consols.

Thus a public creditor lending the value of 80 bushels of wheat to Government in 1813, receives back in 1821, the value of 224 bushels of wheat, or near three times the amount which he lent, besides the full interest in the mean while calculated after the same proportion.

Price of standard silver in 1813, as per Wetenhall's Stock List, 7*s.* per ounce.

Price of three per cent. consols in 1813—58, 57, $57\frac{3}{8}$; 164 oz. of standard silver, at 7*s.* per ounce, makes £57. 7*s.* 6*d*, or $57\frac{3}{8}$, the then price of £100. three per cent. consols.

Present price of standard silver, as per Wetenhall's List of April 3, 1821, 4*s.* 11*d.* per ounce.

Present price of three per cent. consols, April 4, 1821, $72\frac{1}{2}$, $72\frac{7}{8}$.

295 oz. of standard silver, at 4*s.* 11*d.* per ounce, makes £72. 10*s.*, or $72\frac{1}{2}$, the present price of £100. three per cent. consols.

Thus a public creditor lending 164 oz. of standard

silver to Government in 1813, receives back in 1821, 295 oz. of standard silver, besides his full interest in the mean while, calculated in the same unjust proportion.

If such public creditor had sold out his stock in Nov. 1817, when the price of standard silver was 5*s*. 2*d*. per ounce, and the price of three per cent. consols, as per Wetenhall's List, was 84½, he would have received back 328 ounces of silver, instead of 164 ounces of silver which he lent.

So also a public creditor lending 10½ ounces of standard gold to Government in 1813, when gold was at £5. 10*s*. per ounce, and the price of consols was 57¾, and selling his stock in 1818, when gold was reduced to £4. the ounce, and consols were raised to 84, received back 21 ounces of gold in payment for his 10½ ounces, being just double the amount of bullion which he lent. If such public creditor had then vested his 21 ounces of gold on the mortgage of an estate, worth 42 ounces of gold in 1818, he is now become the virtual proprietor of the estate, for the payment of his interest swallows up all the rent, and he may foreclose for the principal, and take possession of the estate, whenever he pleases. Thus the riches of the public creditor are *quadrupled* on the one hand, whilst public and private burthens are *quadrupled* on the other.

No. VIII.

Table showing the probable Reduction which will take place in the Landed Rental of the Kingdom, under

the Restoration of the old Metallic Standard of Value.

Total annual amount of the Government Expenditure, in the year 1820, suppose about	£62,000,000
* Total annual amount of the Government Expenditure, in the year 1786	21,657,609
Total increase of the annual Government Expenditure, since the year 1786	40,342,391
Suppose one-half of this Expenditure to be paid by the Manufacturing and Commercial Classes	20,171,195
Remains to be paid by the Agricultural Classes	£20,171,196
Rental of the Land in the year 1814, as per Property Tax Accounts	£42,970,000
The Reduction of Agricultural Prices one half, to the level of 1792, will naturally reduce Rents correspondently. Therefore deduct one half	21,485,000
Present Rental of the Kingdom measured in old standard coins, supposing Government Expenditure to be the same as in 1792	21,485,000
Deduct proportion of Government Expenditure borne by the Agricultural Classes, as above	20,171,196
Total probable Rental of the Kingdom, when the ruin of the Farmers shall have thrown the whole burthen of the increased Government Expenditure upon the Landlords	1,313,804

No. IX.

Table showing the Diminution which has taken place in the Circulation of Bank Notes and Coins since the years 1817 *and* 1818, *when the prosperity of*

* See Price on Payments, vol. 1. page 338.

the country had been nearly restored by the increased issue of legal tenders.—(See the Lords' Bank Reports, Appendix, B. 2, and D. 3.)

		Total legal tenders in circulation.
Weekly average of Bank Notes in circulation, Jan. 4, 1817	£23,900,000	£23,900,000
Ditto, ditto, April 5, ...	26,400,000	26,400,000
Ditto, ditto, July 5, ...	25,800,000	25,800,000
Ditto, ditto, Oct. 4, ...	28,900,000	29,574,000
Add for Gold issued in exchange for Bank Notes, from July 1st to October 4th	674,000	
Weekly average of Bank Notes in circulation, Jan. 3, 1818	26,400,000	27,640,000
Add for Gold issued to this day	1,240,000	
Weekly average of Bank Notes in circulation, April 4, 1818	27,000,000	29,600,000
Add for Gold issued to this day	2,600,000	
Weekly average of Bank Notes in circulation, July 4, 1818	26,000,000	29,900,000
Add for Gold issued to this day	3,900,000	

N. B. Between this period and 6th of April, 1819, near three millions more of gold coins were issued, but the opening of the ports for foreign grain, combined with the excess of imports which the rise of prices had occasioned, caused the whole of this gold, say £6,800,000., to be exported in the Autumn and Winter of 1818—19.

Weekly average of Bank Notes in circulation, Oct. 3, 1818	26,200,000	29,200,000
At this period, probably three millions of gold coins out of five issued, remained in circulation	3,000,000	
Weekly average of Bank Notes in circulation, Jan. 2, 1819	25,300,000	27,300,000
At this period, probably two millions of gold coins, out of six issued, remained in circulation	2,000,000	
Weekly average of Bank Notes in circulation, April 3, 1819	24,800,000	24,800,000

N. B. April 3, 1819. At this period nearly all the gold was gone. The whole circulation of *legal tenders* was, therefore, only £24,800,000. at the *lowest average weekly amount,* taken on the days immediately preceding the issues of the quarterly dividends from the Bank, at which periods the circulation is at the lowest. It thus appears that the *lowest weekly average* of the circulation of *legal tenders* was increased in the year 1817, by the operations of the Government, from £23,900,000. to £29,574,000., and that it continued at about the same level until the summer of the year 1818. Soon after this period it began to be reduced; and by the spring of 1819, when *Mr. Peel's Bill* was brought forwards, it was reduced to £24,800,000. which was a reduction of near five millions, or about 17 per cent. in the circulation, effected previously to the action of that fatal measure. Hence the alarming fall of prices which took place in the winter of 1818. Since the passing of Mr. Peel's Bill, the circulation has again been reduced, until the beginning of January, 1821, when, according to the Reports presented to the House of Commons, it amounted only to £20,000,300. which is a reduction of about *one third,* or full 30 per cent. in the *lowest average weekly circulation* (effected to promote the restoration of the old standard) since the compa-

ratively prosperous years of 1817 and 1818. It is to be observed that this reduction of the Bank note circulation has been effected, not by a diminution of the Bank's discounts, but purely by a diminution of its issues upon Exchequer bills, upon which *three-fourths* of the whole circulation have been founded.

No. X.

Table showing the effect which the above Reduction of the Bank-Note Circulation has had in reducing the Circulation of the Country Bankers.

	£.
Number of Stamps for £1. country bank-notes issued by the Stamp-Office in 1813	3,793,285
Number of such Stamps issued in 1814	4,018,144
Ditto ditto ditto .. issued in 1815	2,776,873
Ditto ditto ditto .. issued in 1816	2,181,938
Ditto ditto ditto .. issued in 1817	2,953,920
Ditto ditto ditto .. issued in 1818	3,875,715
Ditto ditto ditto .. issued in 1819	1,784,337
Ditto ditto ditto .. issued in 1820	1,683,824

See the Lords' Bank Reports, Appendix F. I., and the Return from the Stamp-Office, printed 15th March, 1821.

It thus appears that prices generally doubled during the war, and in many cases trebled, because of the increased quantity of paper money. Gold and silver, however, did not rise in price in the same ratio as other commodities; because gold and silver being discontinued as a standard of reference in Great Britain; and a metallic coinage giving place to paper in some other countries, as Austria and Russia; an immense quantity of bullion, which had previously served the purpose of a circulating medium, was thus thrown

into the continental bullion market, and of course prevented an effect on the price of bullion similar to what obtained in other commodities:* had not this cause operated, the permanent price of silver during the war, it appears, would have been doubled, or 10*s.* 4*d.* per oz., and that of gold £7. 15*s.* 0*d.*: even as it was during the last ten years of the war, when British manufactures were excluded the Continent, and when the demand for bullion for military or political purposes again called bullion into use, and gave scope for the depreciation of the currency to exhibit itself as compared with it: even then the prices of bullion rose about 42 per cent. above the level of the old metallic standard, or to £5. 11*s.* 0*d.* the oz. of gold, and 7*s.* 4*d.* the oz. of silver.

There are some few people who assign other causes than a depreciation in the currency for the advanced prices of the war. Among these, Mr. Tooke attributes the high price of corn during the war to years of scarcity; but how does he reconcile this obstacle to his argument, viz. that cattle ranged in price proportionably high, when no scarcity of cattle was felt, except as it related to the amount of the circulating medium: the small rise which would take place on

* *Gold was not even quoted for some years among "The Prices Current."* It was thrown out of employment. It might have complained of paper then, as workmen do of machinery now. To attempt, therefore, to shew the value of property in the war by that of gold, is as rational as to make moonstone, or the philosopher's stone, the criterion of price in marketable commodities.

fat cattle, it is scarcely worth noticing, would be compensated by its diminishing the demand for corn; the fall in the price of cattle was, of course, therefore, coincident with the return, or prospect of return, to cash payments. The rents, says Mr. Tooke, were raised during the war in proportion to the rise in prices. Now this is totally inconsistent with his assertion that the high price of corn was consequent on scarcity: we find, at the present day, however high scarcity may cause corn to be, the farmer remains so much unremunerated in general, that his landlord is obliged to make even a return of a certain per centage on his rent, notwithstanding the rise in corn.

No doubt a scarcity of corn will affect the prices with a plentiful currency: they are, in fact, two causes contributing to one effect. It differs not at all in regard to prices, whether the money remain stationary, and the supply of wheat be deficient; or whether money increase in quantity, and the supply of wheat remain the same. But the results to the prosperity of the nation are widely different from these two causes: the one is the heavy but frequented toll on the high road to the Lord Mayor's Day of Trade, when the prospect of advantage and enjoyment to all is unclouded and free, and the obstacles to be lightly brushed away; while the excellence of the road is cheap at its price: the other is the rough and broken road to Famine, where the toll is equally high; but where the wealth is as broken as the road. We must remember, however, that the rise which takes place in a time of scarcity of corn, is by no

means always correspondent to the real state of things; and thus, when exaggeration shall have over-raised the price of corn, a fall in the price may perfectly well be coincident with an increase of currency; i. e. the degree of increase of currency may not be sufficient to sustain the previous exaggerated price, though it will certainly prevent its falling so low as it would otherwise do. All counteracting effects are in the ratio of the magnitude of their causes; hence, if the currency increase faster than the corn decreases, prices rise; and *vice versa.* The calculations respecting harvest must always be uncertain, as long as uncertainty of weather remains a law of Nature, or rather so long as the bearings of such law are concealed from our view. The prices which have been raised by exaggerated anxiety, or Jewish speculation, when the weather is unfavourable, receive a proportionate fall, as a different result with respect to weather ensues. No strict rule for the regulation of prices, under the apprehension of scarcity, can be made out; for alarm will ever act in defiance of rule. "Arguments are ever with multitudes too weak for suspicions," says Bacon. Of course, if the expectation of a scarcity have prompted a great importation of corn from abroad, and an average crop at home shall be eventually reaped, such a surplus will lower the price of corn in despite of an increased currency; though the increased currency will prevent the fall in price being so great as it must otherwise have been, without such increase of money in the market. Mr. Tooke seems to affect

surprise at the fact, that though the amount of currency was higher, wheat was lower in 1804 than in 1801; but the high price in 1801 arose obviously from a state of scarcity; or rather, I may say, that the quantity of corn in the country was so disproportionate to the amount of currency, that a proportionate rise in the corn price was inevitable, unless a proportionate diminution in the amount of currency had taken place. What Mr. Tooke should have shewn, if he could, was that the stock of corn in 1804 was less in proportion to the currency of that year, than were the ratios between the currency and stock of corn in 1801.

The great fall in the nominal price of gold, by its abstraction from military and political purposes; the prospect of a better corn supply from the liberation of the ports of the Continent; and Bonaparte's defeat in Russia; would all contribute to the fall of corn from 150*s.* in 1813, notwithstanding an increased currency.

Mr. Tooke (p. 34, letter 1) seems to imagine, also, that it is the high price of commodities which causes an enlarged amount of currency among country banks. It would be satisfactory to know what increase there was in the country bank circulation from the increased price of corn owing to the scarcity of 1828. There would be a diminution rather of circulation, I suspect, from the diminished means of the farmers to find security for accommodation. It is the reasonable prospect of advantageous trading that stimulates and regulates the amount of accommodation from country banks.

Had the doubling of prices, which were absolutely necessary to enable property to meet the unexampled war taxation, been to be effected by any other depreciation of the currency than through the medium of a deluge of paper, no other resource was left but to have coined the sixpence into a shilling, and the half sovereign into a sovereign: it could have been done in no other way. Under such a change, which would only have been *ostensibly* more real than that which did obtain, no Minister would have been hardy enough to propose the immediate re-coinage back again of the shilling into the sixpence. Such a sudden overturn of property, without at the same time cutting down all the taxation for which the depreciation had taken place, would have been too manifestly insane to be listened to for one moment. Why, when precisely a similar process has been in operation through an increased quantity of paper currency, and only because there was no *ostensible* coining of the sixpence into the shilling,—although the effects on property were precisely the same;—why, but from ignorance has the Legislature been allowed to diminish the value of property to such a ruinous extent? It was ignorance in the people to allow it; it was ignorance in the Ministers to propose it. But shall obstinacy be added to ignorance on the one hand, or want of spirit to it on the other? Let property assert its rights: and may the humbled feelings attached to an acknowledgment of error, be attended in our Government with at least its indenpensable satisfaction, the retracing their steps: alas, how surely may they be found, when havock,

and even blood, have besmeared their very foot prints in the way. But the cry of the "Fundholder" meets us at every turn, "to find out right with wrongs, it may not be."— "Be just to your creditor."

Let us proceed to a dispassionate consideration of the fundholder. "I will beg leave (says Mr. Attwood, in his Speech at Birmingham, May 8, 1829) to give you one proof that there is as yet prosperity enough among the tax receivers. In the year 1791, the National Debt amounted to £238,000,000. sterling. Since then, the Government has borrowed £1047,000,000. more. If you add these two sums together, it will shew our present National Debt to amount to £1285,000,000. sterling: but observe, £480,000,000. of this has since been redeemed by the *Sinking Fund*. The net Government debt now, therefore, is about £800,000,000. sterling. This £800,000,000. was borrowed at the average rate of £60. to the £100. of consols. The sum of £480,000,000., therefore, is all the money which the Government really received for it. But this £480,000,000. was advanced to the Government in *paper money*, worth only *one half* of the antient money of the country, or of that which is now being inflicted upon the country, or rather *ground* out of the bones and vitals of the country. The sum actually advanced to the Government was, therefore, only £240,000,000. of our present money. The selling price of consols is at present 87. The sum which the fundholders are, therefore, now receiving from the Government is about £696,000,000. sterling in *solid*

gold, instead of the £240,000,000. which they really advanced! *Here, then, is a net profit of* £456,000,000. *sterling, literally given to the fundholders, without any equivalent whatever!!!* Is not this *prosperity* enough?"

The following Tables, drawn up by Sir John Sinclair, (the indefatigable founder of the Board of Agriculture, and of all the consequent modern improvements in that art which have hitherto averted its entire ruin), may serve to explain this more in detail.

"Table I. Showing the profits of the fundholders on a loan of £100. in the 3 per cent. stock, if it rose to par from 54.

	In Paper.	In Gold.
War price of £100. stock in 3 per cent. consols	£54 0 0	37 16 0*
Profit to the stockholder, if the 3 per cents. rise to par in paper or in gold	46 0 0	62 4 0
	100 0 0	100 0 0

"But as the 3 per cents. are not yet at par, it may be proper to state the profit at the present price of 3 per cents., viz. 87.†

* "The value in *gold* of the £1. notes was thus ascertained. A guinea in gold was currently bought and sold, or exchanged for a one pound note and seven shillings in silver; consequently a one pound note was worth only about two thirds, or 14*s*. Mr. Jones, of Birmingham, contends that, during a great part of the late war, the exchange with Paris was only 16 francs per pound sterling in paper, or 12*s*. 3½*d*. in gold." Sir John Sinclair.

† June 22, 1829. At the late price of the 3 per cents.—95, the profit per cent. would be £57. 4*s*. 0*d*.

	In Paper.	In Gold.
War price of £100. stock in 3 per cent. consols	£54 0 0	37 16 0
Profit at the present price of 87 (metallic currency)	33 0 0	49 4 0
	87 0 0	87 0 0

" Hence what originally cost the fundholder in gold £37. 16*s.* 0*d.* is now worth also in gold £87., or yields a profit of 130 per cent. on the original outlay.

" Table II. Showing the profit on loans at 5 per cent.

	In Paper.	In Money.
War price of £100. stock in the 5 per cents.	£84 0 0	58 16 0
Profit when the 5 per cents. rose to par	16 0 0	41 4 0
	100 0 0	100 0 0"

But three or four hundred millions of our debt were borrowed before the Restriction: very true. And what was the price of the three per cent. consols immediately before the Restriction took place?—47; which a rise to the average war price of three per cents., would make 60; giving an addition of more than one-fifth to the value of the anti-restriction stockholders property, to meet the rise in other property. All this Mr. Attwood, however, seems to infer, has been liquidated by the £480,000,000. of Sinking Fund. Was one man ruined from the depreciation which ensued from the Bank Restriction in 1797? Is there one man, setting aside creditors and fixed an-

nuitants, who has not been injured by the Bill of 1819, which raised the value of money? And, alas, how utterly has ruin come upon many. "No act (says Sir J. Sinclair) can be produced by which the Government was bound to pay the public creditor exclusively in gold, until the Act of 1816, by which silver could not be made a legal tender beyond 40*s.*: whereas, before that law, silver bullion was a legal tender to any amount." No standard of reference existed during the Restriction Act but silver coins, and they, (according to Mr. Attwood,) from the wear and tear, and debasement which they had undergone, did not contain more than one-half the standard silver which the present silver coins contain. Even, according to the strict letter, then, the lenders to the State, from 1797 to 1816, have no claim to be paid otherwise than in silver coins of half the standard weight of the present.

The only serious obstacle, therefore, to retracing our steps to that degree of depreciation which existed, and was rendered necessary by our policy in the war, is the certain injury which would be committed upon some individual stockholders, who, under expectation of money preserving the value which was forced upon it by the Bill of 1819, have become purchasers into the public funds since that time. There can be no doubt that justice demands a compensation to these: at least to all such as bought in beyond (say) the price of 75: and a scale should be made, like that of the American Government, in regard to their debt—by means of depreciation tables.

Although, in general, the opinion of the Americans inclined towards paying their depreciated war money in full, yet Mr. Jefferson states, that "There is a difference between different species of certificates, some of them being receivable in taxes, others having the benefit of particular assurances, &c. Again, some of these certificates are for paper money debts. A deception here must be guarded against, (writing to a supposed purchaser.) Congress ordered *all such to be resettled* by the depreciation tables, and a new certificate to be given in exchange for them, expressing their value in real money." Mr. Jefferson, in another place, gives the following table, to which I suppose he here alludes.

Emission.			Sum emitted.	Depreciation.	Worth of the sum emitted, in silver dollars.
1775.	June	23	2.000.000		2.000.000
	Nov.	29	3.000.000		3.000.000
1776.	Feb.	17	4.000.000		4.000.000
	Aug.	13	5.000.000		5.000.000
1777.	May	20	5.000.000	2 2-3	1.877.273
	Aug.	15	1.000.000	3	333.333 1-3
	Nov.	7	1.000.000	4	250.000
	Dec.	3	1.000.000	4	250.000
1778.	Jan.	8	1.000.000	4	250.000
	Jan.	22	2.000.000	4	500.000
	Feb.	16	2.000.000	5	400.000
	March	5	2.000.000	5	400.000
	April	4	1.000.000	6	166.666 2-3
	April	11	5.000.000	6	833.333 1-3
	April	18	500.000	6	83.333 1-3
	May	22	5.000.000	5	1.000.000
	June	20	5.000.000	4	1.250.000
	July	30	5.000.000	4 1-2	1.111.111
	Sept.	5	5.000.000	5	1.000.000
	Sept.	26	10.000.100	5	2.000.020
	Nov.	4	10.000.100	6	1.666.683 1-3
	Dec.	14	10.000.100	6	1.666.683 1-3
1779.	Jan.	14	*24.447.620	8	3.055.952 1-2
	Feb.	3	5.000.160	10	500.016
	Feb.	12	5.000.160	10	500.016
	April	2	5.000.160	17	294.127
	May	5	10.000.100	24	416.670 5-6
	June	4	10.000.100	20	500.005
	July	17	15.000.280	20	750.014
	Sept.	17	15.000.260	24	625.010 5-6
	Oct.	14	5.000.180	30	166.672 2-3
	Nov.	17	10.050.540	38 1-2	261.053
	Nov.	29	10.000.140	38 1-2	259.743
			200.000.000		36.367.719 5-6

* The sum actually voted was 50.000.400, but part of it was for exchange of old bills, without saying how much. It is presumed that these exchanges absorbed 25.552.780, because the remainder, 24.447.620, with all the other emissions preceding September 2d, 1779, will amount to 159.948.880, the sum which Congress declared to be then in circulation.

