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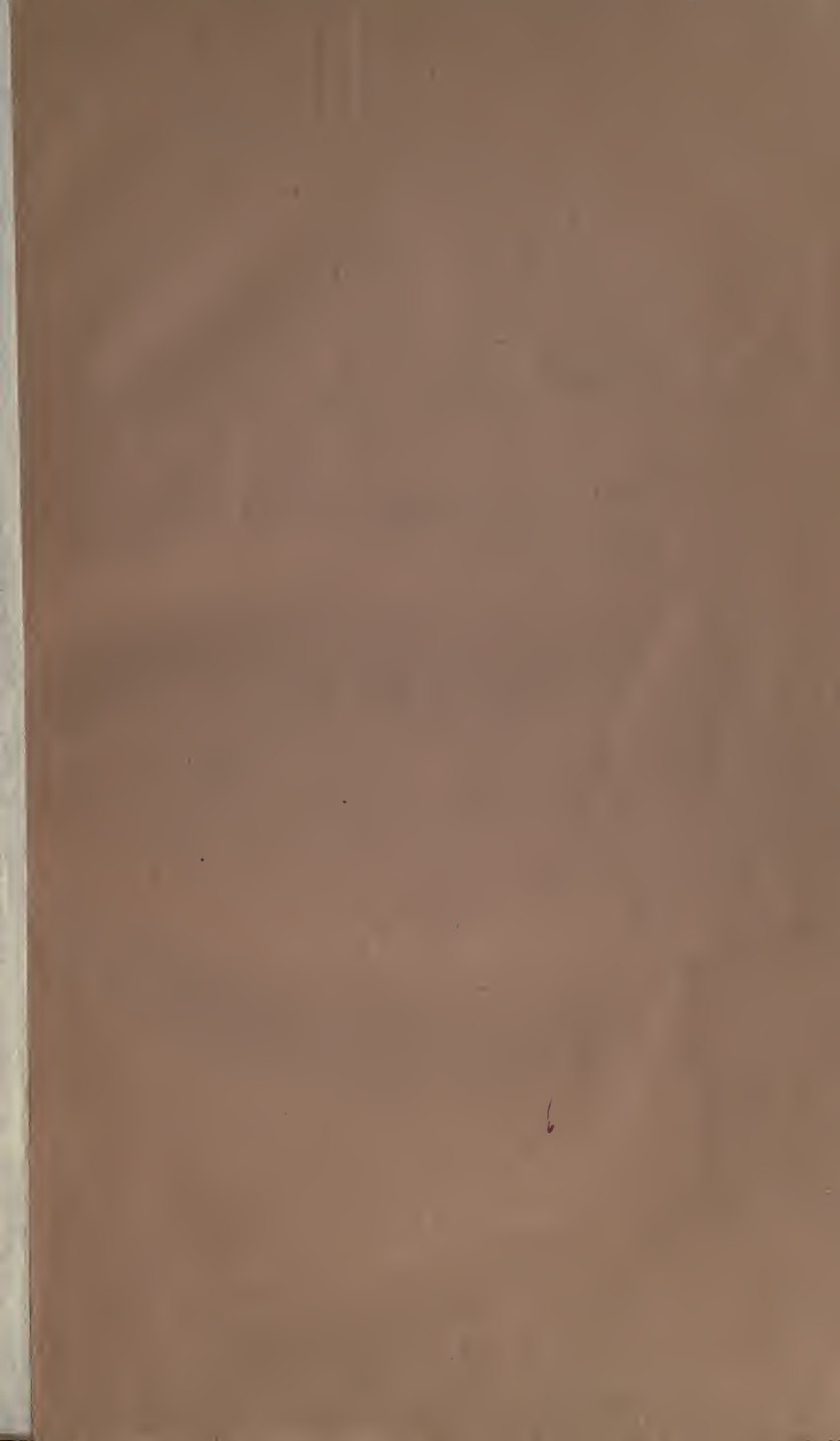
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Lux ex Tenebris.



Claus Spreckels Fund.





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PROSPERITY RESTORED,

OR

**REFLECTIONS ON THE CAUSE OF
THE PUBLIC DISTRESSES,**

AND ON THE

ONLY MEANS OF RELIEVING THEM.

Wrightson, Printer, Birmingham.

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PROSPERITY RESTORED;

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Reflections

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AND ON THE

ONLY MEANS OF RELIEVING THEM.

BY THE AUTHOR OF THE REMEDY,
OR THOUGHTS ON THE PRESENT DISTRESSES.

“In a general impoverishment it is therefore clear, that the burthen and
“distress must ultimately fall heavier upon manufactures than upon
“agriculture; and although it has not yet reached all branches of ma-
“nufactures, in that cruel degree, yet I think it is sufficiently evident
“that it will do so in a short time, and at that period the re-action in
“agriculture will give a terrible weight to its operation.”

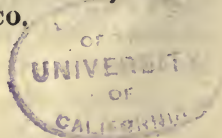
REMEDY, p. 42.

LONDON:

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PATER NOSTER ROW.

1817.



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REVISIONS

OF THE

CAUTION

OF THE

PUBLIC DISTANCE

SPRECKELS

Rich

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BY THE AUTHOR OF THE MIND
AND THE MIND OF THE PRESENT DAY

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PREFACE.

IT may be proper to mention that this publication is intended as a Sequel to the second edition of the "Remedy," and not to the first, because in the first edition the subjects discussed were passed over too lightly and superficially. The first edition was the fourth of a series of letters, the three first of which I had written about two years ago, to the editor of one of our most popular journals. He appeared to me to have taken a wrong view of some of the topics of the day, and as he argued with a deal of skill and ingenuity, his remarks had a great effect in deluding and misleading the public opinion. I endeavoured to refute his arguments, and to shew him that they were unfounded. But he naturally enough declined printing my letters in his journal, and they have not been published.

I had all along expected that the issue of either Bank Notes, or Exchequer Bills, convertible into such notes, would daily have taken place, because it was evident that the public distress was rapidly getting ten times greater than it was at the former periods when similar loans were granted, and under this impression, I delayed to intrude upon the public attention. But when the distress had passed through agriculture upon manufactures, as I had foreseen, and proved it must inevitably do in the three letters, and when it became universal in its extent, and frightful in its magnitude; I thought it my duty to publish the "Remedy," in order to call the public attention to the sole cause of all their sufferings, and to the only relief which they could possibly obtain from legislative measures. I have had no other object but that of convincing the public that the whole of the national sufferings originate in a pure action upon currency, which naturally arises in all countries, from the depression attending the removal of taxes

and oiber stimulants of war; and which might have been easily and safely prevented by a timely assistance to the circulating medium. I am deeply convinced of the truth of this opinion, and if these hasty publications should have the effect of exciting its discussion by persons who have more leisure and information to do it justice, I shall be perfectly satisfied, in the hope that, if it is not attended to in the present instance, it will have some effect in preventing such cruel sufferings upon any future occasions. But I deprecate the appeal to all great authorities, such as Adam Smith, whose opinions I know that I contradict in some parts of my subject, and who, large and luminous as he is in his views, is yet exposed to some errors, which he would have avoided if he had lived to see the system and the improvements of the present day. Great names are useful in confirming truth, but they must not be used in promoting error.

Some persons may think that I am influenced by Government motives, or by what they call "Corruption." It is an error. I care not a rush for either Ministers or Opposition, nor have I any interest, whatever, in the question, excepting such as is participated equally by all my countrymen, and is alike common to my interests as an Englishman, and my feelings as a man.



Prosperity Restored, &c.

WHEN I threw together the desultory thoughts which are to be found in the *Remedy*, I had no intention of intruding further upon the public attention. The increasing misery and alarming dangers of the country, with the erroneous views which prevail respecting their cause, and their remedy, will probably justify me in entering upon a few more observations.

Three years ago I contended that it was not possible for the price of wheat to fall permanently under fifteen shillings the bushell, without it's taking two shillings out of the poor man's pocket where it saved him one. I also contended that the reduction of wages would not encrease the export of manufactures, and I endeavoured to prove that

if the price of wheat should fall for any considerable length of time, to a level with the prices of 1791, it would occasion a famine. My arguments were not controverted, but they were received with smiles. Where is the face that can smile now? His heart must be made of iron and his head of clay, who can smile now upon the frightful scene of misery which every where surrounds him.

The hand of charity is stretched out largely and liberally, but all its efforts are in vain. All men either spend or employ the whole of the money which they possess. What then is the effect of charity, but to transfer the seat of suffering from one quarter to another, to make paupers the medium of expenditure instead of labourers, to drive one man into misery, whilst we relieve another. But I do not condemn charity; it is possibly good as far as it goes, because the positive misery among beggars and paupers is greater than that among labourers. The principal defect of charity is its total inefficiency. It is like attempting to extinguish a volcano with a drop of water.

I am perfectly convinced that the public misery cannot be relieved, and that it will increase greatly among the manufacturers for one or two years longer, unless an additional circulating medium is created. All other modes of relief are in vain. Eco-

mony and retrenchment will but encrease our misery, unless we previously place the circulating medium upon a footing to resist the depression of prices which they will occasion, and to give employment to the additional labourers who will thus be thrown upon the country.

I flatter myself that I have made this part of the subject sufficiently clear in the "Remedy." It is not the removal of taxes which will benefit the country. It is not the pressure of the taxes which injures the country. It is the action upon currency which has depressed prices, and has thereby broken up all the modes and the system whereby property and industry were created and supported. What the country wants is a good trade. It is full employment and full wages that the labourers want. It is large orders at beneficial prices that the merchants and manufacturers want. All these will be injured instead of benefited by the removal of taxes. They will all be created by the abundant issue of money. If all the taxes of the country were abolished to morrow, the impoverishment of the rich, and the intense suffering of the poor, would be greatly aggravated thereby. The man must be blind who cannot see that the sudden revulsion of capital from the taxes, would not instantly find private channels through which to work its effects upon the maintenance of labourers,

and upon the prosperity of the country. The mass of misery created by the cessation of the expenditure of the taxes, would be sudden, grievous, and universal; but it would take at least one or two years before the capitalists of the country would find their property increased by the revulsion of these Taxes, and still longer before they would be disposed or enabled to encrease their expenditure, so as to provide the same maintenance for labourers as had formerly been supplied through the channels of the taxes. What is to become of the labourers during this period? I repeat it, no taxes can at present be removed, without the certainty of encreasing the impoverishment of the rich, and the suffering of the poor.

A great deal has been said about the pressure of taxes upon labourers. It is all a delusion. Labour pays no taxes. All taxes come from capital; from that capital by which labour itself is supported. Taxes are virtually contributions of property from the holders of property. Those contributions are not now paid in kind, as they were in the days of our Saxon ancestors, but in *money*; in certain mortgages, as it were, or claims upon property, which are understood upon the whole to command sufficient proportions of the different kinds of property, to answer the national purposes for which they are intended. But the poor man possesses no

property, and, consequently, can contribute none. So far from being able to contribute to others, he is obliged himself to have recourse to the depots of the rich for his daily bread. Were it not for these depots, the command of which the poor man is too apt to envy, it would not be possible for him to exist. He receives from these depots weekly, in exchange for his labour, a certain contribution of the good things necessary for his existence; but that contribution is always too scanty to enable him to re-contribute any proportion of it to others. If he is by accident or convenience made the medium of a re-contribution to others, it is absolutely necessary that his wages should rise in full proportion, and they are certain to do so in the end. If such encrease of wages should be delayed for awhile, it will naturally be the more considerable for an equal period when it does take place, and thus any casual contribution of taxes by the labourers is ultimately repaid. Whenever the poor man is made the medium of collecting taxes, his wages cannot be considered as wages to their full nominal amount. That part only can be considered as wages which remains after deducting the amount of the taxes which he pays. The labourer naturally charges his taxes insensibly upon the article which he sells, viz. his labour, for he has no other; in the same manner as the maltster and glass-maker charge upon their respective articles the

amount of the taxes of which they are made the medium. All taxes are collections of capital, and as far as the labourer is possessed of capital he is a payer of taxes ; but not further, for he cannot pay what he does not possess.

Besides we must take into account that the contribution of good things levied in the shape of taxes, is not destroyed, but applied by Government to the maintenance of labourers, and to that only ; and consequently if the labourers did contribute any part of it, they would thereby receive it back. If Government were in the habit of destroying the produce of the taxes without expending it, it is then certain that taxes would impoverish the country, and the arguments against them would hold good ; but when we consider that Government do not destroy them in any degree, but expend them in the maintenance of soldiers and sailors, and armourers, and placemen, and pensioners, and many other sorts of persons, useful to the power, the safety, the honour or splendour of the nation, we must acknowledge that the only effect of taxes upon a country is to change the character of a part of its population, from private to public dependants, and to convert their powers and energies from individual into national objects.

Suppose a tax is imposed upon tea, or upon malt, do not the East India Company, or the

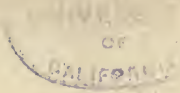
maltster, immediately charge the amount of the tax upon their tea or their malt? So it is with the labourer, with regard to any taxes which he pays. If he possesses capital, he is in that respect a payer of taxes; but if he possesses nothing but his labour, he is obliged to raise the price of that in proportion as his taxes rise. The demand for his labour is thus diminished on the one hand, by its enhanced price, but the demand is equally increased on the other hand, by the expenditure of the capital of the taxes by Government; and thus the poor man is neither benefited nor injured by the amount of the taxes. The poor man draws his weekly bread from his employer, and from that small pittance he cannot afford the smallest contribution, without an adequate increase in its amount. That increase he naturally receives by the expenditure of the taxes creating a greater demand for his labour, which is his only property, and upon which he necessarily charges his taxes.

Observe the progress of taxation in the instance of the Property Tax upon land, which will give an accurate view of the general operation of all taxes.

The landlord and the farmer having a Property Tax imposed, must either diminish their general or family expenditure, or they must raise the prices of their rents and produce. In the former case a con-

siderable number of the persons maintained by them must necessarily be thrown out of employment, and thus an apparent injury is occasioned to the labourers, who are discharged from the making of carriages, and fine clothes, and other articles of necessity or luxury, for the landlords and farmers. But observe, an exactly correspondent encrease takes place in the number of persons employed and maintained by Government through the medium of the tax in question; for the capital so obtained by Government is not destroyed, but employed and expended in some kind of purposes, and thus the injury of the tax is neutralized, as far as concerns the labourers, who are merely converted from one description of labourers into another, but are not at all injured in the demand for their labour, or in their comforts and happiness, which continue the same.

This is the natural operation of taxes, where the payers are obliged to diminish their expences in order to pay them; but on the other alternative, where the payers raise the prices of their articles in consequence of the taxes, the operation becomes even favourable to the labourers, and encreases their employment, their wages, and their comforts. For if the landlords and farmers, and other payers of taxes, raise the price of their articles in a degree proportionable to the taxes which they pay,



which is the general and natural operation of taxes, in that case the payers of taxes are enabled to continue their expenditure on its former scale, and thus no labourers are discharged by the payment of the taxes, but a considerable additional demand for their labour is occasioned by the Government expenditure of those taxes.

It ought also to be considered, that the operation of the taxes has not only a direct beneficial effect upon the situation of the labourers as here stated, but also that their situation is still further improved collaterally, by the encouragement which the rise of prices gives to production and consumption, and by the confidence and stability which it gives to commercial transactions, to property and to men.

The taxes which are collected through the medium of the labourers themselves, such as the Malt Tax, and others, are not different in their operation. The wages of the labourers naturally rise with the rise of prices occasioned by the taxes, and they fall in a similar degree, whenever the taxes are taken off. There cannot be a doubt that the wages of labourers would naturally fall in proportion, if the whole of the Malt Tax should now be taken off.

Suppose one tenth of all the wages in the kingdom should be deducted, in order to be expended

in taxes. The consequence would clearly be, that for awhile, the whole body of the labourers would be greatly distressed; but after awhile, when the expenditure of the taxes should have taken place, it would, of course, have created a demand for a one tenth greater number of labourers. and thus the additional employment, and the efflux of these labourers from the great body, would quickly have raised the wages of the whole to their former amount.

In fact all taxes are mere subtractions of capital from expenditure, in one channel, to expenditure in another. They are diversions of bread, and cheese, and meat, and beer, and clothes, and other good things, from individual expenditure into national expenditure, but the sum total of such bread and cheese, and other good things, is not diminished by this diversion, it is only changed in its direction. It is thus clear that the situation of labourers is not at all injured by taxes, and it is nearly equally clear that it is improved by them, because every thing improves their situation and encreases their number, which encreases the demand for their labour.

It is remarkable that individuals who can see clearly the operation of machinery upon labourers, either cannot or will not recognize the ope-

ration of taxes. It is exactly similar. It takes away from the labourers, expenditure in one channel in order to lay it out in another. It is painful in its first imposition ; but when once it has taken effect, it has no injurious effect whatever upon the labourers. It only forces a change in their habits of life, which when once effected is not painful, the labourer being as happy in the new mode of employment as he was in the old. But it is certain that all these kind of changes are exceedingly painful to the labourers whilst they are taking place, and if they succeed each other too often, either by improvements in machinery, or by the imposition and removal of taxes, they have the effect of destroying the comforts of the labourers, and of breaking up their principles and their morals. There is nothing good in nature, which is not connected more or less closely with something evil. I have no doubt that a great deal of the encrease of misery which has been observed among the lower classes, however much it may have been aggravated by the system and administration of the Poor Laws, has been owing to the rapid improvements in science and manufactures, which have been made during the last twenty years, which whilst they have encreased the national wealth, and the comforts of the labourers generally, have yet had the effect of forcing many of them backwards and forwards, from one employment to another, and from

one residence to another, to that degree that it has quite unsettled their habits and their principles, and rendered them indifferent to those permanent interests which no foresight or exertion on their part could secure. As far as this goes, the imposition of taxes has certainly been painful and injurious to the labourers, but in this light, the removal of taxes has been equally painful and injurious to them, and even more so, because as I have before shewn, the removal of taxes occasions for a time a depression of prices, which takes away the reward of industry, and throws the labourers out of employment; but the action created by the imposition of taxes, sha a directly contrary effect upon their employment, by raising the general state of prices, and rendering it the interest of the capitalists to employ as many labourers as possible in producing property.

If we observe the operation of the introduction of Thrashing Machines, we shall have a clear view of the operation of taxes, with the exception that the former increases ultimately the national wealth, which may not be the case with the latter. The farmer, we will suppose, saves twenty pounds a year by the use of a Thrashing Machine. That twenty pounds a year is of course taken out of the wages paid to his labourers, and they are thereby injured to that amount; but observe, the farmer does not annihilate this twenty pounds a year so saved, he either spends it in some other article of necessity,

convenience, or luxury, or he invests or employs it in some way or other, and thus some other description of labourers are certain to receive the twenty pound a year which has been so taken from the farmer's labourers. These latter are thus compelled to change their habits of life, or they must be content to see twenty pound a year taken from their wages and employment, in order to encrease that much the wages and employment of those other descriptions of labourers, through whose channel the farmer directs his expenditure. But when the farmer's men have changed their habits, they receive just the same twenty pound a year as formerly, or if they choose rather to bear the pain of the deduction than of the change, the consequence is that other labourers receive it instead of them. Precisely similar to this is the effect of the imposition of taxes. A farmer who pays twenty pounds a year in taxes, is obliged to contract his expenditure or his investments that much, and the consequence of this is, that the labourers, through whom the farmer expended his twenty pound a year, lose that much in the amount of their wages and employment; but observe, the capital so received from the farmer in taxes is not annihilated. It is expended by the nation in maintaining other labourers, who thus receive back the whole of the twenty pounds which has been taken from the farmer's labourers, by the reduction of his expendi-

ture, so that the whole pressure which the imposition of taxes occasions upon labourers, lapses itself into forcing a change in their habits of life, which is indeed painful whilst it is taking place, but has permanently no effect whatever in diminishing their wages or their employment, and which in fact is exceeded in its painful consequences to the labourers, by the forced change which is equally effected in their habits of life by the removal of taxes. In this light only can the imposition of taxes be said to be injurious to the labourers, that is to say, that taxes in common with improvements in machinery and science, effect forced and painful changes in their habits of life, but, when those habits are once settled, the removal of taxes injures the labourers, even more than their imposition affects them.

I know it is said that it is the small comparative number of *productive* labourers which makes the misery of the poor, and that if the labourers who minister to pride and luxury were employed upon the fields, there would be a greater quantity of bread, and cheese, and other necessaries, to be divided among the population. No such thing. All labourers are productive in one way or other. Some produce agricultural, some manufactured produce, and some security and splendour to the nation, or luxurious gratification to individuals.

But society produces only a certain limited demand for all articles, whether of necessity, convenience, or luxury. If the labourers in agriculture should be increased so far as to produce a greater supply of produce than the demand requires, the consequence is, that the price falls, and it no longer answers the purpose of the farmers to employ them until a re-action is promoted by a diminished produce, or by the natural encrease of the consumers. This has been the case in England latterly, when the exhaustion of stocks has glutted the markets, and brought forward a greater produce than the demand required, and in consequence, the labourers in agriculture have for three years been very generally in want of employment throughout the kingdom. The number of labourers in agriculture has been greater than agriculture could maintain, and they have been discharged in great numbers. The same effect is now produced in manufactures, where the labourers are also discharged in great numbers; and to complete their distress, hundreds of thousands of soldiers and sailors, and of gentlemen's servants, and other dependants, are also discharged, and brought into competition with the labourers, at a time when the labourers themselves are discharged from want of employment. All labourers are productive; some producing necessaries, some luxuries, some conveniences, and some splendour and finery; but there is only a certain demand

for either of these productions, and if the supply exceeds the demand in either of them, nothing but misery can ensue to the labourers and their employers. In every branch of productive industry, there are already a greater number of labourers than can be employed, in the present state of the circulation. If those labourers were encreased in number, they would only add to the mass of misery which now afflicts both them and their country. Suppose sumptuary laws were passed, prohibiting the use of luxuries. The labourers who minister to luxury would, of course, be thrown out of employment, and they would perish; but the situation of the labourers in agriculture, so far from being improved by the misery of their neighbours, would be seriously injured, by the want of an equivalent demand for their produce, upon which their present wages depend.

What then is it that regulates the condition of labourers in society? It is the state of the market and the character of their own minds. The former regulates all temporary fluctuations in their happiness or misery, and the latter acts upon their permanent situation. It is not possible for labourers to be wretched, when there is an ample demand for their labour; nor is it possible for them to be happy when that demand is deficient. Their labour is their property. It is the only property they

have. If their labour is in request, that is to say, if it answers the purpose of the capitalists to employ them, they are certain to obtain a sufficiency of the good things of life for their maintenance and comfort; and whether these good things are granted under one term or another, under the wages of fifteen shillings per week, or fifteen pounds per week is of no consequence, to either them or their country. But if their labour is not in request, if the capitalists of the country, have no occasion for it, or if they are prevented from employing it by want of confidence in prices, or by impoverishment or by any other means, then, the situation of the labourers must inevitably be wretched, and no circumstances upon earth can relieve them, but such as have the effect of restoring the confidence or riches of the capitalists, and thereby the demand for labour. They are the worst enemies of the labourers who would persuade them that their interest is different from that of the rich. Nothing is more false or more wicked. It is the riches of the rich alone which enable the poor to exist. The rich are the holders of the actual existing property which they can only expend by distributing it among labourers in a thousand shapes and ways. The labourers in their turn are employed by the rich, in annually reproducing the property which is thus annually consumed. But were it not for the existence of this property, were it not for the

stocks of provisions, and of goods, and of other good things which constitute riches, the poor would perish whilst the houses were building, and whilst the grain was ripening in the ground.

The more numerous and affluent are the rich, the more comfortable and happy are the poor. The stock of provisions, and of goods called riches, can never be much more than is sufficient to maintain the labourers from year to year; because, if it should be so, it would naturally occasion either an encrease of consumption and of population, by the comforts which would be generally diffused, or a diminution of production, by occasioning a fall in the prices, or in those legal responsibilities which the production of property requires. Thus Providence has wisely ordered that the interests of both rich and poor shall for ever be one and the same. If the former flourish, they naturally encrease their expences, and, consequently employ more labourers, and at higher real wages; but if they suffer in the smallest degree, the poor are certain to suffer far more severely by the diminished expenditure of the rich, which throws the poor out of employment, and out of bread. The poor man cannot suffer unless the rich man suffers first, nor can he flourish, unless the rich man flourishes first; for his comforts and his existence depend upon the capital of the rich. If the market for labour fur-

nishes an increased demand, the wages of labour rise in *real* value, that is to say, a larger weekly contribution of good things is granted to the labourer; if the demand for labour diminishes, an equivalent fall takes place in the real wages of labour. Labour rises or falls like any other article, according as the market presents an increased or diminished demand. Thus the state of the market regulates all temporary situations of the labourers; but their permanent situation is regulated, principally, by the character of their own minds, and by that of the soil and the system upon which they live.

If the demand for labour in the market is so great as to cause any considerable addition to the contribution of good things which the labourer receives under the head of wages, the consequence is, that the improvement in his situation enables him to rear more of his children than he could otherwise do: it also induces him to marry earlier, and more generally, and it draws a great accession of labourers, not only from these sources, but from others that have a more immediate operation such as emigration of foreigners from foreign countries, &c. By these means the supply of labour is quickly made equivalent to the demand, and the poor labourer is again reduced to his former situation, a situation which merely enables him to ex-

ist, by extreme frugality and incessant labour. If this does not take place, the diminution of consumption, which the high price of labour occasions quickly produces the same effect. But if the supply of labour becomes so great as materially to reduce the comforts of the labourer below the level of his general situation, the consequence is, that his children perish from want of food and care, he ceases to think of marriage, or of any thing else but his own miseries; he pines and frets, and quickly sinks into an untimely grave. If he avoids this alternative, he naturally strives to relieve himself by wandering into other countries, where his wretched appearance makes foreigners contented with their own homes. The supply of labour is thus rapidly diminished, and the labourer that survives his distresses, again recovers his employment and the comforts necessary to his existence; comforts which can never be increased or diminished without quickly increasing or diminishing the number of the labourers.

It is the character of the labourers' own mind, combined with his habits and associations, that regulates permanently his situation. If he is not willing or able to exist in certain circumstances, these circumstances will naturally improve by the diminution of his numbers, or by the renovation of the demand for labour in the markets; and if his

situation and circumstances are much improved beyond their common level, they are quickly again reduced by the encrease of his numbers or by the diminished demand for his labour. Of course, considerable variation occurs from the nature of soil and climate, for there is some soil so naturally barren and ungrateful, that no labour can derive a maintenance from it.

It is for these reasons that in all countries and ages, the situation of the labourers has been much the same, encreasing in comparative comforts with the progress of their own minds, and with the encrease of riches and affluence around them, but at no time possessing permanently much more or less of those comforts than the nature of their habits and characters renders necessary for their existence.

Coming, therefore, to this conclusion, that it is the state of the demand for labour in the markets, which affects the temporary situation of the labourers, but that it is the character of their own minds, and the natural facilities under which that character is developed, which affects their permanent situation, and which, in fact, permanently governs the state of demand for labour in the markets, let us next consider what circumstances are best fitted to give to the labourer a constant and steady demand for his labour; enabling him to support

his family with comfort, and securing him from those painful fluctuations, which in all ages and all countries have occasionally so cruelly affected his comforts and his life.

The preceding observations may tend to elucidate this question, and it may be unnecessary to say much more upon the subject.

The riches of a country do not consist of money, nor of gold and silver, nor of Bank Notes, nor of bills of exchange. Those are mere signs, or tokens, or numbers, or terms, under which mankind agree, for their mutual convenience, to arrange and to measure the proportions and relations which riches of one kind shall bear to those of another. These numbers or terms that we call money, and which we endeavour to bind in some degree by legal enactments, in order to give them a greater permanence and consistence than they would otherwise possess, assume various shapes, and adapt themselves to the varying wants and inventions of men, in all the multitudinous transactions of life. In barbarous countries, shells, and stones, and iron, and copper, and, afterwards, silver, and gold, form generally the sole currency or circulating medium, but in civilized countries where the mind expands and where credit and wealth are diffused, there Bills of Exchange, transfers, and book debts are

created in a thousand ways, deriving indeed their credit and existence from the more substantial medium which supports them, but forming altogether an instrument far stronger than the prime agent, and effecting a thousand times more exchanges of property than ever are, or ever can be effected by the heavier parts of the currency. In proof of this, it may not be amiss to mention that about forty bankers in London are in the habit of meeting together daily, in order to settle and adjust their mutual claims upon each other. Their clerks there produce, in a place which they call the Clearing House, bills, and cheques upon each other, to the amount of about Four Millions Sterling per day. The bills and cheques which they produce have probably been through the hands of four or five persons each upon the average, before they reach the bankers, and thus transactions to the amount of sixteen or twenty millions per day, are regularly wound up and cleared by these forty bankers.

Now an uninformed individual might, perhaps, expect, that to effect this prodigious transfer of property, Twenty Millions of guineas, or at least of Bank Notes would be required. No such thing. The whole is written off by the bankers among themselves, who transfer and re-transfer their mutual claims upon each other, until in the course of about an hour or two, the whole of these claims are liqui-

dated and paid, probably without the passage of a single thousand pounds in either bullion or Bank Notes! Thus currency or money is created to the enormous amount of twenty millions sterling per day, or Six Thousand Millions sterling per annum; deriving, it is true, its existence from the Bank Notes or the bullion which support it, but independent of either in its operation. It is a vast creation of the mind, created by confidence, supported by confidence, and discharged by confidence; and as long as confidence exists, moving to and fro the property of the nation with ease and security, without the actual presence of either guineas or Bank Notes. The whole of this vast machinery is perpetually at work, and upon its free and easy action depends, almost entirely, the commercial prosperity of the country. If any circumstances should arise to interrupt its mighty operations, universal danger, and distress, and difficulty would ensue. Let this mighty agent have a free operation, and the loss of all the Foreign Trade would scarcely be felt; but if its action is obstructed, the foundations of property and of society tremble in its agitations. But this mighty agent is not riches, it is merely the medium by which riches are transferred from hand to hand. It is always found equivalent to its purposes, as long as general confidence is supported in the general prices of commodities; because its creation is then free,

and the state of individual credit which that confidence occasions, facilitates the creation of the bullion or Bank Notes which are necessary to support it. A far less quantity too of bullion or Bank Notes is required to support it, when men's confidence in prices and in each other is high; few people seeking to realise their transactions by the absolute possession of those first agents. But when any circumstances arise to depress men's confidence in the general prices of commodities, the creation of currency is arrested, and it quickly becomes inadequate to its purposes, and thereby increases the alarm respecting prices, which being thus acted and re-acted upon, necessarily sink lower and lower, destroying confidence and credit of all kinds, and thereby requiring a far greater circulation of bullion or Bank Notes than even the former state of credit created. It is possible that this state of things, if left to itself, might be carried so far as absolutely to throw out of existence all the creations of credit, and in that case a circulation of at least four hundred millions of Bank Notes, or of bullion, instead of forty millions, would be required to keep up the labour and the existence of the population, until the restoration of credit should restore the old circulation.

Considering, therefore, the nature of currency or money, and considering that it acts upon such

weighty and tender interests, we are not to be surprised that it is subject to extreme fluctuations in its exchangeable value; but as I have stated before, these fluctuations are inherent in the very nature of currency, and are not more frequent or severe, when acting upon a Bank Note than upon a metallic surface. In proof of this we may consider the action upon currency which took place in England at the close of the American War, at which time it appears that Lord Castlereagh considers the distress was greater than it is now, but which I will be content to believe was not one half of what it is now. We may also consider the action upon the French currency, which was a main agent in bringing on the Revolution, or that which now exists in Spain, to the great distress of the whole country, although Bank Notes I believe are not known there. It would be well for the Spaniards if they were.

It is not necessary to say any more respecting this volatile and active principle called currency or money, which derives its power from fundamental laws and customs, and which consists of bills of exchange, transfers, book debts, bank notes, gold and silver, and indeed of every thing that passes for money, in any shape or way.

Riches are the stocks of cultivated land, houses, goods, commodities, manufactures, provisions, and all other articles of necessity or luxury, which the care and providence of the past has accumulated for the support of the present and the future. The possessors of these stocks are called the rich, and in their number many labourers possessing small stocks may very properly be included, and in this sense they become capitalists and payers of taxes. It is not often that these stocks become much greater than is sufficient to support the consumption of the population during the period which is necessary for their reproduction, because the consumption naturally grows with the production, and the holders of stocks are always under nearly the same temptation and necessity of expending them, which they can only do by distributing them, either directly or indirectly among the labourers, in exchange for their labour, and this naturally increases the number and consumption of the labourers. The greater, therefore, is the accumulation of these stocks, the better for the labourers and for the country. If the stocks are small the country may then be called poor, and if they are very small in proportion to the population of the country, it is then in a state of danger and distress, which probably terminates in famine. As long, however, as the holders of stocks are numerous and affluent in proportion to the numbers of the poor, there can be no

serious danger of distress, or even of inconvenience to the country. The prosperity of the rich becomes bread into the mouth of the poor, but if the rich man loses his prosperity, the poor man loses his bread. There are, perhaps, a thousand different kind of manufactures in England, including agricultural produce, as the principal of all manufactures. There are of course a thousand different kinds of stocks of produce. Now as long as these stocks keep up certain relations to each other, and to the currency, or legal obligations under which they are reproduced, they are freely circulated among the labourers, whose labour in the mean while produces other stocks of similar amount; but if any thing happens to break up those relations, the general confidence in stocks is affected, and their reproduction is arrested by the fact of its requiring more legal responsibilities than it will redeem: in other words, by the reproduction of those stocks requiring a greater consumption of valuable commodities than they will amount to when reproduced.

For instance, suppose a ton of copper, has cost for several years one hundred pounds in its production, and that it has been generally sold for one hundred and twenty pounds. As long as these terms continue fixed, the prosperity of both masters and workmen is secure, but if the selling price happens

to fall to fifty pounds, there is a loss of fifty pounds per ton to the producer, and he is quickly compelled to discharge his workmen, either by prudential or necessitous motives. The labourers being thus discharged are obliged to turn their hands to other modes of employment; but if all other trades happen to be in the same situation as their own, there is no employment to be had, and under these circumstances the labourers are in danger of perishing for want, notwithstanding any efforts on the part of the rich to relieve them; for when the production of the country is thus arrested, the stocks are rapidly exhausted, and in all probability become far too little for the necessary support of the country, before the reaction in prices promotes and enables a reaction in production.

The prosperity of a country, therefore, consists in the free and easy exchange of stocks for labour, of consumption for production, of commodities for commodities, upon certain fixed terms or relations to each other, which men understand and have confidence in. As long as these fixed terms continue permanent, or as long as they alter in favour of confidence by an encrease in their general relative amount, the production and consumption of the country are free, and all classes of society, (excepting annuitants, or persons who derive the bulk of their livelihood from being holders of mo-

nied obligations,) participate equally in the general prosperity. But whenever these terms or relations are broken up, a general want of confidence is occasioned, and a general demand takes place upon property, each individual seeking to lessen those credits and engagements which are likely to involve him in losses or ruin, and to exchange his stocks for money, in order that he may become possessed of greater stocks by re-purchasing at some future time, or at least be enabled to meet securely those monied engagements which all men are more or less exposed to.

But if a disposition of this kind operates upon all the holders of stocks of property under these circumstances, it operates still more actively upon those descriptions of persons who are enabled to hold the whole or a great part of their stocks by the monied credits which they receive from others. A slight fall in the monied value of stocks involves all those kind of persons in losses or ruin, and in order to avoid this, they rush the more earnestly into the market to dispose of their stocks; whilst there is a chance of their securing their credit and solvency by so doing. This is a class of men perhaps the most active, industrious, and enterprising of any in the nation. Possessed of little capital, but their credit and knowledge, they give activity to the dormant capital, of others which

would otherwise be unemployed. They are the first to suffer from the contractive action upon currency, but their sufferings are quickly extended to their richer neighbours, and to all classes of the community.

At the same time that the stocks are thus forced upon the markets, the consumption of the markets is reduced, by the impoverishment and diminished expenditure of individuals, who are obliged to contract their expences within their reduced means, and it takes a considerable period before the general reduction of all prices will enable those reduced means to consume their former amount of commodities.

During this state of things, it may be observed, that the situation of the labourer or of what is called the Poor Man, is injured in four different ways. The reduction of prices, if it happens first upon provisions, dazzles his eyes and fills his mind with ideas of good. Those ideas are false. The reduction of prices, if those prices have once become sufficiently permanent to have acted upon trade, is the bitterest evil that ever the poor man can experience. First,—The exhaustion of stocks gluts the markets; and supplies there that consumption which used to be supplied by labour. Second,—The impoverishment of the rich prevents

the markets from supplying the usual consumption of goods, and thus the demand for labour is still further reduced, whilst the same impoverishment compels the rich to discharge their servants and other dependants, and thus the supply of labour is still further encreased. Third,—After awhile, when the stocks of both necessaries, and luxuries, and riches of all kinds, are greatly diminished, and when the labourers have but little employment, and less wages for their subsistence, a reaction is promoted by the diminution of produce, thus restoring high prices after having deprived the labourers of the means of paying even low prices. Fourth,—At this period the re-accumulation of stocks goes on, and thus raising prices higher than even the diminution of produce would otherwise require, gives a quadruple sting to the sufferings of the labourers.

I will venture to lay it down as a rule, that it is not possible for labourers, (I mean labourers generally,) to be in want of employment, whilst the circulating medium is equivalent to its purposes, that is to say, of sufficient amount to effect the exchange of property, upon the same ratio of prices at which that property has been obtained. Whether that ratio has become fixed at the prices of fifteen shillings to the bushel of wheat, and of eighteen shillings to the week's labour, which were

about the terms of 1812, or at the prices of ninepence to the bushel of wheat, and one shilling to the week's labour, which probably were about the terms of 1512, is of no consequence at all. If the ratio is but fixed and understood, and the circulation is equivalent to effect the exchanges of property upon that ratio, it is not possible for the labourers and mechanics to be in want of employment.

A redundant production may certainly take place in particular articles, which soon rectifies itself, but it cannot take place in all articles generally, because the production of one man is the consumption of another, and thus all trades interchanging, production and consumption, the one naturally grows with the other, and no difference or inequality can arise in either, so long as the circulating medium is equivalent to its purposes. A thousand different kind of trades are continually producing and consuming each other's articles. Local circumstances may occasionally encrease too rapidly the production of some one or two particular trades, but if those circumstances affect the production of all trades, they give the same encrease to consumption as to production, by encreasing the consumption which the different trades occasion in the productions of each other, and by encreasing the national wealth, and the

general comforts and numbers of the consumers.

But if any circumstances of depression should occur to arrest the creation of the circulating medium, or to require a greater quantity than usual of bullion or Bank Notes to support it, then production and consumption are thrown out of their natural channels and relations, and they continue to diminish alternately until the progress of necessities which cannot be avoided, or the the artificial creation of currency produces a reaction upon both. When this reaction is produced, then confidence revives, and the natural creation of currency being set free, it is quickly reproduced and soon found equivalent to its purposes, effecting the exchanges of property between man and man, and regulating and equalizing the relations, which production and consumption bear to each other.

It may, I believe, be concluded, that all general rises or falls in the prices of property are purely actions upon currency; but all particular rises or falls in those prices are actions upon property. Thus, the late high and low prices of bullion and copper were actions upon property, originating in particular circumstances of supply and demand, but the late general rise and fall of prices throughout England and Europe, were actions upon cur-

rency, originating in the imposition and removal of taxes, and other circumstances of confidence and depression.

It does not, therefore, appear possible that the poor man, or labourers generally, should be injured by the general production being too great for the general consumption, whilst the circulating medium is equal to its purposes. In fact it is quite an anomaly to suppose that the increase of wealth can produce an increase of poverty. Casual bad or good harvests may occasionally injure or benefit the situation of the labourers, by reducing or increasing the stocks and riches of the affluent, but they can never generally be in want of employment, whilst the circulation of the country is sufficient to effect its exchanges upon certain fixed and known relations. A thousand trades, and a thousand kinds of labourers are constantly consuming and reproducing property. The production of one becomes the consumption of the other, the greater the production, the greater becomes the consumption, and the more numerous the labourers the more numerous become the consumers.

It is the industry and system under which these labourers operate, which keeps up, diminishes or encreases the wealth of the country, and it is the ready and easy exchange of the product of

one man's industry for that of another's, upon certain fixed and known relations, which constitutes the prosperity of the country. This exchange is effected in civilized countries by the invention of the circulating medium, which whilst it operates in a healthy state, naturally affords as great facilities to consumption as to production. If the production is therefore increased by any inventions of machinery or otherwise, the consumption is certain to increase in proportion, because the additional capital, which the introduction of machinery creates, enables the capitalists to increase their expences accordingly, and thus the labourers who may be thrown out of employment in one channel, are more than taken up in a thousand others, which the increase of capital opens to them. It is useless to enumerate instances of this. The invention of canals and of steam engines, and their effects upon the prosperity of the country, will sufficiently prove its truth.

Here then is the true secret of the wealth of nations, which has nothing to do with foreign trade any more than as foreign trade may be considered as a branch of the home trade, by diverting a certain proportion of the expenditure of a country into foreign articles, for which home productions are exchanged. If the labourers are brought into action upon such a system, as to en-

able them to produce, upon the whole, more of the good things of life than they consume, that surplus, whatever it is, constitutes disposable funds, which are called capital or riches, and which may be applied either to public purposes, through the medium of taxes, or to private purposes through that of rents and profits. That surplus is sure to be expended in some way, and whether it is expended in the maintenance of soldiers, and sailors, and manufacturers of red cloth, or in the maintenance of servants and coach-makers, and manufacturers of party coloured cloths, can make no difference to the labourers in general. For myself, I confess, that I have a partiality for red cloth. I had rather see the capital of my country expended in putting down oppressors, in assisting the weak, in redressing injuries and avenging wrongs, than in ministering to the pernicious gratifications of individual luxury, and in encreasing the distinctions between the appearances and enjoyments of the rich and the poor. Let my glory be the glory of my country, and I will never shrink from the personal sacrifices which that glory may require.

These sentiments may possibly appear romantic, but they will be found to have a strong and deep foundation in the human heart. "*Homo sum, et nihil humanum a me alienum puto.*" We cannot divest ourselves of the feelings of humanity, nor

ought we to shrink from the sacrifices which its duties may require. I could even now wish to see us inflict the same summary justice upon those Spanish robbers, those kidnappers, and "man-stealers," who desolate the West of Africa, as we have lately inflicted upon their Brethren who rendezvous in the North! They might then go home, and tell their King Ferdinand what we had been doing to them, and he might tell them how he also had been kidnapped by that OGRE, Buonaparte, and how we had taken up the cudgels for him, and killed the OGRE, and brought him back again to his own country, and how we had refused, contrary to our acknowledged interests, to follow the example set us by the Spaniards, in supporting the separation of their Colonies from the Mother Country, and how we had declined to act by them in their adversity, as they had acted by us in our's. Or if he chose, he might fume and threaten, and make common cause with the Dey of Algiers! and do his worst, for all we need to care! What have we to fear from his threatenings and his folly, if we have nothing to fear from our own degradation? Character is a wall of fire about a nation, which its enemies behold, and tremble as they behold. What are riches to a nation, any more than to an individual, without character and elevation of mind? Look at the character which Scotland sustains, and that of some other countries, Sicily,

for instance. The one generous, courageous, wise, patriotic, high-minded, loyal, frugal, industrious, and free, patient of labour, and prodigal of life. The other selfish, timid, weak, voluptuous, idle, low-thoughted, and slavish, without public spirit or private virtue. And how favoured by nature is the one, how fertile in every thing which ought to enoble man; yet “man is the only growth that dwindles there.” And how sterile is the soil, how inhospitable is the climate of the other: how frown the Heavens, how “cold is her blast on the wave.” But the generous high-thoughted heart is there! Let other nations waste their lives in selfish, idle and voluptuous indulgences; let them even cultivate the “Fine Arts;” let them carve statues, and paint pictures.

“Excudent *illi* mollius spirantia æra,
 “—————Vivosque ducent de marmore vultus.”

But in the march of virtue, in the battle of nations, who shall lead the van?

“Tu regere imperio populos *Brittanne* memento,
 “Hæ tibi erint artes, pacisque imponere morem
 “Parcere subjectis, et debellare superbos.”

I can never believe that any nation will long flourish, whose dominion is not conducted upon prin-

principles of eternal immutable justice. It behoves nations, as well as individuals, to do their duty by mankind in that state where Providence has placed them, and not selfishly to consider every thing that happens to other nations as indifferent to them. Remember the selfish policy of Prussia, the atheistic arrogance, the heaven-crying injustice, the diabolical cruelty and ambition of France. See the finger of Providence. Read the hand-writing on the wall. The voice of a Prophet cries through the mouth of the Poet :

“DISCITE JUSTICIAM MONITI, ET NON TEMNERE
DIVOS.”

To revert then to the circumstances which are best fitted to secure and promote the comforts of the labourers, I think it will be evident that the labourers cannot flourish whilst their employers decay, and that if their employers flourish or decay, the labourers are certain to flourish or decay in the same proportion. It will also be sufficiently evident that nothing can secure the labourers from occasionally experiencing the most painful sufferings and privations, but the preservation of certain fixed and known relations, between property and money, which shall facilitate the general expenditure of the country, and by preserving the confidence of capitalists, shall induce them the more readily to incur the responsibilities which

the production of property and the maintenance of labourers involve. Temporary elevations of prices may be again depressed without injury, in fact, they are themselves an injury, but when they have once settled themselves upon the wages of labour, and have acted upon all the property and upon all the debts and obligations of the country, they cannot be again suddenly depressed without involving the labourers in the utmost penury and distress.

Enough has been said, enough is known of those terrible distresses which have been brought upon the country, by the breaking up of the war prices, distresses which are by no means yet at an end, but which combined with the effects of an injured crop of grain, threaten still more seriously to involve the peace, the happiness, and the liberty of the country. The nation has been struck with an apoplexy whilst its physicians have been asleep. For three years we have seen prices depressing and stocks exhausting, we have seen agriculture devastated and commerce annihilated, we have seen the rich impoverishing and the poor perishing, nothing has been done to save the country, and now that terrible reaction is at hand, which every wise man foresaw, and every good man trembled to contemplate?

Was it thought that this state of things was natural? Was it thought that it was natural that a great community, rich in stocks, rich in exertions, rich in system, and in science, and inventions of all kinds, should suffer the extreme of want and privation, almost without a cause? Will it be contended that it is possible for a great community like this, to suffer any want, or any privation, whilst the earth is fruitful and the circulating system is free? If not, why have we suffered the circulation to stagnate, and to shrink into a compass unequal to continue the reward of industry? Why have we suffered our lands to be devastated, and our manufactories desolated? Why have we suffered the whole country to be converted into a workhouse, and filled it with mourning and discontent, when a trifling addition to the circulating medium, supplied in time, would have arrested these fatal symptoms of a deficient circulation, and by continuing the reward of industry, would have continued consumption and production, and have enabled England to enjoy without alloy, that proud station to which her victories and her glories entitle her?

When the circulating system began to flag from the removal of the stimulants of the war, it was necessary to have increased its quantity. When so many hundreds of thousands of individuals main-

tained through the medium of taxes, were to be thrown upon the country, it was necessary to have given a stimulus to the general industry of the country, in order to have enabled it to have maintained those multitudes until the revulsion of the capital from the taxes should have found out other means of maintaining them. Ten millions of additional bank notes, supplied in the Spring of 1813, would have kept up the full employment of the general labourers throughout the country, whilst it would have furnished ample means of additional employment to the soldiers and artificers discharged by the peace. There would then have been no difficulty in collecting taxes, and no repining at paying them, but when the depression of property has deprived capital of its income, and labour of its reward, it is no wonder that the public should refuse to endure the burden of taxes, which are no longer discharged out of their profits, but form a grievous addition to their losses.

After a few years, when the capital expended in war should have found out peace channels, through which to operate its effects upon the maintenance of labourers, and upon the national prosperity, the addition of bank notes might have been safely and easily withdrawn, without affecting the general circulation of the country, which would have possessed the same means of creation

and support as it possessed during the war. Instead of this, the whole system has been suffered to fall, without an effort to support it. The farmers, the landlords, and the poor agricultural labourers are made the first victims, and when their distresses have mainly operated the ruin of the merchants, manufacturers, and mechanical labourers; this frightful mass of misery is grievously aggravated by the discharge of those honourable soldiers, and those noble sailors, who have been fighting our battles for twenty years, and who have born the British Lion over continents and over oceans, in order to perish like dogs in a workhouse or a ditch!

Can any thing be more cruel, more unjust, and impolitic than this treatment of the soldiers and sailors? And what is the object? Economy and retrenchment? We have no right to economize at the expense of our honour. It is beneath the dignity of the nation to take its defenders from social habits, and after unfitting them for all other pursuits, to turn them loose upon the public, without providing for them, at a time when they must inevitably fall into the workhouse, or drive an equal number of other persons there, by the competition they must occasion among the already perishing labourers. The soldiers ought not to be so treated. The labourers ought not to be so treated! Not a single soldier ought to have been discharged without his free consent, or without securing him the

means of a suitable maintenance. The labourers ought not to have been exposed to the competition of the soldiers, at a time when they themselves have neither employment nor bread.

It is no excuse to talk about the expense. The expense would have been nothing if the circulation had been free. The riches arising annually from the Steam Engine alone would more than maintain the whole Army of England. What a shame it is to talk of the expense of maintaining one hundred and fifty thousand soldiers, in a nation that possesses more than that number of idle fellows lolling behind carriages! Is it to increase the number of these pageants that the conquerors of Waterloo and Trafalgar are to be deprived of bread? I would have stripped the shirt from my back before I would have suffered one of them to want a comfortable livelihood.

Besides, I have shewn sufficiently that our selfish objects have over reached themselves in this cruel and unmanly conduct to the soldiers. We have lost a great deal more in the depression of prices, which the taking off of the taxes has occasioned, than we have gained by depriving the soldiers of their scanty maintenance. If we had done our duty by the soldiers, and had maintained them liberally, until the appearance and capacities of

society should have induced them willingly to return to social habits, we should not now have been suffering the extremes of want and wretchedness, which are brought upon us by our own selfishness and folly.

One would have thought that the misery occasioned by the discharge of hundreds of thousands of gunmakers and other artificers and public servants, by the necessary consequences of the peace, would have satisfied the public of the necessity of maintaining the soldiers and sailors for a few years longer, or until civil employments should have been opened to them, instead of throwing their labour suddenly and simultaneously into markets already glutted and overflowing.

I will not discuss the antiquated notions about the danger of standing armies, which, in the present state of society and civilization, I consider as perfectly visionary.

But what surprizes me exceedingly, I must confess, is the hearing a cry set up in this country, for disbanding that part of our army which is stationed in France, and is both paid and maintained by that country. Yet our politicians complain of the great burthen which this part of our army entails upon us, and propose that it should be re-

called and disbanded; that is to say, that our brave and faithful soldiers should be required to give up the comfortable quarters and respectable situation, which they have earned in France with their blood, in exchange for a workhouse or a gaol in their native country. ! It is evident, that in the present state of things, there will be no better birth for them at home; there will be no employment or bread for them at home, excepting what is taken out of the hands and out of the mouths of their own countrymen. And yet some people are so perverse, that though they acknowledge this truth, they had rather throw an additional and most partial burthen upon the payers of the poor's rates of England, than continue it upon the payers of taxes in France! It is said in the newspapers, that the French Government have entered into a negociation with this country, for the accomplishment of the same object, which their friends here recommend; and I take it for granted that they will succeed, for it is certain that John Bull never was a match for Monsieur at a treaty.

But in truth, it moves my indignation to see this inveterate enemy of the British name, whilst we have got our foot upon his neck, aiming a secret dagger at our heart. I am credibly informed that, at this very time, whilst they are crying out

against the payment of the sums which they stipulated to pay for the redemption of their country, and whilst they are representing the payment as totally beyond their power; at this very time, they are actually *paying a bounty of half a Million Sterling per annum, as a stimulus to their fisheries, and a nursery for their seamen.*! The British Government not finding itself sufficiently independent in money matters, to afford the same encouragement to our fisheries, as they can afford to theirs, the greatest misery and distress amongst our poor fishermen are the natural consequences; and that invaluable nursery of the British Navy, which has flourished at Newfoundland for two hundred years, and that fine trade which we had established in supplying the markets of the South of Europe with fish, are totally cut up, and are likely to be lost for ever! If the French Nation is poor, and unable to pay our contributions, why is this infamous bounty granted? And what has become of the hundred times heavier contributions which they have levied, *in Specie*, upon Spain, upon Prussia, upon Italy, and upon the whole of Europe, for the support of their enormous armies, and of their innumerable swarms of locusts and Douaniers? The contributions that we have levied upon them are perfectly trifling. Such a city as Paris would have had to pay the whole, if conquered by Buonaparte. And yet these small contributions,

forsooth, are too heavy for the French Nation to bear, and we are called upon to suspend their payments, and even to withdraw our victorious troops, in order to give their deceitful banditti an opportunity of combining and concerting their plans, and of attacking us with the more effect at some future time.

Is this the treatment for the British Army, which has conquered the inveterate enemy of their country? Is this the treatment for the British Nation, which has been injured, threatened, and insulted for twenty years? Is this the treatment for indignant Europe, which has been so long outraged by the French Nation in every shape and way in which humanity can suffer? After having brought them under our feet, we ought not to have left it in their power to sting us again. Our half-brained humanity was justly recompenced on the return from Elba, and it seems likely that we shall shortly have another recompence of a similar kind, which will probably be the last that we shall ever be capable of receiving. After sparing these serpents twice; after charging upon them the mighty sum of Five Millions Sterling, when we might have compelled them to take upon themselves the burthen of our whole National Debt; it seems that we are now to spare them a third time, and to call upon our gallant army to evacuate the Land which

they have so bravely won, and to exchange their honourable quarters in France for a workhouse in England! I should not be surprised to find this object rather more difficult of accomplishment than our politicians imagine. It is possible that they may yet be compelled to suffer our brave soldiers to live upon our enemies abroad, or else to provide them an ample maintenance at home.

But, to return to my subject, I have sometimes heard it said, that any measure which might have been necessary to keep up the late state of prices, would have interfered with the payment in specie!

I can scarcely govern my patience to reason upon such an argument as this; as if the payment in specie, on the old relations, were an object of vital or material importance, or even of any importance at all.

Will men never understand that money is not wealth; but that it is merely an invention to promote the exchanges of wealth? Of what consequence, then, is the payment in specie, if we can effect our exchanges upon more easy and steady relations without it? Is it for a childish partiality of this kind that the great interests of the nation have been sacrificed? Will any one contend that we ought to have endured a hundredth part of our

present sufferings for an object of this kind? Spain is the poorest country in Europe, and yet Spain possesses three times more gold and silver than ever England possessed. But the true principles of political economy have never been acted upon in Spain. She has been grasping at the shadow, and neglecting the substance of national wealth.

Specie has been invested for many centuries with the legal power of discharging debts. Bank notes have only been so invested for the last nineteen years. Most of us have, therefore, imbibed with our mother's milk, a vast idea of the importance of specie, as if it were a far better medium of circulation than the bank notes as they now exist in England. Deprive the guinea of its legal power of discharging debts, and the futility of this idea would be evident. Individuals would wonder to see the object of their idolatry treated with no more respect than a bar of iron, or an ingot of copper, or any other article of merchandize, and yet to this complexion the idol would inevitably come, if he were once deprived of his legal power of discharging debts. The admiration would then be transferred to bank notes, and individuals born and educated under the new theology, would have just the same respect for those humble representatives of value, as their fathers have now for guineas.