In a memoir on America, for the French Encyclopedie, and subjected to Mr. Jefferson's correction, it was objected, in reference to an adjustment, " Le remboursement presentera des difficultés des sommes considerables." To which he replied : " There is no difficulty nor doubt on this subject; every one is sensible how this is to be ultimately settled. Neither the British creditor, nor the State, will be permitted to lose by these payments. The debtor will be credited for what he paid, according to what it was really worth at the time he paid it, and he must pay the balance. Nor does he lose by this; for if a man who owed one thousand dollars to a British merchant, paid eight hundred paper dollars into the treasury, when the depreciation was at eight for one, it is clear he paid but one hundred real dollars, and must now pay nine hundred. It is probable, he received those eight hundred dollars for one hundred bushels of wheat, which were never worth more than one hundred silver dollars. He is credited, therefore, the full worth of his wheat. The equivoque is in the use of the word " dollar."—This is precisely the British depreciation case; the only difference being that the equivoque is in the word " pound"—as may be seen in the following sketch for a British depreciation table.

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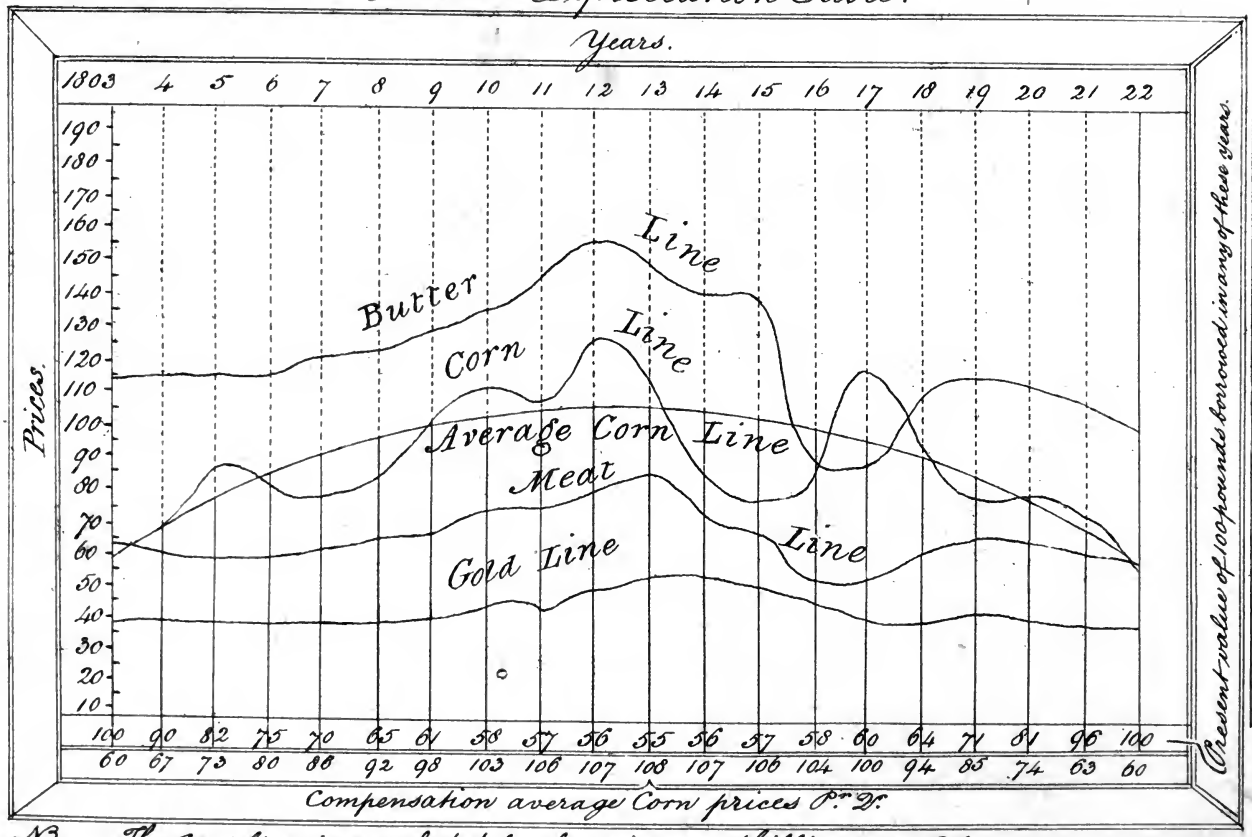
British Depreciation Table.



Numerically.

Years.	Gold. £ s d	Meat. s d	Corn. s d	Butter. s d
1803	4 3 6	62 -	60 -	- 11 3/4
4	4 - -	62 6	69 6	- 11 3/4
5	4 - -	60 4	88 -	- 11 3/4
6	4 - -	61 -	83 -	- 11 1/2
7	4 - -	63 -	70 -	1 - 1/4
8	4 - -	63 -	85 3	1 - 1/2
9	4 - -	66 6	106 -	1 - -
10	4 10 9	72 -	112 -	1 1
11	4 5 6	74 -	108 -	1 2 1/2
12	4 17 10	78 -	128 -	1 3
13	5 2 3	85 -	120 -	1 3
14	5 6 4	74 -	85 -	1 2
15	4 17 9	68 -	76 -	1 2
16	4 11 8	51 4	82 -	- 9 1/2
17	3 19 8	51 4	116 -	- 8 3/4
18	3 19 9	59 -	98 -	- 11
19	4 1 6	64 -	78 -	- 11 1/2
20	3 19 1	64 -	76 -	- 11
21	3 17 10 1/2	63 -	71 -	- 10 1/2
22	Do.	60 -	70 -	- 10

N.B. The Corn line is regulated by the price in Shillings per 2s.
The Butter line gives the price per penny, by cutting off the cyphers in the scale.
The Meat line gives the price of a hundred weight in shillings.

To render this table considerably under, rather than above the actual state of the depreciation, the corn price is assumed as at par at sixty shillings per quarter: whereas the average price for many years before the war was only about forty-nine shillings. As human monetary affairs proceed upon a much less rapid scale of change than the variable prices of commodities affected by seasons from year to year, the depreciation table here given is derived from an average compensation line, representing the price of corn as it rose and fell *generally* during the years of depreciation; in the same manner as the mean level of the ocean would afford a compensation line to its waves, yet truly delineate the curvature of the earth. The corn line is adhered to as a criterion, rather than meat or butter, because of its more general nature, and less liability to be affected by local circumstances. It will, nevertheless, be seen, that these articles tally with corn, excepting in wet seasons, when of course opposite prices prevail. This is particularly observable in the years 1816-17. Gold being thrown out of circulation in Great Britain, Austria, Russia, and America, was consequently a drug in the market: indeed, for some years, it was not even quoted among the "Prices current," and is therefore no criterion of value at this period. It will be seen, however, that the demand for gold for the purposes of war in 1810, when the payment through our manufactures was prevented by Napoleon's continental system excluding our goods from the European market, causes it to rise with other articles in the scale, which it did at

one time as far as forty-five per cent.: and had not its *non-employment* to so great an extent as a *circulating medium* been in operation, its rise would doubtless have corresponded with that of all other commodities: even as it was, a shade of resemblance in its variations may be traced with other articles.

Were a Parliamentary Committee to sit, and adjust a table of this kind, to be put in force by Commissioners, as in the case of the Income Tax, through, perhaps, a transfer of an additional amount of stock (at the public expense) to the names of such persons as, on a strict examination, should be found irremediable losers, either previous to, or since the war:* then, at least, neither injury nor injustice would accrue; except, indeed, to the public, who might well grumble, that after having, for so many years, paid cent. per cent. more than they ought to the great class of fundholders, they should now be called on to provide against the loss of another class of fundholders, when, if that loss were made up by the gaining fundholders, much advantage would still remain to them. A plan of this kind, however, would add so much to the difficulty of an adjustment, that it would go far to frustrate it altogether. The public must, I fear, be content to act on the principle of a landlord with a tenant who will neither pay rent, or go to plough, and yet refuses to leave his farm; whom, therefore, he must bribe to quit,

* All non resident foreign holders of stock, in the spirit of the principle of the law of nations, should certainly be paid in full.

at any rate, in order to prevent ruin to the land; and must add to his loss, in the first instance, to provide against a much greater loss in the end.

What estimate to put upon the sum which would be required for the purpose proposed, depends upon the average annual purchases* into the funds, as well as the average price of the funds of the last eight or ten years. I should imagine £50,000,000. would cover the whole, which I am very certain the public would regain in one year.

And let not the stockholder complain without just cause: let him consider how many 20 per cents. have been returned to the tenant from the interest which landholders have ostensibly received from their three per cent. investment in land since 1819, and let 20 per cent. be subtracted from the four per cent. interest which the stockholder has received without any deduction during this time; and still there would be no injury to the stockholder, beyond what he is liable to in common with every member of the community. Why is the landlord called upon to reduce his rent 20 per cent.? By national necessity. Is the fundholder, because he has chosen a different investment, to be

* Perhaps some Member of Parliament will call for an enquiry on this point. It will be hereafter shewn that 25 per cent. of taxation is due from *all* creditors, to bring them up to the level of taxation on houses and land: if the depreciation amount to 35 per cent., there will be 10 per cent. to make good to some parties; certainly not to *more than half* the number of stockholders: this would amount to £40,000,000., or 10 per cent. on £400,000,000.

absolved from an equal charge? The national obligation is laid upon the proceeds of all capital, not on any peculiar species of investment of it. Why has the fundholder been receiving more interest than the landholder but on the principle of less security: if the landholder's greater security fail him, and he be disappointed of even his low interest of three per cent., how can the post 1819 fundholder complain at an equal deduction from his higher interest of four per cent.? He will still be so much better off than the landholder by the larger interest he has been receiving for his money since the time of his buying in to the funds. A land tax has often been imposed, to meet national emergencies; but it was laid in that particular quarter, because, from the stationary character of the soil, it afforded the best security for the payment of taxation; not because capital, on being invested in land, became immediately inflicted with the peculiar curse of paying exclusive taxes. Property in land is but an accumulation of the proceeds of industry, in what has been generally esteemed a pretty secure, and, under present circumstances, the most harmless, because, with reference to an overproduction of goods, the least active, form of investment: it is, therefore, in fairness, no more subject to taxation than any other kind of property. However, until loose capital became so much invested in the public funds, there was no surety that it would remain in the country to be taxed: but now, that funded capital must remain *nolens volens*, there is no sufficient reason why the fundholding capitalist should not be taxed *directly*

in proportion to his present freedom from direct taxation. The precedent for such an act, would be the land tax, and other taxes on the soil, which became subject to such an imposition, only because it was supposed originally that no other capital was sufficiently fixed to be certain of its stay.

The interest on the National Debt amounts to about £28,000,000.; and the fundholder, the owner of the interest of the National Debt, is as much part and parcel of a fixed interest as the landholder. Now, as I said before, if the funds be a fixed property, why are they not taxed directly like other fixed property? Why has a land tax been imposed from time to time, but for the security of all property from danger, external or internal? Why are taxes now assessed directly on windows, inhabited houses, and land, and not on the interest of funded capital? The industrious classes, from being nearest the ground, and their fall being quick in proportion, are now the most immediate victims of the late war, because the tax payer, though he may barely be able to feed himself, is not able to employ and feed them. But why is the tax for supporting the poor, (imposed for national causes which have benefitted none half so much as the stockholder) to be thrown on every fixed property but his? Why is 4*s.* in the pound laid on pensions, and not on the £28,000,000. rent of the fundholder? Will it be said, that the fundholder, when he hires a house, pays the window and house tax? If he does, every one knows it is so much deduction from the rent of his landlord. If he builds

a house of his own, he then pays tax for it, because that part of his property thenceforward assumes that privileged shape which legislation has blessed with the doom of taxation. In order to accomplish the building or purchase of a house, he must sell some stock; which shews both that the capital invested in such house drops any connection it may have had with the public funds, and also that the same amount of property always remains untaxed; for some one else takes his place in the funds.

Estimating the poor's rate at present falling on fixed property, as land and houses, at £8,000,000.,* and adding £4,000,000. for the land tax, redeemed and unredeemed, the house and window tax, &c. we have an aggregate of at least £12,000,000. paid directly in the shape of taxation by the owners of land and houses, from which the fixed property of the

* By a Parliamentary Return, it appears that the poor and other rates levied in each County in England and Wales in the year ending 25th of March, 1827, amounted to £7,784,351. 19*s.* General Gascoigne, in the House of Commons, made an uncontradicted statement of their amounting at this time to not less than £11,000,000. And Mr. Slaney, who has paid great attention to the subject of pauperism, observed lately in the House, "that a few years ago the proportion of poor in this kingdom had been one in twelve; soon after, as one in nine; soon after, as one in seven; and now he believed it to be as one in six."—Taking the population of England and Wales, to which I suppose this calculation refers, at 15,000,000, we have an aggregate of 2½,000,000 of paupers: but even 2,000,000, at the estimated charge of £7. per head, would require £14,000,000. to maintain them.

fundholder is exempted; but which it is liable to, inasmuch as he, who has all the protection of the expensive government we possess, has no right to suppose himself absolved from a share in its state of involvement. The country he has chosen as his own, and it must be for better or worse. Though the partiality of legislation has hitherto refrained from taxing him directly as it has other fixed property, from an idea that it would be indelicate in the public—the debtor—to tax the stockholder its creditor, when it would tend so much to its own benefit; no one can, for a moment, imagine that the indefeasible national law which binds every class of subjects under equal obligations, can be subverted by an omission of Parliament, whose delicacy in this particular arose from a feeling that money lent to the public, must be held sacred by the public; as if the fundholder's capital were not property before it was lent; and as if that property were not since, as well as before, equally liable with other property to every call of taxation. "The rights of the creditor (says the eloquent writer on 'the present distress,' in allusion to coining the oz. of silver into 8*s.* 6*d.*) are bound up with his duties as a citizen. He can claim no exemption from the burthens of the State. So long as he is not singled out to be oppressed; whilst the same justice which is measured to others, is done to him; whilst it is not his property alone which is to be offered up at the shrine of national distress; he cannot complain of an infliction which he shares in common with every other class of men." Obligations, then, to which the fundholder has long been subject,

have as yet never been charged on him. Why delay doing so?* It will be well that so much of the superabundant capital of the country, otherwise so ruinous in its competition to the production interest, can be made available for national purposes, instead of its being in a condition to fly to another country, after being fostered and protected in this. A national debt, in this way, becomes a *bonâ fide* sinking fund of capital, otherwise insecure for national purposes: an imaginary land, ready to add its share of relief to the accumulating burdens of

* It may be said that the exemption from taxation formed one of the chief inducements to purchase into the public funds: this is very possible; and there certainly should be a difference of interest in favour of a fictitious investment like this, because of its inferior security to real property. But has not such a bonus always been obtained by an addition of one (oftener of two or three) per cent. in the dividends on funded investments to that received on landed, besides being removed from such casualties as bad seasons. A great deal of prospective pity is bestowed on the fundholders who have bought in since 1819—in case of any currency alteration at this time; whilst it is forgotten what numbers have bought land within that period, on the expectation of a secure three per cent. for their money; who have been obliged to return from 10 to 25 per cent. of their rents for the last three or four years. It is said that the Corn Bill adds more to the value of land, than the exclusive burthens upon it take away; and hence that these burthens ought to be struck out of this question: but with prices regulated by the antient standard of value, operating on an increasing and vast supply of corn, and other agricultural produce from Ireland, under circumstances of more cheap production and facility of conveyance than any other country can supply, this plea falls to the ground.

the country: and this may serve to counterbalance the evil of machinery, which tends to decrease comparatively the demand for, and value of agricultural produce; and so curtails its powers to meet taxation.

Upon the principle that the oz. of silver and the bushel of wheat have, for the two centuries down to 1790, had a tendency to assimilate in value, it has been proposed that the oz. of silver should be coined into 8*s* 6*d*., which would keep the bushel at about 7*s*. 9*d*., or 8*s*.: then with the oz. of gold at £6., we should be on a level with the fundholder, and the war taxation.* I am well aware of the many objectors to the plan of depreciation; but their arguments rest chiefly, if not entirely, on the grounds that, on former occasions, great hardship has resulted to the creditors when a depreciation has taken place. But I think they overlook the fact, that, in the present, which makes it, perhaps, a distinct case from all others, the whole nation, as the debtor, has been grievously imposed upon; and its creditors are the very men who have reaped the whole benefit of the imposition: those few, indeed, who have had no advantage (and they are very few, however short their

* The depreciating the standard of silver to 8*s*. 6*d*. per oz., would not affect the fundholder so much as the wheat price of 10*s*. per bushel, contemplated by the Corn Bill of 1815, to which they made no objection. The manufacturer and operative would be saved, as it will be shewn, from destruction by a nominal increase in the price of corn, through a depreciation of the standard; for these means would not only enrich their customers at home, but they could meet their foreign customers on the basis of the lowest continental price of corn.

advantage may fall of the loss they would sustain by an unindemnified depreciation,) it is proposed should be protected at the public expense, which will be after the manner of a fine for the renewal of the lease of prosperity.

Mr. Pitt's estimate of the rental of land and houses in 1798, (wheat being about *56s.* per quarter,) was £25,000,000. for the former, and £5,000,000. for the latter. Not to be under the mark, and taking into the account a comparative increase in the rent of land from improved husbandry, and a considerable investment of accumulated capital in new houses since that time, we may suppose the present landed rental to be £28,000,000., and that of houses £7,000,000.; being an aggregate of £35,000,000.; which, including the above direct taxation of £12,000,000. upon them, makes £47,000,000.; so that the tax is rather more than one quarter, or 25 per cent. on the gross rental. The direct tax, therefore, which is due from the £28,000,000. rent of the fundholder is of course £7,000,000., or 25 per cent. This taxation is strictly due from funded property *as capital*, and is altogether exclusive of any proposed alteration in the standard of value, in consequence of the monstrous advantages which have accrued to funded capital by the return to metallic payments, and by the gross error, or profligate extravagance of Government borrowing at the rate of £60. to pay again at £100. Whenever any adjustment of these matters takes place, (and sooner or later it must,) the taxation of 25 per cent. I have proposed above, will of

course fall only on whatever remains: thus, if it were proved that the fundholders were receiving one-third more than they lent, this deducted from £27,000,000. would leave £18,000,000. as the interest of the debt; the 25 per cent. tax on which would be £4,500,000.

It is evident that a similar taxation is due from the dividends on all capital whatsoever, private as well as public. That from private creditors could not be obtained except through Commissioners; and even then much evasion would ensue, unless the debtors were made immediately interested in a disclosure. At the close of the war the private debts were supposed to be equal in amount to the public debt. We could not, however, reckon upon more than £400,000,000. falling under the cognizance of Commissioners: at 4 per cent. there would be £16,000,000. dividends, the 25 per cent. taxation on which would be £4,000,000.; or less in proportion to any adjustment of debts contracted under a depreciated currency.

I know it will be said that both public and private creditors pay some sort of equivalent to the taxation of 25 per cent. falling at present exclusively on land and houses, in the increased price of bread, occasioned by the import duties on corn. But having restored gold to its old standard, it is quite obvious, that the price of corn, even if none were admitted from abroad, must return on an average to its antient average price at the same standard, which was, *and now is*, (exclusive of adverse seasons,) only 6*s*. per bushel; therefore, neither is the funded or any other interest taxed as a consumer of corn beyond what it

was in 1790, except in that wholesome degree requisite to the continued necessity of the grower, and to the limitation of the demand to the supply in scarce seasons; whereas, the duty of £4,000,000. on malt is another direct tax upon the land. The higher rents of the present time, compared with those of 1790, which, on *land in cultivation then*, do not average more than 15 per cent., have arisen from increased skill in agriculture, and a more spirited outlay of capital, producing corn at less cost; but this, like any mechanical improvement, is a fair advantage to the landed proprietor, because it leaves the price to the consumer the same.

It will, doubtless, also be objected, that such taxation on public and private creditors would be unjust, because it was unforeseen at the time their money was lent. Have not, however, the land tax, the malt and beer duties, the poor's rates, the house and window tax, &c. been imposed without the capitalists who had made investments in land and houses having, at the time of purchase, any expectation of them? These are precedents sufficient for a public and private credit tax.

After direct taxation is thus brought to something like an equitable level, then, if any more be required to relieve taxes peculiarly burdensome to industry, a *general* property tax may be thought adviseable: it can never lose, however, its inquisitorial character; and is too ready an engine of oppression ever to be permitted as a permanent case in a free country.

If Parliament should persist in refusing any adjustment of contracts, many of which have actually

doubled by the Bill of 1819, it will be no small satisfaction to have discovered a means of saving, with perfect justice to both public and private creditors, perhaps £11,000,000. taxation to the productive classes. By this means it is possible, together with the issue of one pound notes,* to get through our

* A very unjust prejudice has existed since 1825 against one pound notes, because, by a similar injustice, it was thought right to visit the evils of the Panic upon them. No reason could be assigned, because the Panic was owing to nothing more or less than the exchanges and balance of trade causing gold to leave the country; when £400,000,000. of bills were left, though payable in gold, without any gold to pay them with: no wonder that a panic was the consequence. Nor has it yet been answered why one pound notes circulate with advantage in Scotland, and with disadvantage in England. If joint stock companies were prevalent in England, with a sufficiency of capital, the same feeling of security which never calls for a sovereign in exchange, would obtain here as well as in Scotland. None of the humbug of the exchanges would affect the country circulation; but if London choose to subject itself to the inconveniences attending bullion speculations, let it have a gold circulation; there is no reason, however, why the *country* at large should add this to its other sacrifices; for, put London out of the question, a one pound note circulation is perfectly feasible: and the truth is, small notes are at once the best and safest possible currency. Best, because we cannot command sufficient circulating medium without paper; and if we could have gold, the speculations of the bullion market, as lamentable experience shews, occasionally drain it from us altogether; thus materially deranging *prices*, on which the powers to pay a fixed taxation essentially depend. They are the safest, because large notes, costing the same for their manufacture, afford a much higher premium to forgery than small ones; and the latter are not the vehicle of

difficulties without an alteration of the standard. It will be too unfair both to refuse any inquiry into the currency question, and also that which we are willing to accept upon trial in lieu of it. The depreciation, however, required in the standard being not above 35 per cent., and it appearing that 25 per cent. of taxation is strictly due from all creditors universally, it is possible to make a compromise in this way: Let the proposed depreciation take place, and let all

large speculations; so that great individual *losses* are never to be apprehended from one pound notes by forgery, or other casualties, often attending on paper money. The pretence that sovereigns take their place in the circulation, and that because £17,960,412. were issued between May 2, 1828, and December 31, 1829, they must consequently form part of the currency now, is fully answered by the return of the Bank, that out of these £17,960,412., £14,759,820. 10*s.* were within the same period returned to them; £3,200,591. 10*s.* is the only part therefore remaining in circulation; whereas, the £8,000,000. (or thereabouts) of one pound notes, which circulated in 1824, were, from their threefold activity, equal to £24,000,000. of any other species of currency.

To all that Mr. Peel has lately said in Parliament on the subject of his Bill of 1819, an excellent Pamphlet, entitled, "The Present Operation of Mr. Peel's Bill," though published, I believe, before the Session opened, is a most triumphant answer; and shews, by a series of tables, that the alterations in price which the Right Honourable Secretary attributes to the change from war to peace, have, for the most part, taken place since 1819, (four years after the war had ceased;) from which period to the present, with some vacillations, according as the operation of his bill was allowed to be more or less gradual, there has been a fall in price in almost every article of produce, colonial as well as domestic, of 50 per cent.

those who, on the principle of having lately become creditors, can prove to Commissioners a case of hardship, with respect to the additional 10 per cent., (the difference between 25 and 35 per cent.), be exonerated from loss at the public expense. Certainly *not above half* the stockholders could exhibit such a case. The payment of this would cost the nation £40,000,000., being 10 per cent. on £400,000,000.; the interest on which, at 4 per cent., would be £1,600,000. There might be a clause in the act effecting this measure, absolving all persons holding stock at the time of the passing of the bill, from all future taxation on the same ground, unless real property also incurred an additional taxation, when it should be imposed in an equal proportion.

Do not the inveterate objectors to all depreciation, overlook also the fact, that various alterations have taken place in our standard, for the most part, it is true, rather gradual than sudden, as if to meet the growing necessities of a new order of things. They must remember, that the depreciation which has obtained in our gold standard since 1344, in the reign of Edward III., has been, up to 1717, at the average rate of about £10. per century. Thus, in the 18th year of Edward III. the mint price of gold,* paid in silver, was £12. 15*s*. 0*d*.; in the 5th of Edward IV. it was £22. 12*s*. 4*d*.; in

* I take this from a Table drawn up by Ruding, from the Indentures forming part of the MS. of the British Museum; from Mint Accounts in the Exchequer; from Snelling's Tables, and other authentic documents.

the 3rd of Edward VI. it was £34.; in the 10th of James I. it was £44. 10*s*. 0*d*.; and, after some vacillations, it was raised, 3 George I. to its present price of £46. 14*s*. 6*d*.; notwithstanding the advice of Locke to Lord Somers, about 20 years before, that no depreciation should then be allowed—advice which, for the time, was followed, out of respect to the character and high talent of that great and extraordinary man.

This large but gradual depreciation must have been the offspring of some natural causes: to me it has appeared (though I advance this opinion, as I would every other, with diffidence) that there is a growing tendency, from accumulation of capital, skill, machinery, and other causes, in the producers of manufactured goods to supply the market with more than those consumers, whom I have distinguished by the term the consumption interest, because they are not producers of those goods, are, under accumulating burdens, public and private, able to purchase. Very true it is, that the working out of such a system may affect individuals considerably; but when oppression, from whatever cause, besets the people at large, "*Salus populi*" will ever be the supreme law. But neither the loss or the injustice is so great as apparent; for where the creditor, which is a frequent case, is also a producer, the increase to his market will cover the loss to his capital: and the high interest at which money was lent in such a crisis as the late war, could be founded on no other basis but

the insecurity of its return; if security resulted, the speculation was a lucky one; if all the shillings in the pound cannot be eventually paid, the high interest in the interval will mostly compensate, and be even more than equivalent to the whole sum really lent at the *average* rate of interest; and even if that should not happen, what reason can be assigned for a public speculator being absolved from a law which affects every private speculator when the speculation is bad?

It appears, then, according to the experience of past centuries, that the standard of our gold coinage should, by this time, have advanced to £56. the oz., instead of £46., which it was fixed at a century ago: and this, independent of all those artificial circumstances which have arisen out of the unprecedented expenditure of the war of the French Revolution; where taxation and machinery acting as clogs to the power of consuming goods, both in the great agricultural interest, and the labouring class, they must require more than the ordinary stimulus which preceding centuries have given them; and therefore it is that a depreciation of 8*s*. 6*d*. the silver, and £6. the gold oz., is proposed. It would be far better, however, if we would confine ourselves to a silver standard, after the example of, I believe, all the continental nations. There are many arguments which have been already employed in favour of a silver standard; and a very important one is that mentioned

by Sir John Sinclair. "By a return from the Bank of England, it appears, that during the existence of the late war, silver was much less subject to variation than gold; the difference in favour of silver over gold being from 4.84 to 6.56 per cent." Nor is this to be wondered at, considering that the supply of silver is to gold, as 52 to 1. And this cause, together with the greater expense of transit, makes silver much more stationary. We are not to forget, likewise, that our late choice of an exclusively gold standard, for the first time in our history, must, especially during the present scarcity of the precious metals from the American mines, operate considerably against the powers of the continent to consume our goods. The general fall of the continental prices is attributed to this cause, of scarcity of precious metals, and I think with a great shew of reason.* And if the truth bears it out, we should surely be led to re-consider the propriety of a metallic currency

* Mr. Flores Estrada, the Spanish Minister of Finance under the Cortes, states that the supply which Spain derived from the American mines for four years preceding 1808, was about 15,000,000 sterling per annum. Mr. Estrada, indeed, goes so far as to say, that they only remit to Europe now about 2,000,000 sterling per annum. He states also that it is next to impossible that any thing like their former produce should ever be raised again; alledging that the former produce was only raised by a system of tyranny the most dreadful to conceive, which it is not possible to make the South Americans submit to, under the liberties they now enjoy. Attwood.

at all, which is subject to so many fluctuations,* from which a paper circulating medium, on the joint stock or Scotch principles, is free.

Mr. Taylor, in his Records of Mining, quotes a very important passage from Humboldt, who says, "Mexico and Peru depend very much upon the abundance and low price of the mercury, for the quantity of silver which they produce. When the mercury fails them, which happens often in periods of maritime war, the mines are not so briskly worked; and the ores accumulate in their hands, without their being able to extract the silver from them, (by the amalgamation process where mercury is indispensable,) especially† where combustibles are wanting for smelting. What an argument is this against a metallic currency; where a sudden contraction of the supply of mercury, (a metal peculiar to so few countries, Spain, Mount

* A very urgent demand for guineas, though not arising from the high price of gold and the state of the exchange, but from a fear of invasion, occurred in 1793 and also in 1797; and in each of these periods the Bank restrained their discounts, and consequently also the amount of their notes, very much below the demand for the merchants; these facts afford illustration of the general disposition of the Bank antecedent to 1797 to contract their loans and their paper when they found their gold to be taken from them." Bullion Committee Report.

† In 1801, the gold and silver obtained from the Mexican mines amounted only to 3,480,000, while, in 1803, the coinage again amounted to 4,865,000, on account of the abundance of mercury.—*Humboldt.*

Tonnere, Carniola, and Transylvania,) can in a moment increase the value of money, and lower that of all other commodities, and so undermine the basis of all property: and, again, when fresh engagements have been entered into, on the principle of dear money, a renewal of the supply of mercury causes the accumulated ores to fall in price, and money returns for a time to more than its former cheapness; and property receives another check. Moreover, when it is remembered that the produce of gold from the New World is to its produce from the Old as 3·5 to 1, and the produce of silver from the New World is to its produce from the Old as 12 to 1,* the argument receives additional force.

If, however, we are determined to abide by a metallic currency, I am not sure the depreciation proposed had not best take place by means of an alloy. If we could contrive an alloy that would be useless to the currency of other countries, unless the precious metal were extracted; and if the difficulty of separation were so great that the expense of the process should prevent the transit of such coins for the purposes of merchandize, a great point for a metallic currency would be

* Alexandre Brogniart, Paris, 1807,—Traité Elementaire de Mineralogie; who also says, the total annual produce of silver is to the total annual produce of gold as 52 to 1; and the total annual produce of American silver is to the total annual produce of American gold as 62 to 1. This estimate is taken from 1790 to 1802.

gained in the diminished fluctuation in the quantity of it. Whereas by the present law of a low nominal and really high standard for gold, we have coined* a bait to lure its transit to the continental market; and when gold is called for in payment of imports instead of goods, the price of gold is raised by the scarcity consequent on such payments. Then, for the purposes of our domestic currency, we are obliged to buy it back at an advanced rate. In other words, after having sold our gold cheap, we are compelled to re-buy it dear; while the scarcity and dearness of gold consequent on its leaving the country,

* The Times newspaper of a few months back gives the following.

"GOLD.—By the letters from Paris of the 19th inst., gold is at a premium of 10f. per mile; which, at the English Mint price of £3. 17*s.* 10½*d.* per ounce for standard gold, gives an exchange of 25f. 40c.; and the exchange at Paris on London, at short, being 25f. 15c., it follows that gold is one per cent. higher at Paris than in London. By the letters from Amsterdam of the 20th instant, the premium on gold is 14¼ to 14⅜ per cent., which, at the English Mint price of £3. 17*s.* 10½*d.* per ounce for standard gold, gives an exchange of 12f. 7c. to 12f. 8½c.; and the exchange at Amsterdam on London, at short, being 11f. 87½c., it follows, that gold is 1⅝ to 1¾ per cent. higher at Amsterdam than in London. By the letters from Hamburgh of the 16th instant, the price of gold is 102¾ per ducat, which, at the English Mint price of £3. 17*s.* 10½*d.* per ounce for standard gold, gives an exchange of 13. 12¼; and the exchange at Hamburgh on London, at short, being 12. 7¼., it follows that gold is 2½ per cent. higher at Hamburgh than in London."

lowers the money price both of manufactures and natural produce; and when this diminished price of commodities has to meet a debt stationary at a high price, the evil becomes intensely aggravated. Yet this has been the direct consequence of the currency measures we have pursued since the peace. "Instead, (says Mr. Attwood,) of fitting the standard to society, we have proceeded madly to force society into conformity with the standard; and when the cries and groans of an oppressed people compel us to relax our hands, we do not abandon our wild and criminal object, but we content ourselves with suspending it for a while, and with administering, by way of expedient, a few palliatives* and restoratives, to serve a temporary purpose!" By means of this kind, we relieved the universal distress of 1816, and brought on the prosperity of 1818. By similar means, we relieved the distress of 1822, and brought on the prosperity of 1824. By similar means, we again relieved the panic of De-

* Of the 26,000,000 of Bank of England notes now in circulation, how much does the reader think is issued upon discount in the regular way of Banking business? Just *one million!* All the rest is issued in the way of "tampering with the currency," in purchases of the national debt, effected for the three-fold purpose, 1st. of *shoving off the panic;* 2ndly. of enabling the Government to *pay its dividends;* and, 3dly, of covering the *retreat of the country one pound notes, the bread and cheese money of the people.* None of these objects could be effected without the aid of this enormous circulation." —Introduction to "Scotch Banker," 1828.

cember, 1825.* "All which periods of distress arose from the prospect or actual return of cash payments."

The only *natural* means of escape from our difficulties, is the sponge. Government, and by

* At the time of the panic, the Bank of England increased its issues of paper money about 9,000,000, in the course of a few days, besides issuing also many millions of additional sovereigns. These operations removed the panic in the very same way as *counter-operations* of a similar nature had produced it. During the year 1825, 8,000,000 of sovereigns had been exported, and the Bank of England, as is well known, had reduced its paper circulation about 5,000,000. This panic was produced by the abstraction of the circulating medium, and removed by its restoration.—Introduction to "Scotch Banker."

By a statement of the scale of stamp duties on bills of exchange in England, laid before Parliament, on the motion of Mr. Marshall, M. P. for the county of York, it appears, on calculation, that the whole amount of bills drawn in the speculative year of 1825, was about £600,000,000., which, supposing one-eighth to be in circulation at a time, would add 70,000,000 to the currency. During the commercial distress of 1826, the amount was reduced to £400,000,000., which would, of course, reduce the circulating medium about £20,000,000., or nearly as much as the whole issue of paper by the Bank of England.

The nation would not be bankrupt if it had to pay only what it really owes; but men in the highest credit must be bankrupt, if, by the process of a particular monetary measure, debts amounting justly to but half their property, become doubled. The nation is situated precisely thus. Yet as no one presumes to send the nation to jail, no one seems to credit its inability to withstand the pressure of its debt. The condition of the working classes, however, proves that the load on their employers is at variance with their welfare. So much of

its means Parliament, may assume a creditable countenance; but they cannot convince a bankrupt people that its representative is not bankrupt too. But there remains *artificial means*, which may entirely avert this natural national blow. A depreciation of the standard, the next remedy, is the only substitute for the sponge. Fundholders will be against it, because they will wish to retain their ill-gotten wealth. Pensioners will object, because their salaries, which were raised when goods were dear, have not been lowered *in proportion* since goods were cheap.

the produce is usurped by taxation, that production ceases to be profitable; and if one class of producers be prepared to sell, another class is incompetent to buy; thus the fund for the employment of labour is withdrawn; and such a degree of wretchedness is the consequence, that crime is often committed to secure the comforts of a jail; for confinement and good food are preferred to starvation and liberty. I should be glad to hear the question put in Parliament, "What is to be the eventual criterion of a national bankruptcy?" It is generally looked upon as tantamount to a private bankruptcy, if a father be unable to support his own children. Viewing our Government in that paternal light, I should pass a similar judgment on it. Nevertheless, our creditors seem to imagine that a crisis like a national bankruptcy cannot happen unaccompanied by some great natural warning; the fall of the Stock Exchange, at least, or perhaps the crumbling to dust of St. Stephen's. And waiting such an event, they will continue to smile at their own good fortune, till a Revolution awaken them. It appears to me, however, that if the payment of debts prevents independent support to the great mass of the nation, a moral bankruptcy at least is already begun, and should be consummated at once in favour of the people.

Even those Noble Lords, possessed of real fixed property themselves, may wish to continue the bonus to their pensioned relatives. But is the nation to be put off with reasons like these: "that the unwieldy creditor and the overpaid pensioner will be curtailed of their twentieth luxury," to give to the people the thousandth part of a luxury they now have not.* The people have outlived

* Mr. Mushet's elaborate and valuable Tables, respecting the effects of the changes in the currency on the property of the fundholder, have no reference to the gains he will now receive on his capital; they are wholly confined to what has taken place with respect to the interest paid up to the year 1820, and amount to this: between the years 1801 and 1820, the mass of fundholders lost, from variations in the standard, the sum of £1,454,060.

But, in calculating this result, an item of £17,418,225. is stated as lost to the fundholder, because, if the small annual losses had been put out to compound interest, they would have amounted to that sum; but, as this, in the ordinary nature of human dealings, would not have taken place, in so much the calculation ought not to have weight. In some degree to balance this, he calculates the gains of the fundholders at compound interest, from the changes in the currency, at £1,880,787. Deducting this from the supposed loss, the balance of £15,537,438. of loss from this source enters into the account, the general balance of which, as above stated, is £1,454,060. Hence, exclusive of these false compound interest accumulations, the fundholder has really *gained on his interest*, during the period in question, the sum of £13,083,478.

But let it be admitted, for the difference is not worth a thought in the vast scale of these operations, that the fundholder has neither gained or lost upon his interest up to 1820, does it alter the fact, that when the produce of goods,

the cry of rents and corn. They know, as well as the Government, that "this is the fate of the great agricultural ox. It has been crowned with *chaplets of corn bills*, and decked out and bedizened with metallic coins. It has been paraded through the country, and exhibited before the public eye as the main cause of the public distresses. And now it is delivered over to the knife of the butcher, blindfolded and bound with a hundred cords, whilst bands of cunning and cruel Jews are crowding around their expected prey."* The people are aware that the 3 or £400,000,000. of debt, which could not be paid but by a Restriction Act, now that it has increased to £800,000,000., cannot be paid but by a similar policy. And, perhaps, the most cautious method of depreciating the standard would be to seize the moment when an extended issue of paper had caused a natural depreciation. In some way or other it must be done; we may quibble about

worth actually £42. in the continental market, was lent to Government as £60., and thus purchased stock now selling for £90., the creditor has gained £48., and the nation lost to that amount; equal to 114 per cent. on all the money so lent; and amounting, on the 500 millions of stock borrowed, on an average of 60 to 240 millions sterling, neither can it be denied that for every £42. then lent, the fundholder receives now an interest of £3., about 7¼ per cent.

* "The Scotch Banker."—No letters since those of Junius have been written with more power than these of Mr. Attwood. They may not have the elegance of Junius, but they have all his point and inflexibility of purport.

straws as long as we like, but we must kick the beam at last. And let not our Ministers any longer oppose what is now confessedly the current of popular opinion. We find the best legislators consulting only the spirit of their own times; and overlooking the prejudices of those gone by, refuse to be bound by what has become too obsolete to be connected with the prevailing necessities and wants of the time being, well knowing that laws are good, not for their antiquity but for their fitness; and that an old law should never stand in the way of legitimate effects from new causes.

For the future, however, after settling the currency and the standard of the precious metals on grounds expedient for the present, we ought not to look forward to any sudden alterations in the standard; but rather, having ascertained as near as may be, the precise rate at which production tends to leave consumption behind, to divide the depreciation (which appears to me to be necessary from this cause,) over a number of years, so that the stimulus to the consumption interest may be gradual, and only imperceptibly obstruct those intervals of distress, which, without this remedy, it seems, will always be happening in commercial countries. And this graduated process will have much less tendency to excite a quick overproduction, than a sudden alteration, which would give to the powers of consumption too great immediate capacity, and induce the producer to

miscalculate their permanent market, and so lead to hurrying on the next mercantile catastrophe.

It is possible, that, by strict economy and prudence, the present plan of depreciation may enable us to liquidate so much of the debt as that some diminution of this fall in the standard may be eventually rendered feasible, when we might return gradually to a more natural standard. At all events, prudence in finance, and strict attention to the administration of the poor laws, (thus, by a gradual prevention of support to able bodied labourers, curtailing the growth of population,) will prevent the want of any further depreciation for a length of years very improbable. But to watch over the movements and bearings of so mighty an engine, and so critical to the good of the people, as the circulating medium has of late years proved to be, some separate office should be established in the shape of a Board of Currency, whether under Government, or Parliamentary influence, others best can tell.

FREE TRADE.

" No authority on earth can claim a right to coin opinions into truths, and make them current by their authority."—*Locke.*

" What! shall a miserable financier come with a boast that he can fetch a pepper-corn into the Exchequer at the loss of millions to the nation." —*Lord Chatham.*

" Point de doute que l'intérêt de cette puissance (L'Angleterre,) si habile à apprécier et si persévérante à mettre en œuvre ses moyens de succes n'ait décidé cette révolution dans son système économique. Elle a calculé que la liberté du commerce en multipliant ses débouchés, ne l'exposait à aucune rivalité redoutable."—*Aubert de Vitrey, Bulletin Universel.*

There are two aspects under which it behoves us to consider the operations of Free Trade: the one as it respects Great Britain specially; the other as it affects, in a more general manner, any or all of the individual countries of the world at large.

By a general and genuine freedom of trade, we are to understand a convention among all the nations of the earth to receive each others goods without let or hinderance, i. e. unrestrained by

duties or prohibitions on their importation. A free trade, in its full extent, is compatible only with the existence of such a convention; and that again is dependent upon an universal harmony of sentiment and interest among all the people of the earth. Whether a millenium of this nature be included in the designs of Providence, is not for man to say; it is sufficient for him, perhaps, to feel that his own every day's intercourse with the world affords no evidence of its existence at the present hour. Our arguments must needs then ground themselves not on the possible, nor yet the probable, but on the actual state of things. And the amount of the existing difference of interests in the world must always form the absolute ratio of the exception to a perfect freedom of trade.

In the course of the affairs of nations, their governments (some through necessity, some through extravagance,) incur a load of artificial obligations which disturb the smoother current of their natural powers. Were this to be shared in an equal degree by all, were all the world to war at once, and not in part, and all to be involved in the same expense, still no obstacle would arise from this source to the proposed end, for the mutual relations would remain inviolate. It happens, however, notwithstanding the commercial impediment of which it is a cause, very fortunately, that war, on the average, far from being universal at any one time, is extremely

partial, both in extent and duration; and, hence, the unlucky subjects of it recede from their natural position in proportion to the exactions levied on them for the carrying on of war; while others retain the unincumbered vigour of their natural powers, insomuch as they have had the happiness to be removed from war.

If the taxes which a Government is able to impose on a country for the purposes of war, prove insufficient for their intention; either the war must come to a close, or resort must be had to borrowing, under promise of payment, when the taxation, which has before gone towards the current expenses of the war, can, on the arrival of peace, be set at liberty to defray, besides the interest, the principal also of the money so borrowed. It is evident, then, not only that the period during, but often also that the period succeeding a state of warfare, is adverse to freedom of action with respect to commerce; as it robs the country upon which it has been inflicted of a portion of its equality with other countries. For when we consider that the imposition of duties on articles imported from foreign countries is so easy a mode of levying taxation, that it has become accredited in almost every country, we shall be obliged to confess, that the nation which has subjected itself to the necessity of such import duties, is, in proportion to their amount, (other things equal,) less able to follow a system of free commercial intercourse

than the nations absolved from such necessity, the improvidence of human nature not allowing of national accumulation for purposes of war; in the absence of which the shock must be transferred somewhere; and because the commodities which must, therefore, rise in price, to meet this taxation, must also enhance the price of labour; the products of such labour will consequently be dearer than where no such taxation exists, and be undersold in the open market of the world. Will other nations accommodate themselves to the artificial condition of this country, when she cannot accommodate herself to them? Shall the interests of one country effect a reform in all? There is neither reason or probability in supposing it. This nation, then, must except itself to a system of free trade. Will it be said, that commodities ought not to rise in price in the ratio of taxation? Then who can afford to buy those imported articles on which duties are laid, when taxation absorbs so much of their income? If prices do not rise in proportion to taxation, consumption must decrease in that proportion.