What is the real difference between guineas and bank notes ; the former being dug out of the Foreign mines, by some persons who make it answer their purpose, are afterwards transferred to England in exchange for a certain command over English manufactures. The latter being coined, or created in the Bank of England, are afterwards transferred into English circulation, in exchange for a similar command over English manufactures. It is true, the Bank of England may possibly issue them rather too freely, or finding that they come cheap, they may think proper to issue them plentifully ; but against this it is easy to guard, by prohibiting or restricting their discounts, and the amount of their issues, whenever they occasion the general prices of property to rise beyond certain levels which may be deemed advantageous.

It is also true, that an equal influx of bullion may from time to time arrive from the American mines, according as the natural productions of those mines may be efficiently developed, or such influx may arrive from other quarters, which would have, and has had the same effect upon prices as might be effected by an undue issue of bank notes, and this influx of bullion cannot be guarded against, like that of bank notes may be.

One would, therefore, think that the possession of a medium created within ourselves, and under

our own management and controul, would be far superior to that of a medium which is obtained from abroad, and which is subject to the various fluctuations which Foreign circumstances may occasion. Prices may be controuled by the use of a medium subject to controul; but if we make use of a medium beyond our controul, the state of prices will vary according as Foreign circumstances affect it.

Suppose we should now pass an Act of Parliament, to prohibit the importation of all Foreign articles into England, except bullion. What would be the effect of such a measure upon the currency value of the guinea? Clearly, Foreign nations presenting still a certain demand for our manufactures, would occasion a great influx of bullion into England, which could not be again re-exported, because no return of goods could take place, and thus the price of the guinea would quickly be driven down to perhaps fifteen or ten shillings. It is impossible to say how low it might go, which would depend entirely upon the amount of British manufactures which Foreign nations would still be willing and able to consume and to pay for, and this depreciation of the guinea would take place, even though the issue of bank notes should be doubled in the mean while. Nevertheless the guinea being vested with the legal

power of discharging debts at twenty-one shillings of currency, would continue to exercise that power as freely after the price of gold had fallen so much, as to render the guinea really worth in currency only fifteen or ten shillings, as it did whilst such price rendered it worth twenty-one or twenty-eight shillings.

Of course, whilst the price of gold was any thing considerable under par, great efforts would be made to get it converted into guineas, which would have the same effect in raising prices and promoting prosperity, as a correspondent issue of bank notes would have, and the demand for gold to be coined, would have the effect of keeping up the market price of gold more near to a par with the legal price of the guinea; but if any obstacles should exist to the coining of the gold into guineas, a great inequality would be occasioned between the legal price of the guinea and its price as bullion, an inequality in its nature and causes exactly similar to that which took place lately, though differing in its direction. The guinea, as bullion, would be worth ten or fifteen shillings in currency, instead of twenty-one or twenty-eight shillings; but although the guinea would thus fall in its value, it could not, therefore, be contended that the bank note had risen, nor under different circumstances, when the guinea was worth twenty-eight

shillings in currency, could it be justly contended that the bank note had depreciated. The bank note cannot, in its nature, depreciate, so long as it retains its legal power, for it has no principle whereon its depreciation can rest itself. The guinea is made of bullion, which has a metallic value, and may rise and fall in its price, according to the supply and demand of that metal in the market; but the bank note is made of paper, which has no metallic value in itself, and cannot, therefore, be considered as an object of rise or fall in its price.

It is in this respect only that the guinea differs from the bank note. It is made of a metal that has an exchangeable value in itself, and is subject to rise or fall in its price; but the bank note being made of paper worth nothing, cannot be made subject to rise or fall in its value, by any other means than by an alteration in the legal power with which it is invested. Its value is fixed by law at twenty shillings of currency, (which, observe, is purely an ideal term) and it would not be worth more if there were only One Million in circulation, nor would it be worth less if there were One Hundred Millions in circulation. Any effect of such an increase or diminution of bank notes would lapse itself into a general rise or fall in the prices of property, and in the property value of currency; but

it would have no effect upon the currency value of the bank note. An increase or diminution of bullion, however, would not only operate a general rise or fall in the prices of property, but it would also have an effect upon the currency price of the guinea, considered as bullion, which (if not permitted to be coined) would fluctuate, probably, from ten to thirty shillings, and this is one reason why bank notes, or any kind of well-regulated paper, is a better agent in the circulation than bullion.

It appears to me that a well regulated issue of Bank Notes, or any other national paper, after disfranchising the guinea, if necessary, so far from involving any great difficulties or changes in the real state of the circulating medium, would have the effect of giving a permanence and consistency to the state of prices, which has never yet been observed in any country in the world.

But without allowing this opinion to be unfounded, I will take another ground, and I will say that an increased issue of Bank Notes might have taken place three years ago, sufficient to have counteracted the depression of prices, which has created so much distress, without the possibility of preventing or retarding the payment in specie.

If the circulation of Bank Notes, is now twenty six millions sterling, it would take about twenty four millions of guineas to replace the whole, (that is to say admitting, credit and confidence to continue on the same footing as they now are) and to support about perhaps four hundred millions more of bills of exchange and other credits of various kinds. But if any thing should happen to shake this immense system of credit, the sum of four hundred and twenty six millions would be required in guineas instead of twenty six millions. It may be possible to supply twenty six millions of guineas, but there is not so large a sum in Europe as four hundred and twenty six millions, It is therefore clear, that in order to be enabled to pay in specie, it was necessary for us to keep up the system of credit as it formerly stood, or else the inevitable consequence of such an attempt would be to bring down the great mass of currency upon our heads, and to require a prodigious sum in guineas in order to replace a comparatively small sum in bank notes. If this immense sum of guineas could not be supplied, the prices of property must naturally depress until the system of credit revived, or until those prices were brought within the range of the diminished circulation.

I have already shewn that the bills of exchange which terminate through the medium of about

forty of the London Bankers alone, effect exchanges of property to the amount of *many Thousand Millions Sterling per annum, without the agency of either guineas or bank notes.*

Whilst credit and confidence were high, and men were enabled easily to discharge their engagements, by an abundant issue of bank notes, or of country bank notes, and Bills of Exchange supported thereby, a very small portion of bullion would have been required to enable the Bank to pay in specie. Probably two or three millions only would have been sufficient, for the public would very generally have preferred the use of bank notes; but if the whole system of prices, and of credit and confidence should be suffered to break up, a demand would thereby be occasioned for bullion, which would otherwise never have existed even for bank notes. A demand of this kind could not have been supplied by the whole of Europe without twenty years of notice and preparation.

It ought not to be forgotten, that almost all the monied transactions of this country, at least ninety nine in every hundred pound of them, take place through the medium of debts and obligations, payable at some future period, and when that period arrives, they are discharged by Bills of Exchange, which are themselves discharged when they fall

due, by mutual exchanges and transfers between each other. Thus the whole is a creation of the mind, depending entirely upon moral circumstances of confidence and depression, which act as much upon the creation of the debts and obligations, as upon that of the Bills of Exchange which discharge them.

In these considerations I leave entirely out of the question the arguments of the Bullion Committee, who seemed to think that the depreciation of currency was a mere depreciation of the bank note compared with the guinea, and not a depreciation of currency compared with property, and who had some plausible foundation for their opinion in the relative currency value, which the guinea and the bank note then bore. The fact was, as many persons then contended, that the guinea was acted upon by foreign circumstances, which did not affect the bank note, and a variation was thereby occasioned between their currency value, which passed for the depreciation of the Bank note. Since that period, those foreign circumstances have operated at times still stronger upon that variation, and the guinea has occasionally passed for twenty-two shillings to twenty-seven or twenty-eight shillings in currency, until the present time, when those foreign circumstances having ceased to affect it, it is now fallen to about

twenty-one shillings, whilst the system and the modes of issuing bank notes have continued much the same as before.

If any proof were necessary that the late high prices of bullion were not occasioned by a depreciation or redundant issue of bank notes, it may be derived by observing the variation which took place in those high prices, according as particular foreign circumstances affected them. During the years 1811, 1812 and 1813, when immense purchases of bullion were made by Government, in order to be converted into foreign coins, wherewith to pay foreign subsidies, and when a considerable exportation of guineas was occasioned by Buonaparte opening his ports to sell grain for guineas, but not for manufactures, and when we had occasion for large quantities of bullion to maintain our armies in Spain, and to purchase naval stores and various other purposes, and when indeed all foreign ports were shut against our manufactures, at that time, the prices of bullion were so far advanced by these circumstances, that the value of the guinea rose to twenty-eight shillings, and that of the dollar to six shillings in currency; but when the first Peace of Paris, in 1814, put an end to these circumstances, the prices of the guinea and the dollar immediately fell down to twenty-two shillings and four shillings and six-pence, and at those prices they continued

until Buonaparte's return from Elba, in the Spring of 1815, by re-occasioning the former demand for bullion, instantly raised the guinea to twenty-seven shillings. I forget to what price the dollar was then raised, but it is well known that immediately on the second Peace of Paris, in the Autumn of 1815, the guinea and the dollar again fell to par, or even under par, for I believe the guinea is not now worth more than twenty shillings and six-pence in currency, nor is the dollar worth more than four shillings, which is twelve and a half per cent under par. That is to say, at present, eighty-seven pounds ten shillings in bank notes will purchase one hundred pounds in silver.

During these fluctuations, however, the issue of bank notes, and their legal powers, have continued the same as before, which is sufficient proof that they were not occasioned by any fall or rise in the value of bank notes.

These fluctuations happening too at the particular periods when they did, is sufficient proof that they were occasioned by the particular foreign circumstances affecting those periods, which was a fact well known and acknowledged by all the bullion dealers in the kingdom. If no foreign circumstances had affected bullion it is more than probable that we should never have found any differ-

ence, however temporary, in the currency value of the guinea and bank note.*

The bank note and the guinea being clothed with the same legal power, and being obtained by the same assignments of command over property became virtually the same object, and operated

* I remember a whole host of guinea buyers become busy instantly on the landing of Buonaparte from Elba, and I knew one who informed me then that he had bought fifty thousand guineas in a few weeks, at from twenty-two shillings to twenty-seven shillings, for a Jew broker in London. Indeed I think I may say that all the Coachmen and Mail Guards in the kingdom had a commission for this purpose, for they were all as busy as humble bees in this "laudable vocation."

I had myself at the time a considerable quantity of those things called guineas, and I was of course desirous of getting twenty-seven shillings for them instead of twenty-one shillings, but upon enquiry I found that it was FELONY to sell them for more than twenty-one shillings! My lawyer, however, gave me some satisfaction by informing me that I might lawfully sell the *light ones* for as much as I could get, and I accordingly sold them for twenty-seven shillings each, and my *heavy ones* slumbered in my chest for a long time, very much to my inward dissatisfaction, until one of the buyers very kindly told me that I might exchange the *heavy ones* for *light ones*, and then sell the light ones, which I accordingly did, and so assisted in putting down Buonaparte, at the same time that I put thirty per cent into my own pocket! I merely mention this to show the futility of those antiquated laws which interfere with individual rights without useful object or effect,

jointly to the same purpose in supporting the currency or circulating system of the country. But the bank note being an internal creation, and having no metallic value, was not operated upon by external circumstance, and consequently preserved an equal currency value, whilst that of the guinea has fluctuated from twenty-one shillings to twenty eight shillings, and down to twenty-one shillings again.

The copper guinea, however, during this state of things continued as much under par, as the golden one had been above it, for I think it generally passed for about fourteen or sixteen shillings in currency. The diminished consumption of copper, in the manufactories, or its diminished exportation, or its redundant produce, had caused that article to fall in currency value, whilst contrary circumstances had caused gold to rise in about an equal degree; but if one of these circumstances was to be taken as a proof that the bank note had depreciated, the other might with full as much propriety be assumed as a proof that it had increased in value, for I believe that copper has formed a part of the lawful coin of the realm about as long as gold. The price of the silver guinea is now I believe not more than eighteen shillings and six-pence in currency, and yet bank notes have been issued the same as formerly!



In short, if we would have a correct idea of the nature of currency or money, we must consider it principally as a creation of the mind, as a set of terms and figures, invented and tacitly agreed upon by society as the measures of comparative value, but which society endeavours as far as possible, to make subject to legal obligations. Whilst confidence is high, society never thinks of exacting these legal obligations, which is instanced by the creation of currency to the amount of perhaps Ten Thousand Millions Sterling per annum, without the present agency of either guineas or bank notes, but when depression succeeds to confidence, alarm follows depression, and panic follows alarm, until a general disposition is excited to exact their fulfilment, although more gold would be required for that purpose than perhaps exists in Europe.

It may be objected that an increased issue of bank notes would have raised the price of bullion above par, and, consequently, that no payment in specie could take place, whilst that was the case, on account of the certainty of its being melted down as soon as issued. But I contend that such an issue would not have raised the price of bullion above par. It would not have increased the demand for bullion. It would only have preserved the demand for property and industry, which it would have kept up at par, without raising bullion

above par. Bullion was not raised above par during the years 1807, 1808, and 1809, when the bank note circulation was large, and when the amount of the general currency in circulation was probably double what it is now. How, then, could keeping up that currency, or the means of its creation, at its former amount, have raised the prices of bullion. It could not have been raised much beyond par for any length of time, because such addition of price would quickly have been reduced by the importation of bullion which it would have occasioned, in exchange for our manufactures, at a time when the whole of such importation would have been applied in reduction of those prices. No one would have sent guineas abroad which had cost twenty-five shillings in England, in order to sell them abroad for twenty-one shillings; and no one would have sent them abroad at twenty-five shillings to the guinea, in order to purchase foreign produce, when that foreign produce would have sold in England for only twenty-one shillings to the guinea, whilst British manufactures might have been exported at par for the same foreign produce. The exportation of guineas would have involved a loss in British sterling of as large a sum as the price of the guinea exceeded par, and, consequently, no one could have exported them, until their price in British sterling was reduced to par, which would quickly have been

the case, by the premium which the high price would have given for its importation. In fact, the premium upon the guinea would have constituted a premium of exactly the same amount upon the exportation of British manufactures in exchange for bullion, and thus the price of the guinea would have been quickly reduced. It is the legal power of discharging debts which constitutes the main value of both guinea and bank note, and as long as their power in that respect continues equal, their currency value will be equal, unless some foreign circumstances affect the price of bullion. Of course, these considerations apply only where the foreign circumstances affecting bullion and manufactures are mutual, and not where the exportation of manufactures is virtually prohibited, whilst the exportation of bullion is encouraged and forced by the necessary importations of foreign produce.

It appears evident, therefore, that if an increased issue of bank notes had taken place three years ago, whilst it would have had the effect of keeping up the system of prices and of credits, it would not have retarded the payment in specie, but rather have facilitated it by diminishing the quantity of specie which the public would have required. If it should have been possible however for the bank notes to get into public discredit, (which I believe was not possible whilst their issues were confined

to such a system as should merely have kept up the old state of prices,) their credit might have been safely and effectually restored by *disfranchising* the guinea, which being once deprived of its power as a legal tender, would have left the bank note too powerful to suffer any disparagement.

I ought to apologise for having wasted so much observation upon specie, whilst I have little doubt that most men of business will be of opinion that the recurrence of payments in that article, so far from being an object of any importance, is positively worth less than nothing.

I have stated in the "Remedy," that the breaking up of the war relations between property and money; or, in other words, the reduction of that state of prices which had become fixed during the war, and had acted equally upon labour and property of all kinds, is the main cause of our present distresses. It may be proper to say a little more upon this subject.

If the ratio of prices so become fixed, had been kept up by a little temporary addition to the bank note circulation, the natural effects of the change from war to peace, originating in the discharge of soldiers, and other persons maintained by the taxes, would scarcely have been felt; because the

capital expended through the medium of the taxes would have passed directly into the hands of the payers of taxes, without depressing the value of their property, and thus the payers of taxes would have taken up the new labourers, and have maintained them easily by the expenditure or employment of the new capital so placed at their disposal. But the action upon currency not being relieved by any assistance of this kind, depressed the value of property generally, to the probable amount of One Thousand or Fifteen Hundred Millions sterling, whilst the legal obligations, *private* and *public*, which had been charged upon that property, continued the same; thus confounding all the relations of debtor and creditor, and not only disabling the capitalists from taking up the new labourers, but absolutely compelling them to discharge their former labourers in immense numbers throughout the whole country.

If the whole mass of the property of England was valued at Four Thousand Millions sterling four years ago, which is perhaps a moderate calculation at the prices then established there has been a loss of full One Thousand Millions sterling, sustained by some persons or other, by the reduction of prices in these four years; a loss, which was a mere nominal or monied loss at the first, but which has become a real loss in the end. But whilst this

loss has been sustained upon property, there has been no diminution of the engagements or debts to which all property is more or less subjected. Those debts have, in fact, nearly doubled in their value in the meanwhile, and have given the creditor generally the command of nearly double the property which he ever advanced to the debtor. The debtor has found his debts doubled whilst he has been thinking that he was paying them off, and all his efforts to accomplish that object have been in vain, for they have grown under his exertions, and have encreased faster than his exertions could reduce them. If they bore any considerable proportion to his property at first, say one half or two thirds, it would have been much better for him to have relinquished the whole of his property to his creditors three years ago ; for all his efforts to discharge debts of that amount must generally have proved in vain, and must now have left him no better consolation than the conviction of having done the most in his power for his creditors, without the prospect of saving himself from bankruptcy and ruin.

The situation of the nation, considered as a debtor, has been the same, and this is the true cause of the pressure of taxes. The national debt, three months ago, would have commanded double the quantity of the good things of life that it would

have commanded four years ago, and yet while the taxes thus became virtually doubled, the means of the payers became diminished in the same proportion. The payers of taxes had to contribute double the quantity of good things of life in the shape of taxes, whilst the amount of the good things of life in their possession was diminished every day, by the stagnation of industry, and the diminution of production, which was occasioned by the same depression of prices, which had occasioned the same doubling of the real amount of their taxes.

Here is the true cause of the pressure of taxes, which does not lie in their nominal amount, but in the action upon money, which has given a quadruple weight to their operation. *The real value* of the taxes has been doubled, whilst the real property of the nation has been diminished in nearly the same degree. For three years the labourers generally have not had more than one half or two thirds of full work, and thus the productive powers of the country have been stagnant, whilst its necessary consumption has been going on, and whilst all the debts and engagements, both public and private, have become virtually doubled. Thus a nominal loss of One Thousand Millions sterling has become a *real* loss of that enormous sum to the nation. I do not hesitate to say, that whilst the relations between property and money were fixed

on the same scale as they were four years ago, there was no difficulty at all in the payment of seventy millions per annum in taxes. Nor do I hesitate to assert, that the country could have born to have had those taxes raised to one hundred and forty millions per annum in the last four years, with far less injury than it has born the action upon currency, or what is called the depression of prices.

But it may be said, how can the depression of prices produce such an immense loss, when I, myself, allow that it is of no consequence upon what terms the relations between property and money are fixed, provided they are fixed and understood.

I have endeavoured to shew in the "Remedy" that it is the action of this depression whilst in progress that creates the evil, and not the depression itself when once fixed and understood. Whilst the action is taking place the principles of production are arrested; for since almost all the transactions of life take place through the medium of debts or obligations, and more of them through that of currency or money invested with legal powers and privileges, those transactions can no longer be carried on when the legal responsibilities which the production or purchase of property incurs, are greater than that property will redeem when produced.

When prices have only risen for a short time, they may be reduced without injury, because they have not operated upon the debts and obligations under which property is held, nor upon the labour and system under which it is obtained. Such a rise of prices as this, is a mere monied profit into the hands of the property holders whilst it continues, and when it falls, it occasions no loss to the property holders, because the state of prices only returns to what it was when their property was obtained. Of course, there is nothing here to arrest production and consumption, or to interfere in any serious way with the prosperity of the country: but when prices fall after having been long fixed and understood, and after having operated upon all debts and obligations, and upon the production and consumption of property, they cannot be reduced without breaking up the channels and the systems through which society is supported, and without discharging the great body of the labourers, and reducing the whole population to a state of penury and distress.

If prices were to fall suddenly, and generally, and equally, in all things, *and if it was well understood, that the amount of debts and obligations were to fall in the same proportion, at the same time*, it is possible that such a fall might take place without arresting consumption and production, and in that

case it would neither be injurious or beneficial in any great degree, but when a fall of this kind takes place in an obscure and unknown way, first upon one article and then upon another, without any correspondent fall taking place upon debts and obligations, it has the effect of destroying all confidence in property, and all inducements to its production, or to the employment of labourers in any way.

Many persons object, however, that the late high prices, as they were called, were unnatural, and could not exist without involving the necessity of a reaction. Those persons say that it is necessary to go back to the prices of 1791, and that the sooner this is done the less painful it will be. The idea is delusive. The late high prices were not more unnatural than the former low prices. They were not in reality higher in 1812, at eighteen shillings per week for the wages of labour, than they were at nine shillings per week in 1791, or at one shilling per week five hundred years before. They were not the consequence of disease, but of health. They were merely the developement of principles, which have been at work from the beginning of our history, and which will continue to be at work until our national prosperity is no more. Those principles operate naturally in all countries, as they encrease in

riches, civilization, and science. Thus in England the price of the bushel of wheat has risen regularly from about six-pence per bushel in 1154, to seven shillings per bushel in 1791, and so onward to fourteen shillings per bushel in 1801 and 1811, whilst at the same time the wages of labour rose from about six-pence per week to eight shillings in 1791, and to fifteen shillings and eighteen shillings in 1811. It is just as easy and as reasonable to go back to the prices of 1154 as to those of 1791, and if the one is beneficial, the other must certainly be far more so. But there is no retrograde in these kind of things, or if there is it is attended not with utility and prosperity, but with misery and ruin. Every thing is good that is fixed and understood, or that encourages industry and production, by encouraging confidence and consumption. But industry and production are seriously injured when the relations of property become loose and unsettled, and still more so when those relations are broken up, and settling upon lower grounds. Whilst a reduction of this kind is taking place, it is naturally attended with universal misery, and when it is effected, no good object is accomplished, for all things have fallen in a similar degree, and society is only thrown back a few years in order to re-advance with more effect on the same road. So far from its being necessary to go back, I contend that it was not possible to go

back without involving us in a reaction, which would ultimately have the effect of throwing us more forward on the same road. This is the course of all nations on their advance from barbarism to civilization.

We cannot go back to the use of bars and coins. We cannot go back to the prices of 1154, of 1791, nor if we could should we accomplish any thing but our own ruin, by reducing the wages of labour from fifteen shillings to fifteen-pence per week. I wish to be fully understood. It is of no consequence whether we pay fifteen shillings or fifteen pounds per week to our labourers, provided the system is once fixed and understood. It will have no injurious effect upon our commerce, our riches or our happiness. It will only injure annuitants, who form a very small proportion of the community. But the wages of labour cannot be reduced from fifteen shillings to ten shillings per week, without producing and being produced by the greatest misery and distress to all classes of the community, and without exposing the vital interests of all to serious danger, and the very annuitants themselves to utter ruin. This is the situation of the country now, whilst hundreds of thousands of mechanical labourers are absolutely perishing, and the whole of the others are alienated from their comforts, their affections and associations; the invention of all is

racked to discover the cause of so much unexpected misery and distress, and it is not to be wondered that a thousand visionary principles present themselves to distressed minds, whilst the real cause is either too deep and secret for their observation, or too much mortifies their pre-conceived notions and prejudices to be believed or regarded.

If it is considered, however, that the prices of agricultural produce fell suddenly nearly one half in their established value, and that this immense loss amounting, perhaps, to One Hundred Millions Sterling per annum, which was thus forcibly deducted from the regular expenditure of the agricultural interest, after driving the agricultural labourers out of employment, would fall ultimately and entirely upon the consumption of manufactures, we shall readily account for the extreme distress to which the manufacturers are rapidly verging, without having recourse to visionary notions about Parliamentary Reform, or about Foreigners depriving us of foreign markets for our goods.—The fact is, that the depression of prices has arrested the creation of currency, and the diminution of currency has increased the depression of prices; both principles have acted upon each other, and whilst this fatal system has been in progress, the only classes of society that can possibly have flourished, have been the money-holders, or those who

had the good fortune to convert their property into money a few years ago. The poor man has been mocked with a fictitious plenty, and whilst his industry has been cramped, the stocks of the rich have been exhausted and unrenewed, and thus both are injured and endangered. What they have mistaken for a redundance of produce, and for an action upon property, has been purely a diminution of currency, and an action upon money. The contractive action of currency has appeared to be an expansive action of property. The delusion is now past. It is now seen and acknowledged that money has really risen in value, but that property has not really fallen. It still costs the same quantity of the good things of life to produce or obtain property as formerly, but it takes far more of those good things to obtain money. Money has, therefore, risen in value; it commands a greater proportion of the good things of life than formerly, but it is its own diminution in quantity which is the cause of this, and not the encrease of the good things of life. Were it the encrease of these good things which has occasioned the fall in their monied value, the public would have had so much the more money in their pockets, after having purchased the usual articles of their consumption, but so far from this being the case, the public have not the money wherewithal to purchase their usual good things, or to support existence, even at the

reduced prices. What they mistook for a plenty of property, was a scarcity of money, and their sufferings have scarcely roused them from this delusion, before the diminished production of property produces a reaction of prices, which cruelly aggravates their sufferings. When wheat was sold a few months ago at seven shillings per bushel, I have no doubt that it was then dearer to the labourer than it was at fifteen shillings per bushel four years ago; because the labourer could then gain more than double the money that he can gain now. The bad harvest has now given an action to principles which have been at work for three or four years, and the price of wheat is now raised to seventeen shillings per bushel, which is dearer to the poor man, taken generally, than it would have been at forty shillings four years ago. If the price of wheat had never been suffered to fall below fifteen shillings, there would not have been a poor man in the kingdom out of employment, and his wages would have varied from fifteen shillings to fifty shillings per week. But the temporary reduction of the fixed prices of the war, from fourteen shillings to seven shillings, has broke up the sources of the poor man's prosperity, who found that the seven shillings was far more difficult for him to obtain than the fifteen shillings was formerly, and when he thought his sufferings were at their height, they were suddenly doubled by the natural recur-

rence of high prices, which take place upon agricultural produce a year or two before they begin to act in raising his wages accordingly.

We now look for our stocks and we look in vain. Those stocks have been exhausted in producing the very evils that we now suffer, and we have no hope left but in stimulating the circulation and in encouraging importations of grain from all foreign parts. It may be objected that the late temporary reduction of one hundred millions per annum, in the value of agricultural produce is not sufficient to account for the present depression of trade. If properly considered it is fully sufficient, for the whole of it or nearly so, would be taken from the consumption of manufactures. The landlords, the farmers, and the agricultural labourers, being obliged to reduce their expenditure one hundred millions per annum, will not eat much less of their own produce than usual. The growth of agriculture is not a produce to be dispensed with. But they will cease to purchase new manufactures, and they will wear their old ones, or they will contrive to do without them for awhile, but they cannot do without agricultural produce. They will also do without foreign wines, and other luxuries, which are only obtained in England by the foreign sale of English manufactures. It is therefore clear that the internal consumption of manufactured goods

must have fallen off one hundred millions per annum or thereabouts, until the prices of these manufactures should have been reduced within the limited means of the agricultural interest, or until the prices and confidence of agriculture should have reverted to their former level. The total loss of all our foreign trade, would not have affected the country to one fifth of this amount, not even if all foreign countries had been swallowed up in the sea.*

* Many persons have been in the habit of saying that our distresses are owing greatly to the loss of the foreign trade which we possessed during the war. They say that during the war, we had all the trade of the world, but that now the Americans contend with us and divide it with us. What are the facts? During the war we had not so much foreign trade as we have had since. The carrying trade was a perfect trifle at the best. Almost all foreign countries were shut to our commerce, but we had an immense *internal* commerce, and the demand which we presented for foreign articles still occasioned foreign nations to buy our manufactures in a limited way. And what is the fact with respect to America? She has not contended with us in peace nor injured us at all. She is suffering under the very same calamity which afflicts ourselves, and but that the division of labour is not carried to the same extent there as it is here, her distresses would be, at this moment, nearly as great as our own. The depression of the price of ships for instance, in the United States is as great as it is in England, and as ruinous to the ship-owners, and builders, and all their dependants. A ship that four years ago, would have cost in Philadelphia forty thousand dollars, will not now sell for ten thousand. There is nothing worse than this in England. How then can the American shipping have injured us. America is

But the foreign export was last year, 1815, greater than ever it has been before. The sudden opening of the foreign ports, combined with the revulsion of the home consumption, occasioned an immense exportation of manufactures, which have never yet been paid for, and never will; because the same internal impoverishment which forced out this immense export, prevented foreign nations from being enabled to pay us for even our usual export.

injured like ourselves, purely by an action upon currency, and is now foolishly increasing her own sufferings by increasing the very evil under which she suffers; that is to say, by endeavouring to restore the former property value of currency. She has had many Bank Restriction Acts, and has stimulated the creation of currency, and encouraged and forced her national prosperity even more than we have, and now she is overthrowing all, by endeavouring to go back to the point from which she started, in substituting a metallic for a paper currency.