But financial embarrassment is not only not the sole obstacle to a free trade, but that arising out of the unequal and artificial growth of society is, in my opinion, of a far more unbending temper. Perhaps Nature herself may not be so favourable to it as some imagine. Of this it will be difficult to judge until we obtain more accurate information than is at present possessed of the greatest

possible supply, under the highest powers of cultivation or manufacture, of the principal articles of commerce from the most peculiarly favoured sources; for instance, how much silk goods could be procured from France; how much linen from Germany and the Netherlands; how much corn from the North of Europe; how much wrought cotton manufacture from Britain or America; how much raw cotton from America or India; how much hardware from Britain; how much woollens and wool from Spain, Germany, or Britain; how much wine from France, Germany, and Portugal? and so on to the other principal articles of consumption, as sugar, coffee, tea, tobacco, &c. we may then be able to approach more nearly to a rational conclusion. If it should turn out, as there is reason to believe, that the raw materials, under the ultimate culture, of the chief manufactures can be supplied from a very limited space, say one country* for each, and that machinery has arrived, or is extensively arriving at such an overwhelming independence of manual labour, that one country, say England, can manufacture more than sufficient cotton for the whole world; and that another, France, with shortly to be expected improvements in her machinery, internal communication, and system of cultivation, can glut the

* Of course, by country in this sense, is meant such as are marked by natural boundaries.

world with silk and wine; that America can do the same with raw cotton and rice, &c. &c. how are those other countries to fare, which have previously supplied a part of these to themselves or others, and which possess no other peculiarly favoured means of supplying some commodity to the general market? If they can receive all they want from other countries without any employment on their own account, what will be the value of property in those countries? How can industrious labour support itself there? The demand for both would equally cease, and with it their value, and at the same time the means of the possessors of property and labour to buy imported articles. It would be an impossible case to buy when every source of wealth had fled. To a country thus situated, free trade, so far from being advantageous, must be positive destruction. It might be sunk under water with less misery to its inhabitants; and yet many nations of the globe are so situated, that every essential thing of necessity and convenience they consume, might be obtained cheaper from some other place than they can themselves produce it.

The truth is, that were there no unequal financial difficulties, the inequality of population in different countries is so great, (and the cheapness of labour, *cæteris paribus,* being in direct proportion to the amount of population,) that those countries which, from a long enjoyment of civilization and liberty, had, with the aid of ma-

chinery, encouraged population to a pitch of superabundance, would be able to undersell others where labour was scarcer and dearer; and contrariwise, where the barbarism of a country prevented the profitable employment of labour in any thing but the raw produce of the soil, labour might be so cheap as to undersell the labourer of a more civilized race; and the other channels of industry in the country of the latter being filled, he (the civilized labourer,) must be checked in his progress onwards, or cast back to the condition of the barbarian, whose life, labour, and property, are of so little value to himself, that he can dispose of them for almost nothing to others. And this advantage of producing cheaply may be by no means naturally peculiar to such barbarous country; but may arise from the absolute inferiority and worthlessness of its own condition, or the comparative superiority of the more civilized one; causes which would probably, in a short time, lose their force, and then the sufferers in the unequal contest would have suffered for nothing.

Notwithstanding that it is said, upon some authority, that "every regulation to force industry into any particular channel is impolitic and injurious;" it is evident that new wants will occur first to those who are foremost in the march of civilization: but it by no means follows, that those to whom greater wants have first occurred will eventually be found the most apt in producing

them. After one country has been a century or two producing a commodity which it may itself have introduced to notice, another country may spring into civilization with more natural facilities for sending it better and cheaper to market; as American cotton displaced that of India. The population of old producers which had been superinduced and fostered by the manufacture, would, under free competition, be compelled to give way. It may be very impolitic to force a boy into any profession against his will; but when he has got through the uphill work of learning it, and is obtaining a decent return for his trouble, it would be rather hard to deprive him of his business altogether.

Were there no inequality in population, skill, finances, and civilization, throughout the world; it might ostensibly appear imprudent in any country to force the production of goods, which could be had cheaper or better elsewhere; at all events, so long as there existed sufficient employment for its population in other channels, (and further than that I am not prepared to speak as to its propriety). But when these equalities do not obtain, when other channels for industry are surfeited; or when one country has only been overtaken by another in its facility of producing what the first country could supply cheaper hitherto; it may be necessary to pause previous to so direct and sudden a conclusion, as that it is impolitic and imprudent to *continue* industry in

a channel which could be filled at less expense from other sources. We know, for example's sake, that Poland is not so far advanced in manufactures as England, and that its population, compared with its power of producing corn, is not so numerous: Poland, therefore, experiences a lower corn price from its smaller demand for corn compared with the supply. The greater corn price of England, (independent of taxation,) arisen as it has from the producers of manufactured goods gradually demanding more corn, is a natural result, because of the relations between the number of people and the quantity of corn in the English market having as gradually lost their ancient proportions. As manufacturing skill and the accumulation of capital advanced, the facility of producing goods became greater than the powers of consuming manufactured products in the country could keep pace with: an extension to the facility of consumption was then necessary; the natural means of effecting this is by the greater demand for corn increasing the price, and thus stimulating the consuming powers of the possessors of land. The very consequence of manufacturing skill is to bring an increased quantity of manufactured goods into the market, which necessarily produces a higher price of corn, if only because of the greater quantity of money thus introduced into the market; but the causes above cited conspire to the same end. If the powers of consumption in the landed interest, did

not receive the stimulus which seems the natural consequence from an increased demand for its produce, the increased productions of the manufacturing interests would be curtailed of the most valuable as well as the most certain market it had, while the manufacturing labourer, in proportion to his productiveness, supposing no foreign outlet, must be worse paid. Moreover, a country having arrived at a very perfect state of agricultural and manufacturing industry, and a great population having been superinduced from these very circumstances; and a degree of luxury having grown up comparatively among all classes, compatible only with a state of accumulated wealth; is it like a law of Nature to let loose among these civilized labourers, who have acquired so many artificial wants distinct from a state of barbarism, (whose wants are the chief means of fostering manufacturing industry,) and who are capable of supplying themselves with food, to let loose the products of the earth from a country inhabited by a horde of barbarians, whose condition is so degraded that they receive no wages for their labour; are, in many cases, incapacitated from consuming even the smallest portion of the wheat they produce; who, from being compelled to live almost entirely on fruits and herbs, have induced the will to continue such a custom; who are ignorant of the refinement which the accumulation of wealth and the progress of manufactures introduce, and the price

of whose natural products have never experienced a rise correspondent and necessary to an improved state of existence; is it, I ask, like a law of just and benevolent Nature, to repay the better employment and rapid accumulation of the talent of the civilized nation, by lowering its people to the condition of the boors who have hidden their talent in the earth? The natural products of a barbarous country must of necessity be low in price; there is wanting there the very cause and principle of increase of price—the progressively extending demand from a manufacturing population, which has been fostered and bred by accumulated wealth from the land. The condition and the existence of the population of such a country, is of little value; and the value of that which contributes to its support is naturally correspondent. The consequence of allowing products thus cheap, (from the cause of barbarism,) to enter a country where the same products are high in price, (from the cause of civilization,) would be either totally to outsell the civilized producer, and thus deprive him of *all* means of existence; or, by reducing his price, to curtail his mode of living to the savage state; the very most advantageous expectation is, that it would create a sort of half way state in the condition of the two parties; all that the civilized man lost, might be gain to the savage; all that the savage gained, would certainly be loss to the other. I have supposed, under the changes I

have been describing, no additional market for the sale of manufactured goods, so great as to demand the employment of an additional supply of workmen; there would rather be a diminution of demand, because the few artificial wants of savages, would not equal the custom of those whose industry they had displaced, who had acquired artificial wants; their consumption certainly could not keep pace with the daily increasing means of production from improved mechanical skill, and the application of extraneous power.

Is it not a fact, that, as a general rule, nations who export, or have exported corn, are very low in the scale of civilization, in fact, on the eve of emancipating themselves from a state of barbarity; living on the lowest species of food, because unable to purchase that which is their proper food; but which the mercantile spirit of a company, or select few among them, hoard up, for the sake of exportation to other countries. In the days of barley bread, I believe England, (and, I think, Fleetwood backs me out,) was a corn exporting country. Are not all nations to be supposed in the progress towards civilization? Then may we suppose a time arrived, when the population of each country shall consume the best of its own products; or, if there be a surplus for a time, the most profitable investment will be found in some new domestic manufacture. Since, in the course of time, therefore, it would

appear, that each country will be sufficiently occupied with the difficulty of providing food for its own people, what will be the fate of a population which, from extraneous sources, has been forced and fostered beyond the possible powers of its own soil to support? I can compare it with nothing more hopeful than the family of a man, who, having lived on promissory notes, and mortgaged his whole estate, has left his children to an inheritance of the refuse of post obits.

Were France, with her present population, to be curtailed of supplying herself with any thing but silk and wine, which may occupy about 4,000,000 of her 33,000,000 of population, the competition of the remainder would, at least, reduce to penury that 4; or 6,000,000, to which the number of the silk and wine trade might be increased, by a larger foreign trade. Her growth of corn, which, under its present system of cultivation, requires 21,000,000 people for 114,000,000 acres, where 5,000,000 do the labour of 53,000,000 acres in Britain, must, in a great measure, give way to a cheaper supply. England, take away its taxes, could provide it cheaper. It will scarcely be urged, that France, which supplies so much of the world's consumption in wine and silk, would more than double its present trade in those commodities, supposing other nations willing to receive them, particularly when the distress of her own people, thrown out of other employments, would discontinue their consumption. The result

would be similar in all countries where the population exceeded the demand for the production of their peculiarly favoured commodity or commodities.

During the transition from an artificial and complicated to a perfectly unfettered trade, individuals, or individual trades, might profit to an enormous extent; some, perhaps, in proportion to the loss of their neighbours. But, unless the profit to individuals will compensate the loss to the nation, the nation must be considered before the individual. A man, by trading with a foreign country instead of his own, may increase the returns from his capital, we will say, 5 per cent., which, there can be no doubt, would make him 5 per cent. richer than before: and if every man in the country could increase his profits by 5 per cent., there can be little doubt that that same nation would be most materially benefitted by such means, inasmuch as, in every active investment of capital, the powers of forcing production would be increased 5 per cent. throughout. But if the gain of one trader or set of traders be a loss to the country, taken as a whole, the national interest assumes quite another aspect. Let us go into the detail of an imaginary case like this. Let us suppose that "instead of the linen manufacturer of Edinburgh exchanging his linen for the silks of London, he would exchange it for the silks of France," which, as they are cheaper, would bring him in a greater profit in the sale of

his imports. Then, (to go on with Mr. Ricardo's own words,) "instead of the silk manufacturer of London exchanging his silk for the linen of Edinbourgh, he would exchange it for the linen of Germany." What would be the result of this alteration in the channel of our commerce? If the silk of France should come to England, and be sold cheaper than the London silk, the London silk trade would be destroyed. It is equally evident, that if the German linen should come to England, and be sold cheaper than the Edinburgh linen, that the Edinburgh linen trade would be destroyed. If, however, the Edinburgh linen manufacturer could get cheaper silk from France, and the London silk merchant could not get cheaper linen from Germany, then the Edinburgh manufacturer would receive a great profit from the cheapness of French silk; and then only one of these trades would be destroyed; but if both silk could be obtained cheaper from France, and linen from Germany, then it is plain that both the London and Edinburgh manufactures must be destroyed; and the wealth which they produced to the nation would be lost, or have to be supplied by a foreign trade in other articles. Suppose, again, that instead of the cotton spinner of Manchester exchanging his cottons for the woollen goods of Leeds, he should exchange them for woollen goods manufactured where wool was cheaper than in England, viz. Spain, Odessa, or Germany, the cotton spinner

of Manchester would individually profit by the cheapness of Spanish, German, or Odessa wool, but the Leeds manufacture would be destroyed. Suppose, again, that instead of the cotton spinner of Manchester exchanging his cottons for the corn of Norfolk, he should exchange it for the cheaper corn of Dantzic, there can be no doubt that, things remaining the same, he would thereby increase his profits, inasmuch as he would have more corn to sell in return; all which addition would be gain to him, except the little he would be obliged to undersell the Norfolk corn grower; what then is the Norfolk corn grower to do with his corn? By the previous reasoning, the Norfolk corn would be undersold by the Dantzic, and the Norfolk corn trade would be destroyed; but if the Norfolk corn grower could exchange his corn for cotton spun where it is grown, or where, if manufactures were introduced, they might be manufactured cheaper; by a parity of reasoning, the Manchester cotton spinner would be undersold and destroyed, and so it would be *ad infinitum*, except in one, two, or three staple commodities; and if the increased profits of those one or two staple commodities (from a foreign trade,) did not compensate for the lost profits of all the other trades which were destroyed; the nation at large would be a loser precisely by the actual amount of the profits so lost and destroyed. The case may be exemplified as follows: Suppose the capital of the above named capitalists, viz. the

London silk merchant, the Edinburgh linen manufacturer, the Leeds woollen manufacturer, the Norfolk corn grower, and the Manchester cotton spinner, to be £1,000,000. sterling each, and suppose that, previous to any of them entering into a foreign trade, the profits of each were 15 per cent. on their capital, or £150,000. Then, suppose, as we have shewn, that, by a foreign trade, the London and Edinburgh manufacturers would be swamped by those of Germany and France, and that the Norfolk corn grower and the Leeds woollen manufacturer would be swamped by foreign customers of the cotton spinner of Manchester, who, by this means, would gain an increase of 5 per cent. on his capital of £1,000,000. or £200,000. instead of £150,000. The increase to the country would be £50,000. on the cotton manufacture, and the loss would be £150,000. on each of the others, viz. the London, Edinburgh, Leeds, and Norfolk capitalists, or £600,000.; from which deduct the £50,000. gain, and there remains £550,000. out of £600,000. loss to the nation.

To this it shall be objected, that those four capitals are not destroyed, but removed to another investment, viz. cotton. But capital laid out in improvements in land would be a complete sink of capital, if the produce of that land became unsaleable; moreover, in every trade there is a certain proportion of circulating and a certain proportion of fixed capital, the latter consisting

of tools, buildings, machinery, &c. (the ratio being generally about half and half, I believe). Now the tools and machinery requisite for one species of manufacture might not perhaps be exactly calculated for the purposes of another manufacture; here then would be a great sinking of fixed capital. Besides, we must calculate for a reduction, under these circumstances, in the increased profits of the cotton spinner from the competition of the fresh candidates for cotton spinning, particularly if, as is most probable, they would overstock the market of the world.

It is always granted that to the particular individual gaining an increase of 5 per cent. by means of a foreign trade, there would be an advantage of 5 per cent., and that if all the country could trade on the same principle of increase, there could be no doubt that all the country would be benefitted to the same extent. Let us, however, suppose another case. Let the manufacturers of Blefuscu, and the corn growers of Blefuscu, represent two individuals; and let us suppose the capital of each to consist of £1,000,000. sterling, and that, in exchanging their mutual products, they were in the habit of making a profit of 15 per cent. upon their capital, or £150,000. each. Then suppose, that the manufacturers of Blefuscu should discover, that the corn of Lilliput was so much cheaper than that of Blefuscu, that by exchanging their manufactures for Lilliputian corn, they could obtain an increase of 5 per cent. in their profit.

The manufacturer of Blefuscu, if he took advantage of this circumstance, would thus be richer by £50,000. than before. Supposing, however, Blefuscu to be in such an artificial state from taxation, or other causes, as to prevent its corn growers from competing with the corn growers of Lilliput, the corn grower of Blefuscu would be annihilated, and £1,000,000. sterling capital would be lost to Blefuscu, which before had created an annual produce of £150,000. If, then, £150,000. be lost, and £50,000. only gained, the natural question arising in this place would be, how is the island of Blefuscu benefitted by this alteration in its commerce?

So long as the market can be considered unlimited, it matters little how trade is arranged; but when each country has raised up a sufficiency of population for the labour necessary to its own products, exclusive of machinery, of course every improvement in machinery, and every displacement of a home product by a foreign one, goes to displace the means of existence to many. Nations possessing a proper complement of population previous to the overwhelming ingress of machinery, must study to adapt themselves to so novel a circumstance. To those countries, especially if they be not much overpopulated, which are gifted with the powers of producing with peculiar facility some article of great and necessary demand, free trade would be the best specific, a complete newness of life; that labour, which

machinery had rendered useless for their own wants, would be rendered independent, at least, by new custom, from a wider source: but this would be at the expense of those who had been possessed of that custom before; for the products of the earth are not so nicely balanced, and so equally dispersed, over the face of it, as to give to all countries an aptitude for some commodity with so large a demand as to employ the whole of their labour. The five or six countries which shall happen to be the pet children of Nature will absorb the custom of the principal conveniences of life. They would not, indeed, enjoy a monopoly among their own citizens, but a much more grievous one would they have at the cost of the citizens of the world. The far better half of the world, at least in point of space and number, would pay the price of the monopoly of the other half. Venice* and the Italian States, Carthage and Tyre, and the rest, were all advocates of free trade in their day; not because they expected their commerce to be divided with others, but that the commodities over which circumstances had given them a decided advantage might be freely received every where; and that

* It is well known, that while Venice, Genoa, Pisa, &c. had the command of the ocean, they (as Great Britain did in the late war,) forced all custom into their own hands. It may be said, that we are still mistress of the seas; true; but dare we exercise our power for such a purpose? The ramifications of society are much more widely spread,—the links in the great chain are less fragile than some centuries ago.

they might have other things from every place at the cheapest possible rate. They wanted to sell at the dearest, and buy at the cheapest rate. In fact, the monopoly which they possessed was very agreeable to them; but the world at large, having a different interest, found means of preventing it. And then what happened to them all? The population, fostered by the demand of the world, when that monopoly was over, being far too great for the internal necessities of these small states, were compelled to eat the bread of idleness, gradually absorbing the accumulated capital which had no immoveable means of investment, and then ruin fell upon those places,* illustrating that saying of Admiral Mordinou,

* The ships from India formerly discharged their cargoes at Suez; but Jedda and Coseir are now the grand depôts for Indian commerce in the Red Sea, and Suez has consequently declined." (Madden.) Why did not the capital she must have accumulated during her prosperity remain with her? Because, like all other places which have been dependent on extrinsic sources for riches, she had fostered a population, which, on her commerce being directed into another channel, were thrown for subsistence on the possessors of capital. Thus the capital was either gradually absorbed, for want of the means and opportunity of reproducing it; or it fled from such a tax to other countries; for benevolence is not the most predominant organ in the developement of capital. I cannot but remark, that a nation running headlong into a department of foreign trade to the neglect of her own, reminds me of the Alderman's principle of punch and turtle to-day,—head-ache and sickness to-morrow.

"Que la richesse d'une nation se calcule sur la masse des capitaux immobilisés ou mis en reserve." (p. 51, Bull. Univ., July, 1824,) and this is the best argument in favour of the growing value of land, which thus becomes a matrix expanding *ad libitum* for that accumulation of capital which is consequent on the progressive state, and which secured in an investment that must needs be permanent, is a sinking fund to meet national emergencies; but which loose and unrealized, and compelling competition to the destruction of producers, is, as Lord Bacon well either judged or foresaw, "the curse of industry."

Free trade gives an unreasonable advantage to those nations which, from being old in the scale of civilization, have, from the influence of time, and free institutions, become skilful in mechanical art; and yet, if temporary encouragement were allowed to other nations of later growth, they might have natural advantages that would soon overcome the impediments of previous experience on the part of others. A new nation—i. e. one just emerging from a state of barbarism, has its head kept under water by the monopoly of already acquired advantages on the part of older nations; which being, perhaps, totally unconnected with it by the boundaries of Nature, can have no right of interference with its rising prosperity. By an apprenticeship of a few years to a particular species of industry, a nation, new

to manual arts, might bring itself, by exertion, to a state to compete on a par with the more advanced nations, and thus lay up for itself the riches consequent on the introduction of a new source of employment for industry. Whereas, if the competition of the elder countries be allowed full play during this probationary period, thus depriving the learners of the means of livelihood whilst their apprenticeship lasts, they must be compelled to surrender the acquisition of the knowledge necessary to their art, when a few years longer might raise them to an equality with their antagonists. In order to afford the possibility of a nation commencing the operations of manufacturing, some facilities must be given to the beginners—which the free market of the world will not allow. Therefore, unless their own country will give protection to these beginners by means of prohibitary duties, they who might, eventually, be able to compete advantageously with the whole world, must, for want of, perhaps, a short temporary encouragement, be thrown back upon their ignorance, and remain useless members of society. The case of a two year old racing against an aged horse, which shall be ridden with equal weights, is really one of justice and moderation, compared with the one I have just described; for the colt may become a horse without any deviation from the course of Nature, and in defiance of the superior age of his early antagonist; but the young

manufacturer, in competition with the old one, who is possessed of the requisites of skill, machinery, and capital, but stands up for one moment to be knocked down the next. Even in an old-going manufacturing country, the young beginner can never pretend to compete with the old trader, but must first seek to learn his business, by serving an apprenticeship under the auspices of a master possessed of capital and employment; by and by he becomes a journeyman, and accumulates a small capital from the saving of his wages, and then is in a condition to stand up against the rivalry of others; but in a new manufacturing country, without protection for its incipient industry, no one can possibly become a master. There can, therefore, be no one to harbour the apprentice. The helpless child, bereft of the fostering care of a parent, must, upon equal terms with men, be trampled under foot and destroyed. Is it more advantageous for a nation to submit for a few years to the sacrifice of a small rise in the price of an article of its consumption, in order to introduce the manufacture of it among its own people, thus creating a new employment for increasing numbers, and so laying the foundation for future wealth? or is it better that the 50,000 original natives should have no stimulus to industry? which is the only means of supporting themselves respectably, or of increasing their numbers, with a prospect of even-

tual welfare.* To hope that a species of manufacture, which existed elsewhere, would not require protection on its introduction into another country, would be tantamount to expecting that a plant or animal from the tropics, could be transferred to a northern clime, and there flourish on an equality with others of native growth. That, by care, such a translation may be accomplished, many of our domestic plants and animals, apparently indigenous, but in reality originating from hotter countries, bear witness.† Exactly

* "Man and all his works are helpless in infancy. The noblest then require the protection and nourishment of a parent. Seeing establishments in their greatness, we are apt to forget the humble beginning from which they have risen; but when traced to their origin, it will be found that in every enlightened government they have been its nurslings in their infancy. In such governments, manufactures have been the favourite and almost peculiar objects of their protection: the history of all the manufacturing nations is full of proofs, that whenever a manufacture is in its infancy, it is protected by duties, bounties, and premiums on the article; privileges, protection, and encouragement to the artisan; until the manufacture has progressed so as to supply the wants of the country. Then the exportation of the raw material, the importation of the manufactured article, the emigration of the workmen, and the communication of the knowledge of the art, are prohibited under severe penalties, in some cases extending to the forfeiture of life. The history of none of these nations can furnish an instance of a manufacture being left to take care of itself, or of its success when unaided by government." Report of Harrisburg Convention.

† When we see the various productions in this and other

what has happened to nearly the whole race of American Indians, would be re-acted, in case of the countries which, from age in civilization, are skilful in art and manufactures, being allowed free commercial ingress into countries inexperienced in them. The one was a free trade in civilization itself, the other would be a free trade in the arts of civilization. It may, perhaps, be said, that civilization must be beneficial at any price, and that the example of it must, eventually, ensure it even among savages. Who can deny the blessings of civilization? None. But if the rashness of the physician kill the patient, what are the blessings of medicine to him? The truth is, the basis of success in all cases of reform; religious, moral, or commercial, rests on an immutable principle of the human mind. By a careful preparation, by a gentle insinuation, by that delicate blending so beautiful in Nature herself, great principles have been inculcated, and have thriven: by sudden compulsion—never. What account will they give of civilization, they who were the victims of Pizarro, and of the hellhounds

countries which are not indigenous, and when we know how many have been naturalized contrary to expectation, the idea suggests itself that there may be scarcely any limit to this transfer of products; so that each nation, with natural boundaries, may become eventually, in a great measure, independent of extraneous raw material. The naturalization in France, by M. Ternaux, of the Thibet goats from the plains of Khingiz, which furnish the material of the Cashmere shawls, is the latest surprise on the world perhaps in this respect.

usurping the paternal sway of Columbus? Why are the moral sentiments granted to humanity? Why does not the savage Indian, according to the dictates of unbridled competition, seize on the infant's portion, which is surely within his grasp? and if he did! what would be the consequence to the child, whose only argument would be, a vested interest in life? It would be that of the newly civilized country described above, the defence of whose people is also a vested interest in the country of their birth. Either the feelings of the parent towards the child are false to Nature, and an universal scramble is correct; or parental affection is for some useful purpose, and a limit must be attached to the principle of competition.

As the introduction of youth to manhood is gradual, every improvement offered to manhood itself retains this law as a condition of success. Therefore, whether a change be proposed for an extension of freedom in trade, or a curtailment of it, the process should be equally gradual, proportionate to the extent of the vested interests which would be inevitable sufferers by a sudden change. France is, perhaps, an example of a too quick, or rather too extensive transition at one time in her commercial policy towards restriction; England the other way. France could better bear the free system than England, because she has more natural advantages, and fewer acquired ones; the chief superiority of Great Britain consisting in the growth of capital and skill from an artificial source,

priority in the race of freedom of action, which has given birth to a countless multitude of interests which must sink before the competition of those countries where liberty has been grafted on greater natural advantages.

Beyond doubt, free trade would, for a time, be favourably entertained by a country on which Nature had bestowed the monopoly of some raw material of large essential demand, provided its population were not pre-occupied with any but this staple commodity; because it would usurp the custom of other nations: but this very cause of advantage to the new nation, is a sufficient reason why an old overpopulated country should not be satisfied with it.* If a free-trading country does not get more by its free trade than it could at home without it, it is of no use; if it does get more, then that is an abstraction of profit from some other part of the world: a loss which will not, in the long run, be borne by the rest of the world, unless other occupations spring up for the labour displaced; at least, if the

* America could and would have exported corn in great quantities to Europe, but Europe could not afford the displacement of its own labour on this account; therefore the supernumary agriculturists of America were obliged to betake themselves to manufacture for an employment. Children will come where there is food; but as not nearly all are required to produce food, the rest must be occupied in something which will bring a satisfaction to those who do produce the food, for their labour.

whole surface of the globe, and not particular spots only, be to be inhabited. Countries just on the eve of populating themselves have, however, this great advantage over old-going ones, that they can frame laws to provide against the too quick supply of population. The old countries, not foreseeing the rapid strides which machinery has made of late years, have been overtaken by it, and their population must shortly be mastered through its influence. As rail-roads and canals do diminish the demand for horse power, so will steam and machinery that for man power; and hence a country which is peopling itself only in reference to machinery, must have fewer drawbacks, and less distress, than a country that has fostered a population for its manual services, for which machinery causes a diminishing demand.

Whatever may be said in favour of agricultural countries furnishing corn alone; and manufacturing countries merely manufactures; it strikes me, that Nature herself furnishes too much of the labour in agriculture to allow sufficient employment to the population, which, from the procreative tendency, must be consequent on a thriving state of agriculture. Whereas manufactures, which are purely the result of human labour, become a most useful adjunct to agriculture, as they give employment to supernumerary hands; which are supernumerary, because every industrious man, on the average, produces more than he consumes; it is estimated at four times. Sure

do I feel, that if population go on increasing with machinery in its van, it is not one or two peculiar species of industry that will suffice for the employment of a highly peopled kingdom; and Hume coincides in this opinion: "Any people," says he, "is happier who possess a variety of manufactures than if they enjoyed one single great manufacture, in which they are all employed. Their situation is less precarious; and they will feel less sensibly those revolutions and uncertainties to which every particular branch of commerce will always be exposed." It may be observed of free trade, that it carries with it the objection of denying the means of filling all those small interstices, (small individually, collectively large) apart from the great staple trade of a country, which afford occupation to those growing supernumeraries in a population who cannot find employment in the great trade itself. There are many of the smaller items in a farmer's profits, derived from minor sources in his business, which, were the whole attention of a separate capitalist directed to them, would deprive him of such profit; and yet the labour so employed by the farmer would be otherwise wasted. It is the same with the trade of a country at large;—there are many small items, that accumulated, make a large national profit; which free trade would go directly to destroy.

The ultimate desideratum will be found, I think, to be in every country, *variety of employment*. And every discoverer of a new mode of industry

will be the source of a welcome investment for the industry of his country; for the introduction of a new species of manufacture into a country, is the supply of so much capital to the labourer, particularly in a nation where labour is in excess of the demand. If this be true, they who are the cause of an abstraction of any species of industry from a country where labour is superabundant, without supplying its place with some other equivalent investment for its industry, are the reverse of benefactors to that nation. Before any kind of labour can be dismissed from an old occupation with advantage, future employment must be secured to it. A man will not voluntarily submit to a compulsory *exchange* even of his property; he will fight before he relinquish it at discretion. This is a difficulty which must ever operate against freedom of trade in all countries, which have grown to fit particular circumstances. In a new country, where labourers were in demand, it would answer extremely well, that every thing should be procured at the lowest price from the cheapest market; because no danger would be incurred there of impelling labour into idleness. But when, in such country, the population had advanced to that point, always sooner or later obtaining, when the labourer, instead of being sought, must condescend to seek employment, he must find it in some species of industry or other. When he has existed for years in one particular occupation; if the labour which before

supported him, be imported in the shape of goods from any other quarter, he loses his former means of existence: nor are the chances in a highly populous country, by any means promising for his obtaining employment in any other direction.

The principal article of British exports is cotton, the introduction of which manufacture, at its present cheap rate, has* interfered considerably with the prosperity of the much more real staple of England, the woollen manufacture. Great Britain has no natural peculiar aptitude for working up cotton: enterprize, steam, coal, capital, machinery, were, it is true, for a length of years, her own; the reward of an early career in liberty; but they were not to be exclusive for ever; the advantages flowing from security to industrious capital, served as a beacon to incite emulation in others; and as the imitative powers far exceed in rapidity of progress those of the inventive, the prototype cannot for long sustain its proud pre-eminence: at least, the distance between must sensibly diminish. Other nations, which were once as nothing in the manufacturing scale, have cleared the horizon, and obtained a place on the vantage ground, and are now fast aspiring to the career of Britain. France, for instance, even in what has of late years been considered the peculiar department of Britain, has, since 1816,

* Our woollen exports, in 1819, were £6,734,990.; declared value, in 1828, £4,564,370.

advanced in the ratio of 310 to 270 more rapidly in the cotton trade than we. India (good government encouraging her cotton growth) may, in the long run, America, with her cotton, and mountains of coal, must soon, divide, and ultimately absorb this the principal of our foreign exports.

We ought, perhaps, to receive the evidence with a few grains of allowance; but until we know to the contrary, have no right professedly to disbelieve that part of the Report of the proceedings at the General Convention at Harrisburg, held 1827-8, which declares as follows:—"We have before us the London 'Trade List,' of the 26th of June, 1827, the most celebrated, authentic, and extensive exhibit of commercial operations, which is published in the world. In this 'twist' brown yarn, No. 20, is put down at 18*s.*; 16*s.* 6*d.*; 15*s.* 4*d.*; and 14*s.* 4*d.*; being for the first, second, third, and fourth qualities, average 16*s.* 0½*d.* for a package of 10 pounds; 3 dollars, 56 cents, or 35 cents, 6 mills, per pound; and without *drawback* on exportation being allowed, as is shown in the list. But the present regular selling price of No. 20 'twist,' in the United States, of a quality as good as the first in England, or, surely superior to the second, is 34 cents per pound, with five per cent. discount, 3 dollars, 23 cents, for 10 pounds, or 14*s.* 6*d.* sterling, or 3¼ cents *less* per pound than the *medium* price, though excelling the second quality, if not equal to the first, which,

however, we are assured that it is. This is a difference of *ten per cent.* in favour of American cotton yarn! With this plain exhibit, it may be certainly expected, that we shall export millions on millions of pounds of cotton yarn, and rival the British in *that* business, as we do in goods made out of it, as soon as the capacity of our manufacturers shall pass beyond the demand for cotton cloths, of which last, at present, there is a scarcity, because of the export, though not much advanced in price. There are very few lots of 100 bales of goods now remaining in 'first hands,' for the home demand is extending, and the foreign one increasing faster than more perfect machinery (and more of it) can supply. But the domestic competition will soon regulate this. We have water power, or iron and coal, ingenious artizans, and industrious people, and the days of British *monopoly* in the manufacture of our own raw material are numbered."—*Page* 69 *of the Report of the Harrisburg Convention.*

The most favourable aspect which this evidence can assume, is, that the supply of cotton to the general market from Great Britain, will at least be disputed. The mountains of coal, which have but to be sliced off, and led away from the hills*

* Mountains of coal exist in the State of Pensylvania; and the people of the growing manufacturing town of Pittsburgh, cut it out of the hills with as much facility as they would bring away an equal weight of dirt.

Cowper's "Notions of the Americans."

of Pittsburgh, would lead us to a more unpromising conclusion; for the increasing depth of our coal mines must gradually enhance the difficulty of obtaining it, leaving the supply of fuel, which is of the last importance in manufactures, of so much easier access to America.*

What pretensions, then, has Great Britain to depend for the riches of her revenue on external sources? Is it machinery? A cotton, or a rice ground, cannot be exported, because the climate cannot be exported. They are peculiarities of particularly favoured countries. Machinery, in its present state of excellence, may have cost England some centuries; and if other countries could not attain to it, if mechanical ingenuity, if manual skill, were the property of England alone, we might have equal reason to expect this *adopted* staple to remain secure to us, as natural staples do with their peculiar countries; and our engineers, on the strength of a conviction to this effect, would have us export machinery. Would the Americans or Cubans part with their cotton, rice, or sugar grounds, if they could help it? Then why should we part with our machinery? Will the sale of machines compensate for the loss to the labourer at home, when foreign labourers shall work them instead of

* Professor Leslie, upon a computation of the coal fields in this country, compared with the demand for it from manufactures, and other sources, states the probable supply as continuing not more than 200 years.

himself? If we have made a natural out of an artificial advantage, we should try to make it as stationary as other natural advantages; for the benefit of exporting a little machinery would certainly be a loss to the country at large, compared with the value of the products of that machinery manufactured at home, i.e. compared with the exclusiveness which such machinery might award to British products. But the truth is, and it cannot be concealed, our machinery cannot remain a secret; it will fly abroad in spite of us: the engineers examined in the Select Committee on Artizans and Machinery (1824) all agree that it is smuggled where it is not allowed; and the Custom House Officers acknowledge their inability to prevent it: moreover, the Evidence proceeds to say, notwithstanding what has been said to the contrary, that machines can be made perfectly from drawings which are constantly sent abroad in periodical publications.* This proves machinery no *natural* advantage, and exhibits England in a light so far unfavourable to free trade; for no nation can profitably form part of a free trade convention, unless it can furnish from its own internal resources some commodity or commodities peculiar to itself, which it can exchange

* "Even a man who does not understand a word of English, would be able to fabricate machines from the drawings published by the Society of Arts."

Evidence before the Committee on Machinery, &c.

with other countries, for commodities peculiar to them.*

Free trade must certainly be confessed to be the province of countries possessing the power of supplying commodities exclusively their own. England is one of the last places to boast of such: her advantages are all artificial, and acquired at the cost either of experience, or a long course which liberty has allowed to her ingenuity; for which she has no patent for the exclusive use; while the advantages of many other countries are natural, immoveable, and at small comparative cost. Coal, iron, canals, machinery, mechanical genius, capital:—all these America, a flourishing scion from the same stock of liberty, has in abundance, but the last; which however will soon come either from internal or external

* The inordinate cheapness of our manufactured goods has, for a moment, concealed from view the gradual independence of other nations of our supply of commodities. "Our trade with Turkey," says that intelligent traveller, Mr. Madden, "has been long declining: in the reign of Queen Anne, we had twenty-five merchants in Constantinople; we have now about half that number. Our shipping gets no employment in the Archipelago; for one English vessel that gets a freight to Candia, or from it, the Consul told me, there were twenty Austrian. Our cloths are no longer in request in the Turkish markets; the German cloths, though coarse, are cheap, and suit the people better. The Dutch supply the market with arms; (we once did so exclusively). And even in printed calicoes and muslins, we now divide the trade with the Swiss; the colours of their goods are brighter, and more esteemed than ours."

sources. England has plenty to dispose of at a low rate to the highest bidder.

And not in America* alone does the disposition exist to produce machinery. Besides those of France, conducted by English workmen, it may be well to mention the manufactory† of Mr. Cockerell, of Liege, (an Engineer who went out from Manchester, and has realized an immense fortune,) who has been almost exclusively employed for 27 years in making machinery for cotton and woollen manufacturers. He has one manufactory at Liege, the other at Sarang, (four miles off):—that at the latter place covers about seven acres of ground; that at Liege contains a large iron mill, and an immense colliery, all on the same premises. They employ 5 or 600 people.

With respect to the quality of continental iron,‡

* Committee on Artizans and Machinery.—In the event of the laws remaining as they now are, would foreign nations in Europe soon be able to supply themselves, and America also, with that machinery, and those tools, which our laws prohibit the exportation of? Mr. John Martineau—"Certainly, if the laws remain unrepealed and strictly adhered to, that must necessarily be the case."

† Committee on Artizans and Machinery, February, 1824.

‡ France is very rich in iron mines; her mountains, the Ardennes, Vosges, Juna, Puy de Dome, Pyrenees, &c., all abound with this mineral; and the fields of coal in France are said to be inexhaustible, and the collieries very numerous. They are to be found near the banks of the Allier; near

which has been so much under-rated, Mr. Maudslay gave the following answer to a question put to him in the Committee above mentioned. "Is the quality of foreign iron inferior to the quality of English iron, supposing the ore to be equally well smelted?" Mr. M. "I do not think that it is so generally, because a great deal of the iron ore on the Continent is as good as any we can get here, but the want of a competent knowledge of smelting produces a very bad article." "What is the quality of French bar iron?" Mr. Alexander Galloway, perhaps the most valuable evidence examined, was asked in the Committee. "Their bar iron is not quite so good for many purposes as our bar iron, but it has all the natural characteristics of being equal to any thing we possess, under an improved manufacture.*

In reference to the progress of France in ma-

Valenciennes, and Lisle; in the department du Puy de Dome, de l'Avignon, du Cauter, and in many other places. Many of them, however, are not worked, owing to the difficulty of carrying the coal away when brought to the surface."

Quarterly Review.

"In great Britain, in 1827, 690,000 tons of iron were cast, and the value of the iron trade was upwards of £6,000,000. sterling, exclusive of fine goods. The number of tons of cast iron made in France, in 1827, was 200,000; and its iron manufactures yield an annual produce of £3,000,000."

Review of M. Blanqui, and M. St. Cricq's Discourses.

* Report of Artizans and Machinery, page 22. On Swedish iron.—"Swedish iron is highly carbonized, and, consequently, is in a very forward state for conversion into steel. Many

chinery, it may be useful to extract part of Mr. Galloway's evidence. "I visited not less than twenty or thirty manufactories in France that were employed on machines of various classes, and I there saw, in 1818, many of the very articles making, that I had refused to make in 1816, in consequence of our prohibitory laws, and made by the very individuals who had applied to me." "I very minutely examined their manufacture of iron, steel, copper, brass, lead, and zinc, in all the varieties in which those metals were used; and

people in this country entertain a notion that good steel cannot be made from English iron; that is a very incorrect notion. It cannot be made at the same expense as from Swedish iron, but I am sure that the extensive introduction of iron into all the purposes of life, will make wood more plentiful, and that we shall, in that case, very soon, from our iron, make as good steel as any foreign iron. A piece of Swedish iron will stand a much greater strain, or take a much greater power to pull it asunder: it is not so well calculated for vibration as the English iron. Twenty-three years ago, when I began business, I used nothing but Swedish iron; we then worked it a great deal better than we were able to work the English iron; and as English iron has a grain, whenever we worked against the grain, the unavoidable consequence was, to split it: we imputed the failure to the quality of iron, rather than to our want of judgment. I use, in bar iron, perhaps, from 100 to 150 tons a year, and I have never bought for these fifteen years one ounce of foreign iron; and there are very few purposes to which iron can be applied, to which English iron may not be profitably and usefully applied. The use of our own iron has superseded, in a prodigious degree, all other iron."

Mr. Alexander Galloway.

the result of that examination was, that it astonished me at the progress France had, in five years, made in every branch of manufacture, particularly in their bar and sheet iron, sheet steel, copper of every class; together with brass. There were such specimens of excellence as I have never seen surpassed in this country." "I think the operation of our machinery prohibitory laws has made France a perfect mechanical rival to us." "Nothing that we are capable now of doing can possibly prevent France, if she only does what she has done in the last five years, from being as successful a rival in that department as we need fear. I should say, if I were a German or an American, it would be a matter of perfect indifference to me, if I wanted a cotton machine, whether I bought it at Paris or Manchester, except as to its price, because they are as well made in France as we are in the habit of making such machines." "I understand there are very considerable manufactories in many parts of Germany, and in Russia; indeed I have much reason to say so, because I supplied a considerable quantity of permitted machinery to Russia, and the prohibited part they have since made for themselves; for Monday brought me a communication, where I had formerly given an estimate of £12,000. for some machinery, which they have since manufactured for themselves." "My foreman, along with many English workmen, were enticed to Russia. I know well enough there are many manufactories

established near Petersburgh; there is a gentleman whom I furnished with a considerable quantity of turning machinery and saw mills, several years ago; I understand he has a manufactory, in which 5 or 600, or 1000 men, are at this time employed. Mr. Thorowgood, who has the superintendence of the government works at Petersburgh, was in my employ." "A great many of the most considerable manufactories in the neighbourhood of Paris are conducted by Englishmen; at Chaillot, at Charenton, and several on the banks of the Seine, where from 1000 to 1200 engineers are employed; and I have no doubt that in Paris alone there are from 3000 to 4000 working engineers." "I do not think France would be in a condition, with reference to her present situation, for any considerable foreign supply for five or six years; but after that period I think she would be quite adequate to foreign orders. All the machines generating in France embrace all the most recent improvements as to accuracy and durability, which have characterised, perhaps, the last fifteen years of England; they are beginning where we have left off. All their frames for machinery, that used to be made in wood, are now fabricated in iron." "The manufacture of machinery is not confined to the neighbourhood of Paris, it is very extensively going on over the whole of France: at Lyons they are making immense progress; at Rouen, Abbeville, and many other places; also at Orleans; there are considerable manufactories in

each of those neighbourhoods." "The amount of labour on machinery is considerably more in proportion than the labour on most other articles of our export. In many cases, in our coarse works, or most bulky, we generally reckon three-fifths of the price of every machine is in fact for journeymen's wages; while two-fifths are left to stand up for the purchase of the material, for the use of tools and utensils, and also for profit; but in the finer works we consider the wages to be seven-tenths of the price of every article." "Wages are higher in London than Paris; but I have heard from Englishmen who work at Paris, that the difference is not so great in the expenses of living, if they *indulge in English habits*." "As far as my knowledge extends, to persons carrying on works in France, I have never witnessed a want of capital; and capital is much easier obtained there for mechanical speculation, than perhaps in this country at this time; there is a great predilection among the French for engineering; there is an amazing predilection among all classes of Frenchmen for English machines, and it is very difficult to unsettle them upon this point; I am quite sure that if I were to open a shop in Paris, and if the fact was not generally known to the public there, and that I was to state that the machinery came from England, it would fetch a better price from that circumstance; they have a great opinion of English capability, and deservedly so; we are superior to them considera-

bly yet, although they are running us very hard in this branch of our manufacture." "But I think the repeal of our law prohibiting the export of machinery as it respects France, would be rather a day after the fair." "There is an immense loss attending the making experiments, with a view to improve machinery; there is hardly a machine that ever we make that has not been reduced to the test of practical operation, however simple or however correct in its principles, but what requires an immense degree of experience to bring into practical operation, so as to be worked by ordinary workmen." "I should think, speaking of the cotton machinery and many other branches, there is a difference of 30 per cent. in favour of England over France; that we can make them 30 per cent. cheaper than they can in that country."