The frogs in the fable had lived happily and prosperously under their king Log, and yet they were not contented until Jupiter sent them a Stork for their king.

So these Americans have flourished and increased under their paper system more than any other nation recorded in history, and yet they are not contented, but, they must have recourse to payment in specie!

The **STORK** will teach them wisdom. It will not be long before they will recall their old friend *Log*, and it is probable they will never part with him again. Then they will be able to consume our manufactures and to pay for them as heretofore.

The country has no longer supplied the same consumption of foreign wines, teas, sugar, and other foreign luxuries, which she formerly supplied, and whatever has been subtracted from this consumption of foreign luxuries, has been deducted from the foreign export of British manufactures, or at least from that part of them which can ever be paid for, and thus the reduction of prices, whilst it has prevented foreign nations from being enabled to pay us for the usual amount of our exports, has forced out an unusual amount of those exports, in order to regurgitate misery and ruin upon the exporters and their creditors.

These exports, however, had the effect of keeping up the spirits and the nominal prosperity of the manufacturers, a few months longer than would otherwise have been the case, but after awhile it was found that the exports might as well have been cast into the sea, for neither principal or interest have ever returned. The manufacturers and merchants being thus impoverished, are also obliged to reduce their expenditure, and they also very naturally reduce it principally in manufactured goods, and in the foreign articles for which those goods are exchanged, without materially reducing their consumption of agricultural produce. Thus nearly the whole of the One Hundred Millions per annum, which had been lost by the agri-

cultural interest, falls ultimately upon the manufacturing and commercial interest, and sufficiently accounts for the state of distress into which this latter has fallen, at a time when the agricultural interest has entered upon a rapid and vigorous reaction.

This view of the subject will be confirmed by considering that according to the reports made to House of Commons, the population of England consists one half of agricultural individuals, and the other half of manufacturing, mercantile, and professional individuals. Of course one half of the produce of agriculture is consumed by the manufacturers, and one half of the produce of manufacturers is consumed by the agriculturists. Now one half of the income of agriculture being thus expended in the consumption of manufactured goods, it is clear that upon that income being reduced one half, the deficiency of expenditure must be felt somewhere, and the reasons which I have before urged respecting the relative nature of agricultural and manufactured produce, render it sufficiently evident that it will be felt ultimately more severely upon manufactures than upon agriculture.

It may be asked, "How is the money created to enable the farmer and manufacturer to pay the former high prices for each other's produce? I answer, the money creates itself, and exists ac-

ording to the state of prices which exists. The farmer consuming one half of the manufacturer's produce, and the manufacturer consuming one half of the farmer's produce, each is enabled to pay the price required, by the price he obtains, in fact, the whole becomes merely a barter which is effected by means of certain terms or figures called money and which are only useful in forming certain relations between different kinds of property, which the different parties may understand, and upon which they may act with confidence. Thus one half of the produce of each being consumed by each, the other half of the produce of each is consumed within itself. and no difficulty is experienced in effecting the mutual exchanges, as long as nothing happens to break up the relations under which they are effected; that is to say, to reduce the state of prices of either agricultural or manufactured produce, which necessarily involves a correspondent reduction in the other.*

* It may be asked, "But how can you make a DEMAND? the state of prices depends upon the *demand* which the markets afford." I answer, the general rise of prices creates a general demand in all trades, by the general reward that it affords. A thousand trades being once set in activity by the rise of prices, which an additional issue of money must either occasion or remain unemployed, the consequence is, that they necessarily produce a correspondent demand for the goods of

I dwell the more upon this part of the subject because it is an object of importance to the happiness of the country, to understand that any depression of the prices of agricultural produce which have once become fixed, will certainly prove more injurious to the manufacturers and mechanics than to the farmers and agricultural labourers. Not that I mean to contend that any rise in the prices of agricultural produce is beneficial, nor that any fall is injurious, when the rise or fall takes place from relations which have been merely temporary, but I mean to contend that no breaking up of the fixed and permanent prices of agricultural produce, of those prices that have had time to act upon trade, can take place without injuring trade and without injuring the prosperity of all classes of the community.

each other. The rise of prices created generally upon property by the issue of money, acts generally upon all kinds of trades, and thus a thousand trades being set in an accelerated motion, the additional production of one is consumed by the increased means of consumption of the nine hundred and ninety-nine others, creating an ample demand for the productions of each; which is also continually increased by the necessary activity of the money so issued, until that money is withdrawn from the markets, which it ought never to be, unless the state of the currency has previously acquired a sufficient consistency to maintain the relations between property and money without it.

If it is yet doubted that the depression of agricultural prices, however occasioned, is the main cause of our present distresses; I will take another mode of illustrating it, from the many which crowd upon my mind. It is well known that the usual way of calculating produce among farmers, has been to reckon it equal to four rents, that is to say, that the produce of the farm must sell for four times the amount of the rent, in order to enable the farmer to exist. The way in which it has been usual to reckon these four parts divided, is one to the landlord, one to the farmer, one to the labourer, and one for the taxes and rates. Now in this way of reckoning, when the price of wheat had long been fixed at about fifteen shillings per bushel, it gave three shillings and nine-pence each to the four above-mentioned purposes. But when the price of wheat suddenly fell to five shillings and seven shillings and six-pence, the necessary consequence must be, either to reduce the portion of each to one shilling and ten-pence half-penny, or to reduce the portion of some two or three of the shares in a greater proportion. The taxes and rates, however, were obligatory and coercive and could not be escaped or diminished, in any way, in less than two or three years, and probably not in that time, nor ever when taken off could they revert into the pocket of the farmer in less than two or three years more, as I have shewn in the observations respect-

ing taxes. There was therefore no diminution in the proportion of three shillings and nine-pence appropriated to taxes and levies, out of the fifteen shillings at which the bushel of wheat had been accustomed to sell. The whole of the reduction of seven shillings and six-pence per bushel must, therefore, have fallen upon the other three parts or proportions. For these three parts, the reduction of price to seven shillings and six-pence per bushel, left but three shillings and nine-pence to divided among them all, which is but one shilling and three-pence each instead of three shillings and nine-pence each. It is evident that the agricultural labourer could not have supported his existence upon a sudden reduction of this kind, and to this amount, nor indeed has he been called upon to make it, but by the operation of the greatest misery and laceration of mind it is probable that his proportion has been reduced one half, that is to say, from three shillings and nine-pence to one shilling and tenpence halfpenny, which is about the reduction which has taken place in the real value of his labour. Now if we add this one shilling and tenpence halfpenny, which the agricultural labourer still continued to receive from the the price of a bushel of wheat, to the three shillings and nine-pence, which still continued to be appropriated to taxes and rates, it amounted to five shillings and seven-pence halfpenny, and left one

shilling and ten-pence half-penny to be divided between the landlord and the farmer, and to make up the reduced price of seven shillings and six-pence to which the bushel of wheat fell.

If we consider on the one hand the obligatory character of rent, the generality of leases, and the considerable capitals which must generally have been possessed by the farmers, and on the other, the extreme difficulty of drawing rent out of the farmer's capital, when his prices will no longer afford it, and the great number of poor farmers, and of rack rents, and other circumstances of a similar kind, we shall probably not be much in error, if we consider this remaining sum of one shilling and ten-pence halfpenny to have been divided pretty equally between the farmer and the landlord, leaving eleven-pence farthing each, instead of three shillings and nine-pence, as the contribution which they must have latterly been in the habit of receiving from every bushel of wheat that has been grown. Thus a loss has been sustained of one shilling and ten-pence halfpenny to the labourer, and of two shillings and nine-pence three farthings each, to the farmer and the landlord, making in all seven shillings and six-pence, which was the whole loss sustained by the Agricultural Interest, on the fall of the price of wheat from fifteen shillings to seven shillings and six-pence per bushel.

Now upon what branches of human expenditure will this loss so divided ultimately fall? It is clear that the labourer will not eat a great deal less than formerly; for if he does he must perish; the whole of his loss will, therefore, shew itself in crippling the comforts of his humble cottage, and in contracting his moderate purchases of manufactured goods, purchases which are indeed moderate when considered separately, but which, like grains of sand forming the earth, make an immense consumption of manufactures when considered in the aggregate.

But if this view of the subject holds good with respect to the labourer, it is far stronger with respect to the farmer and the landlord, who are both acted upon by the same principles, and whose expenditure, in fact, forms the sole foundation of the existence of the manufacturers and mechanics.—The farmer and the landlord and all their servants and immediate dependants will still eat and drink pretty much the same as before, but they will necessarily cease to purchase manufactured goods, and to consume those wines and other foreign luxuries, for which alone the manufactures are exchanged abroad. Thus the whole loss of seven shillings and sixpence per bushel upon wheat, or of One Hundred Millions Sterling per annum, after pressing most severely upon the landlord, the

farmer, and the agricultural labourer, falls ultimately and certainly upon the commercial interest, and crushes the merchants, manufacturers, and mechanical labourers in its fall. Here is the mighty evil which has torn out the vitals of English prosperity, which after lacerating, ruining, destroying the farmer, now commences its natural, but most cruel reaction, and tortures and agonizes the mechanic, and grinds him into the earth. It is this terrible calamity that has covered England with poverty and distress, that has broken up the comforts of twenty thousand villages, whose existence depended upon the agricultural consumption of their manufactures, and has even destroyed the prosperity of the great manufacturing and commercial towns, of the great depots of foreign commerce, by destroying the foundations upon which all foreign commerce depends ! *

* The great towns that represent the manufacturing interest in influencing the legislature on the subject of manufactures, seem to have entirely overlooked the cobblers, and tinkers, and tailors, and blacksmiths, and other humble artificers, who live by the direct expenditure of the agricultural part of the community, in every corner of the kingdom, and who if they were collected together would form an immense multitude in the aggregate. What have these honest men done that they should be forgotten? They may be said to be as much the servants, and as much dependant upon the prosperity of the farmer, as his thresher or plough boy. These poor mechanics are the first

Many persons seem to think that if foreign nations would take One Hundred Millions of our manufactures, it would be possible for us to get paid for them, although we should import only ten millions of produce in return. The fact is impossible. The same quantity of British Currency which is consumed in the produce of manufactures for foreign exportation, must be produced by the sale of the foreign importations in England, or the difference will never be paid for at all, and of course, such excess of the exports cannot be long continued. It is of no use to say that foreign nations will pay us in bullion.* Foreign nations have

to suffer by the ruin of their employer, who if he can no longer afford to maintain them as labourers, is yet obliged to maintain them as paupers, until he becomes a pauper himself, which is quickly the case.

*I often hear people talking about forming Commercial Treaties, and about the necessity of seeking foreign markets for our manufactures, as if we had some great gain in these kind of things, and as if they were some of the easiest things in the world. Heaven and earth! Does the prosperity of England rest upon the *patronage* of foreigners! What a shop-keeping notion is this! Do we not give to foreigners as much as they give to us? What then have we to gain from them? "I can call spirits from the vasty deep," says Owen Glendower. "But will they *come* when thou dost call them," says Hotspur. So I would ask our politicians who instruct us so cheaply in the laws that govern human affairs. "Will foreign nations *pay* for our manufactures when we have exported them?"

not the bullion to spare, and if they had, it would be re-exported from England in the place of British manufactures, in exchange for foreign imports,

It seems never to have entered into their heads that it was necessary for foreign nations to *pay* us for our goods when they have got them. We have proof enough that they will gladly *take* them, for they have suffered us to inundate all the markets in the world, to our own ruin, but we shall wait till Doomsday before they will ever pay us!

“Oh yes; they can pay us very well if you will let us have their Corn.” What, will you have their Corn and the English farmer’s too? Or will you sell the same goods twice over, first to the English farmer, and then to the French farmer? For every bushel of wheat that the English farmer sells you at fifteen shillings, he pays you in return just fifteen shillings for your manufactures. Will the French farmer sell you wheat at seven shillings and take in return fifteen shillings worth of your manufactures, and if he does, what will you gain by that? Or do you think that he will *really* give you his bushel of wheat for half the quantity of your manufactures which the English farmer takes? Do you not see that if you get Wheat cheap your manufactures must necessarily be sold cheap also? Or perhaps you think that the French farmer will sell you grain at a *low* price, and at the same time buy your manufactures at a *high* price, and so you will have a great balance to receive!—or probably the French farmer will be content with half the manufactures that the English farmer requires, and so leave you at liberty to send the other half to South America, or El Dorado, or to the Great South Sea! Upon my word! I never thought of this! This is fine reasoning indeed! But I will give you the benefit of it all. Let us leave the English farmer to shift for himself,

as soon as ever its price was so far reduced as to make it answer the purpose of the merchants to export it; and even if it should not be exported, it would have no other effect than that of contributing to the depreciation of currency, which is an object that might be just as well effected by bank notes.

If I am rightly informed, when the dollar was lately at its par of four shillings and six-pence, in

and let him eat and drink as much of his own produce as he pleases, and let him sell the rest in exchange for such manufactures as he wants wherever he thinks proper, and I will answer with my life that you shall soon come to him again, and humbly implore of him that he will chop and change with you on the same terms as before! You will soon find that the farmer has as much ingenuity as yourselves, and that he is as far before other nations in the manufacture of Wheat and Barley, and Beef and Mutton, as you are in the manufacture of Laces and Buttons, or any other kind of soft or hard goods.

You will please to recollect that he has just as good a right to use foreign Manufactures as you have to consume foreign Corn. And that if the foreign farmer is to have the same taxes and poor rates charged upon his corn that the English farmer has, his corn will not be found quite so cheap as at first sight it may appear, and if he sends it into this country unincumbered with those charges, you will also please to recollect that they will then be all to be paid out of your own pockets! Or if you could even sell prices as low, and sell your manufactures to foreigners at as cheap a nominal price as your hearts could wish, yet you would

New York, it brought six shillings in England, and of course large payments from America were then made to England in dollars, but the course of trade has since changed, and the price of the dollar has risen in New York, at one time to five shillings and six-pence, whilst it has been reduced in England to about four shillings. The former of these circumstances operated as a premium upon British exports, and the latter as a drawback upon these exports. The rate of exchange upon Bills between America and England, presented similar features, at one period, producing a premium, and at the other a discount upon exports of British manufactures, which I have stated more fully in the "Remedy."

It is thus that the Exports and imports of all countries regulate and equalize themselves. Temporary inequalities may arise from temporary causes, but these inequalities cannot become permanent, because they carry with them the principles of their own reduction.

It is of no use to say, that the carrying trade is certainly beneficial, and that Venice, and Genoa,

even then be enabled to pay foreign nations *only* a corresponding low price for their produce which you take in payment for your manufactures, so that you would be just where you were before, and the thing would be just as broad as it is long.

and other small States rose into opulence by its influence. There is no doubt that the carrying trade is beneficial, like other trades, and that persons residing in Venice and Genoa, realized large capitals by trading between foreign countries, which capitals they gradually invested in their native places. But the remittance of those capitals could only be made in two ways, viz. by importations of goods or of bullion. If made in the former way, they would have had the effect of preventing other importations of a similar kind, which would otherwise have been made; and thus still the exports and imports would have been equalized, and if made in bullion, they would have had no other effect than that of increasing the depreciation of money, which would have been just as well effected by issues of paper; or if the bullion had been re-exported for goods, that re-exportation of bullion would have prevented the exportation of an equal amount of produce, and thus again the exports and imports would have been equalized.

But in truth it is a mistake, to attribute much of the wealth of the commercial states to their carrying trade, or indeed to any kind of foreign trade. A more probable cause was the early institution of Banks which brought dormant capitals into action, and promoted an early depreciation of money.* Their

* I ought probably to have enlarged upon the benefits of a gradual and general depreciation of money. It is certain that

wealth originated in the active, industrious, and intelligent character of their population, and would

society may flourish upon *fixed* relations, between property and money ; but it is also certain, that it will flourish still more, that is to say, the population will increase faster and be better provided for, as long as those relations are varying in favour of property, by the gradual depreciation of money. By this means, the continued production of all trades is promoted and increased, and the necessary consumption of all trades, and the general prosperity of the country, is increased accordingly. The great object of currency legislation should therefore be, to secure and promote this gradual depreciation, and to arrest any sudden changes to which it may naturally be exposed ; and when once this system was fully understood, it would be attended with no injustice to annuitants, because they would realize their pecuniary accumulations, subject to the rate of depreciation which they knew to be existing. I do not know that it would be desirable to promote any very rapid depreciation of money, because that would involve difficulties respecting annuitants, and might have the effect of exciting, too strongly, the human mind ; but a gradual and general depreciation, would naturally have the effect of confirming the stability of general transactions, and of promoting a healthy and vigorous activity in the different channels of commercial and agricultural industry, which would materially promote the riches and the happiness, the population and power, of the country. Thus, the wages of the labourer might be beneficially increased to probably ten pounds per week in the course of the present century, and to twenty pounds, or one hundred pounds per week in the course of the next century ; and to any other extent that the convenience and interest of the public should require.

It is certain that this would promote the real comforts of the labourers. If this be doubted, let the situation of the labourers

have been just as great without any foreign trade, provided their mental qualities could have been equally excited, and their country had been sufficiently extensive to maintain them. As far as foreign trade may expand and stimulate the mind, by luxurious gratification, or by the collision with foreign manners and scenes, I am prepared to allow that it may encrease the wealth of a nation; but, excepting in this respect, I cannot perceive that foreign trade has any effect whatever, in either encreasing or diminishing the general trade of a nation.

The Venetians and Genoese did not fall by the loss of their carrying trade; but they fell from the natural change which took place in their own minds; and the loss of their foreign trade was a consequence not a cause of their fall. When they became too indolent and prodigal to carry on any business with success, their foreign trade left them, simultaneously with their home trade. The former fell into the hands of more frugal and industrious competitors, and the latter ceased to exist.

in those trades where low prices are obtained, be compared with that of those where high prices are obtained, and it will readily be seen, that the labourers certainly and largely partake of the prosperity of their employers.

If the Venetians had retained their energy, their liberty, their prudence, their frugality, and industry, they would have retained and encreased their wealth and prosperity, whether they retained their carrying trade or not. Foreign trade was however to a certain extent, necessary for them, on account of the small extent of their country, which could not have provided them the necessaries of life. The effect of foreign trade upon them was, therefore, to employ a great part of their population in the manufacturing of goods for foreign consumption, and in the navigation of shipping for the service of other countries, in order to employ a similar quantity of foreigners abroad, in the production of agricultural articles for their home consumption. But it is clear that the Venetians would have been still richer and stronger than they were, if the nature of their country had enabled them to supply the whole of their agricultural and manufactured articles among themselves. They would then have had no foreign trade, for all would have been converted into home trade; but the amount of their foreign trade, thus converted into home trade, would evidently have become double what it was, for it would have comprised within their own country, the production and consumption of both exports and imports.

I cannot help saying a few words more on the subject of economy and retrenchment, public and

private. I insist that all attempts at either, for the present, will materially increase our distresses, without the possibility of relieving them in any way; unless an expansive action upon currency is previously promoted. I do not speak of family economy in the use of bread, which being now at too high a price, may be saved with much benefit to the public, but I speak of a general diminution of family expenditure, and of Government expenditure. The Newspapers are perpetually recommending both as great means of relief to the country. Let us suppose, now, that the whole of the capitalists of the country should come to a resolution of acting upon this advice, and should accordingly all of them agree to diminish their expences one half. It is the whole of their expenditure which at present constitutes the whole trade, and maintains the whole population of the country, and of course if that expenditure should be diminished one half, one half of the population would perish, or be driven abroad. It is in vain to seek after visionary means of relief. All relief is in vain that has not the effect of keeping up family expenditure, or of increasing national expenditure to an equal amount. Every shilling that is subtracted from family expenditure, is subtracted from the maintenance of the poor, who must perish when the rich cease to dispense their capital in their usual way. Not only would an additional dimi-

nation of family expenditure encrease the miseries of the poor, but it would also encrease the impoverishment of the rich, instead of encreasing their property. The diminution of industry and production, which would be the consequence of such a diminution of consumption, would diminish the capital of the capitalist, rather faster than his retrenchment encreased it. His necessities would grow with his exertions to reduce them ; and if he should have the folly to persevere in this system long, he would soon find poverty left him in the place of riches, and would be obliged to cultivate his own fields, and to bear there those miseries and privations from which death had relieved his unfortunate labourers. This would be the inevitable consequence of any general and persevering system of retrenchment in family expenditure, but it would of course be different if adopted only by a few families, who, by such timely economy, would be enabled to throw upon their country an additional share of those difficulties which ought equally to be borne by all, but the whole country making the same efforts at the same time, would prevent any individual from experiencing the benefit of them. It may be set down as a rule that all family retrenchment is injurious to the country, unless it takes place only upon articles of which there is an absolute scarcity, and a retrenchment in those articles would tend to bring their prices more

within the reach of the poor, without throwing any of the poor out of employment, and without materially arresting the creation of the articles in question, but any retrenchment in articles that are not sold at a much higher price than they have cost, can have no effects but those of throwing the poor out of employment, and of reducing the rich to the situation of the poor.

The same arguments hold good against national retrenchment. It cannot take place suddenly or generally, without producing far greater evils than it relieves. In the first place, the diminished expenditure throws hundreds of thousands of labourers, and artificers of all kinds, out of employment, who cannot find employment in other channels, unless the state of production and consumption is so free as to furnish a demand for them; and in the next place, the action upon currency, and the depression of prices, occasioned by the removal of taxes, obliges the capitalists to discharge their present labourers and mechanics, instead of being enabled to give employment to those hundreds of thousands of others, who are discharged by the cessation of the expenditure of the taxes. It is, therefore, clear that the sudden reduction of taxes is productive of far more evil than good, and ought not to be attempted, without proper measures having first been taken to counteract the depression of

prices which is its consequence, and to stimulate the circulating system sufficiently, to give employment to the labourers, artificers, and soldiers, who are thereby discharged, until the returning of the capital from those taxes into family expenditure, shall have had time to provide employment for them in other channels. Unless measures of this kind are previously taken, the call for reduction and retrenchment of taxes, if acceded to, will be the cause of increasing the general distress.* The rich will precipitate their own impoverishment, and the poor their own ruin.

* I have endeavoured to show in the "Remedy," that the imposition of taxes, naturally raises the monied prices of property; or, in other words, increases the depreciation of money; and that the removal of taxes depresses those prices, in at least an equal degree, and has thus the effect of shaking confidence in property, and of checking the disposition to produce it, although the welfare of society depends upon its production. This rise or fall in prices too is not local or particular upon the particular articles through which it acts, but it is ultimately general, and equal in its effect upon all descriptions of property. If a new tax should be imposed upon malt, for instance, the price would necessarily rise in proportion, or it could not be grown.

This rise of price would require an equal rise in the price of labour, and of other articles, or the malt could not be consumed. This rise in the price of labour, would take place naturally, or else the malt could not be consumed, and then the price would fall, and the malt could not be grown, which is contrary to our experience of the effect of taxes. If the rise in the price of labour should

The general call of the country for the removal of the taxes, reminds me of an Eastern tale, wherein a poor man is represented as petitioning for the Ganges to be diverted through his grounds. But no sooner were the mounds of the Ganges broken, than the unfortunate petitioner was swept into the sea. So it is with the great river of capital, which flows through the channel of the taxes. It cannot be suddenly arrested, or diverted without devastating the country in its course. Such mighty waters cannot be moved without previous preparations and precautions. If their mounds are touched by a rash hand, the devastation of the country is the inevitable consequence.

Look at the vast aggregate of taxes discharged into Birmingham, London, Portsmouth, and various other places, and at the immense encrease of population which it has called into, and produced in

not take place, the situation of the labourer would be injured, which would quickly diminish his numbers, and his labour, or the rise would at last take place from the additional demand for labour which the expenditure of the tax in question would occasion. Thus, the rise in the price of malt, would soon lapse itself into a general rise in the prices of property of all kinds: and when the tax which occasioned the rise was removed, or about to be removed, it would naturally effect a correspondent fall on those prices, unless arrested by an artificial creation of money. The overwhelming evils attendant upon any general fall of prices, are sufficiently felt, and I have before sufficiently enlarged upon them.

those places. This population does not consist merely of the persons who receive the taxes, in the first instance; but of the trades people, and servants, and mechanics of a thousand descriptions, who have depended and existed on their expenditure. It is true that, in justice, these people, perhaps, have not much ground for complaint. But still we must consider their situation; and they have a right to expect that other sources of employment shall be open for them. They could not provide against such a time as is come: it was inconsistent with their nature, and with their habits. It is cruel to drive them out of employment before we have opened a demand for their labour in other pursuits. If the means of getting a livelihood, were open to them in their native places from whence they were transplanted, they might then, perhaps, be told to go back to them, and their former pursuits, however unqualified they may be to exercise the callings to which they were bred, or however small the opening there might be for them. But when every channel, by which existence can be supported, is filled to excess in every place; and when the country offers nothing but a workhouse or a grave as the reward for industry and honesty, how cruel, how deplorable is the situation of that numerous part of the community, who have been maintained through the expenditure of the taxes! These men are all left to perish from the want of that state of

prices which should occasion a demand for their labour.

The Gun Makers of Birmingham, for instance, are thus served ; after having formed, in such prodigious numbers, the good English weapons which have hurled the Conqueror of the world from his Throne ! Place them upon Salisbury Plain, or upon the most barren rock that ever grew a blade of grass, and leave them there unaided by any thing but their own energies, and the small accumulations of their prosperity, and they will even there, be in a far better situation than they are now left in, by their improvident and neglectful country ! It is not that these men are not willing to work. It is not that they are not able to work, and to make an ample production of the good things of life, in exchange for those which they consume ; but it is, that the depression of prices, and the want of an equivalent circulating medium, has arrested production and consumption, and has broken up all the motives which animate, and all the means which conduce to the employment of labour.*

* The lower classes of a country are generally pretty well satisfied with their Government as long as they have plenty of food and of employment, and it is not reasonable to expect they should be so, when they have neither. What made the Parisians so much attached to Buonaparte ? Principally the

And what an abundance of disaffection has this state of misery occasioned. Never were the Eng-

great expenditure of money in Paris levied upon France in the shape of taxes, and upon foreign nations in the shape of contributions. The cessation of the chief part of that expenditure there by the Government of Louis XVIII, naturally makes all descriptions of its inhabitants less comfortable in their situations, and of course more desirous of the return of the Golden Days of Buonaparte. Golden days they were for Paris, and indeed for the greater part of the Frenchmen generally who were left alive, and it is no wonder that the Parisians should be so pleased with the author of them. If Louis XVIII, had increased his taxes, and his national expenditure, instead of diminishing them, he would then have had nothing to fear from Buonaparte or from any other quarter. The French soldiers would have been true to him, if he had kept them all embodied, and had raised their pay, and so would the Parisians, and all the hosts of labourers, who have been discharged from his employ by the effect of the peace.