Price, however, is the only solid basis on which to found calculation on this subject; and it will be well to direct our attention to the reasons for its being higher in France than England. Mr. Martineau, in his evidence in favour of the superiority of English machinery, says:—"My reasons principally consist in the natural advantages that England possesses, from the circumstance of the iron stone and coal* being in-

* "Within the last three or four years, there have been discovered in the departments of Gard and Aveyron, coal pits, of more or less extent, close to abundant strata of iron ore of

variably found in the same spot, and thus affording a means of manufacturing iron at a cheap rate; the talent and ingenuity of the workmen; the immense spare capital we have in this country; the circumstance of our canals and rail roads, already established, enabling us to bring the raw material from the interior of the country at a very low rate." We shall find, out of these advantages, that where France chiefly fails, and what forms the most serious obstacles to her cheap manufacture of machinery, is, as we have* be-

excellent quality."—Report of the French Commission of Enquiry on Commerce and Manufactures.

Paris, Feb. 7, 1829. "I send a small map of France, on which I have sketched eleven coal fields. All the coal fields in the south are associated with iron stone, or iron stone is found close to them in abundance. There are about ten coal fields in addition to those I have drawn on the map, so that France is, in fact, extremely rich in coal and iron. A little British enterprise is alone wanting, (and an alteration of the law with respect to mines,) to render France most powerful in every thing relating to the production of iron and coal. There is one field alone that would be sufficient to supply all Europe with iron, and all France with coal; it is at Creusot, near the eastern boundary. From this field, coal and iron can be transported by water to the shores of the Mediterranean and the German Ocean, and nearly through all France." —Communication from a Scotch Civil Engineer to the Editors of the Scotsman.

* "The French, in 1826, spun nearly as many pounds of cotton as Britain did in 1816, viz. 80,000,000*lb.*

"The calicoes of Baron Vavoshur sell for 7*d.* a yard; similar British, sell for 5*d.*

fore mentioned, the inferior state of her internal communications. When we learn that a great amount of goods are obliged to be carried many miles on horseback;* that there are £44,160,000. less applied to canals, and nine times less to roads in France than England;† and that all minerals there, wherever found, belong to the Crown,—we shall not only not be surprised at the dearness of commodities of French manufacture, but wonder how they accomplish so much cheapness in spite of the many obstacles to it; obstacles, however, easily removed, for the difficulty of a backward state of communication is far from insuperable. To bring the canals of France to an equality with those of England, it was estimated, some-

"The corderoy, velveteen, and fustians, of Troyes, well suited for labourers' and soldiers' clothing, are now so low, that trowsers can be made of them for 4½ francs.

"M. M. Basile and Co., of Versailles, have rivalled England in printed muslins for dresses, and excelled her in the quality as well as cheapness of worked muslin, with a chamois coloured ground.

"The increase of the French and English cotton manufactures, for the last 14 years, have been as about 310 the former, and 270 the latter."—Discourses of M. C. Cricq, and M. Blanqui, on French Produce and Industry.

* The raw cotton is transported by land (very bad roads) from Havre to Alsace, a distance of 440 miles; and the manufactured article is sent in Caravans to Paris, upwards of 400 miles.

† Dupin (Force Commerciale) states, that France, with a superficies three times as great as that of England, only allows one-third as much for the roads.

time ago, by a commission appointed for that purpose, that £44,160,000. would be required: canals are now cutting, which will be of great consequence to trade. The chief fear is the bad supply of water throughout France. In the winter the current is too strong: in the summer the water is deficient; even the Garonne, above Bourdeaux, and the Seine, above Rouen, labour under these disadvantages. Rail-ways would be a better speculation, perhaps.

It would be an excellent measure of the French Government * to lay† out a few millions annually in such undertakings; there is no calculating the eventual benefit, should they do so. It is not,

* *French Roads.*—The official part of the Moniteur contained a report lately, filling six columns, from the Minister of the Interior, to the King, respecting the state of the roads in France, and the best means of completing and repairing them. The Moniteur states, that the total length of the roads, called the Royal roads, is about 8,631¾ leagues; that only 4,205 leagues are in good condition; that 3,166½ leagues want repairing; there are 814¼ leagues to complete, and 446 to open.

The roads to be repaired would cost ..	£2,700,000
To be completed	1,770,000
To be opened	1,400,000
Total	£5,870,000

† "There are constructed, or now constructing, 3508 miles of canal and rail road, in the United States. Most of this communication is made by the public authorities—not more than one-fourth by companies; and as far as experience speaks, we are warranted in saying, it will generally yield interest on expenditure."—American Quarterly Review.

that either coal or iron are really wanting in France, but that the means for their conveyance away are wanting.* As to mechanical ingenuity, we may strike a balance between the artizans of the two countries. And for capital, if that be wanting, it will, more than any other article of commerce, fly to the void which is unfilled. It is, at present, the chief staple of England, and its surest *export*. It wants no soil for vegetation but good government, and then nothing in nature is of so prolific growth.

But if France† has not all our advantages, what shall we say to the United States of America? Her enterprise, her internal communications,‡ are

* When we consider that two-thirds, or 21,000,000 of the 32,000,000 of France, are employed in agriculture; and when we consider the improvements in agriculture made elsewhere, but neglected there, it is evident that the numbers which may be spared from the agriculture of France, will go to swell the list of competitors in the race of manufactures.

British silk exports, are as one to twenty of French; the French cotton exports, are as one to ten of British.

† To the natural advantages, must be added, the situation of France. Through the low countries, she can with ease transmit her manufactures to the whole of Germany; and, placed upon the Mediterranean, the Bay of Biscay, and the English Channel, she has a ready intercourse with Italy, Naples, and Egypt, for import of silk and cotton; with Spain for that of the fine Merino wool; indeed, with all parts of the world, for every species of merchandize."—Quarterly Review.

‡ "The average cost per mile of our canals, is about 13,000, and our rail roads 20,000 dollars, whilst similar works

equal, if not superior to our own; her means of procuring coal certainly far superior; and then, with our surplus capital added to her own, how long shall we boast of our superiority? It is astonishing how quick is the growth of machinery, and how shortly a nation may supply itself with an article of manufacture. "The production of cotton was only introduced into Egypt a few years ago. The first year of its cultivation only 60 bags were produced; the second, 50,000; the third, 120,000; and, in 1824, 140,000."*

in England have cost about as many pounds. Our population of 12,000,000, have attempted one-fourth more than England with 23,000,000, and infinitely more than the population of the Continent of Europe: according to the population, we are doing nearly as much again as England; and if we take, abstractedly, the work of New York, she has done, proportionably to her population, eight times as much as England; and yet we speak confidently of more than doubling all this within 10 years. Already we have actually projected, surveyed, and ascertained the cost and practicability of 4000 miles more of artificial communication."—American Quarterly Review.

* "There is," says Madden, "a peculiar constitution of the atmosphere in Egypt, which corrodes all implements made of iron, by means of the saline particles suspended to it; and the interstices of the machinery are clogged up with sand. Whenever a southerly or easterly wind blows, there is no keeping the sand out; during a Kamsin, I have found it within my watch." This is a serious obstacle to Egypt ever manufacturing its own cotton; but the evil of corrosion may only exist near Alexandria, (whence this description is dated,) from the influence of Lake Mareotis, in its vicinity, now a saline swamp.

The United States are another evidence of this:

"This Table, showing the average prices in the New York Market, of upland cotton, and of common domestic shirting, in the same place, in the month of April of each year, of those given, is copied from the New York 'Statesman,' and accepted as being correct.

April,	1815.	Cotton,	20cts.	p. lb.	Brown	Shirting,	25cts.	p. yd.		
—	1816	do	28	do	do	do	21	do.		
—	1817	do	28½	do	do	do	21	do.		
—	1818	do	32	do	do	do	21	do.		
—	1819	do	26	do	do	do	19	do.		
—	1820	do	16	do	do	do	12½	do.		
—	1821	do	13½	do	do	do	12½	do.		
—	1822	do	15½	do	do	do	13	do.		
—	1823	do	10½	do	do	do	11	do.		
—	1824	do	14	do	do	do	10	do.		
—	1825	do	10	do	do	do	10	do.		
—	1826	do	11½	do	do	do	9	do.		
—	1827	do	9½	do	do	do	9½	do."		

"One pound of cotton nearly makes four yards of these goods."—Report of the Harrisburg Convention.

The manufacture of more than half the sail cloth consumed in the United States, was accomplished within five or six years; and it was proposed in the Harrisburg Convention, with a fair show of probability from previous facts, that there was no necessity, but rather an injury for the country at large, to import hemp and flax from Russia. It would occupy nearly 50,000 acres for its growth, and give direct employment to 7000 hands—indirect, to many more. "Should the old cry of monopoly be raised," says the Report, "by the objectors to any further revision of the

Tariff, and the charge of fostering and pampering overgrown establishments, and their proprietors, be reiterated, the answer is ready; they are referred to the effect of competition in the manufacture of coarse cottons, of window glass, nails, and other articles, which are now furnished to the consumer at lower prices than when they were imported from England, under the old Tariff."* What President Jackson said in his late Speech to Congress, relating to the Tariff of 1828, may appear ostensibly to tell against it; but when we consider that his chief object is the promotion of the welfare of agriculture,† and that that interest is not injured by it, what an argument is this in favour of it. For the competition of foreign goods, which has depressed, in some degree, the manufacturers of the United States, only proves the necessity for such a regulation, or that smuggling is not efficiently prevented. But the real cause of the ill success of the Tariff,

* In America, wages are high, though corn is low; in Britain, corn is, from taxation, necessarily high, and wages, on account of machinery, necessarily low. Can America or we best afford to reduce wages? The wages of men in factories, in the United States, range from five to twelve dollars per week, i. e. from 21*s.* 4*d.* to 52*s.* per week; and yet, at this rate, they could outsell us in coarse cotton, in 1828.

† "It is principally as manufactures and commerce tend to increase the value of agricultural productions, and extend their application to the wants and comforts of society, that they deserve the fostering care of government."—President Jackson's Speech.

with respect to manufactures in the United States, arose from a source they could *not anticipate—the smuggling in of goods, which paid no profit, from England.* The great objection to the Tariff, was the possibility of damage to the agricultural interest; but like agriculture in every other country, the grumbling at first at a small rise on articles of convenience, is put a stop to by the eventual rise in the value of its own produce, from the increased and certain consumption by home manufacturers.* "Pensylvania, it is calculated, can grow many millions of bushels more of wheat than she now does; but as she cannot command a market abroad, she will demand one at home; being convinced of the truth of what Anderson, on Industry, says, "No earthly method remains for encouraging agriculture, where it has not reared up its head, that can be considered in any way efficacious, but the establishing proper manufactures in those countries you wish to encourage." And this accounts for the following Resolution, passed by the Senate, and House of Representatives, of the State of Pensylvania, on the 9th of December last, since President Jackson's late Speech: Resolved—"That the Tariff of 1828 accords with the spirit of the Constitution of the United States, and is a just and salutary national measure of protection to the industry of the country,

* Harrisburg Convention, page 5.

against foreign policy and legislation." After some discussion, this Resolution was passed—Ayes 67, Nay 1.*

It has, however, been stated, that America will never really become a manufacturing nation, so long as they can acquire an easier and more independent livelihood by agriculturure; but it is forgotten that the agriculturists produce more than they can of themselves consume. Unless, therefore, they have an outlet for the disposal of their surplus produce of corn, they will not go on increasing the quantity of land in cultivation; and the state of the country must become stationary, unless there be domestic manufactures; for Europe will not consume American corn. Who, that has read a page of the history of America, can for a moment suppose the possibility of her standing still? "The products of her agriculture," says the Report of the Harrisburg Convention, "are rapidly increasing; the interior is approaching the seaboard by canals and roads, and pouring out its abundance. Human ingenuity cannot devise any way in which this *abundance* can be rendered valuable, but by converting

* "From all I can gather," says an American Correspondent, "from those who are presumed to know something on the subject, I am inclined to think there will be no alteration of the present Tariff this Session, except, perhaps, a reduction in the duties on tea and coffee, which may, probably, take place soon; but as to dry goods, I do not believe there will be any change."

it into goods; that flour, beef, pork, &c. may be exported in the form of cotton goods, and other manufactures." The argument for attending exclusively to agriculture, would apply equally to shipping; and yet we see America beating us even in this; as the tonnage in the transportation of articles between the United States and Great Britain, and her Colonies, amply show. In 1826, the American tonnage in this trade, was 373,387; the British 65,913.

It is not in America and France alone that the spirit of manufacture is abroad; in Russia, Germany, Sweden, and other places, a similar tone prevails.* What are we to understand by

* "I candidly believe, that but a comparatively slight quantity of our yarn is used at home; the great bulk of yarns is exported, thus proving, that the weaving of cloth in this country will never be what it has been. The export of our machinery, also, may serve as another proof of the approach of that period, when the manufacture even of yarns will not long be very necessary on our part. It is evident, that, in a short time, spinning will find its way into cheap countries. There are at least a hundred looms at work at present in Poland, where, a few years ago, there was scarcely one. The principal part of the cotton-yarn now exported goes to Prussia, Silesia, and Germany generally, with Poland, and the Netherlands. Our Gallic neighbours spin the greater part of their own yarns, and are supplied by this country only with a very small quantity of the finer numbers."—From Manchester Correspondent to the Globe Newspaper.

* "It is singular that the Swiss, who have come the last into the field of competition of manufactures, have at once beat all the scientific in France, and all the unscientific dyers in

the immense demand for English machinery in every corner of the globe, but a disposition in other countries to manufacture for themselves; a wide spreading passion, equal to that for the diffusion of knowledge, from a natural wish to be independent of other nations for what they feel their own powers are competent to provide. Nor can it be stayed. It is well observed by Montesquieu, that "a power which has established itself by commerce, can subsist a long time in its mediocrity, but its grandeur is of short duration; for when it has arrived, imperceptibly, at the summit of its career, it has the eyes of all the rest of the world upon it; and other nations then begin to try to deprive it of the advantages it has gained, as it were, by surprise." I am far, however, from being of opinion that Great Britain does not possess within herself the elements of a long and prosperous career. The commercial nations to whom Montesquieu refers, are such as the Italian Republics, the Hanse Towns, &c.;

England, in colours. The red colours are particularly brilliant, and the greens stand washing."—Correspondent from Belgium and Prussia.

"From the annual report recently made to the King of Sweden, by the Commercial College, it appears, that the manufactures of that country have increased greatly, during the last year. The number of manufactories, is 1266, and the value of their productions 8,118,000 rix dollars, or 203,000 rix dollars more than the preceding year."—French Paper.

About 20,000 cotton spinners and weavers are in full activity in the city of Ghent.

which, when the rivalry of their neighbours dispossessed them of external sources of wealth, had no internal scope to develope their powers. It is not so with England; the elements of her power and grandeur have never been really of extrinsic origin, though the stimulus of the war flattered her into a diversion from the deepest mine of her wealth, and which, in a momentous fit of madness, she was willing to sacrifice to one which is daily receding from her grasp. Beyond all controversy—whatever she has done hitherto, the dependence of Great Britain for the future, is based on the rock of her own internal resources; and whatever increases generally the value of her domestic products, will be the pabulum with which the revenue must seek to be fed. The public debt is of large nominal amount; and the property of consumers must be proportionably high to meet it. With regard to prices, agriculture and manufactures hang together; their welfare can never really be separated; but as the land was the origin of all manufactures, i. e. of the power to consume them, so will the wholesome consumption of manufactures, in a country like this, continue dependent on the growing riches of agriculture: for as the produce of a labourer is quadruple the amount of his wages, a small increase in the cost of his consumption is as nothing compared with the increasing demand for his labour, which a remunerating price to the most numerous class of customers for manufactured goods will always afford.

The case of the labourer has been wilfully misrepresented. It is the *certainty of employment, not the price of food,* which is the principal object with him. Whether wheat be £100. or 5*s*. a bushel, provided wages be tantamount, and employment secure, is a matter of complete indifference to the labourer, who certainly has hitherto had no great reason to be elated with the low wages and low corn which an attempt at free trade and an altered currency have given him. We may, indeed, form a tolerably sure estimate of whether, with our present skill, we could profitably manufacture cheaper than we do now, by calculatlng the value of wages in a manufactured article when corn should be at the cheapest average price at which it could reach this country, say 40*s*. per quarter; and then, supposing the operatives to be in the full employment which some persons say this cheap corn would bring them, by comparing the cost of wages under this corn price, with the present cost of wages; when, according to the reports from the manufacturing districts, many thousand operatives are living on under 2*s*. 6*d*. per week. At the present low rate of wages, there is no plea for saying, that it is the price of corn in this country which prevents the increase of our foreign exports.* There is,

* From 1798 to 1814, the real value of the exports had always exceeded the official value, and the gross amount of the excess in those years amounted to the enormous sum of

however, ample room for improvement in the condition, which, if the currency were depreciated, would be gained by him through the enlarged powers of real fixed property to em-

£240,000,000. From 1814 to 1819, the real value began to fall with respect to the official. From the year 1819 to 1828, the official value rose above the real, from £36,000,000. to £52,000,000. The excess of the official above the real, in those years, amounted to £80,000,000., being a difference of £8,000,000. per annum. Under the operation of the present system, our export trade, as he could prove, had been long falling off at the rate of eight millions and a half annually.—Speech of Alderman Waithman, Feb. 1830.

The following Table, published by order of the House of Commons, fully corroborates Mr. Waithman's statement, and is particularly valuable as an almost exact barometer of the effects of Mr. Peel's Bill of 1819.

Table of Exports for the last Fourteen Years, shewing the Official and Real Value in each Year.

Years.	Official value.	Real value.	Excess of real value.	Excess of official value.
1816	34,774,521	40,328,940	5,554,419	.....
1817	39,333,467	40,349,235	1,115,768	.....
1818	41,060,555	45,180,150	3,219,595	.....
1819	32,983,689	34,282,251	1,268,562	.....
1820	37,820,293	35,569,077	.....	2,251,216
1821	40,194,681	35,823,127	.....	4,371,554
1822	43,558,488	36,176,897	.....	7,381,591
1823	43,166,039	34,589,410	.....	8,576,629
1824	48,024,952	37,600,021	.....	10,424,931
1825	46,453,022	38,077,330	.....	8,375,692
1826	40,322,854	30,847,528	.....	9,485,326
1827	51,279,102	36,394,817	.....	14,884,285
1828	52,019,728	36,150,379	.....	15,869,349
1829	55,465,723	35,212,873	.....	20,252,850

ploy labour. The present price of wheat* gives a better home market for manufactured goods than a lower price would do, because the largest portion of consumers of those goods are connected with the growth of corn. A *lower corn price* then would not increase our exports, because it is out of the nature of the case to expect a *corn price so low* as to make the *present rate* of wages *profitable and permanent*, and it would certainly *decrease the home consumption* of manufactured goods. Indeed, it may be taken for an axiom, that the higher the value of land in a country like this, the larger becomes the matrix for accumulating, in a solid and tangible shape, the riches of such country, as a reservoir with reference to national emergencies; and thus the agricultural interest may be called the raw material of prosperity. Let us hear no more then the cry, "We must furnish the world with machinery, it is our raw material; it must be dearer at the place of its importation than exportation; therefore we must be able to manufacture cheaper than other countries." The same argument holds good with every other raw material; the country producing

* A labourer, consuming only a quarter of wheat per annum, a rise of 24*s.* per quarter, (which is the highest contemplated, i. e. from 40*s.* to 64*s.*,) extending over the produce of his hands, which cannot be estimated, in any thing like a wholesome state of the country, at less than £100., only adds one part in 83 to the cost, or 1¼ per cent.; a portion so minute as absolutely to escape the notice of the most skilful eye.

it could manufacture it cheapest, provided coal and iron could be had in sufficient abundance, and these are fast developing themselves every where, even in India,* for before a commodity is required, it is seldom looked for. Thus, in the long run, we have small reason to doubt, that the country of the raw material will prove the true position also of its manufacture. Under good government, what should eventually prevent Germany† and Spain, (where there is coal enough for Europe,‡) which supply us with so much

* "Two steam engines (says a correspondent of the Glasgow Journal,) were made in Scotland in 1828, of 45 horse power each, and shipped to Calcutta, for spinning and weaving cotton goods by the natives, under the superintendance of British workmen, and on the capital of British merchants, some of whom are extensively connected with the manufacturers of Glasgow. This power, in buildings and machinery, will require a fixed capital of £85,000 ; and of a circulating capital annually for wages to 1852 hands, of £24,076." Both iron and coal have been found, not long since, in the neighbourhood of Madras.