So also the expenditure of so large a proportion of our taxes in London, caused a kind of golden age there; for the profits which it made out of that expenditure, counterbalanced the payment of its share of the taxes, probably many times over. Look at the multitudes of public servants; and at the thousands of shopkeepers, and trades people, and labourers, and artificers, and mechanics, of innumerable descriptions, who were maintained all over London, through the expenditure of Government; at Somerset House, at the Tower, at the Admiralty, at the Office of Ordnance, at the Horse Guards, at the Dock Yards on the Thames, and at a hundred other places. Many millions sterling per annum are lost to the inhabitants of London, by the cessation of this expenditure; and, unfortunately for the country,

lish people better affected to their Government, than about the conclusion of the war in 1813 and 1814; and never had they more occasion to be so. But by the neglect of necessary measures to provide for the maintenance and support of the population, all this fine spirit is changed, and the country is become a prey to anarchists and visionary reformers, who instead of relieving its distresses, would encrease it a hundred fold. The lower classes are deceived and deluded; and it is no wonder that they are deceived. It is clear that something is wrong, that something wants reform; and they think it is the Government. If the Government was administered by an Angel of Light, it would not mend their situation, unless his measures had the effect of encreasing the circulating medium; and thereby the productive principle of the country.

It may not be improper to draw here an instructive parallel between the circumstances of this country now and of France in 1789.

these millions, are as yet, so far from having reverted into the pockets of the nation at large, that the taking off of the taxes has positively contributed to impoverish the payers of them, by reducing the prices and exchangeable value of their property,—whilst their debts and obligations, both private and public, have continued the same.

The expences of the American war had embarrassed the French finances, and every measure which had been adopted to relieve that embarrassment seemed to have encreased it.

The French people called for national retrenchment, and the Government yielded to their request. They discharged the soldiers, they discharged the pensioners, they reduced some taxes, and removed others, but all their efforts were in vain. The greater their efforts the greater became the public misery. If they could have reduced their whole national expenditure to a single Louis, they would only have encreased the general distress, and have precipitated the melancholy catastrophe which followed.

The action upon currency became more and more distressing, impoverishing the rich and destroying the poor. Retrenchment which was first forced upon the Government, soon became necessary in private families, and thus the national misery was encreased and encreasing in a geometrical ratio. The Noblesse discharged their servants and broke up their establishments. Merchants, farmers, and tradesmen ceased to consume their usual quantity of manufactures, and the labourers and artificers were very generally discharged throughout the country. The discharged

soldiers sought their native homes and found no employment there. They crowded to Paris, and increased there the misery and discontent already so much aggravated by multitudes of discharged servants, and artificers, and labourers, who had flocked from the departments. There they became the prey of agitators, fertile in schemes of blood and reform. At that fatal period, the terrible hurricane occurred, which devastated the fields of France, and produced there that reaction in agriculture, which continued rains have produced now in England. The unfortunate populace, perishing under the operation of natural causes, which neither Government nor people understood, were easily persuaded that all their sufferings were owing to the crimes of their rulers. Then began the harvest of violence, vanity, and ambition, of those ruthless sanguinary men, who started up by thousands to deceive, cullumiate, and destroy, until their short-lived objects were obtained, and other ruffians made use of the same weapons against themselves which they had first used against their innocent King. Each ruffian had his nostrum, his panacea for every evil under heaven, but when the unfortunate populace discovered that poverty and misery still existed and increased, he was precipitated from his guilty elevation to make room for other wretches with other nostrums, who again in their turns fell sacrifices to that popular excitement which

they had been powerful to rouse, but which they were utterly unable to controul.

It is painful to observe how nearly this state of things resembles the situation of England now.— We every where perceive the impoverishment of the rich, and the intense suffering of the poor. We every where perceive wretchedness, and misery, and discontent, and alienation of mind. Soldiers, sailors, servants, and labourers, artificers, mechanics, all are alike discharged, and all are suffering the extremes of want and distress. Reformists are every where starting up with their nostrums, and are every where persuading the populace that their miseries are the consequence of the crimes of their governors and their friends. Wretched, miserable nonsense, indeed, but such as distressed, despairing minds eagerly grasp at in the absence of better information. A general clamour is thus excited for reform; as if reform would create money, and restore confidence, and revive consumption and production, and give back cultivation to the land, and arrest the effects of exhausted granaries, and of devastated harvests. As if reform would prevent actions upon currency, which have been occasioned by natural causes, or prevent wars and expences, which have been demanded by the whole nation, and by the vital interests of all!

The popular mind is thus deceived, excited, and inflamed, and under pretence of "*allaying irritated feelings*," the Prince Regent is invited by the City of London to add fuel to the flame, and flame to those fiery principles which, if they once explode, are certain to bury the Constitution in their ruins. Let us not deceive ourselves. A period of popular excitement and distress is not a period of reform. A real and beneficial reform of Parliament is the last object that can ever be effected by popular excitement. Innocent, well-meaning enthusiasts begin this excitement, and when their objects are effected, they wish to go no farther, but it is far easier to walk upright on level ground, than on the side of a precipice.* The worthy Lord Mayor of London would find this to his cost, if the Prince Regent should yield to his request, and grant a reform in Parliament. He would then be carried away in the torrent of popular passion, or he would be covered with obloquy and contempt, to make

* The Emperor Napoleon had but a low opinion of these gentlemen: Hear his words. "It is those weak and infatuated men, who, seeking to force human nature to their own arbitrary principles, instead of accommodating those principles to the lessons of history, and to the knowledge of the human heart; have been the cause of all the sufferings that Europe has endured." Hear also his words upon another occasion. "Every thing should be done *for* the people but nothing *by* them." This man was certainly no friend to the reformists, and yet they seem great admirers of his; if they had come under his clutches, he would soon have clapped them into one of his State Prisons.

room for bolder spirits who would start forward by thousands in the race of ambition, and who would still find ends to answer and passions to gratify, and who would still find out that hunger, and poverty, and misery existed, and that they could only be remedied by carrying reform to its only rational object, and placing themselves at the head of affairs! Let us hope that the firmness and wisdom of the British Government will prevent their yielding to delusive representations of this kind, or if it should be deemed adviseable to make alterations in the return of members to Parliament, let Government first "*allay the irritated feelings*" of the populace, by restoring their trade, and by filling their pockets with money, their houses with comforts, and their children with bread.

When these great objects are accomplished, the Government may proceed to make quiet and gradual alterations in the system of representation, not that those alterations can ever be productive of any good effects to the circumstances of the people,* or to the administration of affairs, but

* In the reports to the American Legislature, I perceive that their expences last year amounted to Five Millions Sterling, which is about one fourth of our expences, after allowing the sum necessary for the interest of the National Debt and for the sinking fund. Now if it is considered that their population is not

that it is possible they may have the effect of preserving the pride of the English mind, and of cou-

equal to one half of ours, and that their wealth is probably not equal to one fourth of ours, it will appear that the relative current expences of their Government are about equal to those of our own. But suppose their wealth to be the same as our's in proportion to their population, yet even then, their expences are after the rate of ten millions sterling per annum for our population, whilst our expences amount to only about twenty millions per annum, and yet we have had to maintain a thousand ships of war, and an army of five hundred thousand men! What would the American expences have been, if they had just emerged from such a conflict as we have been victorious in? And had as many colonies and garrisons to maintain in every quarter of the globe, and were as closely surrounded on every side, by nations but lately hostile and still to be guarded against? There is no question but if England was on the other side of the Atlantic, and the United States on this, that the unavoidable expences of each would be greatly increased and diminished.

After all, if we deduct the expences of the national debt, our whole national expences are not more than one pound per head per annum, say eighteen millions; which as I have shewn, does not at all affect labour, and is a perfect trifle in comparison with the wealth of the country. By the depression of prices we have lost five hundred millions per annum. The taxes of the country used to be paid out of its *income*, but latterly the nation has lost its *whole income*, and a great part of its principal, by the depression of prices! I should like to see the face of that landlord, merchant, or manufacturer, whose capital has turned out a much better income than my poor mineral estate in the last two or three years! I apprehend that most of their *Employees* are

teracting principles of decay, which, for all we know, may be at silent work in undermining the liberties of the country. Manchester, and Sheffield, and Birmingham, may thus receive representatives in the place of Old Sarum, and Newton, and other rotten Boroughs, although I am strongly inclined to think that all the former places would refuse representatives if offered them, when trade was good: and I am by no means certain, that the persons who buy old Boroughs, or who are chosen by family influence, are not just as likely to be honourable, useful, and upright Members of Parliament, as those who are chosen by a large population, and who have innumerable interests to attend to, which are often different or hostile to the interests of the country.

The citizens of London, like the Boy in the Fable, have killed their *Goose*,* or at least they have

pretty much in the same situation as my tenant's poor workmen, who were but lately dragging waggons loaded with coals all over England, and I am afraid have not much better employment now.

If any landlord has done better than I have, his income has been drawn out of the capital of his tenant instead of his profits, and even then he has lost treble the amount in the depression of his principal!!

* The boy had a goose that laid Golden Eggs. The boy tore out its vitals in order to gain more than nature would allow, and lost all, in consequence of his folly.

assisted in preventing its being supported, and now they go complaining to the Prince Regent, and crying for Parliamentary Reform. Good God! What has Parliamentary Reform to do with their distresses? A man, dying of a mortal disorder, might just as well attribute his sufferings to the want of a new coat. Will reform give wisdom to dull heads, or will it counteract the laws of nature, and rescue ignorant men from the effects of their own folly? Will it restore rents to the landlord, profits to the farmer, and wages to the mechanic? Will it restore stocks to exhausted granaries? Will it restore cultivation to devastated lands? Will it restore capital to ruined capitalists? Will it bring back thousands of ruined farmers from the workhouse to the plough? Will it restore the consumption of One Hundred Millions per annum of manufactures among the agricultural population, before the means of the purchasers are increased to their former amount, or the prices of those manufactures are fallen within those reduced means? In short, will it restore food, employment, habits, affections, associations, to an alienated, dislocated, lacerated, perishing population?

The citizens of London have mainly contributed to bring down this heavy affliction upon their country, and they must not now be suffered to throw the blame upon the Government. The Go-

vernment is no more to blame than the rest of the nation. The whole nation is to blame for the criminal ignorance which blinded it to a sense of its interest and its danger. The Government opposed the torrent of popular prejudice and passion. They even succeeded in passing a Corn Bill, which if it was not efficient in keeping up the price of wheat at ten shillings per bushel, has at least had some effect in keeping up the broken spirits of the farmers, and the partial cultivation of the land, and thereby of breaking, in some degree, the terrible weight of the reaction under which we now suffer.

That terrible reaction which I represented in the "Remedy" as certain to arrive some time, is now arrived. The citizens of London have assisted in promoting that state of prices which has produced it, and they must not now shrink from their share of responsibility. If they had preserved the prosperity of the farmer, they would have preserved their own. They would have preserved the affluence of the rich, and the comforts of the poor.— But the Agricultural Interest has been suffered to fall, and it has crushed the merchants and manufacturers in its fall. Wheat would now be dearer at five shillings per bushel, to the poor man, than it was at fifteen shillings four years ago, and yet the reaction being precipitated by a deficient harvest, we now find the poor man compelled to pay seven-

teen shillings per bushel for his wheat, at a time when his wages and employment will not enable him to pay five shillings. This is all brought upon us by the breaking up of the fixed relations between property and money, and has no more to do with the want of a reform in Parliament, than it has with the want of repairs or alterations in Westminster Abbey.

I wish not to be understood as having any objection to the diminution of taxes, or to a reform of abuses in the management of public affairs, or even in Parliament, provided such diminution and reform can be conducted with perfect safety and advantage to the country. I am as desirous as other people to get rid of taxes, as far as the national interest and honour will permit. All I contend for, is the necessity of guarding against the fall of prices, which the removal of the taxes is certain to effect, unless prevented by an encrease of the circulating medium. I had myself a mineral estate which brought me in fifteen hundred pounds a year, and I thought it a very hard thing to pay one hundred and fifty pounds of it for Property Tax; but lo! since the removal of the Property Tax, I have lost the whole income by the depression of prices!* My

* The situation of the poor Colliers was the first symptom of the general distress of trade. Their distress followed quickly

tenant is ruined by them, and his workmen are now begging their bread. Of what use is the removal of the Property Tax, if people are to lose the income from which it arose? It is this depression that I wish to guard against, which has affected the whole nation in common with myself, and which must continue to lacerate and destroy the great body of the labourers, until prices again assume that state which shall give the capitalists of the country an interest in employing them. The more corn, and cloth, and houses, and meat, and other good

upon the agricultural distress. Whilst the state of the circulating medium was such as to give them facility of exchanging the fruits of their labour for those of other labourers, they were happy. They readily exchanged the riches produced in the bowels of the earth for those produced on the surface, and though their lives were passed in danger and incessant labour, far removed from the light of day, in digging and delving like the mole, many fathoms under the ground, yet they were a cheerful and contented race of men. They worked hard and fared hard, but they had plenty of food and plenty of employment, and they would have fought Buonaparte and his banditti if he had invaded their country, with the same constancy and fury which animate their dogs against the Bull. They were honest too. They were as good Englishmen as ever walked upon English ground. It has cut me to the heart to see the firmness, the patience, the fortitude, with which these men have been sinking into their graves, never complaining, never injuring, but silent, suffering, enduring, forbearing, feeding their children at the expence of their own lives! Is it

things the country contains, the greater and happier the population will be. But "hunger knows no laws." There is no arguing with it. It must be satisfied. Whilst the populace are only half employed and half fed, they will necessarily be ripe for any mischief to which weak or wicked people may instigate them, and no reform in Parliament, no reform in the administration of affairs, will ever satisfy them, until their lives are made comfortable, until their passions are made controulable by reason. *Then* you may safely meet them on the

not a monstrous state of things to see these men in want of employment? Why should their country be deprived of the riches which their labour procured? And why should they be deprived of the bread which other labourers, as distressed as themselves, would gladly have produced for them? It cannot be said that the produce of their labour is not in reality as much wanted as ever it was. It cannot be said that the country is overstocked with coal and iron, any more than it is with food and clothing. The demand for each of these articles would be as great as ever, provided there was as much money as ever, wherewith to effect the mutual exchanges; wherewith a certain quantity of bread, and meat, and clothes could be exchanged for another certain quantity of iron and coal. No deficiency could ever have been experienced in either the demand or consumption of good things, as long as the production of those good things had afforded as great a quantity of money or currency as had been expended in such production; as long as the *legal* obligations and responsibilities which the producer of good things incurs, could be discharged by those good things when produced.

subject of Parliamentary Reform, if they should think proper to trouble their heads about it; and *then*, what is the wish of the country, and may appear best for the country, may, with proper precautions, be safely attempted.

To say no more on the subject of economy and retrenchment, and reform in Parliament, and the parallel between France and England, I will proceed to enquire more particularly into what is the best kind of circulating medium for the Nation to issue, either in the shape of loans to individuals, or in the expences or purchases of Government.

As the circulation of the country now exists, it evidently depends for its amount and extent upon very precarious circumstances. The issue of bank notes, upon which the whole circulation rests and depends, is affected only in two ways, viz. by accommodations to individuals by way of discount, or to Government by way of loan. Caprice or alarm in the Directors of the Bank of England, or erroneous or speculative views on their part, may from time to time, produce effects upon the circulation, far more injurious to the country, than the quadrupling of all the taxes, or than the sudden invasion of the most numerous and formidable armies. Similar circumstances may operate severely through the medium of the Country Bankers and other

capitalists, though certainly in a more confined degree. But it is not only on the part of the bank and of bankers generally, that the circulation is at present liable to be interrupted by the crippling of the usual accommodations to the public. The alarm which the public itself is naturally exposed to, respecting circumstances affecting such weighty and tender interests, may from time to time produce a diminution of the confidence and frequency of commercial transactions, and thus diminishing the amount of the number of bills created, must necessarily occasion a diminution of demand for discount. An evil sufficiently great in itself, instead of being counteracted by judicious legislative provisions, is thus left to act upon its own increase, and to superadd other evils far more severe, by diminishing the circulating medium, and breaking up the relations which have become fixed between property and money, and which must necessarily govern the transactions and the prosperity of the country. The imposition of heavy stamp duties, and other circumstances, must also act in arresting the creation of bills, and in diminishing the demand for discount. But the circulating medium of the country ought not to be dependant upon discount. It ought not to be dependant upon the hopes and fears, upon the confidence or alarms of either Bankers or the public. The prosperity of commerce, the stability of riches, and the bread of

the poor,—I will venture to add, the strength of the Government, and the liberty of the country,—all depend upon the free and equal action of the circulating medium. Slight inequalities in that action may be endured, but any serious and sudden changes carry with them too much misery and distress to allow any security for Government or for liberty.

It is necessary that the circulating medium should be issued upon more fixed and permanent grounds, and that it should be protected by legislative provisions from any serious contractive actions. The expansive actions may also be arrested, if no better means can be devised of protecting the interests of annuitants and money-holders, who must otherwise be seriously injured by any rapid depreciation of money.

It is in vain to look to gold as a means of promoting these great objects. I have before shewn that to make gold the basis of the currency, will not protect currency from ebbs and flows in its value. Portugal and Spain have never known a Bank Restriction Act, and yet they are now suffering, in common with all Europe, from the same action upon currency which afflicts ourselves.—Portugal is a country filled with the precious metals, and yet, if I am rightly informed, the depre-

ciation of money has been in Portugal ten times greater than it has ever been in England, where the precious metals have for a century had but very little to do in the circulation of the country.

If gold therefore is not efficient to protect the circulating medium from fluctuations, and if it is difficult and expensive to obtain, and if Bank-notes are objectionable on account of the modes in which alone they are issued, what then is the kind of money which it is proper for the legislature to issue for the present relief of the country, and for its future protection? It appears to me that national paper ought to be issued, being first clothed with all the powers which are invested in the lawful coin of the Realm. In fact, it must be the lawful coin of the Realm, a cheap, secure, and manageable medium, far superior to gold for every purpose of practicable utility. The National Debt furnishes a ready and safe means of issuing this kind of money, in any quantities which the interests of the country may require. It also furnishes the means of effecting this object, without encreasing in any way the influence of the Crown, from which we apprehend so many evils, which are indeed visionary from this quarter, but which are too likely to be realized from other quarters towards which our alarms have been too little directed. The Lords of the Treasury or the commissioners of the Sinking

Fund are probably the most proper bodies of men, to be intrusted with the issue of the national paper, so proposed to be issued, which should consist of an assortment of all sizes of notes, from One Pound to One Thousand Pounds, and which should be liable to be exchanged as the convenience of the holders might require.

If the Commissioners of the Sinking Fund were empowered by Act of Parliament to create Twenty Millions of this kind of money, and to issue it in the purchase of an equivalent portion of the National Debt, there is no doubt that it would effectually and rapidly restore the prosperity of the country. But it would probably be adviseable, in the first instance, to issue this money in loans to the merchants and manufacturers for three years, preparatory to its being invested in the purchase of the National Debt, when repaid by the parties borrowing it. The use of this mode of issue would be that it would act more immediately and directly upon commerce and manufactures, and by precipitating the reaction in those two branches of national wealth, would enable them the more easily to support the reaction which has already taken place upon agriculture. The farmer has now but little need of assistance compared with the manufacturer. He has been suffering for four long years. The depression of his property has mocked his labours and mortified

his hopes. His sufferings are now at an end. The day of his prosperity is at hand, and it is beyond the power of man to arrest that prosperity without encreasing threefold the sufferings of the poor. The farmer, I repeat it, has now but little need of assistance, unless it is necessary to enable him to maintain the manufacturing poor. He has waited the course of nature, and nature has granted him an ample indemnity. The cultivation of the land has received an injury which will secure to him enormous prices for many years, notwithstanding any importations that can possibly be obtained. But what is to become of the poor mechanic? I see him perishing in the streets wherever I move. His pallid face, his hollow eyes, his down-cast anxious looks; too plainly express that hunger, and grief, and death are in his heart. Nothing can save *him*. Nothing can enable *him* to support the reaction upon agriculture, but an immediate issue of a sum of money to his employers, which shall occasion an immediate and correspondent reaction in manufactures and commerce, without waiting for the tedious operations of nature, which will indeed bring his relief in the end, but ere it arrives he will find his grave. It is to assist *him* that I would recommend the proposed issue of national paper to be made to his employers, because it will then act directly in restoring his prosperity, before it acts upon agriculture, but if it is issued in the

immediate purchase of the National Debt, or in the current expences of Government; it will act simultaneously upon agriculture, manufactures, and commerce.

Another reason why this mode of issue would be most proper at first is, that the measures which have been already taken have thrown a vast accession of capital into the money markets of the metropolis, which has arrested the depression of property there, and is now gradually beginning to extend its beneficial influence throughout the country. Now an immediate issue of money, through the medium of the National Debt, would tend for a few months to encrease, rather injuriously, the inequality between the money markets of the country, and of the metropolis; because it would be found that the purchases of the National Debt would be made principally from the London capitalists, whose residence and local knowledge would enable them to take advantage of such purchases more generally than could be done by the capitalists scattered throughout the country. By this means, for a short time, a more than useful abundance of money would be found to exist in the metropolis, which would be a considerable time in finding out channels of investment or employment; but if the proposed issue should take place at first, through the medium of a general

loan to merchants and manufacturers, it would act immediately and universally upon the general property of the country, restoring the reward of industry and the employment of labourers, and promoting a general and equable prosperity throughout all ranks and descriptions of men.

Some persons may say that the influence of the Crown would be increased by this measure. If that influence should be increased ten fold, it is no reason why a whole population should be suffered to perish, in order to avoid an uncertain contingent evil of this kind. But it is not in a cultivated nation, like England. It is not in a nation of the most free, enlightened, and honourable men that ever existed, that any evil is to be apprehended from the influence of the Crown. The Crown is dependant upon the public opinion. It cannot outrage that opinion without being instantly corrected. It cannot act permanently against the interest and the will of the people, without the certainty of having its influence and its power scattered to the winds. In speaking thus of the influence of public opinion, I allude to that of the great body of the capitalists of the country, whose interest always involves equally the interest of the lower classes, and whose opinions in a healthy state of society, always regulate and form the opinions and conduct of those classes. To suppose that

these latter can have any interest separate from that of the former, or that they can have any opinions different from those of their employers, which can possibly do good either to themselves or their country, is perfectly incredible. All the good or evil that can possibly happen to the labourers and mechanics, can only happen through good or evil first happening to their employers, and if these latter are in doubt respecting the cause, or the remedy of their distress, it is not likely that their workmen will be able to assist their judgment.

The public opinion which coerces the Crown, is that of the capitalists of the country, supported, as I have before mentioned, by the rest of the community ; and although casual circumstances of distress or enthusiasm may, at times, produce a difference of opinion on the part of the labouring classes, yet that difference can never be of long duration, because it is contrary to nature and to common sense, and can be productive of nothing but inconvenience and distress.

There is some doubt, however, whether the state of depression and reduction into which the concerns of the merchants and manufacturers have now been reduced, would not prevent their supplying a demand for procuring loans, sufficient to restore rapidly the prosperity of the country. In this case,

it will be proper to extend the accomodation to capitalists generally, and I should imagine there can be no doubt that the landlords alone would in that case furnish ample security for loans sufficient to repay their own debts, and thereby to restore the general prosperity around them.

After the expiration of the three years, or other limited time for the repayment of the loans so proposed to be granted, I would recommend that the amount so repaid, be re-issued as fast as it is received, in the purchase of the National Debt, provided the average price of wheat is under fifteen shillings per bushel; but if the price should then exceed that sum, there would be no occasion to re-issue the money so repaid, because after three years, the prosperity of agriculture would naturally have operated in promoting an equal prosperity in manufactures and commerce. If the price of wheat should be under fifteen shillings at the proposed period of repayment, the re-issue of the money in the purchase of the National Debt, would prevent any additional depression of price, and would, at the same time, preserve the equable state of the circulation, and thereby enable the merchants and manufacturers to effect their repayments without injury or inconvenience. If the price of wheat should be above fifteen shillings at the period of repayment, a certain portion of the money, or the

whole of it, may be withdrawn from the circulation without injury, and the period of its re-issue be postponed until the reduction of prices within the fifteen shillings, should render the re-issue necessary. The parties to be entrusted with the issue, should be instructed and obligated to re-issue it, or withdraw it, according as the state of prices should render adviseable, or as the wisdom of the legislature should see occasion to direct, after the present inequality between the prices of agricultural and manufactured produce shall have ceased to exist. But, I repeat again, that the *manner* of getting this money into circulation is but of little consequence in comparison with the *fact*. By some means or other it ought to be immediately issued, and as soon as ever the state of the currency will admit it, it ought to be made permanent as a durable basis for the currency, and its encreased or diminished issue ought to be regulated by the general rise or fall in the prices of commodities, so as to keep those prices as permanent and regular as possible.

Whenever a system of this kind shall be established, the country may become in a great degree independent of discount, and of all casual and uncertain accomodations. In proportion as the Bank of England, or other capitalists should withdraw their medium from the circulation, so as to fall the

state of prices, the increased issue of national paper, through the medium of the National Debt, would correspondently renew the circulation, and keep up the state of prices to any level that the interests of the country might require, and no higher. The power of the Bank of England would then be nullified. Its profits and its general utility would be secured, but its dangers, and the perversions to which it is exposed, would be totally counteracted. The country being thus protected from actions upon currency, its prosperity would be only liable to be injured by simple actions upon property, that is to say, by accidental scarcity or famine, from which, our accumulated stocks and our natural wealth would protect us.

It is useless to enlarge further upon this subject. Every reflecting man must be convinced that, although bank notes are probably the best kind of circulating medium to issue immediately, yet ultimately a new species of money ought to be created, and to be issued upon new regulations, for the purpose of more effectually securing the country from those sufferings and dangers to which the present and the former system have exposed it.

Some persons talk of Government borrowing a loan, in the usual way, from the capitalists of the country in order to lend it to individuals who may

want it. It will do no good. It is the *creation* of money that is wanted, not the *diversion of its channels*. A loan of that kind will create just as much misery on one hand as it relieves on the other. It will be like paying off the National Debt on one hand by borrowing funds for the formation of a sinking fund on the other. Nothing can serve the country but the positive creation of either Bank-notes or national paper.

If the Bank of England is permitted to become a subscriber to such a loan, or to make equivalent purchases of the National Debt, it will of course produce the effect desired.

I have spoken very decisively in the "Remedy," respecting the certainty of the reaction in agriculture, which has since taken place. Its weight is, indeed, severe, but it would have been far more cruel, had not its pressure been arrested by the issue of the Nine Millions of Bank Notes, in the current expences of the Government, in the last year, and by an extended system of accommodation and indulgence upon which the Bank Directors seem latterly to have acted. But the general sufferings, though insensibly materially relieved by the present means of issue, are not likely to terminate in less than two years, unless those means of issue are continued and enlarged. Unless those means of issue are continued and extended in some way or other, the sufferings of the manufacturers

will inevitably encrease for a considerable period, until the renewed expenditure of the agricultural interest shall have occasioned a demand for manufactures and for foreign imports, and shall thereby have enabled the manufacturers themselves to consume a greater quantity of their own produce than they now do. For as I have stated before, agricultural produce is not of a nature to be dispensed with like manufactured produce, and, therefore, we may be assured that the diminished expenditure, even of the manufacturing interest, will exhibit itself in diminishing the consumption of manufactured goods, far more than in diminishing that of agricultural produce. Three years ago, Nine Millions of Bank notes issued in any way, would have been sufficient to have restored and to have preserved the prosperity of the agricultural interest and of the whole community. But that sum is by no means sufficient now. The evil has taken deep root, and though it is certain that it will produce its own remedy in the end, in the same way as agriculture has done; yet in the mean while, hundreds of thousands of miserable individuals will inevitably perish, unless an efficient assistance is given to the circulating medium, in order by acting principally upon manufactures, or perhaps nearly equally upon agriculture, to reduce the inequality which now subsists between those two great branches of national wealth and subsistence, and to enable the mecha-

nic, by the increase of his wages and employment, to bear up against the evils of the scarcity which has at length been occasioned, partly by the action upon currency, and partly by an unfavourable season.

It is perhaps worth while to enquire what part of the present high prices of grain is owing to the unfavourable season, and what to the action upon currency. Many persons who take a cursory view of the subject, imagine that the whole is owing to an unfavourable season.

If it is considered, however, that the present price of eighteen shillings per bushel of wheat is fully equal to forty shillings per bushel four years ago, reckoning money as it was then obtained by the labourers and mechanics, I think it will be evident, that the late rise which has taken place is far too great to be occasioned by any injurious effects of the season, unless those effects were backed by some other circumstances. Those circumstances are to be found in the exhaustion of stocks, in the devastation and injured cultivation of the land, and in the renewal of stocks, which is now rapidly taking place. To either of these circumstances I will venture to attribute as great an effect upon the present state of the prices of grain, as has been occasioned by an unfavourable season. Small facts some times

speak volumes. A little Shopkeeper, who occasionally supplies my family with flour, informed me three months ago, that she never ventured to keep more than two or three sacks of flour by her at a time, although four or five years ago she never kept less than eighteen or twenty. Upon my enquiring the reason of this reduction, she said, "that it would be madness to keep more than was sufficient for her daily supply, seeing that nothing but loss had attended her doing so for several years, and that all her neighbours were venturing upon no greater stocks than herself." Since the rise has taken place in the price, however, I find that this good woman's confidence is revived, and that she has increased her stock to ten or eleven sacks, which she has been partly enabled to do by the rise which induced her to it.

Let any one enquire in his neighbourhood and he will find that all the little hucksters and dealers have been acting upon this system, and the larger dealers have been animated equally by the same principles. Indeed, the greater number of these latter, who would formerly have held among them many millions of quarters of grain, have latterly become bankrupts through the depression of prices, or have otherwise been forced or induced to throw up their stocks. The same has been the case with the farmers very generally throughout the country.

Either necessity or policy has forced their stocks of grain to the market, and they are now seeking to renew them by all the means in their power. At a time when the neglected cultivation of the land has produced a deficient crop of grain, that deficiency is increased by an unfavourable season, and at this very period, instead of possessing stocks to have recourse to, we find that our stocks have been exhausted in destroying the prosperity of the country, and we are now necessarily *re-accumulating* them out of the scanty supplies which an exhausted agriculture produces. It was a day of misery for England when the relations between property and money were suffered to break up. It was a day of suffering to the rich, and of ruin to the poor, when the prices of agricultural produce were suffered to fall; those prices which had regulated the debts and obligations of the public, and of individuals, and which had acted upon rents and expenditure, upon production and consumption, upon commerce and manufactures, upon wages and profits, and upon every thing else upon which the interest and welfare of society depends. The Citizens of London, whose public spirit and patriotism are undoubted, but whose views and habits are frequently partial and confined, were the first to assist in drawing down this heavy affliction upon our country. They clamoured against the Corn Bill, they clamoured against the Property

Tax. It would have been well for them and for their country if their clamourings had been disregarded. Their wishes could in no way have been gratified, without producing the utmost misery and distress, unless a previous addition had been made to the circulating medium. It is true the Corn Bill was inefficient. * It has had no effect whatever upon prices, unless it has had an effect in reducing their present amount, by keeping up the spirits of the farmer, and thereby preserving, in some degree, the cultivation of the land. But the principle of the Corn Bill was good. Its object was to keep up that state of prices upon which the welfare of the country was fixed and depended.

* I am aware that in the evidence respecting the Corn Bill, the farmers generally acknowledged that ten shillings per bushel would enable them to continue the cultivation of their land. That evidence was taken principally from the agricultural districts, where Wheat is grown much cheaper than in the manufacturing counties, in which, however, a large quantity of Wheat is necessarily grown, and where probably at least fifteen shillings would have been required to maintain the agricultural system and thereby to support the manufacturers and artizans who are maintained through the medium of the expenditure of rents and farmers' profits. I am acquainted with manufacturing parishes where the poor rates alone amount to thirty shillings and forty shillings per acre, which is of itself from two to four shillings per bushel upon the Wheat. If evidence had been examined from the manufacturing counties of Staffordshire, Warwickshire, Worcestershire, and Lancashire, I am convinced it would have appeared, that Wheat could never have been

If the Corn Bill had succeeded in keeping up the price of wheat at fifteen shillings per bushel, instead of ten shillings, which it purposed, or instead of six shillings to which the price afterwards fell, there would not, at this hour, have been a single individual in England, that was willing and able to work, who would not have possessed an ample demand, and an ample reward, for his labour. We should never have known what it is to see an honest man begging his bread. We should never have known what it is to see the labourers and mechanics of England dependant upon charity for their support! The grand error of the Corn Bill was in seeking to arrest a great action upon currency, by arresting a trifling action upon property. Many persons are at a loss to understand the difference between an action upon currency and an action upon property. An action upon currency is the effect which circumstances have upon the production and activity of currency; and an action upon property is the effect which circumstances have upon the production and supply of property.— They are both intimately connected, and strongly act upon each other, although they are perfectly separate in their nature. Thus injurious or favorable seasons, or other circumstances of supply or

grown in those counties at less expence than fourteen shillings per bushel, without impoverishing the land, or breaking up the maintenance of the labourers and mechanics.

demand, promote actions upon property. They encrease or diminish the creation and supply of property in the country. So also an alteration in the modes of issuing bank notes or bullion, or other circumstances of confidence or depression in the public mind, promote actions upon currency. They encrease or diminish the creation and supply of currency in the country. *Both these actions equally affect the state of prices.* A great contractive action had taken place upon currency, which nothing but an encreased issue of bank notes or of money of some kind, could counteract or remedy. The Corn Bill sought to relieve this action, by arresting a trifling action upon property which was occasioned by foreign importations of grain. An extra issue of five or ten millions of bank notes, would have kept up the prices of grain, and the prosperity of the country, notwithstanding any importations which could possibly have arrived from all the countries of the world.

Another error, also, in the Corn Bill, was the Minister seeking to keep up the price of corn in an open and undisguised way, against the decided opinion of the commercial part of the community, when the same object might probably have been obtained by other means, without interfering with public opinion, which ought always to be consulted and regarded, however erroneous and ill-founded

it may be. Thus foreign corn might have been subjected to the same Poor's Rates and taxes which British-grown corn is subject to, which would have amounted to, perhaps, four shillings per bushel, and the reasonableness of this would have been acknowledged by all, if brought forwards as a financial measure for the benefit of the whole community, and not of the Agricultural Interest alone.

If this, however, had been objected to, other means might easily have been devised to keep up the high state of cultivation of the land, and the stocks of grain and cattle which were necessary for the protection of the people: and then how would it have been possible for the distress of the present time to have occurred, when the nation would have possessed within itself more food than it could possibly have consumed, and a surplus of manufactures, with which it would have had nothing to do, but to exchange them for foreign luxuries?

To revert to the question of the relative effect which the action upon currency, and the unfavourable season have had upon the present state of agricultural prices, I think it will not be denied that we could have borne the evil of the unfavourable season four years ago, with one fourth of the positive suffering which it now occasions. We had then

our immense and universal stocks to rely upon.— We had then ample employment and full wages for our workmen. We had then the whole country under a state of high cultivation, and exhibiting a greater productive power, by probably of at least one fifth more than it now exhibits. The productive industry of the country has been arrested. The creation of property has been diminished. Thus the action upon currency has produced an action upon property. The wealth of the country has rapidly dwindled away, and whether the late unfavourable season had happened or not, it would soon have been found far too little for the necessary support of its population.

If the unfavourable season had happened four years ago, we should have rested upon our stocks, (as we have done in several years before) without producing any serious rise in the prices of grain. Wheat would probably have risen from fifteen shillings to eighteen or twenty shillings per bushel, (but not to forty shillings, which it is equal to now) and the state of the currency, and the full employment, and the high wages of the population, would have enabled them to endure an evil of that description, until foreign importations, or another harvest should have restored the usual state of prices. I think it cannot be doubted that three fourths of the present misery are owing to the ac-

tion upon currency, which has devastated agriculture, and destroyed trade, and that about the other one fourth is owing to the unfavourable season, which has diminished the crop of grain, and has called principles into action, which might otherwise have slumbered for a few months longer, but which sooner or later would inevitably have acted, and the longer they had been delayed, the more severe would have been their action.

Nearly the same proportions may be observed in the relative effect which the action upon currency and the unfavourable season have had upon the late rise of the prices of grain. I am disposed to think that full two thirds of this rise are owing to the former of these causes, and only one third to the latter.

Since I published the "Remedy," I have heard it said that the issue of bank notes is merely a stimulus which may arrest our sufferings for a while, but cannot restore us to health, the only road to which, being through the payment in specie, and and the spunging away of the National Debt.— I maintain that the spunging away the National Debt, even if the fund-holders would consent to it, would do far more injury than good to all classes of the community, for a long time to come, excepting money-holders and creditors; but I have not room to discuss this question now. I have



said enough respecting payment in specie, and as for the subject of an issue of bank notes being a stimulus, I answer that it is not more so than bread is to an hungry man, wealth to a poor man, or life to a dying man. But should we think a man in his senses who, having a friend struck with a mortal apoplexy, should refuse to let the surgeon bleed him, or the apothecary administer a dose of calomel, on the ground that such things were stimulants! What is it to him, whether they are stimulants or not, if they have the effect of saving the life of his friend? This is the situation of our country now. It is madness to refuse remedies within our own power, and to prefer absolute, real, and intolerable evils, unparalleled in the history of the nation, in the vain hope of avoiding some trifling inconveniences, to which the use of these remedies may possibly subject us! It is madness to rush into real, in order to avoid imaginary, evils.

Talk of the evil of stimulants indeed! Talk rather of the mischief of eating and drinking, and of keeping poor folks alive! and of the evil of maintaining and employing them! The one is tantamount to the other. No matter how justly or unjustly, wisely or foolishly we had acted, we had got into a war of above twenty years duration, and during this time society with us had got into quite

a new situation to what it was before the war began. The population had been brought forwards in a hot bed, as it were; the habits and pursuits of a very great proportion of it had been totally changed, and we were got into quite an artificial state. What we had to do upon the return of peace, was to go back into a natural state, *if that state was deemed the best*, slowly and cautiously, and to beware of a *sudden* change from an artificial to a natural state. Sudden changes are as fatal in the moral as in the natural world. The gentleman takes his hunter from the bleak and frozen plain, he covers him with clothes, and shields him from the elements in his stable. All this is artificial. The horse, no doubt, would have lived very well and comfortable in his natural state, and would even return to it again by degrees. But suddenly strip him of his clothes, and turn him out into the fields in the depth of winter, and he is dead. Just so it is with man, both in his natural and moral state. The war made an opening, or he found one himself, to encrease and multiply, and to find food and raiment for himself and his children, and now we are closing up those sources of supply, and those means of existence, and before any other will be open to him, hunger, and nakedness, and misery, and disease will cause them to be no longer wanted.

I have stated in the "Remedy," that the judicious issuing or withdrawing of the bank note circula-

tion would probably have the effect of neutralizing in a great degree the effects of bad harvests, and of preserving an equable state of prices, for as many years as might be thought expedient.

It may be objected that we cannot controul nature, and that a forced action upon currency intended to force out the stocks of grain in years of scarcity, will have the effect of operating equally upon manufactures, and thus reducing the general quantity of money, will reduce the value of labour as much as that of grain, and will create as much misery as it relieves. To controul the course of nature is certainly rather more than I will undertake for the Bank of England to be able to effect, and I allow that there is great difficulty in bringing the produce of agriculture and manufactures to certain fixed and never-varying relations, because the produce of the one is liable to fluctuations from the varying character of the seasons, whilst that of the other is not affected by the seasons. What I undertake for the Bank to be able to do, is to relieve the public from the effects of actions upon currency, and not from those of actions upon property.

I will suppose, however, certain permanent relations to have existed with a greater or less degree of occasional variation, which are at last interrupted by a deficient harvest, occasioning a scarcity,

and raising the price of wheat from fourteen shillings to twenty-one shillings per bushel, whilst the prices of manufactures and of labour continue the same as before. Here is a particular action upon property promoted. It appears to me, that by a judicious withdrawing of Bank Notes, at such a period, an action may be created upon currency, which would have the effect of forcing out the stocks of grain, and of reducing the price to fourteen shillings, without affecting the stocks or prices of manufactures, or labour, in any considerable degree. It is true that the diminution of real agricultural wealth by the bad harvest, will prevent the possibility of wheat being sold so cheap as formerly, if the subject is to be viewed as relating to this one year only, but this is not a just or correct view of the subject, for in a rich nation, the agricultural stocks of the capitalists are always of such a magnitude, as to render a deficiency of one third or one half in a single crop, of but little consequence to the general capital of the country. If the stocks of the capitalists are not kept up to this magnitude, it is owing to the prices of grain having been kept lower by adventitious circumstances than the interest of the country required. It is the interest of the country to throw upon the farmer the burthen of his own misfortunes and bad harvests, and in order to effect this, it is necessary in common years to allow him rather a greater price for his

articles than his absolute necessities require, and thereby to enable and induce him to accumulate such stocks as shall enable him to supply the usual consumption of the country, upon the usual terms, in years of scarcity; in the same manner as merchants are enabled, by charging insurances, to sell their articles abroad at regular prices, without making any extra charges for any extraordinary losses which they may sustain at sea. If the agricultural stocks of the country are kept up at this magnitude, which they ought always to be, and which in rich countries they naturally are, unless interfered with by foreign competition, there can be no doubt that an action upon currency would affect these stocks sufficiently to bring them into the market without having a correspondent effect upon manufactures, of which similar stocks have not been accumulated, nor are necessary to be accumulated.

A small action upon money creates at such a time a great action upon stocks, and forces them into the markets in large quantities, occasioning a great reduction in their prices, without coming into contact with the prices of labour or of manufactures; for the prices of agricultural produce being still preserved at a ratio sufficient to encourage and reward the farmer's exertions, and not being reduced so low as seriously to injure the Agricultural In-

terest, the landlords and farmers are enabled to rest upon their capitals, and are not compelled to discharge their servants or labourers, or to reduce their purchases of manufactured goods.

We have seen in the year 1813, that the action upon currency affected agricultural produce about one or two years or more before it acted seriously upon manufactures. If this fall upon agricultural produce had taken place from unusually high to common relations, it would have had none but beneficial consequences; but as it took place from common to unusually low relations, and as no steps were taken to counteract it, it produced the most fatal effects upon the prosperity and happiness of the country. But if the late contractive action upon currency struck agriculture one or two years before it acted upon manufactures, even when agriculture and manufactures had long been upon a par of prices, and when there was no reason to expect that greater stocks of agricultural produce had been accumulated than of manufactures, it may be reasonably concluded that agricultural produce is more immediately exposed to the operation of such an action, and that a considerable interval is thus allowed before it is felt upon manufactures, and during this period the evils of any casual deficiency of crop are arrested, by the forcing out of stocks, and when the contractive action

should be about to take place upon manufactures, it may itself be arrested by renewing the issue of bank notes. Upon the whole, I do not think there is much doubt that, in common times, a very trifling reduction of the circulating medium will have the effect of neutralizing, in a great degree, the effects of a deficient harvest, and of keeping down the prices of grain to their usual level, without materially interfering with the prices of labour or of manufactured goods.

Before I conclude, it may be useful to recapitulate some of the principal conclusions which I draw from the various considerations contained in this pamphlet, and in the "Remedy." I will endeavour to do so in as concise a way as possible.—First, Labour pays no taxes.*

* If I had time I should like to shew more fully the operation of taxes upon labour. At first sight it would appear, that the tax upon salt, leather, beer, and other necessaries of life consumed by the labourer, are really paid by him as the consumer. But the fact is not so. Take off all those sorts of taxes, and lay them upon articles consumed by the rich, upon coaches, and muslins, and silks, and sattins, and wines, and such kind of things. What would be the result? The poor man would receive in the shape of wages just as much less as the rich man would have to expend. Suppose the poor man may at present pay one fifth part of his wages in taxes. His wages are thereby apparently reduced one fifth part, but observe, they are also

The labourer is injured by the imposition of taxes, because it forces a change in his habits of life, which can only be effected through the pressure of distress, but when the taxes have settled themselves, their removal is equally painful to the labourer, in the same way as their imposition,

raised one fifth by the demand for labour, which the expenditure of those taxes by Government occasions, and thus his situation continues the same. Suppose then his taxes so expended by Government were taken off, and transferred entirely to the rich. The rich man would have just an equal sum *less* to expend than he expended before, and consequently the poor man's wages would fall in a similar amount. All the difference would be, that the capital of such taxes would go direct from the capitalists to the Government, and from thence to be consumed by the labourers, instead of going circuitously into the hands of the labourers *first*, in order to be contributed to Government, and then to revert into their hands for consumption at last. The taxes are now expended by Government, and the labourers thereby receive them again. If they were levied upon articles consumed by the rich only, they would also be expended by Government, and the labourers would also receive them again, but in this case they would receive just so much less from the diminished expenditure of the rich, and they would therefore gain nothing by the removal of the taxes from themselves to the rich.

The whole burthen of taxes falls ultimately upon the capitalists of the country. To raise them through the medium of the labourers is invidious and liable to misconstruction. I should therefore much wish to see all taxes that bear apparently upon the poor taken off and laid upon the rich. The result would be the same in the end, and a great ground of discontent would be removed.

and far more cruelly so, by the depression of prices which it occasions, unless judiciously guarded against.

It is not possible for labour to be in want of employment, as long as the circulating medium is equivalent to its purposes, any general complaint of a difficulty in getting employment, (however trifling that difficulty may be,) is evident proof that the circulating medium ought immediately to be increased by artificial means.

The labourer is certain to have full employment, and the usual comforts of his situation, as long as the circulating medium is equivalent to its purposes, and it is of no consequence either to him or his country whether his comforts are administered through the sign or wages of twenty shillings per week, or twenty pounds per week.

The interests of the labourer are altogether identified with those of his employer. The labourer cannot flourish unless his employer flourishes first, nor can he suffer unless his employer suffers first. Good or evil can only happen to him through it first happening to his employer. The rich and the poor cannot be separated in their interests. *

* I wonder what the Fund Holders begin to think of the present state of things. I mean those Gentlemen who were so

Taxes do not diminish the wealth of a nation, they only *divert* it, by changing the direction of part of its expenditure from private into national objects.

forward two or three years ago in *hallooing* the populace against the Landlord. I remember I stated at the time it would not be long before they would repent their conduct, before they would come cap in hand to the Landlord, and humbly beg of him to protect them against that popular excitement which they had raised against himself! Before they consented to act so weakly and unjustly by the Landlord, they ought to have recollected that, in a general scuffle, it is "the *weakest* that goes to the wall!" If they *escape*, they will have the best luck that ever such busy meddlers had before, and they will owe their escape to the redundant issue of Bank Notes, which can alone prevent their being swept away in the tempest of their own raising.

These Gentlemen headed the "*Hue and Cry*," against the Landed Interest, against their own debtors, against the very people who owed them such a prodigious sum of money! And whom they erroneously thought had been doing too well in the world! As if the whole rent of the Land Holders had not been expended in the payment of taxes, and in the purchase of agricultural and manufactured goods! As if it were possible to diminish the rent of land without ruining the labourers and mechanics, and taking the ground from under their own feet! They had no consideration for the landlord, none for the farmer, none for the agricultural labourer! They excited the public malevolence against the best friends of their country, against the proprietors and natural defenders of the soil! And now,

—————"Even-handed Justice

"Returns the ingredients of *their* poisoned chalice

"To their own lips."

Aye, and that "Poison" will be three times envenomed, if it has not an antidote in the legislative measures of the very men against whom it was intended!

Taxes are painful on their imposition, but when they have once settled themselves upon the property and currency of a country, their burthen is comparatively but little felt.

What is now mistaken for the burthen of taxes, is solely the action upon currency, which gives a quadruple weight to their operation.

The removal of taxes is more painful to a country than their imposition, unless it is effected very gradually and cautiously, or unless the circulating system is previously stimulated.

The present distresses are entirely owing to the depression of prices, or, in other words, to the action upon currency.*

They thought to bear down the landlord, and the farmer, and the agricultural and mechanical labourers, and to engross all the riches of the land, as if England was their patrimony. They thought to receive back two men's labour and two bushels of wheat where they advanced one! Their cupidity is disappointed. The country is crushed, and they themselves must inevitably be ruined if they receive back the measure which they intended for others. "Le pain dérobé par le méchant remplit sa bouche de gravier."

*It is singular that the public have all of them long been convinced that the great evil in the country, was the want of an additional circulation, and yet that none of them ever thought of encreasing the circulation, when a single Act of Parliament would have created a thousand millions in an hour.

The depression of prices has occasioned a diminution of the circulating system, which has again acted in depressing prices.

Nothing has been so common as to hear all descriptions of persons complaining of the scarcity of money, which one would have thought was a sufficient evidence that it ought to have been created. For these three years past one cannot have passed through the streets, on a market day, without hearing some expression or other from the little dealers and trades people, about "money being so *unaccountably* scarce." In fact, the real state and cause of the distress might have been seen in a thousand ways, if men would but have opened their eyes. I have now a newspaper before me containing the following paragraph, wherein three parties are inconvenienced and injured, by the mere want of a medium wherewith to discharge their mutual obligations.

"THE STATE OF THE TIMES.—At Lord Coventry's last rent day, Mr. A. one of the principal tenants, could not pay his rent; the reason given was that he had sold his barley to Mr. B. the maltster, for which he was not paid: the Steward in anger said,—You must insist on the payment. At this moment Mr. B. entered, who said he could not pay for the barley, having sold the malt to Lord Coventry, for which he could not get the money."

If Mr. Pitt had been alive, we should never have seen such a state of things as this! Without any disparagement of the present ministers, it may be truly said that they have not the grasp of mind which he possessed, and in their justification it may also be remarked, that they have not the weight and influence which his talents commanded, and which enabled him to carry any measures which his own large mind deemed essential for the public good.

If the general state of prices had been kept up on the old relations, the country would have experienced no distress from the removal of the taxes, nor in any other way, excepting only the inconvenience of a part of its population being forced to change its habits; for the capital revolving from the taxes would then have passed directly into the hands of the capitalists of the country, whose immediate expenditure or investments would have furnished just the same additional amount of employment in civil affairs, as Government had formerly furnished through the military expenditure. In other words, when the military trades ceased, or fell of, a correspondent encrease would necessarily have taken place in all other trades.

Prices might have been kept up by the addition of a few millions of bank notes to the circulation in 1812 and 1813, and thus the present distresses would have been prevented, and the country would have been preserved and secured in a high degree of prosperity and happiness.

The depression of prices having long continued and having effected a great diminution of currency, and a general want of confidence in property and in men, it will take many millions more of additional bank notes to restore the system now, than would have been necessary to have preserved it three or four years ago.

Prices will, however, restore themselves in a year or two, by the operation of natural causes, without any assistance of additional bank notes, but in this case, the period in question will be a season of dreadful distress!

The rise of prices will call into action as many bank notes as may be necessary to support them, unless counteracted by an alteration in the powers or system of the Bank of England.

The rise of prices having already taken place upon grain, will naturally take place upon manufactures and all other articles in a year or two, without any assistance of bank notes in an unusual way.

During this period, however, the prices of agricultural produce will be exceedingly high, whilst those of manufactured produce will be exceedingly low, unless some addition of bank notes is made to the circulation; because the exhaustion of stocks and the diminution of production have been in action upon agriculture, two or three years longer than they have been in action upon manufactures.

An issue of additional bank notes is necessary, in order to reduce, in some degree, the inequality between agriculture and manufactures, but no as-

sistance can prevent agriculture from being comparatively more prosperous than manufactures, for the next few years.

The depreciation of currency is a natural consequence and cause of national prosperity.

The depreciation of currency would perhaps be retarded in some degree by the payment in specie, but it would not be permanently arrested.

The depreciation of currency continues naturally as long as a country continues to flourish; for as long as there are more men getting rich than are getting poor, there are more buyers than sellers in the markets, and, of course, property rises in monied value.

The depreciation of currency is beneficial to a country in every way that it can be considered.— It is only injurious to annuitants, and holders of monied obligations, who ought to be bought up, or compromised with, by the public, rather than suffer the national welfare to be arrested by a crippling of the circulation.

It is easy, however, and safe, to prevent the depreciation of money, and to preserve prices upon certain fixed relations; not by laws of maximum

and minimum, but by judicious legislative operations upon the issue of bank notes, or other national paper.

The state of prices cannot be controuled and regulated whilst we allow the use of gold and silver, or of any other medium dependant upon foreign circumstances, in preference to bank notes; but the state of prices may be controuled and regulated in a great degree by the use of bank notes, or of any other medium created within ourselves, and dependant upon our own legislative measures withdrawing it or supplying it, as the state of prices may require. We may, at least, controul actions upon currency in this way, and probably in a great degree any casual actions upon property.

Moral circumstances of confidence or depression act principally upon the state of prices, and they carry with them the encrease or diminution of currency necessary to effect the rises or falls of prices which they operate; that is to say, confidence in raising prices, creates the currency necessary to support such rise; for when an article produces a high price to a first party, the party paying it, is enabled to do so, from the high price which he himself receives in return, and the parties paying it to him, are enabled to do so, by the same high price which they themselves receive for the same, or other

articles, from the first party above mentioned, or from some other parties who are enabled to purchase by the means of their receipts from the first party, whose expenditure or investments are increased by the additional price which he receives, and thus the whole business of a rise or fall of prices becomes a mere question of barter, and lapses itself into a mere alteration of the terms or numbers under which different articles shall be compared with and be exchanged for each other.

But these terms or numbers, though created or diminished in this way, yet involve certain legal responsibilities in their results, and they command certain portions of the good things of life, at all times, by the general custom and consent of the country; and therefore no one is willing to undergo those responsibilities, or to give up such command over the good things of life, unless he is pretty sure to find himself indemnified in the one respect, and repayed in the other. In other words, falls of prices are injurious, because no one will give more for the production of an article than that article will redeem when produced, and thus production is arrested and labour thrown out of employment, but on the other hand, rises of prices are beneficial, because every one is willing to undertake the production of an article

when he thinks he can gain by it, and thus production is encouraged and labour receives employment and ample reward.

When moral circumstances of depression act in the falling of prices, and in arresting the necessary creation of currency, they may be counteracted by an artificial issue of currency, which by making money cheap will necessarily make property dear.

Prices may fall from temporary elevations, without injury, but they cannot fall from permanent elevations, without producing the greatest misery and distress to all classes, particularly to the labourers.

Falls of prices occasioned by actions upon currency, are more injurious to a country, than the rises of prices which are occasioned by actions upon property; in other words, a deficient harvest is a less evil than a deficient circulation.

Rises of prices occasioned by actions upon currency are more beneficial to a country, than falls of prices occasioned by actions upon property, in other words, the depreciation of money, and a plentiful circulation, are greater blessings than a plentiful harvest.

In all the transactions of buying and selling, the state of currency affects prices just as much as that of property affects them. In other words, money is as necessary in a market as property.

The nature of currency has been far too little attended to by Government and by the nation.

It is necessary that currency should be regulated by legislative provisions, and that its equable and efficient state, should be constantly guarded and watched over by a legislative commission.

The state of the currency does not affect the exports and imports, excepting only as its depreciation may increase them by increasing the national wealth, and the consequent consumption of foreign articles.

There is no way of increasing our exports, but by increasing our internal riches and population. Without this, all commercial treaties are in vain, and with it, they are useless; because if we have a demand for foreign produce, foreign nations will be sure to take our's in return, to an equal amount in our currency, either directly or indirectly, and if we have not such a demand, they cannot pay us for our produce in any way, and whether they take it or not makes no difference.

The exports and imports, on an average of years, must inevitably equal each other in the currency value for which the one is bought and the other is sold, including as an import such amount of bullion as may be necessary to supply the annual consumption of the country.

The exports are not increased by lowering the wages of mechanics, but rather diminished thereby, because it diminishes the internal consumption of foreign articles, which is the only means of our being paid for our exports.

Foreign trade is no *addition* to our general trade, it is merely a branch of our home trade. It is principally beneficial in forming a naval population, in promoting the use of luxuries, and in stimulating industry and mind; by the gratifications of luxury, and by the collision with foreign manners and scenes.