† "I found our low priced Yorkshire narrow cloths were cheaper than any similar quality either of Verviers or Aix-la-Chapelle, and that the intermediate qualities, up to fine broad cloth, were cheaper in these districts. I allude to a stout looking cloth, but thin in the weaving—to Londrins, to Bath cloth, to ladies' cloth, and such like. The difference was full 40 per cent."—Correspondent from Belgium and Prussia.

‡ The company of the Guadalquivir having endeavoured to ascertain that the coal mines of the Asturias could supply them with twenty thousand tons per annum, the intendant of that principality replied, that it would not only contract to furnish them with the required quantity at the rate of 14*s.* per ton,

cheap wool, from manufacturing it for themselves, and eating up our continental woollen trade, which has already suffered very sufficiently within the last few years. It is true, that if our corn fields were converted to pasture, it might appear that we should still be able to preserve our position as to woollens in the foreign market. But we must remember, that we at present grow carcases enough for the existing population; and population in this country, under such a system, I maintain, must decrease, because few labourers are required for pasture farming. Under a free trade, our corn growers and many other branches of industry, would be extinct, less than 1,000,000 hands sufficed for our cotton manufacture, when it was in fact the source of supply to the whole world: and it is not likely, unless reduced to the very last extremity, that we should produce sheep merely for their wool; dispersing the remaining four-fifths of their present value to the fowls of the air.

We must, then, either have the presumption to try to exceed Creative Wisdom, in inventing new

inclusive of the expense of shipment, but that the stores of this article which Nature had provided were so considerable, and the facility of extracting it so great, that the Asturias were capable of providing coals for the entire consumption of Europe during an unlimited term of years. He adds, that the whole soil is one immense mass of carbonaceous matter.

"The linen of Germany sells better than that of Ireland in Mexico."—Bullock.

products to suit countries possessing none peculiar to themselves, which would be otherwise ruined, when a free trade allowed others more favoured by Nature to dispossess them of their wonted employment, or we must consent to the arrangements requisite for a limited market. Each country must so conduct its commercial policy as best to employ at present, and eventually diminish a supernumerary population; i. e. it must forego the cheapness of some commodities, in order that, at a somewhat dearer rate, it may employ its own population, which, if it did not employ, must be supported in idleness. A free trade, in such a case as this, cannot answer, unless the profits in it are so general and large as not only to exceed what can be afforded by the national labour, but to support also the idle existence of those whose labour it displaces, and renders nugatory. A free trade, therefore, to be profitable to a country at large, must exceed in its profits by some little, both the nation's own rate of internal profits, and the sum required for the support of that domestic labour, which, by a lower price, it has the effect of displacing.

Any attempt, however, of late, to encourage domestic industry, has had but the effect of developing the cry of monopoly! monopoly! It may appear very plausible to decry monopolies; but it should not come from the advocates of free trade; for, if I mistake not, Mr. Huskisson confessed his object to be a monopoly of the trade of the world.

Certainly the Americans have complained of an unfair attempt on the part of a liberal British Government to smother* their rising manufactures.

We should remember how natural it must be that our neighbours should possess an interest in retaining some branches of industry for their own domestic employment. I fear our palate has become so pampered by a long monopoly of trade, as to reject with disgust the homely nature of our domestic demand, forgetting that that demand, if sufficiently encouraged, contains, within its smaller surface, a principle of wealth to our manufactures far superior to the largest practicable external demand. How all our foreign trade (of £35,000,000. per annum,) dwindles into insignificance, when compared with the transactions of the London clearing house of £5,000,000.† a day; and how trivial is the amount of all the shipping employed in importations, set against that which is called into action by the multifarious parts of a domestic‡ manufacture.

* "The Carthaginians, to render the Sardinians and Corsicans more dependent, forbade their planting, sowing, or doing any thing of the like kind, under pain of death; so that they supplied them with necessaries from Africa."—Montesquieu.

† Burgess.

‡ "Supposing trade to be torpid, the first impulse to quicker circulation is an increased demand for commodities, which is usually created by our foreign customers. If they

By all means let us preserve as much foreign trade as we can, consistent with the wholesome employment of our hands at home. We have no market either at home or abroad, I should imagine, to give full employment to our present supernumerary artizans, unless through the medium* of a gradual cultivation of the waste

wanted to buy nothing but foreign or colonial produce, their purchases would be confined to the sea ports; where the purchase would be completed, and where the addition to the circulating medium would be imperceptible. A demand, however, even for all our manufactures of any given amount, would not cause in each manufacture a corresponding increase of the currency; but that increase would be regulated by these circumstances; the *raw material*, whether obtained at home or abroad; the proportion of raw material and labour in the wrought fabric; the *number of distinct traders*, through whose hands all the materials have to pass, of which the perfect thing manufactured is composed, before it is shipped at the sea port. The difference between a foreign demand for cotton twist, and Norwich stuff goods, is the circulation of *two bills* for the former, and *five or six* for the latter. This increase in the circulating medium, causes an application to the bankers to pay weekly wages, more money being required for wages; the receipts of all shopkeepers are increased; they experience a greater demand for goods; and they must replenish, or their stock will be run out."—Burgess.

* India is another opening for our industry which is within our power, and it is not difficult to foresee the consequences; which are, to encourage emigrants from England to India possessed of capital and skill, who will shortly, with the help of Madras coal and iron, manufacture the raw cotton on the spot; for though we get our raw cotton now almost entirely from the United States of America, it is only the unwholesome

lands of Ireland and elsewhere in the empire, which might pay at a wheat price of 8*s*. per bushel. The execution of such a plan would cause a demand for our manufactures more equal to the amount of goods produced, and would give breathing time for salutary laws to take effect for preventing the too quick growth of population, which must be not only enacted but strictly enforced, now that the conviction has arrived, not I think to be gainsayed, that our productions will more and more every year have to find their consumption at home, which must, in some degree, limit production in the long run.

state of the law which prevents an equally good article being grown in India;—indigo is an evidence of this. A thriving English population will grow up, and, if that have not happened before, eventually usurp the cotton manufacture of Great Britain; beating us out of the market, by the difference in the expense of carriage between the raw and manufactured commodity, and by the non-existence of a large debt. The reins of Government, as power increases among the colonists, must eventually be seized by them, and the American drama be re-enacted; except that, perhaps, experience may assist in preventing such obstinate irritation on the part of the Mother Country. The result here contemplated, however certain, is precisely the natural and just one; but it is no argument in favour of our dependence on a single branch of industry, and that by no means indigenous, such as cotton is to Great Britain. It will be fair enough in this country to keep possession of India, until it be able to protect itself; after that, Nature will take it out of our hands. It is sufficient excuse for retaining it, that other nations might dispossess us of our cotton trade, withhold a large field for emigration, and probably govern the country worse.

Of course, the obvious measures of the check upon Irish population by a gradual subversion of the system of sub-letting, and good poor laws preventing support to able-bodied labourers, are presumed. Do not the operatives of this country perceive, from the melancholy experience of late years, that low corn here causing a diminishing demand for labour, have only given low wages, and that low wages have not produced the expected event of an extension of our manufacturing sales abroad? The old prejudice, that the larger the supply of corn, the better must be the condition of the labouring class, is no longer tenable. Poland and Ireland are corn exporting countries. The number of paupers in the United States of America is proof enough that plenty of food will not produce prosperity, when other causes, as ill conduct, or bad government, deprives them of the opportunities which can alone give the means of their possessing it. The course of the argument should be, either that it matters not what prices are to the labourer, so long as his wages are accommodated to them; or that he, like all other traders, if his labour be displaced by foreign goods, which he previously produced, must go without employment. The question, therefore, would be reduced to this: Is it better for the labourer, who has no capital but his labour, to have corn at 30*s.* the quarter without employment, or at 60*s.* with employment? Is it better for the tradesman, the most of whose capital is

locked up in his trade, to have custom with a wheat price of 60*s.*, or no custom with it at 30*s.*? The truth is, quantity of corn in a warehouse is not the charm to the labourer, but the amount of his means to purchase it; which depending on the demand for his labour, it is evident that his capacity for enjoyment rests altogether on that demand for his services, the payment of which can alone give him the power to procure the necessaries, conveniences, or luxuries of life; the amount of the demand for the labourer being, under every circumstance, the measure of his wages and enjoyment: and the world, being resolved upon manufacturing for itself, there remains but little prospect of help in our distress, except from that legitimate source—ourselves. A higher corn price would enable the whole agricultural interest, composing about half the nation, to double,* perhaps, their purchases of manufac-

* I do not say this unadvisedly: the present depressed state of agriculture does little more than enable its dependents to exist: of the necessaries of life, they know little; of the conveniences less; and of the luxuries nothing. The two latter, being composed, in a great measure, of manufactures, whatever increased the powers of consumption in the agricultural class, would be nearly a clear bonus to the sale of manufactures. While the increased wages of the operatives, from the greater demand for their goods, would make another large addition to their consumption. It really might appear, upon a *very elaborate* calculation of this matter, that it is possible for wages of 2*s.* 6*d.* *a day*, with wheat at 8*s.* per bushel, to be somewhat more advantageous to the operatives than 2*s.* 6*d.* *per week*, (the Preston rate,) with corn at 5*s.* per bushel!!

tured goods; the wages and employment of the operatives would rise and be secured accordingly.

Although, as long as machinery and artificial power were kept out of sight, northern nations, from their energetic activity, may appear to have been intended for the workmen of the world, Nature supplying them with materials from the lazy south; yet shall we find, I think, that steam will prove, in the sequel, equally energetic in the south as north; and, as the carriage of the wrought article, in its more concentrated shape, is much cheaper than of the raw material, the grower must, at last, become the manufacturer too. At present, capital is wanting; but it is indigenous to most soils, and will transplant to all.

At all events, evidence is not wanting to prove that a foreign trade cannot advantageously exist without reciprocity. The falling off in the export wine trade of France, (which, however, has been much exaggerated, being only about 71,500* tons, and the late surplus in the Gironde Depart-

* The falling off in the wine export has been, in Dantzic, from 6,000 tons, from Bourdeaux alone to 400 or 500 tons from all France; the falling off in Prussia is from 15,000 to 4,000 tons; Holland in about the same proportion; Hamburgh, Bremen, and Lubeck, from 40,000 to 15,000 tons; Sweden, from 7,000 tons to nothing, except 100 tons for the court; Denmark and Norway, from 5,000 tons to 1000; Russia from 12,000 to 4,000 tons. In all, 71,500 tons declension in the French wine export trade."—Petition from the Gironde Department.

ment being 600,000 tons,) is an additional assurance of this. If, however, in the various new sources of industry which have arisen in France, by which the necessity of those foreign articles are precluded, which used to come in exchange for its wines; if these new manufactures cause an equal demand for wine at home to what was previously experienced from abroad, more than an equivalent to the nation is obtained, because it is more to be depended on, and introduces an increase of domestic customers for every other domestic manufacture. There can be no falser estimate of a nation's prosperity at two different periods, than the amount of its exports; because the diminution of exports may arise from increased domestic consumption, which is much more valuable, inasmuch as there is a double profit; the profits on each of the commodities constituting the exchange falling to the lot of the home country; whereas, in the case of export and import, the profits are divided between the exporting and importing countries. It is, nevertheless, advanced, that by enriching our neighbours, we enrich ourselves, for they thus become richer customers for our manufactures. This may be the case for a season; but, are our foreign neighbours always secure customers? Does not our money help them to manufacture for themselves, and to undersell us. Every addition to their wealth, there can be no doubt, is an additional sinew in war against us. What can continue

their wealth, but a profitable investment for it; and what more profitable than manufactures? Whereas we can never be wrong in enriching ourselves from domestic sources; we are always sure customers one to another, and this even a civil war could not prevent. On a well organized system of protection to domestic industry, I have little doubt that we could, with great advantage, secure to ourselves an invariable supply both of corn and wool. The objection to the latter has been, that a certain species of foreign wool is required for the finer fabrics which the home agriculturist cannot supply. In this I have little faith, provided a short time were allowed for its naturalization. Until lately it has always been thought necessary to import English long wool into France. M. Ternaux has had the spirit to naturalize long woolled English sheep to a great extent in France, and has removed many difficulties which prevailed in spinning this kind of wool, as well as camel's and goat's hair. France excludes all wool not her own growth, except one-fifth of the manufacture. This excites great emulation among the wool growers, and, as the *North* of France is the most famous for its breed, (which is a mixture of all sorts,) of sheep, there is no reason to suppose that England could not grow her own wool.

With respect to corn, also, there are few people acquainted with the capabilities of our soil, who deny that we could grow sufficient for our average

consumption,* if the price were not under 8*s*. per bushel; and this, deducting the influence of the

* If, which there is great reason to believe, a remunerating price of corn would enable us, on the average of years, to grow sufficient wheat for our own consumption; the objection, that we ought not entirely to discontinue our custom to foreign growers, lest they should have no corn to supply us with in a time of scarcity, becomes nugatory. Great odium has been intemperately attached to the idea of public granaries; but no plan would so firmly secure an average supply to the consumer, or an average profit to the producer; or so equalize the price between the two. A store of 2,000,000 quarters would be ample, bought in, the first time, either all at once from the foreigner, or by degrees, in our own superabundant harvests, when wheat was more than ordinarily cheap, and would sell in scarce years for much more than it cost, and so bring no loss to the revenue: the whole mass, being in a successive course of exchange for fresh every three or four years. It would be let out, by orders in council, just in those moderate ratios which would keep the price at what was settled by Parliament to be the proper one for the grower under his taxation. The farmer could then dispose of all his stock every year, without being at the expense of waiting a twelvemonth for a better price, and then deluging the market all at once, without any reference to the existing supply. Whereas a public granary would be a rudder of regulation as to price, and of security as to supply. The experiment of warehousing corn, upon the principles of the ancients, seems to answer very well in France. M. Ternaux, the celebrated agriculturist and manufacturer, began, in 1828 or 9, to deliver to the reserve storehouses of Paris the corn from his siloes at St. Oven. The silo which he opened, supplied 1,404 quintals of wheat, of the harvest of 1824, which, it is said, was as fresh in smell, and as full in appearance, as when it was first stored. Beyond doubt, modern chemistry may be a great

National Debt, is not greater than the price of the two preceding centuries. At the present moment, indeed, the price, uninfluenced by two scarce seasons, would not be greater than it was before the war, i.e. 6*s.* per bushel: rents, it is true, are about 15 per cent. higher, arising from increased skill in agriculture, and, till lately, a more spirited outlay of capital, which have produced corn at less cost: this, like any mechanical improvement, is a fair right to the property of the owner, because it leaves the price to the consumer the same.

Those who complain of the invidiousness to foreigners in our imposing large duties on the import of corn; and at the same time would increase our circulating medium to such an extent as the agriculturists require for a remunerating price of corn, appear not to consider that whether foreign goods be excluded by a Corn Bill or a Money Bill, the result is precisely the same to the foreigner, and the odium really equal. The difference to us between a Corn and Money Bill is this, that a large circulating medium ensures permanently good prices, because it

assistance to us in a plan of this kind. To preclude insects and fermentation, (both of which require the presence of oxygen,) are the postulates, which may probably be answered by air-tight cells, with either carbonic acid gas, or azote, or hydrogen, to exclude the oxygen. The bounties paid by the British Government on the *importation* of corn, 1796, amounted to £573,418.; and, in 1800, to £2,135,678. These facts are, of themselves, (notwithstanding the time of war,) a volume, in favour of public granaries.

increases the quantity of money, compared with the quantity of goods; while, supposing no foreign corn to be imported, a Corn Bill can have no effect on prices whatever, any more than if the Manchester Chamber of Commerce were to declare cotton shall be such a price per yard, when the public will only give a lower price. But supposing the Manchester cotton spinners to be hard pressed by taxes, and were to say,—"Owing to a high price of bread, the wages I have to pay are so much increased, that I cannot, during the continuance of these adverse circumstances, withstand the competition of the foreign importer without positive loss, when my workmen must be supported by the country in idleness;" there is a fair and just claim held out for protection from Parliament. The fact is, that any thing like a Corn Bill, does not produce a rise in price; Nature causes the rise, by adverse seasons, and the Corn Bill prevents the fall being too ruinous to the home grower from an importation from other countries where Nature has, for the season, been more smiling and productive.

The only way in which free trade can at present be carried on in this country consistently with the interest of the British labourer, is by depreciating the standard in this country so as to give a high nominal price to goods which are taxed for a high nominal debt.

The way in which a depreciation in the value of our standard would operate on corn, may be

shewn thus:—We are to suppose, as has been the case for 200 years preceding the late war, that the ounce of silver and bushel of wheat are as nearly as possible of synonimous value. We may suppose, also, for the sake of argument, the present, or real price of silver to be 5*s*. per ounce, wheat, the same per bushel; which is the average price at which foreign wheat could reach this country without any restrictions. When the foreign wheat importer (supposing no British corn laws) lands his corn in England, he exchanges the bushel for an ounce of silver: the corn, therefore, sells in England at 5*s*. per bushel: this 5*s*. per bushel would drive a great part of the corn land in England out of cultivation, because, under our burdens of debt, wheat could not be grown on most of our soils at that price; the foreigner would then retain possession of the English corn market. And supposing the price, from a surplus supply, to fall to 4*s*. 6*d*. per bushel; however injurious it might be for the foreigner, it would become, under his light, and our heavy taxation, still worse for the English grower. But supposing the price of the ounce of silver to be raised to 8*s*. in England, (the continental price of silver remaining as heretofore,) the price of the bushel of wheat in England would be raised to 8*s*. per bushel: and the foreign bushel of corn exchanging for the ounce of silver in England, must sell in the English market for the same as the ounce of silver does, viz. 8*s*., so long as there is not an

over supply of corn: but these 8*s.*, which he obtains in England for his bushel, are only nominal, and would go on the continent for 5*s.* only (the supposed real price of silver); the foreign grower then, in fact, sells his corn but for 5*s.* the bushel really; the same as before the alteration in the English price of silver took place: therefore to him ostensibly it appears neither an advantage or otherwise to establish a depreciation in the English standard; whilst to the Englishman, who has to pay a large debt, it is a great advantage to have the number of his shillings nominally increased, for the debt consists of but a certain number of nominal shillings; and the more of these nominal shillings the debtor possesses, the easier can he pay the debt, and the more he has left for purposes of consumption. However, it is more than probable that this additional price of the bushel of wheat in England would stimulate the British grower to produce a larger supply of wheat, which, in conjunction with the foreign supply, might overstock the market, and cause a depression in price of 6*d.* or 1*s.* per bushel: for then a fresh operation would take place; the quantity of wheat in the market would have lost its relation to the quantity of money in the market: by the increase of wheat, more wheat would be given for the same money, the price of wheat would then be lowered; the bushel of corn, previously worth 8*s.*, or an ounce of silver, must then sell (say) for 7*s.*, or less than

an ounce of silver. This is a fall of an eighth. Now the fall of an eighth from the five real shillings, which is the true price to the foreign grower, is 7½*d.* per bushel, which, deducted from the 5*s.*, leaves 4*s.* 4½*d.* per bushel, as the price at which the foreign importer must sell his corn really in England, when the price is in England 7*s.* nominally, under a silver standard of 8*s.* per ounce. Now, as we are supposing 5*s.* per bushel, or 40*s.* per quarter, to be about the average price at which wheat can be brought from the Continent to England, it appears that the English grower could better bear the fall in price from 8*s.* to 7*s.*, than the foreign grower from 5*s.* to 4*s.* 4½*d.*; and as it is probable that the foreign corn would not, on the average of years, be introduced into England at 4*s.* 4½*d.* per bushel, the English bushel might, on the average, sell for 7*s.* 6*d.*, or 60*s.* per quarter. At all events, no one can for a moment doubt, when a nominal debt has to be paid, that seven nominal shillings will go further in payment of that debt than 4*s.* 4½*d.* real shillings; for the real shillings go no farther in payment of the debt than the nominal shillings do. In fact, a duty of 6*s.* would, I should think, amply secure the English grower from any foreign interruption at all, when 8*s.* was the standard price of silver; for whenever the foreign price was 5*s.* per bushel, the English MUST be 8*s.*, which is the thing to be proved, and the rise and fall are in a similar ratio;

and all other commodities, besides corn, would be affected in the same way, and in the same proportion.

Provided our silver ounce were depreciated to the above extent, rendered necessary by our national derangement; free trade would be the best thing we could possibly have. An unlimited market for over production, is an evident remedy. Whether, since the scarcity of their circulating medium has diminished their own powers of consumption, our continental neighbours will indulge us in a measure of this kind, it is for themselves to consider.

What can we say more then on the subject, than that since the only real wealth of a country is that which proceeds from a full employment of its industrious population, whenever free trade gives this, it is beneficial; when it does not, it is detrimental. Remembering, however, that "we must not change a prudent doubt, for an insecure conclusion."

CONCLUSION.

From the foregoing Essays, it appears,

1st. That the existing quantity of machinery in the kingdom amounts, under the absence of demand for labour, from artificial causes, to a serious injury to the labouring class.

2ndly. That the capital in the kingdom, in consequence of long accumulation, particularly from sources like India, which did not naturally belong to it, and from the high profits of the originators of the present race of machinery, is, under the diminished foreign demand for goods, too great for the purposes of production; over competition tends consequently to depreciate the profits of production.

3rdly. I affirm, from the evidence of long continued distress, that production, of late, has been too great for consumption.