If any excess should ever take place in the amount of either exports or imports, it must prove a total loss to the parties concerned, unless either they, or other parties should choose to retain or re-invest the excess in the country to which it is sent, and in that case such excess has merely the effect of effecting transfers of property from one country to another, which may probably make annual returns in the

shape of rents; and in this way English capitalists may, if they please, invest their capitals in the purchase of the lands or of the National Debt of the United States, which will have the same effect upon the prosperity of England as lending that capital to their own Government for foreign subsidies, but not a better effect.

The wealth of England is self-existent, and dependent upon causes, resting and acting entirely within herself. It is not at all increased by foreigners, nor can it be at all either benefited or injured by any efforts of foreigners, either for or against us.*

* I am often disgusted at hearing even Englishmen, as well as foreigners, alledge that foreign trade forms the strength and the wealth of England. Man and steel form the strength and the wealth of England. It was the hearts, and heads, and weapons of her sons that caused her prosperity. If other nations had possessed those heads, and those hearts, they would have prospered like us. If other nations had encountered their enemies with the same resolution and intrepidity, that our soldiers and our sailors met them in battle, the French must have been content to prey upon one another, or upon the good things that their own industry and ingenuity produced them; they must have stuck to their "frogs and soup maigre." Other nations could match them at times in point of number, much better than we ever could, but they wanted the heart, and the head, and the system. Where would have been our trade and commerce, if the heart, and the weapons of Englishmen had failed them at Waterloo and Trafalgar? Where? Why, where the trade and commerce of the Carthaginians were, when their hearts and their weapons failed

The wealth of England is dependent upon the system, skill, and industry of her population, and it is sure to be found efficient for the ample employment and maintenance of that population, as long as the currency is equal to its purposes.

them at the battle of Zama! The French would have put as complete a finish to our "trade and commerce," as we call them, as ever the Romans did to the trade and commerce of the Carthaginians. Buonaparte, too, would have paid just as much respect to our liberties, as Xerxes would have paid to those of Greece, if he had conquered that country. He would have quartered a standing army of three hundred thousand *foreigners* upon us, and then, who would have dared to talk to *him* about reform and retrenchment, in the style that we talk to our Prince Regent? What dolts those must be, who could think that he would have paid more respect to the riches of England, than he did to the poverty of Switzerland, such a GHENGIS KHAN as he was! He would have been a fool indeed if he had not *fleeced us* when he had got us. Call soldiers and sailors unproductive labourers indeed! All the productions of England, would have gone to feed and fatten foreign nations, if they had not produced us safety and security. We should have had DEMAND enough *then*, whether we had any foreign trade or not, for the LOCUSTS would have consumed all the productions that we could produce, and a good deal more! I warrant they would never have suffered our circulation to stagnate, nor our prices to fall, from the want of DEMAND, they would have *demanded* in one year, as much as we could produce in three, and they would have compelled us to pay it too, or they would have had it out of our blood; there would have been no danger of Englishmen being *unemployed*, they would *all* have been hard at work we may be sure, and when they had produced a bullock, or a bushel of wheat, the French robbers would have condescended to throw them back the offal

Nations cannot go back in the value of currency, because it then no longer answers the purpose of the capitalists, to employ the labourers in producing property, which will not repay them so much as it has cost them.

It is the nature of currency to accommodate its amount to the state of confidence or depression which exists in the markets; thus when men have confidence in any particular article, its price rises; the parties paying the first rise, are enabled to do so, by the rise which they themselves receive immediately afterward from other parties, who are again enabled to pay it by the correspondent advance which they also receive for other articles, from the parties who received the first advance above alluded to, for it must be remembered, that these latter parties immediately employ or invest their profit, in some way or other, so that a correspondent advance is forced upon some other articles, by pur-

and the chaff! The soldiers have produced us security from such a horrid state of things as this, without our being obliged to fight for seven years upon English ground, and without our scarcely feeling the pressure of the expence which their maintenance occasioned. They have produced us honour too, and national glory, which are at least, some comfort to us in the miserable state, to which our own improvidence and ignorance have reduced us! They have convinced the world where the superiority of Englishmen lies; *not in sucking blood from others, but in a lavish effusion of blood and wealth for their support, and in a pre-*

chases being made of them, which otherwise could not have been made. *The same process occurs in a depression of prices, say vice versa.* This operation is alluded to before, but not quite so fully.

The whole of the rents and profits, which the manufacturers enable the landlord and farmers to receive, revert to the manufacturers in the consumption of their manufactures, so that any deduction in those rents and profits, is certain to produce an equal, or greater deduction in the profits and wages of the manufacturers and mechanics.—In fact, it is upon the amount of these rents and profits, that the very existence of the manufacturers and mechanics principally depends. To remove or diminish them, is positively to take the ground from under the feet of the labouring mechanics.

The soldiers and sailors ought not to be discharged, until the state of demand for labour in the markets, shall furnish full employment for

dominance of every principle that dignifies and enobles man. No! no! we owe nothing to foreigners, and we want nothing that foreigners can give us; all that we want is the facility of exchanging the productions of our mutual industry among each other, and then, if we have got any surplus, we have no objection to giving it to foreigners, in exchange for the luxuries which their countries produce.

them. It is admitted on all hands that they cannot find employment at present, and that they must not be suffered to perish for want. It is better to maintain them as soldiers, than as paupers. It is better to maintain them out of the taxes, than out of the poor rates.

The payment in specie might have taken place in seven or ten years, without difficulty or injury to the circulation, and without affecting the state of prices.

The payment in specie could not suddenly take place, without occasioning a great revulsion in the state of prices, driving the labourers out of employment, and producing the greatest distress to all classes.

The payment in specie, considered as a beneficial or innocent measure, would not have been retarded, but rather facilitated by an increased issue of bank notes, sufficient to keep up the old state of prices and credit.

The payment in specie is not necessary to national security or prosperity, nor will it in any way secure a greater steadiness or regularity in the state of prices, but rather the contrary.

The late high prices were not occasioned altogether by the increased issue of bank notes, but principally by the effect of taxes, and the natural tendency to a rise which a state of confidence and fixed relations occasions.

If the Bank Restriction Act had never taken place, it would not have prevented, though it would have retarded, the late high prices, which would naturally have arisen from the moral causes operating upon the creation of the great mass of currency, and would naturally have been subjected to a severe revulsion, on the removal of these moral causes.

If the Bank Restriction Act was repealed, it would not prevent the ultimate use of bank notes to their present amount, or nearly so, nor would it prevent the existence of the great mass of currency, nor the progressive depreciation of money, whenever the country should have recovered its prosperity and confidence.

The repeal of the Bank Restriction Act would not prevent fluctuations in prices, which would be better effected by continuing the Bank Restriction Act permanently, and judiciously regulating the

issue of bank notes, or by acting on a similar plan with regard to national paper. †

† It may possibly be desirable that such an increase of bank notes should take place as silently and imperceptibly as possible, in order the better to support the credit of the Bank. When the credit of the Bank stands high, it may commence payment in specie, with one twentieth part of the bullion in its coffers, that it can when its responsibility is suspected.

If the increase is made by way of loan to individuals, it is nothing more than has, till lately, been generally done all over the kingdom by the country Bankers, who were in the habit of accommodating persons, whom they deemed safe and substantial, with loans of money. The depression of prices, and the change of the times have broken up the credit and the prosperity of all descriptions of persons, and, of course, the country Bankers have withdrawn their accommodations, or if they have not, it is now too late. When these accommodations were withdrawn by the country Bankers, the prosperity of the country required that they should have been granted by the Bank of England, who being protected by the Restriction Act, have not had the same necessity for curtailing their issue of notes as the country Bankers have been under. When credit, and confidence, and prosperity are restored, there is no doubt but the country Bankers will extend their accommodations as before, and that alone would afford the means of enabling the Bank of England to withdraw their increased circulation. It is no use saying that such accommodations of the country Bankers did harm by encouraging wild speculations and adventures. The country Bankers were not *generally quite* so blind to their own interests. They took rather better care of themselves than that. But whether they did that or not, it is quite certain that they encouraged the fertility and production of the soil, and the increase of all kinds of manufactures. They

An issue of bank notes sufficient to restore the former state of prices and of trade, might take place without occasioning any permanent rise of the price of bullion beyond par.

Such an issue would prevent bullion from being depressed below par, and would draw it from foreign countries, and prevent it from being exported,

encouraged, also, the encrease of population, and of all the comforts and necessaries of life which such population required. If an encreasing population, well fed, well clothed, well housed, and fully employed, is not a good thing for a country, I do not know what is. If it is not, why were the causes suffered to operate which produced it? Why did we bring men into the world in order to drive them out of it again? Was it to encourage a swifter destruction of the human race in peace than in war? During the war, our population encreased in spite of the ravages of the sword. It is now evidently and rapidly diminishing.—Want, and hunger, and nakedness, and misery, and disease, will destroy life faster than cannon balls! No! No! It is not that any thing was wrong in our former system, but it is that we have been fools enough to suffer it to fall, and we now throw the blame upon the system under which we flourished, rather than upon our own blindness and folly! If we had continued that system we should have encreased the demand for labour for ever. We should have encreased our individual and national wealth. We should have encreased the population, and the strength, and the happiness of the country. How was it possible for us to have known want and distress, whilst our whole population was employed in producing food, and clothing, and all the necessaries which support, and all the comforts which sweeten, life?

and in restoring credit and confidence would lessen the demand for bullion, and would thereby facilitate the payment in specie.

The circulation of bank notes is now Twenty-six Millions, and yet gold is *under* par, and silver is *much under* par. There is no reason can be given why the raising of that circulation to Forty Millions should raise the price of bullion beyond par. Twenty-six Millions are sufficient to employ two thirds of our population, and Forty Millions would be sufficient to employ the whole, and it would not be more for the whole, than Twenty-six Millions is for two thirds, but if bullion should rise *beyond* par, it would be quickly reduced by the importations which its high price would occasion, in exchange for manufactures. At present the low price of bullion creates its *exportation*, instead of its high price producing its *importation*; and thus, though the price of bullion is low, we are still so much the farther removed from any *practicable* plan of payment in specie.

Since the Bank was first opened, the payment in specie could never have been fulfilled during a period of public mistrust and alarm, without encreasing the evil a hundred fold, and tearing up the prosperity of the country.

The idea about guineas being unwilling to circulate with bank notes is a delusion. They will always circulate with bank notes, to as great an extent as the public require them, unless counteracted by foreign circumstances.

If it should be possible that an encrease of bank notes should raise the price of bullion above par, the evil arising from that circumstance would be nothing at all, or at any rate would be perfectly trifling in comparison with the sufferings which the country has undergone, and is now undergoing.

If it should be possible, however, that a double state of prices should arise, viz. one of bullion, and one of bank notes, the inconvenience would yet be nothing in comparison with the present distress, and might be safely and easily counteracted by *disfranchising* the guinea, which being deprived of its power as a legal tender, would no longer interfere with the prosperity of the country.

The late high prices of gold and silver bullion, were in no respect owing to the redundant issue of Bank Notes, but were occasioned solely by casual circumstances of supply and demand, in the same manner as the low prices of copper and iron were occasioned, and as the present low

priecs of gold and silver are occasioned, at a period when the issue of Bank Notes continues as liberal as ever, and even more so. *

A national paper ought to be created in order to remedy the inconvenience to which a circulation dependant upon discount, or upon foreign circumstances, is liable.

The best way of speedily restoring the efficient state of the currency, is to extend the Bank Restriction Act for, say, ten years, and then for the Bank of England to issue a quantity of additional bank notes, upon bonds, notes of hand, and other securities, to individuals for three years, at five per cent interest, to be repayed by annual instalments

* I understand the steam engine is beginning to do wonders in South America. If it should have the same effect upon the minerals of that country as it has had upon those of our own, what would our Bullion Committee say then? What would they say if they saw a Pound Note buy a pound weight of Gold? Would they say that the paper Pound was depreciated then? I verily believe that these Gentlemen have done more mischief to Old England than ever Buonaparte did. Seriously speaking, I believe that the Bullion Report, by its influence upon Government and upon the Bank of England, has done more injury to the country, and caused far more distress, than were ever occasioned by the imposition of all the taxes during the war.

after the expiration of the three years, or at any earlier period that may suit the borrowers. *

* It cannot be said that this paper would be intrinsically worth nothing, merely because it would cost nothing in the *making*. It would cost just as much in *obtaining* as if it was gold. It would have a legislative value in its power of discharging debts, and breaking open prison doors, and a real value in the assignment of command over property, which would be necessary to obtain it. The people who borrow it would give security for it in lands, goods, and chattels to double or treble the amount that they borrow, and it would therefore, represent such good things of life, in the same manner as a guinea or dollar represents the good things consumed in digging them out of the earth, and it would represent them just as fully and really as the guinea and dollar themselves, whose value is, in truth, all *ideal*, and depends far more upon the assignment of command over the good things of life, necessary to obtain them, than it does upon any real value which they possess intrinsically within themselves.

The same would be the case with regard to the National Paper issued through the medium of the National Debt. It would still represent a certain portion of *real* capital as effectually and truly as so many guineas. The only difference would be that the good things of life which obtained it, would have been consumed by the British soldiers and sailors instead of being consumed by Slaves and Spaniards, labouring in the American mines.

Why are these guineas obtained? Not because we can eat them or drink them! But because they cannot be obtained without a great consumption of good things of life, and because, when they are obtained, they answer the purpose of certain signs or tokens, by which the products of one man's industry,

As these instalments are paid up, the Commissioners of the Sinking Fund, or some other public body, might be prepared with national paper which they should issue or not through the medium of the National Debt, according as the state of prices may require. If the price of wheat should be above fifteen shillings per bushel, none need be

may be measured with and exchanged for those of another's. Both these objects are just as efficiently answered by bank notes as by guineas, and others also, which give bank notes a great preponderance over their cumbersome and gaudy rivals.

It is true that this kind of issue may be carried to almost an unlimited extent, so much so, as to raise wages to ten pounds per week in a very short time, which would be too great a depreciation of money, but I beg it to be understood fully that I do not propose to depreciate money at all. I only propose to preserve it in the same state and value as it had maintained on the average of several years preceding the year 1813. An issue of bank notes might take place to this extent without the possibility of going further, because immediately on wheat rising above fifteen shillings per bushel, *from the action upon money*, a sufficient part of the proposed issue may be readily withdrawn, so as quickly to reduce the price of wheat to that level. It must be recollected that the present price of seventeen shillings to the bushel of wheat, is owing to an action upon property, produced by the action upon currency, that is to say, it is owing to a *real scarcity of wheat* produced by a real scarcity of money combined with an unfavourable season. But the scarcity of property, has only shewn itself in the prices of agricultural produce as yet, in the same manner as the action upon currency shewed itself upon that produce first; and there is therefore a great and

re-issued until it falls, but if it should be below that sum, a sufficient quantity ought to be issued in order to raise it to that sum, and thus the repayment of the instalments would be effected without inconvenience either to the borrowers or to the country.

painful inequality in the present state of agricultural and manufacturing prices. Of course, whilst this inequality continues no part of the proposed issue could be withdrawn, without increasing it relatively, and thereby increasing the general distress. As soon as ever this inequality is reduced, however, by time or importations, or other circumstances affecting either agriculture or manufactures, then any prices that agricultural produce may bear, will be formed upon certain relations which will be in common with manufacturing prices, and at that time, they may be taken as a sure guide to determine the state of the currency, and whether any part or all of the currency so proposed to be issued, should be withdrawn or be increased. If the price of wheat should continue as high as fifteen shillings, after three years experience, it will be clear evidence that it is then kept up at that price by the efficient state of the currency, because the natural reward of industry which that price now covers, will prevent the possibility of any real scarcity of agricultural produce continuing for three years. I mean to say, that if it preserve that price for three years, it can only do so from the efficient state of the circulation, which will by that time have acted equally upon manufactures as upon agriculture, and consequently, the price of wheat may be taken as a safe standard whereby to judge of the state of the currency, and to know whether it will be advisable to withdraw or re-issue the currency now proposed to be issued.

No local assistance will do much good. To enable one particular trade to continue to maintain its workmen for a few months longer, would only have the effect of increasing the production of that trade, without having any effect in increasing the consumption of its articles, and, consequently, a great stock would be created at one time, in order to interfere with labour at some other time, so that the misery of the labourers would not be removed; it would only be *extended in its duration*. But a general assistance afforded to all trades throughout the country, would operate just as much in increasing general *consumption*, as it would in increasing

I should think, however, that it ought to be re-issued under any circumstances, because it will contribute to increase the gradual depreciation of money, which naturally produces and is produced by national prosperity, and it will also tend to diminish the National Debt, and to save the expence of its interest; but this may be a subject for future consideration.

It may safely be taken for granted, that whenever the scarcity of currency is so great that money is not readily to be had upon good security, at five per cent interest, an additional issue is necessary. When money is to be had generally at three per cent, it is probable that such additional issue may be safely withdrawn. The rate of interest is perhaps as good a criterion as the bushel of wheat. Five per cent interest per annum, which has so long been established by law, and approved by universal custom and consent, seems now to have become a kind of par in the value of money, by the means of which we may at all times judge of the efficiency of the circulating medium.

general production ; because all trades are consumers of each others articles, and if there are a thousand different trades, a thousand consumers would

But there is another kind of "par" which it would, perhaps, be more advisable to adopt in deciding upon the re-issuing of the money as above proposed, than either the par which is formed by the bushel of wheat, or that formed by the rate of interest. I mean the par of labour, which would, probably, be a more certain guide than the rate of interest, and would not be so obnoxious to popular prejudice as the bushel of wheat. Suppose we take the average wages of an agricultural labourer, to have been eighteen shillings per week four years ago, we may safely adopt that sum as the par of labour, and we may be guided by it in the issue and re-issue of money as I have proposed before to do with regard to the bushel of wheat. At the end of three years if we find that the wages of agricultural labour are less than eighteen shillings per week, we may be certain that an additional creation of money is necessary in order to raise them up to that level, and to support the circulating system, but if those wages should then be above that sum per week, it may not be necessary to create or re-issue any additional currency, because that price of labour would take under its range the whole system of rents and profits, debts and credits, and of agriculture, commerce, and manufactures, as they existed during the latter years of the war, and of course there would be no occasion for any additional stimulus or assistance to support the state of high prosperity, which such a system would occasion. The par of labour would be a better guide than the par of wheat, because it would associate the passions and prejudices of the populace with their own interests, and with those of their country; but the par of wheat might possibly be made obnoxious to those prejudices, without being in itself a better guide than the par of labour.

thus be set instantly at work in consuming the productions of a single producer.

But the main deduction which I would wish to draw from all I have said is, that of all the things we have to do, the first and most important is to find food and employment for the population. If we had attended to this in time, we should not, at this time, have known the want of either, and if we take the proper steps, even now, much may be done.

The imposition of taxes encreases the depreciation of money, and their removal restores the value of money. In other words, taxes occasion an *expansive* action upon currency, they raise the prices of property *generally*, and their removal occasions a *contractive* action upon currency; it falls the prices of property generally, unless counteracted by legislative measures.

It is surprising the pertinacity with which people still attribute their distresses to the pressure of the taxes. If the taxes were collected *in kind*, (which is their only real value) I insist upon it that their burthen would be little or nothing. The *unemployed* labourers alone, if they had been kept at work for the last four years, would have produced more than enough to pay all the taxes twice over!

And why have they not been kept at work? Why, because circumstances of moral depression reduced the fixed state of prices so low, that it no longer answered the purpose of the capitalists to employ them. And thus they are thrown out of work until new relations become fixed, or until the old relations are restored by an additional issue of money. Let this issue take place, and the burthen of the taxes will not be felt, it will not exist. The unemployed labourers alone will not only discharge it twice over, but they will quickly create a production of good things, which of itself alone would enable us to resume the payment in specie, if such payment is deemed of any consequence to the prosperity of the country. Labour is the foundation of wealth. By suffering it to remain unemployed, we have sustained a *loss* of more than a Thousand Millions Sterling, of *real* property, in the last four years, but we have sustained no loss at all by the payment of the taxes. In the latter we have only diverted the channels of part of our wealth, in the former, we have cut up its principles, and positively annihilated its existence. It is a monstrous sight to see a large population of industrious and intelligent men in want of employment. It is a sight which never did exist, and never can exist in any country where the circulating medium is equivalent to its purposes.

It is of consequence to have a clear view of the operation of all taxes in raising the value of property *generally*, however *partially* they may be imposed. Suppose a tax of five shillings per bushel is imposed upon malt, producing Six Millions Sterling per annum. Now to accomplish this object, it is necessary for the malt to rise in proportion, or it cannot be grown. It is also necessary for the wages of labour to rise *generally*, or it cannot be consumed, and of course if there is not an ample demand for it, it will not long be grown. This general rise of wages occasions a general rise in the prices of all property, or no property could be produced. Thus a tax imposed upon malt, and producing Six Millions per annum, acts *partially*, in raising the price of malt equivalently, in order to enable the maltster to pay the tax, and *generally* upon all prices, in order to enable the consumers to pay the price which the maltster requires. The exchangeable value of all property rises Six Millions per annum, in order to cover the additional legal responsibilities which are thus imposed upon it. After awhile, the Six Millions so raised, is brought into action against property, by the expenditure of Government; and here again the prices of property are necessarily raised in proportion, so that, in fact, a rise of Twelve Millions takes place in the monied value of the annual sales of property, to cover a tax of Six Millions; or, at

least, this expenditure tends to confirm and make certain the first rise of Six Millions, which I have shown naturally takes place by the mere imposition of the tax.

When a tax is imposed upon malt, or any other article, the price must rise in proportion, or the malt will not be grown, and in that case the tax will produce nothing, and if the price of general labour does not rise in proportion, the malt will not be consumed, and then also the tax will produce nothing, and at the same time the labourers generally will be injured in their comforts and numbers, all of which circumstances are contrary to experience; for we have seen the labourers generally increasing rapidly in numbers, and, of course, in prosperity, during the last twenty years, whilst all manner of taxes have been imposed.— Taxes have been imposed upon malt, and yet no one will pretend to say that less malt was grown or consumed in consequence, and it could not be consumed without wages being raised generally in proportion, which would naturally occasion a general rise in the prices of all property.

Where then does the ultimate payment of all taxes rest, since one thing involves another in this way, and since every one seems enabled to pay them by the rise of prices which his particular property experiences? It is certain that the ultimate pay-

ment of all taxes rests upon capitalists generally, who find their capital sucked from them, or as it were, evaporated in a thousand imperceptible ways, in order to be diverted from the maintenance of *private* dependents, into that of *public* dependents.

Forced contributions of *money* being levied upon property, the consequence is that property rises in *monied* value, in order to discharge them, but the general profits and rents of the country, are not raised by the imposition of these monied contributions, because they cannot in their nature be subjected to them. All taxes rest upon consumption, and consumption itself rests upon capital, for where nothing exists, nothing can be derived. The operation of taxes is therefore to raise the *monied* prices of property generally, without raising correspondently the rents and profits of a country, because these latter are merely the annual income *in money*, which is derived from the use of capital, and have no existence until they are realized at the end of the year, when they become subject to taxation in their expenditure; for the prices of all property being raised by taxation, those rents and profits, (or monied income,) do not cover or produce so great a quantity of good things as formerly, because a certain portion is abstracted by the Government expenditure of the money raised by the

taxes, which at the same time that it contributes to raise prices, sucks up the capital of the country, to be applied to national instead of individual purposes. I say that capital rises in monied price, by the imposition of taxes, but the rents and profits of capital do not rise thereby, and, therefore, inasmuch as those monied rents and profits become unequal to embrace or purchase the whole produce of the country, beyond the consumption of the labourers employed in producing it, in that very proportion will be the amount of the good things of life, contributed to Government in the shape of taxes. But no alteration is made in the wealth of the country, or in the permanent happiness of the people. The capitalists are deprived of the power of maintaining say one-fifth of the whole population, and the Government receives that power. The power and the riches still exist, but they are diverted into different channels, and one-fifth of the population is forced to change their habits of life, becoming soldiers and sailors, and ministers of national glory, instead of continuing coach makers, and lace makers, and ministers of individual ostentation, and of low and selfish indulgence and gratification.

Since then we must acknowledge from argument, and from experience, that all taxes act *generally* in promoting an equivalent rise of prices upon all property, or in other words, act *generally* in en-

creasing the depreciation of currency, we cannot but be sensible that the removal of all taxes, acts in a similar way, in depressing *generally* the prices of all property, and in recovering the value of currency; and if we acknowledge this, and if we understand how ruinous to all classes is a depression of prices, or a recovery of the value of currency, we shall then also acknowledge, that the removal of taxes is a far greater evil than good, unless it is effected very gradually and cautiously, *or unless* it is guarded against by a previous issue of money, sufficient to keep up the state of prices, and to enable the capitalists to find themselves in possession of the capital of such taxes upon their removal; we shall acknowledge that it is better for the rich, and far better for the poor, to have the taxes continued for ever, than to have them removed suddenly and rashly, and without making previous dispositions to counteract the action upon currency which their removal occasions.

I am as confident of the truth of this opinion, as I am of any thing in my existence. The experience of history confirms it; reason proves it, and the universal sufferings of the country declare it. If men will never learn to look beneath the surface of things, they will never understand the nature of things; they will mistake good for evil, and evil for good, and all their efforts to relieve themselves

from suffering, will but encrease their misery! This is our situation now. When the revulsion of capital from the taxes, has thrown MILLIONS of individuals out of bread, those perishing MILLIONS are doubled by the depression of prices, which such revulsion has occasioned. It is true they will have other openings for them some time, but the wants of nature are not to be procrastinated, and before those openings of existence are found, multitudes will have found their grave.

If the Bank Restriction Act had never passed, it would not have prevented this fatal state of things, nor would it have made much difference in the amount of bank notes in circulation; as long as the country continued to prosper, currency to the amount of Ten Thousand Millions per annum would have floated over a metallic surface, just as readily as over a bank note surface, and when circumstances of depression arose, that volatile medium would have experienced just the same contractive action as it has now experienced. No efforts could have prevented this, but such as had the effect of turning the current of the public fears, and of preserving confidence in property, by diminishing confidence in money.

Economy and retrenchment of all kinds, instead of relieving our distresses in the smallest degree, will positively *encrease* them for two or three

years, and after that period, the poor people who are left alive, will not be at all benefited by them. Retrenchment can never take place with advantage to a country, unless a previous stimulus be given to the circulating system.

It seems that the price of agricultural labour, is the best standard *or par* whereby to regulate the issue of bank notes, or national paper, because it is more deeply connected with national prosperity, and is less exposed to foreign influence than any other that can be devised. We may be quite sure, from reason and experience, that if we issue a sufficient sum of bank notes, to raise the average price of agricultural labour to eighteen shillings per week, that standard will cover under its range, so great a degree of national prosperity, as will prevent the possibility of any kind of labour being unemployed or unrewarded. If bullion is made a standard *or par* whereby to regulate the issue of bank notes, nothing but irregularity and distress can arise from it, because it is perpetually acted upon by foreign circumstances, and will at one time produce a *withdrawing* of bank notes, when in fact they ought to be *increased*, and will at another, produce an *increase* of bank notes, when in fact they ought to be *withdrawn*. Thus if the *par* of gold is taken at twenty one shillings to the guinea, foreign circumstances of *demand* may raise it to

twenty eight shillings, as we have seen in the year 1815, without at all effecting a rise in the price of labour or commodities ; and at this time to reduce its price by withdrawing the bank notes, would be to place the nation within a double kind of *exhauster*, which would quickly reduce it to death. So also foreign circumstances of *supply*, either from the opening of the American mines, or from other nations presenting occasionally a greater demand for our manufacturèrs, or from the revulsion of the home consumption into foreign trade, may at times reduce the price of the guinea to twenty shillings, or eighteen shillings (which is nearly the case now) without at all effecting a correspondent reduction in labour, or in commodities, and at such a time to raise the price of the guinea to *par*, by an issue of bank notes, would be to effect a correspondent rise in labour and commodities, which would thus be thrown *above par* without occasion, and the national prosperity would thus be thrown backwards and forwards with every change of those foreign circumstances, over which we have no controul, and which are of no consequence at all to our welfare, unless we choose to make them ruinous to it by endeavouring to follow them. The standard of agricultural labour would be perfectly free from all those kind of changes and fluctuations, and as far as I am able to judge, would be the best standard to adopt in regulating the issue of bank notes, or national paper.