4thly. That the internal consumption is diminished, because of the doubling of all the public and private debts incurred during the war; which, in the case of a man having borrowed to the extent of half his property, now to be paid by the whole, leaves him without bread, much more without the power of consuming manufactured goods. That foreign consumption is decreasing rapidly, though with occa-

sional temporary vacillations, because those nations who used to be supplied by us, are now resolved to manufacture, in a great measure, for themselves.

5thly. That the most obvious and practicable plan of enabling consumers *generally* to meet their burdens, and also a wholesome degree of production, is to reduce the silver standard to 8*s*. 6*d*. per ounce, and the gold standard to £6. the ounce, the experience of three centuries, previous to 1717, shewing, (independent of the late war,) that it should now be at least, £4. 14*s*. 6½*d*. the ounce gold. The progressive wants of society seem to have required the depreciation of about £10. per century, which has taken place in our gold standard since the end of the fourteenth century. In 1717, it had reached £3. 17*s*. 10½*d*. the ounce, or £46. 14*s*. 6*d*. per pound. It should now, therefore, according to the experience of some centuries, independent of the extraordinary circumstances of the late war, be £56. 14*s*. 6*d*. the pound, or £4. 14*s*. 6½*d*. the ounce. Late purchasers of funded stock, or lenders of private money, to be protected by an adjustment scale, according to the date of the transaction. That any other equivalent measure that is practicable will be equally satisfactory, provided it secures the same universal effects. That this necessity must be considered as an evil, is true; but to let the country sink into starvation or revolution, would be incomparably a still greater evil, and I see no other alternatives. The question seems to be, whether it be better to risk inflicting some minute inequality of loss upon indi-

viduals within a certain class of fundholders, being about 280,000 persons in all, and other lenders of money, (*no loss upon the aggregate of these classes being risked*, though they would thus be made to bear their *due share* of the public burdens,) or whether eighteen millions of persons should be put to silent starvation, or to the hazard of one universal political convulsion.

6thly. That the only free trade practicable in this country is under a depreciation of the silver ounce to 8*s*. 6*d*., the bushel of wheat and the ounce of silver being nearly of similar value. That thus, though the price of wheat would then be here 7*s*. 9*d*. or 8*s*. of the new currency, the real price in the foreign market would be the real price of the ounce of silver, say 5*s*. (present currency,) which would enable our manufacturers to send their goods abroad on the basis of really the lowest European corn market, carriage, &c. alone deducted. That the present *low price* of wages, which *no lowness of price in corn could profitably continue*, proves, that the price of corn is, at present, no prevention to the exportation of goods; and that the real wealth of a country is that which proceeds from the *full employment* of its industrious population. When, as I before observed, free trade gives this, it is beneficial; when it does not, it is destructive.

The powers of consumption in the country are not so much weakened as the condition of the working classes would seem to imply, because they are obliged by law to be supported by parochial assistance, if

their independent powers fail them for that purpose. The falling off in the wholesome consumption of the working class may be not unfairly measured in some degree by the increase of the poor's rate, taking into consideration the difference in living between the allowance from the work-house and good wages. The true individual falling off in consumption will be in the parties contributing to the poor's rate; unless a diminution of rent protect them; and then the landlord, upon whom the burden invariably falls in the end, is the sufferer. The decreased consumption from these causes is very gradual: A previous habit of indulgence will cause men for a time to apply to capital for what their income has before supplied to them: so that it was not until last year, when a defalcation of £1,000,000. in the Excise, and a still greater proportional deficiency in the first quarter of the present year, that the evil has begun to be fairly exhibited. As a set off against these deficiencies in consumption, there is in the great mass of public and private creditors (what with the direct increase in their property from the Bill of 1819, and the great fall in prices) a full doubling in their powers to purchase. It would be sad if riches, even from this lamentable source, did not produce some indirect advantage. But consumption will always be greatest where income is the most minutely spread. The possessor of £10,000. a year has the option of laying by a portion of his income, and so may diminish consumption; but £10,000. divided into incomes of £30. per annum, could not be saved. Luxuries may, necessa-

ries must be consumed. Thus, though the real amount of national income were not greatly diminished, consumption would be proportionally less from that income being more accumulated in masses.

There is some appearance of obstinacy in the recurrence by a certain party to the same arguments against the distress, in spite of facts. Thus, some would have us suppose, because consumption in some articles has not decreased, but the contrary, that the condition of the people (forgetting the increase of numbers) cannot on the average be unprosperous; although the fact is staring them in the face. How can they be distressed, it is said, with an increase in the quantity of our manufactures since 1821, of full one third, from 37 to £55,000,000. as the following table shews.

Exports of British and Irish Produce and Manufactures from Great Britain.

Years ended Jan. 5.		Official Value.	Declared Value.
		£.	£.
1821	.....	37,820,293	35,567,077
1822	.....	40,194,681	35,823,127
1823	.....	43,558,488	36,176,897
1824	.....	43,166.039	34,589,410
1825	.....	48,024,952	37,600,021
1826	.....	46,453,082	38,077,330
1827	.....	40,332,854	30,847,528
1828	.....	51,279,102	36,394,817
1829	.....	52,019,728	36,150,379
1830	.....	55,465,723	35,212,875

But who or what made this increase of manufactures? Not the working classes; but machinery: it

would not then be owing to the *labourer's* prosperity that consumption had advanced, even if it had done so. An increased consumption has doubtless taken place among the receivers of fixed payments, whose incomes have risen in value, as those of the rest of the nation have fallen: they are, therefore, the increasing consumers. The same table, however, proves by a comparison of the official (which is merely the criterion of quantity) and declared values, that in 1830 we received actually less for 55,465,723 (say) webs of cloth, than in 1821 for 37,820,293. This, it is true, is partly owing to the fall in price of the raw material of cotton, from 2*s.* to 6*d.* per lb.: but cotton was 6*d.* in 1828, and yet the real value of 51,279,102 (say) webs, is greater in that year than for 55,465,723 in 1830; and the actual exports of cotton bear this proportion out. What does this demonstrate but that the present condition of the working class is owing either to a fall in wages, to an awful extent; or that machinery and the labourer, like the pounds, paper and gold, are incompatible beings? We must have now a directing, instead of a working operative.

Again, the same party exclaim, "the shipping interest cannot be much distressed, because the tonnage is increased." Doubtless, facts are essential to legitimate reasoning: but it is one thing to argue from facts, and another thing to argue against them. Care, too, must be had that the particular fact be absolutely connected with the particular argument. Every fact will not suit every argument. Neither can

an irrelevant fact contend with one which does not admit of dispute. It is a fact that York Minster was burnt; but in order to prove the burning, it was not necessary to look out for the madman who committed it to flames. Nor was the consequence certain, that because Martin was mad, he would therefore burn York Minster. Nevertheless, notwithstanding the invincible fact that the shipping interest, as a body, is most lamentably situated, there are men, who, instead of arguing from the solid fact of the distress, only proceed upon what, in their opinions, would in general conduce to distress in that line; and as nothing, according to their ideas, can be evidence of ruin in the shipping interest but a diminution of tonnage, their arguments are founded upon that mere opinion, and not upon the incontrovertible and substantial fact of the distress. The same men would have maintained that York Minster could not have been burnt except by a madman (which is probable enough, *primâ facie*, as is also their case of the tonnage); and if Martin had been proved sane, and no other mad perpetrator found,—York Minster would have needed no repair; for, according to their theory of reasoning, it could not have been burnt. It appears to me, that it would have been more modest, after an attempt had been made for three or four consecutive years to prove the amount of tonnage the sole criterion of prosperity in the shipping interest, when that body had year after year, notwithstanding an increased tonnage, sunk more and more into adversity,—to have suspected the truth *of the criterion*, rather *than of the*

fact of distress; and to have looked about for some other cause more in keeping with the actual condition of the shipping, such as a necessity of retaining apprentices; carrying freights at the *lowest profit* rather than *at none* (a ship being as durable, barring accidents, at sea as in harbour); while the chief stimulus to new building would probably be the immense fall in the prices of the materials of shipbuilding in this country, and the power of obtaining them still cheaper from abroad, which would (in the great scarcity of investment for capital) induce new capitalists to endeavour to undercharge the old shipowners who had laid out perhaps double the capital in the same amount of tonnage.

Although it is allowed that *causation* is the faculty of the highest order in the human intellect, men are ever aiming at it as a means of a secure conclusion, in preference to examining *effects* of which they are competent judges. The cause may always be debateable ground;—the effect may always by proper care be fully ascertained. Where the cause is liable to dispute, it is a much safer means of arriving at a sound judgment, to reason not from a doubtful cause to an effect, but from known effects to known effects. We should fare but badly, if we fasted till we learnt the causation of the germination of wheat: we find it more useful in practice to reason thus: we know if the seed be good, that the effect of putting it into the ground is that it will germinate; and if it germinate, we confidently await the next effect, of an increased supply of the seed we planted. In discuss-

ing the fall of prices since the war, we are all in the habit of assuming a favourite cause. One, a change, from war to peace; another, from a cheap to a dear currency; another, from restricted to free trade; others, the cessation of the immense government expenditure during the war. But *we none of us can incontrovertibly affirm the* CAUSE. We have seen that certain things have happened before, and (as in the case of the seed germinating) presume that the same will follow under similar circumstances. Thus the advocates for a depreciated currency may not be able to demonstrate their side of the question mathematically; still the effects have been so often the same under the same circumstances, that they have with reason considerable confidence in their mode of reasoning from effect to effect. In 1815—16, say they, corn was comparatively low from the prospect of a return to cash payments in the latter year, which diminished the amount of paper currency; therefore prices fell, and caused great distress; in 1816, it was declared that cash payments were suspended till 1819; then came the high prices and *prosperity* of 1817—18. Some will say the high prices of those years arose entirely from deficient harvests; but they will find some difficulty in coupling scarcity with the acknowledged prosperity of those years. Then the actual passing of the Bill of 1819, caused the fall in prices and ruin of 1820—1—2, which was put a stop to by Lord Londonderry's Bill of 1822, for the further continuation of one pound notes; and the un-

derstanding of the period being unlimited, caused the higher prices and prosperity of 1823—4—5.

The sudden call for gold, which adverse exchanges and the balance of trade had withdrawn in a great measure from the kingdom, (and which might equally happen under a purely metallic currency, because no amount of gold that we could possibly obtain would be able to answer a sudden demand for it, from four or six hundred millions pounds of bills,) caused the panic at the end of 1825, which was also relieved by an issue of nine millions pound notes and some millions of sovereigns, all in ten days, by the Bank of England; and would have proved the means of our recovery, but for the fatal Act of 1826, for putting an end to one pound notes in 1829, the bitter effects of which we are now experiencing, and which will only end in a complete exchange of property throughout the country. The reasoning from effect to effect, on this side of the question, is less broken than on any other: for what had the change from war to peace to do with the many and sudden *vacillations* in our condition, which have taken place since 1816? or what had an increase in our foreign trade to do with our prosperity in 1824—5, when our exports fell off half a million in the midst of it? Do we not also see by the increase of exports, which took place in 1825 over 1824, being as thirty-seven to thirty-four million pounds, that it is not the high price of corn which prevents the exportation of our goods? On the contrary, does it not prove, that the more the domestic

powers of consumption are expanded, the more foreign articles are consumed, which require increased exports for their payment? Or, how can the amount of free trade we at present possess, account for any great portion of the existing distress, when it obtains in such articles as cotton, with the prosperity of which a perfectly free importation would not interfere.

Since this was in the press, the following somewhat inconclusive note has appeared in Sir H. Parnell's (so far as regards commutation of taxation, and retrenchment of expenditure,) extremely useful work. "The administration of Lord Liverpool is entitled to the gratitude of the public for the ability and courage with which it undertook and accomplished the restoration of the currency to its old standard. The flourishing state of the revenue, of trade, of manufactures, and of agriculture in the years 1823, 1824, and 1825, during which Mr. Peel's Bill was in full operation in bringing about the change, is a fact that completely exposes the error which those persons have fallen into, who attribute every modern public calamity to that measure." Now, although, as it has been before observed, causation is not the easiest operation of the mind, still it is equally true, that a cause is necessary to every effect which takes place: and it would have been more satisfactory to his readers, if the worthy Baronet had indulged them either with deductions from previous effects under similar circumstances, or attempted to elucidate the cause. The more prosperous state of the country in

1823,—4, and 5, than that of the three previous years, Mr. Attwood and others have supposed to be owing to the extension of the currency springing from Lord Liverpool's One Pound Note Bill of 1822; and in this, looking back to the results of a dilatation of the currency in 1817, they reason rather from effect to effect, than from any indisputable cause. Sir H. Parnell has not condescended to reason; but the domestic prosperity of those years, arising as it did from the depth of circumstances directly the reverse, demands a source for its existence; which, for men possessed with the anti-depreciation theory will be the more difficult to find, as it could have no relation to our foreign commerce, for British exports fell off in the midst of all this prosperity nearly half a million. The argument of a change from war to peace having brought about the distress immediately succeeding the war, to be consistent, should certainly have accomplished a continuance of it in the prosperous years of 1818, 1824, and 1825, as well as in the disastrous ones of 1820, 1821, 1822, 1829, 1830. The gradual operation of Mr. Peel's Bill has therefore, at the particular crisis of 1816, 1820, 1821, 1822, and 1829—30, exhibited itself as far from innocuous; while the opposite system, in the intermediate years, was certainly eminently successful. If then, the war be to blame for commercial disasters, how much more is Mr. Peel's Bill; the following Table, which has just been printed, by order of the House of Commons, exhibits

one among many instances, as it shews the number of persons who have become insolvent in England and Wales, since the year 1813.

Years.	Insolvents.	Years.	Insolvents.
1814	1,893	1822	4,955
1815	2,886	1823	4,241
1816	3,263	1824	3,607
1817	3,548	1825	3,665
1818	3,484	1826	4,681
1819	3,352	1827	4,234
1820	4,012	1828	3,717
1821	5,290	1829	4,063

It appears from this, that the total number of insolvents since the peace is 60,991. During the first four years of the peace the number was 11,590, whereas, during the last four years it has increased to 16,795.

What the prosperity of 1824—25 really proves, in connection with the powers of the country, is, that they are equal to support the burdens of taxation with a wheat price of 8*s*. or 8*s*. 6*d*., but not with less, instead of the war price of 11*s*. or 12*s*.

I have thus endeavoured, by patient investigation, and from a variety of sources, to arrive at dispassionate and just opinions; but, in the present state of excitement, in the various classes of society, no opinion can be stated that will not be reprobated by one party, and extolled by another. Being

myself, though in a humble degree, an owner and occupier of land, of course, I shall be supposed to be warped by that circumstance. I can only say, that whoever will point out how the enormous burden of the State can best be distributed over all real or artificial permanent property, or value of life income, in the most exact ratio to their just amount, with reference to the currency as it once was, and now is, shall have my vote; all I wish is, to combine fair play to every class of property, monied, landed, or commercial, with a means of letting our present invested capital and skill in manufactures, tell to the utmost in meeting both a home and foreign market, with a due remuneration to the owner, under all our burdens.

The fundholders case has been thought to be distinct from that of all other capitalists; and to a foreign holder this is true, and must be acted upon; but when British subjects lent money to Government to carry on the late war, was not that property, so lent, as much protected by the war as any other British property; and is it not, therefore, in all justice, as fairly rateable for the expenses incurred? Then let the true value of funded property be duly probed as it stands affected by the currency as to the wheat or produce, as well as money standard, in the same manner as all real property has practically been; and then, when thus fairly placed on its true scale, let it be taxed to its true amount. It is a mere farce in this state of public bankruptcy to all intents and purposes, for a handful of men to stand demanding that

which is unjust upon the face of it, in view of a starving nation, because it is "so nominated in the bond." The money was lent upon the speculation that it could be so paid by Government, and surely that Government, in its firmness and wisdom, (qualities which, I may say without flattery, the present administration have as fair a title to as any of their predecessors,) backed by the united voice of a groaning people, might state the truth, *we are unable to fulfil our engagement.* No man of that day ever contemplated that a difference of more than 5 per cent.* could arise from the restoration of the ancient gold standard; hence, I affirm, that, with the best informed, as a speculation, a gain beyond that low per centage which no one would have felt, was never in the contemplation of the speculators; and, if it be thought more just, let a boon to that extent be granted to them, and they will have gained all within the range of their meaning in the *said bond.* It is hard for a Great Nation, for all the towering pride of England, and its long line of glory, to be shipwrecked upon a rock of mere words, a *vox et preteria nihil.* It is the *meaning and intent* of an agreement that is its essence and power. The written word is only the evidence of such agreement, and I therefore affirm, that, as neither any of the lenders or borrowers ever did contemplate a rise of more than 5 per cent. on the change of the currency, the spirit and meaning of the case is wholly fulfilled, if the speculators be allowed the sum of 5 per cent. above what they originally lent.

* Even Mr. Ricardo himself.

There is no trifling with these times, "the schoolmaster has been abroad!" The public well know, that previous to the war, the whole expenses of the Government, and the interest of the debt, did not exceed twenty millions per annum; whereas these now amount to fifty-five millions. They know also that the five hundred millions borrowed during the war, were worth no more than about three hundred millions of our present currency. Hence, if interest were paid upon this sum, even at 5 per cent., it would only add fifteen millions per annum, and hence thirty-five millions, with the same establishments as before the war, should be our present extent of taxation. If a greater degree of uneasiness in the public mind calls, as I think it truly does, for an increase of military power, beyond what existed previous to 1792, the public may feel inclined to say, that that uneasiness would cease with the extra taxation that gives it birth; no doubt, however, exists, that the army which so long a war called into existence, which covered itself and the nation with such glory, and its leaders with such imperishable fame, must not be neglected, or its proud services forgotten; many really useful additional offices of labour may be safely sanctioned by the necessities that have created them. I am no advocate for cutting down the proper rewards for meritorious services, or for parsimoniously diminishing even the splendours due to high stations of actual service in the Government; but we cannot afford more than the strict measure of justice will allow to

each, and with that, there can be no doubt the country would soon rally, and be itself again. One vigorous, generous, and disinterested effort of all, is due, to sustain the noble country that has given us birth and liberty, even if our own interest were not bound up in the result.

Bills, for the Consideration of Parliament, consequent on the aforegoing Observations.

1. A depreciation of the standard to 8*s*. 6*d*. the ounce silver, and £6. the ounce gold: any commercial panic, or stagnation, from the anticipation of such a measure, being easily avoided by the Prime Minister and the Chancellor of the Exchequer proposing it the same night; each with a pledge—that, as far as the powers of Government extended, it should in fact begin to operate from the very moment of their addressing their separate Houses.

2. In case of this depreciation of the standard being at present refused by Parliament;—as an experimental substitute, a public and private credit tax should be imposed, to bring taxation on those investments to a fair equality with that on land; (the legacy duty, &c. being counterbalanced by the auction and other duties, on the exchange of real property,—such as stamps for mortgages, &c.) This measure, to give it, as a substitute for the depreciation, a fair chance of success, should be accompanied by a renewal of the one pound note circulation. And, with either the depreciation or the substitute, a change from a gold to a silver standard, in conformity to the custom of the continent, would be highly desirable; for among other advantages, it would,

in the absence of a direct depreciation of the standard, lead to an indirect one of 8 or 10 per cent.

3. A Bill (which would be rendered unnecessary by a depreciated standard,) to modify the ill effects on the landed property and labour of this country by the importation of agricultural products from Ireland,—the offspring of labour free from taxation, and unused to the expensive food of corn; for the produce being in value proportioned to the price of the food, which of course governs the price of labour also, the English grower and labourer, who eat corn and pay taxes, are seriously injured by the importation of products, whose value is disproportioned to their habits of civilized life; and such a policy may be likened to that of flooding all Lombardy, for the purpose of irrigating a few rice grounds on a higher level: it is surely tantamount, not merely to staying the progress of the labourer of England, whose once boasted happiness and name were inseparably connected with his comparative forwardness as a civilized being; but, what is a still greater hardship, to an actual downward impulse into the habits and ranks of barbarism. Taxation to an equal extent with England; as quick a change from potato to corn food as possible; and, either the cultivation of the waste lands, or emigration for the numbers supernumerary for

the present amount of production in Ireland,—are the most ostensible remedies for this evil.

4. A Bill, to operate prospectively, to deprive the able-bodied labourer of parochial assistance, so as to diminish the inducements to early marriages between parties who are unable to support a family in independence; thus meeting the increase of machinery, which may be considered as an evil at the present moment, only because, by holding out an indiscriminate legal inducement to marriage, we have legislated against the natural check which the difficulty to live, according to civilized habits, among increasing numbers would have gradually imposed. Had the national education been pursued early enough to have allowed the labouring class now to take advantage of the leisure afforded them by machinery; and had improving poor laws advanced in equal progression with improving machinery,—our condition as a nation, (independently of unequal taxation,) would have been comparatively happy. Machinery is only too forward, because education and legislation are too backward; and its evils may be considered as a punishment of our negligence.

A most efficient part of an improved poor law would be, to establish parochial savings banks, to receive a graduated tax on all marriages according to the ages of the parties; allowing free

marriage only where the united ages amounted (say) to seventy or eighty; and compelling a deposit of £6. or £8. on each marriage, when the united ages were (say) forty, graduating the sum up to seventy or eighty. The whole of such deposit to be strictly applicable to the uses of the parties when requiring relief; or, if never so applied, to be disposed of by the will of the parties, with other necessary regulations.

5. A commission of scientific persons, with a small sum at their disposal, to lay an experimental foundation for preserving corn in siloes.

6. A commission, for the purpose of commuting taxation, and retrenching expenditure; by which, together with the credit tax, and the extension of Irish taxation,* it is possible to relieve the productive classes of £18,000,000. of taxes.

* "The net revenue now paid by Ireland is, with reference to her population, at the rate of about 9*s.* a head; whereas, that paid in Great Britain is at the rate of 70*s.* a head."—Sir H. Parnell, Fin. Ref.

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