Of course, the above objection to an issue of bank notes does not apply to the present period, when labour and commodities of all kinds are reduced far more under par than the guinea. It is useful to bear in mind that when the guinea rose suddenly in 1815, from twenty-two shillings to twenty-eight shillings, no correspondent rise took place upon grain, or upon labour or any other articles, all of which indeed continued to depress in price, until the Nine Millions of bank notes came into action last year, and the unfavourable season promoted a reaction in agriculture. The guinea afterwards fell to twenty-one shillings, and I believe it is only about twenty shillings and six-pence now, *so that its price has not been raised above par by the issue of Nine Millions of additional bank notes*, nor do I believe that it would be raised above par by the issue of Twenty Millions more, unless those Twenty Millions should have the effect of raising the average price of agricultural labour above eighteen shillings per week. But whether an additional issue of bank notes would have the effect of raising the guinea above *par*, and of *creating a double state of prices or not*, is no argument at all against such issue, provided such an issue is necessary to restore the prosperity of the country, which I think must be sufficiently evident. The guinea was made for man and not man for the guinea. If the guinea, therefore, is not sufficiently ample in its capacities

to meet the wants of man, it must be enlarged and extended, but man must not be contracted and crippled, in order to accommodate his dimensions to the guinea. A great nation of industrious and intelligent men must not be sacrificed to this idol. They must not be forced "through the fire to Moloch," nor will they be forced. The cup of their bitterness is full. It must not be suffered to overflow.

I have thus thrown together a variety of thoughts and opinions, desultory indeed, but such as I have neither leisure or disposition to economize and arrange. They would, indeed, have been somewhat better arranged, had not the urgency of the occasion, and the writing for the press, prevented my introducing in their proper places matters which I thought it necessary to introduce, in addition to what I originally intended. For four years they have been the constant subject of my conversation with my friends, and during this period I have had the painful satisfaction of seeing confirmed all the dismal anticipations which they led me to form.

I could have wished to have avoided the trouble and the unpleasantness of committing them to the public, but they are wrung from me by the sufferings of my country, and by those greater dangers which are yet to be apprehended, unless the circulating system is speedily replaced, in that ample

and efficient state from which it ought never to have been suffered to fall. It *has* been suffered to fall, and it has crushed the national happiness in its fall. Whilst the natural energies of England were developed by an efficient circulation, her strength astonished and overpowered the world.— But when this life-blood of her glory has been withdrawn, her energies have withered within her, and her giant strength has shrunk into the weakness of an infant. This mighty nation, the great, the good, the redresser of injuries, the avenger of wrongs, whose wisdom has enlightened, and whose strength has shielded the world, this mighty nation, prodigal of her unbounded wealth, and prodigal of her generous blood, is fallen from her palmy state. Her wealth is vanished, and her spirit humbled. The nations who formerly wondered at her riches, now wonder at her poverty. They contemplate her sufferings with doubt and alarm, uncertain whether they will terminate in the renovation of her health, in a premature old age, or in the terrible agonies of convulsions and death.

But this heavy calamity cannot have happened without a cause, and all causes must have been inefficient to produce it, unless they have acted upon the springs of individual industry, which are the only fountains of national wealth. It is in vain to attribute it to the pressure of taxes, or to the change

from a state of war to a state of peace. We might as well attribute it to the prevalence of luxury, or of the Eastern Wind. It is entirely owing to a contractive action upon the circulating system, which has depressed prices, and arrested the reward of industry, and crippled the efforts of individual energies throughout the million channels through which those energies operate to the creation of national wealth.

Let the circulation of the country be set free, let it be restored to its former amount, and the nation shall awake, as from a frightful dream. Her sufferings shall pass away, and the day of her prosperity shall return. Comfort shall revisit the cottage of the labourer, and the humble mansion of the mechanic; the merchant shall again cover the sea with his ships, and the farmer shall clothe the earth with plenty. In short, England shall again develope the energies with which Nature has endowed her, and her Genius shall again astonish the nations by the wisdom and justice of her institutions at home, and by the strength and magnificence of her operations abroad.

Finis.

APPENDIX.

ALTHOUGH I have drawn out this pamphlet to a tedious length, and have encumbered it with many notes, yet as my Printer gives me an opportunity of saying a little more, I shall, perhaps, be excused for entering a little farther into the subject.

Supposing we determine to go back to the payment in specie, let us consider what will be the mere expence of our so doing, without reference to its consequences.

We can only obtain bullion by giving to Spain and other foreign countries, as much of our manufactures as they will be willing to take in exchange, that is to say, by giving them as much ale, and porter, and cloth, and cottons, and other good things of life, as it has cost them to dig the bullion out of the mines! Thus to get one single guinea

from abroad, we must send the produce of the labour of an able-bodied Englishman for fourteen days, or two weeks, reckoning wages at their present distressing depression of about ten shillings and six-pence per week. That is to say, we must make an Englishman work two weeks to get one single guinea from abroad, and he must work forty weeks for twenty guineas, and forty thousand weeks for twenty thousand guineas! Let us go on a little farther. Before we can get one hundred thousand guineas, he must work two hundred thousand weeks, and before we can get one million of guineas, he must work two millions of weeks, and before we can get twenty millions of guineas into England, we must give the work of an English labourer for forty millions of weeks! Or, in other words, we must give the labour of **EIGHT HUNDRED THOUSAND ABLE ENGLISHMEN FOR A WHOLE YEAR, BEFORE WE CAN GET TWENTY MILLIONS OF GUINEAS IMPORTED INTO ENGLAND!!!** Gracious Heaven! Are we to buy gold at this rate? Are we to give such a property as this for a metallick basis for our circulation, when we have got a better basis within ourselves at no expence at all? One would think that Gentlemen would have the goodness to point out to us some wonderful advantages, before they propose to us such an enormous sacrifice as this! There is positively no advantage at all, and I defy all the theorists in England to prove that there is.

How will they prove it? From reason, and experience, and the evidence of facts. I allow that they may thus prove the superior utility of a golden currency to an iron currency, if the *value* of each is measured by the weight, without being coined; but if iron was as difficult to be procured as gold, it would then be equal to it in utility for currency, or nearly so. The great advantage the scarcity of gold gives it for currency, is, the enabling a pound weight of that metal to pass for as many good things as a ton of iron, and so on,—that is to say, the ton of iron and the pound of gold cost about the same expenditure of human labour, and of the good things of life, to procure them; and they would pass one as current as the other if they were equally bulky or equally portable, and the law so directed. On the Coast of Africa and in the Islands of the South Sea, iron is still the money of the country, and is likely to be so for many ages yet, on account of its scarcity. I do not see, indeed, why it may not be coined for currency in this country, and become equally valuable and useful as the guinea, provided it is made equally portable, and equally secure from being counterfeited, and is made obtainable when coined, only, by giving the same valuable consideration for it as is given for the guinea.

But allowing that there may be some *difficulty* in introducing an iron circulation, yet how can it be argued from reason and experience, and the evidence of facts that a gold currency is of more service to a nation than a paper currency, as established by us, or even than a coined iron currency, if made equally secure from counterfeiting. I mean a paper currency that represents real value, that is not issued but for a *bonâ fide* undeniable security, or lien upon an equivalent amount of property and good things of life, and not in the way that the French Assignats were issued by their tottering, tumbling, ephemeral Governments, without any limitation, or any adequate security upon the good things of life. *Facts* are on our side here. No man will pretend that this nation could have made such gigantic efforts in the last twenty-five years, and have flourished besides, faster, or even so fast as it has, without our paper system. And if we can flourish under it in war, I should like to hear a sufficient reason assigned for our not flourishing under it in peace, for I can see none myself. But I can see plainly that a paper currency of this kind, after *disfranchising* the guinea, and leaving gold to find its own level, as an article of merchandise, will identify the general interests of all individuals, and unite them the more cordially in resisting foreign enemies, without at all altering the relations which the

Down and people now bear to each other. If, however, we must have a metallick basis for our currency, why not give the cloth, and cotton, and hardwares, and goods of every description to our own people, for working our own metals, until they become as costly as gold, instead of giving them to foreigners for that article, to use as currency.— Steel, for instance, is sometimes wrought by our artizans, until it becomes an hundred times as valuable as the same weight of gold. We might still buy gold from foreigners, as an article of merchandise, and we might sell it to them again, both wrought and unwrought as our interest might require: but if we substitute some other article that will answer as good a purpose as gold for exchanging our commodities amongst ourselves, what use will there be in keeping it at home for that purpose, and why not change it with foreigners, for those luxuries and comforts that our own climate denies us. Whether this operation is carried to the full extent that a restriction on the Bank of England from paying in Specie would permit or not,— it will certainly be carried to a very considerable extent by the country Bankers, and by the Bank of England, whenever credit and confidence run high; for at such times they will find, that a very small quantity of gold in their chests will enable them to support a very large circulation of notes; and at such times too, when a single indivi-

dual finds a more than ordinary demand upon him for gold, he will be enabled easily to borrow or sell, or otherways procure the quantity he has occasion for, from his friends and neighbours, if his property is of sufficient amount. Paper money will, therefore, under any circumstances, in times of prosperity, be sure to form the chief part of our circulating medium, I mean of that part of our circulating medium that does not consist of bills of exchange; our cash notes, however, are nothing else but bills of exchange if traced to their roots.

But in a time of general distress like the present, every banker must look at home, and whether he depends upon guineas or upon the notes of the Bank of England, to discharge all demands that may be made upon him, he will take care to keep them within his reach, and will break up the prosperity of all the country around him before he will break himself.

The only possible way to counteract a general depression of this kind, is not by changing the paper circulation into a gold circulation, which is, in fact, to encrease the evil a hundred-fold; but to *create an additional issue of money*, which by making *money cheap* necessarily makes *property dear*, and thus in an instant turns the current

of the public fears, and restores confidence, and credit, and production, and consumption, and every thing else upon which commercial prosperity depends. This was the case in the year 1797.

It is of no use to say that the Bank of England may fail, and that country Bankers may fail, and a great deal of distress be occasioned thereby, perhaps equal to one thousandth part of that which has been occasioned by the action upon currency. If the Bank of England is not upon a proper footing, let it be placed on a proper footing, and let it be rendered incapable of failing, or in any way of misapplying the prodigious powers which are intrusted to it. When the circulating system is restored, let the issues of the Bank be confined under rigid obligations. Let it never issue its notes but for *good* bills of exchange, which are as much the representatives of value, as gold itself. Let the Bank manage its business with as much discretion as any prudent individual tradesman, and then whether it can pay its notes in gold and silver or not, it will always be able to pay them in as much bread, and cheese, and porter, and ale, as the holders gave for them, and surely they cannot for shame ask for more. And as for the country Bankers, what have we to do with them, any more than with the country merchants and traders of a thous-

and descriptions, who are also liable to fail, and to injure their unsuspecting creditors in their failure? Let their creditors be more cautious, or let them take the consequences of their own credulity. Their capital is not lost to their country, if it is to them; nor is it *devoured* by the Banker, or other insolvent; it is gone to the maintenance of labourers, just as effectually as if they had spent it themselves. But if the country Bankers are not safe, let them give security for their issues, and I suppose they will be safe then. They have done more for their country and less for themselves than any other description of men, excepting only the soldiers and sailors. They have as much right to issue their notes for One Pound or Ten Pounds, as other people have to issue their bills and notes for One Thousand or Ten Thousand Pounds, and if we are weak enough to think this state of things injurious, we had better crush the whole circulating system at once, and go back to the barbarism of our British ancestors, who bartered a bow or a spear for a sheep's head or a bullock's liver, without the intervention of any kind of money. I wish that the advocates of guineas were obliged to go back to barter for a few months. Barter is the perfection of their system, and a blessed perfection it is. I apprehend they would soon cease to call bank notes "dirty rags," which is, in fact, a foolish kind of bantering, that might with just as much propriety be ap-

plied to a bill of exchange, or a Death Warrant.— Bank notes have the power of discharging debts and of breaking open prison doors, and of feeding the hungry, and clothing the naked. What an absurdity it is, to call these kind of things “dirty rags,” merely because they have not the gloss and the colour with which “dirty” minds are so much charmed in gold. They have every useful purpose which gold has, and many more which that bauble never possessed, and never can possess.

Let us examine a little closer the nature of our paper, and of our metallic currency. A man gets into his possession a quantity of any kind of goods or merchandise, say coal or iron, by giving for it bread and cheese, and porter, and ale, and other good things, which are deemed equivalent to the coal and iron in value. He sells this iron or coal to a merchant, and receives back a bill of exchange, say for one thousand pounds, or any other sum; he takes this bill of exchange, or some other merchandise which he buys with it, or perhaps the aforesaid iron and coal, and gives, or exchanges them with France or Spain, or some other foreign country, for the precious metals, as they are called, that is to say, for certain sorts of scarce metals; he takes his precious metal to the mint, and has it stamped with the king's image and superscription, and lo! it becomes money! Or, on the other hand,

he takes his bill of exchange to the bank of England, and says, "Give me a certificate in your hand writing, that I have deposited this good bill, this *true representative of real value* in your custody," and behold! a bank note is created, which answers the same purpose as metallick money, and is just *as good* for all purposes, and rather better for many. All the difference in fact, being, that in this case, he has deposited his merchandise in his native land, instead of in a foreign country.

We thus perceive that to obtain a bullion basis for our circulation, a certain quantity of porter and ale, and cloth, and iron and coal, and other good things, is required to be given to foreign nations before we can obtain it; and what is the difference if we think proper to make use of our own money, created within ourselves, and consisting of bank notes, or coins of copper, iron, or steel? Why clearly there is no difference at all, excepting only that we keep the cloth and cotton, and porter and ale, and other good things to be consumed among ourselves, instead of giving them to foreigners in exchange for an article which we have no occasion for. We give the command over exactly a similar quantity of good things of life to the Bank of England, or other bankers, instead of giving it to foreigners, and in return, the bankers give us certain signs or tokens called bank notes, which pass current among

as as the representatives of value, and answer the purpose of giving to us the command over a quantity of the good things of life, equivalent to that which we had advanced to the bankers. And thus we get a circulating medium founded upon *real value*, just as effectually as gold, without any national expence, and it is at all times equivalent to its purposes upon certain fixed and secure relations, provided proper legislative provisions are made to encrease or diminish the basis upon which it is formed, accordingly as moral circumstances of confidence or depression may require.

It is surprising how the wealth, the strength, and the resources of England have continually developed themselves more and more since the Bank Restriction first took place, encreasing almost in a geometrical ratio every year during the war, although the Bullion Report shook the foundations of confidence in the year 1810. If that system had been kept up as it might have been, our National Debt now, would have been scarcely felt. The annual accumulation of surplus capital which would have continued to take place under that system, as heretofore, would not only have sufficed to pay the interest, but probably a great part of the principal of the debt, by enabling us to encrease the Sinking Fund. To be sure, if the enemy had got possession of our metropolis, he would have

shaken our circulating system to its centre; but that system combined with our national energy, has hitherto enabled us to maintain a sufficient number of soldiers and sailors to put that danger aside. Other nations never having had the energy, or the ability, to keep him at arm's-length, may have been one cause why they could not establish a paper system on such a firm foundation as we have, and our edifice of credit and of confidence was not erected in a day. But only compare the attitude in which we stood at the return from Elba, with the situation of all the other nations of Europe. They all lay panting, breathless, prostrate upon the ground, utterly exhausted with their late conflict, and unable to send any army at all beyond their own frontiers. We had but just emerged from another most expensive conflict carried on beyond the Atlantic, and we were not only able to march forward the first to meet the foe, but we heaved up all Europe, and whirled it against France. What might we not have expected this system to do for us in peace, if it had been continued in action with all its vigour? And why not continue it for ever? Why should not credit and confidence be as good in peace as in war? Every year of the war, it was most solemnly prophesied, that our credit and our wealth must come to an end by the next, and yet so far from that being the case, every sign of increased prosperity and abundance shewed

itself every year. Our population, our agriculture, our commerce, our manufactures increased annually. Partial distress in one place, was counterbalanced by increasing prosperity in another.

It is true our National Debt increased; but all magnitude is relative. When we talk of the comparative magnitude of our National Debt now, and thirty years ago, we should take into account the comparative magnitude of the productive powers of the country at both periods. When we deduct from the amount of our National Debt the sum redeemed by the Sinking Fund, and make allowance for the depreciation of money, and consider the increase of our population, and of our skill and science, the new canals, and steam engines, and manufactories, and new inclosures, and the innumerable improvements that have taken place in all the arts of life, we shall certainly find that we have not so heavy a burthen round our necks now, as we had thirty years ago, by many a degree. Supposing we turn our National Debt into goods, at a fair valuation, and reckon it equivalent to so many hogsheads of sugar, so many bushels of wheat, so many stone of beef, and so on, which is merely reducing it to its first principles. Is there any doubt but we could produce all these goods, wherewith to discharge it, if we set our population steadily to work, instead of letting it consume its time

in indolence and inactivity? I repeat it, the unemployed labourers alone would repay the whole National Debt in a few years, if they were set to work in their respective employments, with their accustomed activity; to which there is no obstacle but the want of an equivalent circulating medium. Only let this medium be created, and in a very few years we shall look in vain for our National Debt, particularly if we advance in the arts of life as rapidly as the experience of the last thirty years gives us reason to expect. And it will be very strange indeed, if we do not advance, if the human mind should stand still. The soldiers, and the sailors, and other public servants, who have been employed during the war in producing national honour and safety, will now be employed in producing goods and merchandise, wherewith to discharge the demands of our national creditors. One thousand men under arms will, in all probability, produce us as much national security in peace, as twenty thousand did during the war. What will be the productive powers of the country, when the soldiers and sailors, and the hundreds of thousands of mechanical and agricultural labourers, are all brought into action in producing property, which they will necessarily be, by an increased issue of money? Reckoning the National Debt at fifteen shillings to the bushel of wheat, and other articles in proportion, if we have a ten years peace, it cer-

tainly does seem probable that this mighty burthen may be reduced full as fast as it was accumulated.

I perceive by the Reports of the House of Commons, that my Lord Castlereagh perseveres in representing the present distress as not greater than that which succeeded the American War. It is surprising how the Noble Lord can suffer his mind to be so deceived. I know that the distress was very great and very general after the American War, and that it originated in the same circumstances as the present distress. But although there was a general depression of all property, and a general stagnation of all trade, which lasted for about two years, and then was succeeded by seven years of greater prosperity than England ever knew before, yet I cannot conceive how it can be thought possible that the distress was equal to what it is now. Elderly men, who remember well the period in question, all agree that the distress was very great and universal in all parts of the country, and in all descriptions of industry, but as to magnitude, it was not to be compared with the present distress in any of its features. Besides, the taxes or forced monied contributions levied upon property, during the American War, were not equal probably to one fourth of those which have been levied and taken off during and since the late war. How then could the depression have been equal? Our national ex-

penditure has lately been curtailed half a million per week. After the American War, it was not curtailed one-fifth of that amount. How then could the revulsion have been equal? Reckoning One Pound per week for the maintenance of a family, half a million of families are thrown out of bread by the present revulsion, and probably another half a million of families are also thrown out of bread by the depression of prices which that revulsion has occasioned. How is it possible that any thing like this can have happened after the American War? Or after any war in which similar taxes had not been raised, and similar excitements had not been given to the circulating system? We had then no Bank Restriction Act, and the inventions and creations of credit in all their shapes, were probably not equal to one half of what they are now. How then could the revulsion of that system be equal to that of the present? It is not possible. But although the distress was not equal in its amount, yet it was similar in its nature, and therefore we may derive some consolation from the knowledge that our present distress is merely temporary, and that those who survive their sufferings, will find some recompence in the extent of their future prosperity. We have, it is true, about two years' *famine* to contend with, but after that period the land will produce enough for our support, and we shall have nothing to fear. If we had taken the precautions of the

Patriarch Joseph, we should have preserved the cultivation of our land, and the extent of our trade, and we should also have preserved our immense and universal stocks, which would have enabled us to bid defiance to any calamities that fall within the course of nature.

The National Debt has been called "a millstone round the neck of England." I trust the purport of what I have said will have a tendency to shew that its burthen is but trifling in itself, and that what we mistake for its burthen is merely the action upon currency, or the depression of prices, which has given a quadruple weight to the pressure of the taxes. So far from its being any very serious burthen in itself, reckoning it at the same number of days' work, and of bushels of wheat, and tons of iron, and other good things as we have received for it, I am persuaded that it will be reduced easily, as fast as it was accumulated, as soon as ever we have placed our circulation upon a proper footing. In effecting this great object, and in securing its safe and permanent operation, the National Debt itself furnishes us with a medium of action, which, if judiciously used, will more than counterbalance the weight of its burthen, and render it of essential service to the whole country, instead of being any injury at all. I mean, that the National Debt of about Six Hundred

Millions Sterling, furnishes us with a medium through which we may act upon the circulating system, and govern it to our purposes just as we please.

Whenever the price of agricultural labour, for instance, falls below eighteen shillings per week, we may instantly raise it to that *par* by investing bank notes, or national paper in the purchase of the National Debt; and whenever it rises above that *par*, we may instantly reduce it again, by withdrawing such bank notes or national paper, which the re-selling the National Debt so bought will effect. *Provided* we think it necessary to confine the circulating system within the *par* of eighteen shillings to the week's labour. The National Debt, instead of being a "millstone" about our necks, becomes thus a great *lever* of national strength and prosperity, whereby we are enabled to act upon the circulating system, and to render it at all times equivalent to the purposes of giving ample employment and ample maintenance to the whole population, however numerous and diversified that population may be. It becomes a great *Regulator* in the machinery of circulation, whereby it is always preserved in an ample and sufficient action; and is totally secured from the possibility of those painful changes and fluctuations to which it is subject in its nature, whether the basis on which it

operates is either that of bank notes or of bullion, or of both. This, I repeat it, is an advantage in the National Debt, which, if we judiciously use it, will counterbalance the weight of its burthen and make it even beneficial to the country.

We were prevented from reverting to payment in specie during the war, by the pressure of Buona- parte and his hosts of Myrmidons ; this reason was sufficient. But we have still a stronger reason now on the return of peace, in the universal misery which the reduction of Government expenditure, and the depression of prices, caused by the removal of the taxes have occasioned. Hunger, and nakedness, and poverty, and wretchedness, and disease, are now thinning our numbers faster than a bloody contest upon English ground would have thinned them, and yet at this fatal period, forsooth, we must revert *suddenly* to a measure which we never dared to undertake during the height of our prosperity ! I repeat, that currency was made for man, and not man for currency ; the great interests of life and death, of prosperity and adversity, must not be sacrificed in order to gratify a prejudice, or partiality for a gold currency. Or if this partiality must be gratified, we must wait until we can gratify it without injury and ruin, until the natural course of trade has brought a sufficient quantity of gold within our reach ; or if we can neither give up this partiality,

nor wait till a proper season for its gratification, we must enlarge, and extend, the powers and capacities of the guinea, and make it worth thirty or forty shillings in currency, instead of twenty-one shillings; we must diminish the size and weight of the guinea, or we must mix it with more *alloy*, but we must not attempt impossibilities, and endeavour to revert to the payment in specie on the old relations, before the course of trade can bring into our country a sufficient quantity of bullion to enable us to do so, without diminishing the amount of our circulating medium; nor must we revert to the payment in specie, at any time, if such a measure is to have the effect of restoring the value of currency to what it was in 1791, before the National Debt is reduced to the same amount. That is an object which I do not hesitate to assert, it is utterly impossible to accomplish, without the certainty of producing a Revolution. The nation will not consent that the whole National Debt shall thus be doubled at once, for the benefit of the Stockholders. The nation is willing that the Stockholders shall be repaid in the same amount of the good things of life which they contributed, but if they attempt to receive more, they will certainly lose the whole. So also the private creditors of individuals throughout the country have advanced their property at fifteen shillings to the bushel of wheat, and eighteen shillings to the

week's labour. It is not just that these debts should be repaid at seven shillings to the bushel of wheat, and at nine shillings to the week's labour. What is this but to throw all the property, and all the prosperity, and all the active and vital energies of the country, prostrate at the feet of the monied interest? What is this but to sacrifice the strength, and the health, and the blood of the nation, in order to accomplish the object of repaying *twice*, what we have borrowed *once*, when the same unjust and criminal object, might be accomplished in a *far easier* and shorter way, by passing an Act of Parliament to double all debts at once. We should know the worst of this, and we should be able to meet it; but we can neither see the length, or the breadth or the depth of a recovery of currency. It is in vain to reason upon this subject. It is sufficient to assert that the value of currency ought not to be restored, and that it cannot be restored *but in proportion as the national debt is reduced*, and even then, it seems probable, that it could not be restored without a total sacrifice of the national prosperity.

After all that can be said or done, the payment in Specie, when it takes place, will be but a delusion. We shall be able to pay gold as long as nobody requires us to do so, but as soon as ever any serious general demand takes place, it will be quite impossible to answer it, and we shall be re-

duced to the alternative of either again having recourse to a Bank Restriction Act, or of suffering the whole country to be torn to pieces by the sudden withdrawing of one circulation, before it is possible to get possession of another. All that we can attempt, with any possibility of success, is to keep our bank notes on a *par* with specie in value, that is to say, to make twenty one pounds in bank notes, pass current for the same quantity of good things of life as twenty guineas in gold; and this I am convinced that we might have effected without reducing the price of agricultural labour under eighteen shillings per week, and without reducing in any way the state of prices, which had become fixed during the war. Those prices might have been kept up by an issue of bank notes, and the natural course of trade would have prevented the possibility of the guinea bringing more than twenty-one shillings, which is its *par* as fixed by law, or if it did not, the *legal par* of the guinea might very easily have been altered accordingly almost without injury, or injustice to any one, and all the sufferings that we have endured might thus have been prevented. Why may not the guinea pass current for twenty-eight shillings, just as well as for twenty-one shillings? All this is a mere question of convenience, to which we should force the capacities of the guinea to accommodate themselves, instead of attempting to force the wants and

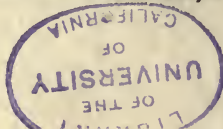
operations of man into the narrow confines of the guinea. The guinea has no feelings. It may be enlarged or contracted in its metallick weight. It may be dilated or confined, in its legal powers and capacities. It may be tortured, twisted, diminished, enlarged, controuled; but if we torture man, he dies.

It will never be possible, and never was possible for the Bank of England to pay its notes in gold upon *any general demand*, without tearing out the vitals of the country. As long as the country prospers, such payment will never be required, but if it ever *is* required, it will always be necessary to guard the country from its fatal effects, either by a Bank Restriction Act, or by a correspondent issue of national paper, equal in amount and in power to the bank notes, which the demand upon the bank will withdraw from circulation. The bank can pay gold, with perfect ease in times of confidence and prosperity, when little or none is demanded; but no power upon earth can compel or enable it to pay gold when the enemy is at our door! At such a time, the whole circulation of notes, would be required to be paid in gold, when perhaps, there would not be a tenth part of such gold in the country, and after that payment, the bills of exchange, and all other credits, would also be called on for payment in the same way, to the amount of, perhaps,

twenty times the amount of the bank notes. It is morally impossible for the country to keep within it a sufficient quantity of bullion to pay all the notes, bills of exchange, and other obligations which are kept constantly afloat, to transact the business which the trade and existence of the country require. As long as there is no danger of a revolution, or of foreign invasion, the Bank of England, and all private bankers and tradesmen, who possess an ample amount in property though not in bullion, to discharge all demands upon them, will easily be enabled to get possession of bullion sufficient to meet any common occasion. There is no danger but there will always be sufficient bullion in the country for this purpose. But at a time when every body is quite certain to be getting into his possession, for the purpose of hoarding, all the bullion that he possibly can, and all other commodities that contain a large value in a small compass, at such a time, nothing but a Bank Restriction Act can cause Government to go on, and prevent society from being turned upside down. The payment in specie *then*, will be just as easy as flying in the air!

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