

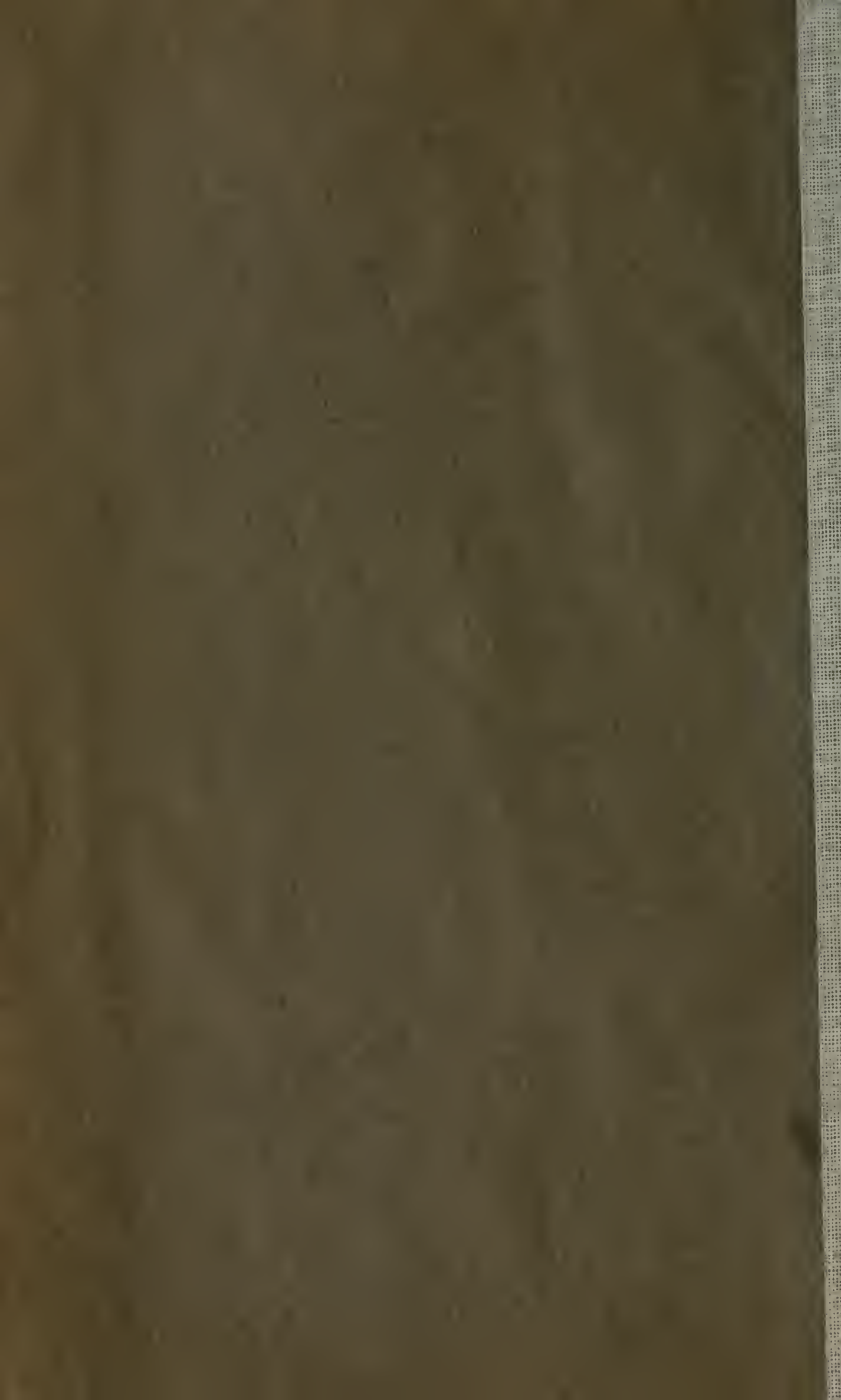
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A LETTER

ON

THE CURRENCY,

TO THE

RIGHT HON. THE VISCOUNT ALTHORP,

CHANCELLOR OF THE EXCHEQUER, &c. &c. &c.

BY

HENRY LAMBERT, ESQ. M.P.

“ Curandum in primis ne magna injuria fiat,
Fortibus et miseris : tollas licet omne quod usquam est
Auri atque argenti ;
. spoliatis arma supersunt.”

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TO

THE VISCOUNT ALTHORP,

&c. &c. &c.

MY LORD,

It may be thought presumptuous in me to address your Lordship on a subject of such vast importance as the state of the currency of this country, and which has already been frequently placed before the public in a similar point of view. (*a*) But, my Lord, each succeeding portion of the deeply interesting period in which we live, presents new and instructive features; the honest opinions of those who have deliberately considered the matter, and who seek to mitigate distress and to avert revolution, though not altogether approved, may yet perhaps be deemed not totally unworthy the notice even of a minister of state.

England has not been engaged in war for nearly seventeen years, and this long period of uninterrupted peace has presented nothing but a series of calamity and suffering unequalled in any country, even during the most ruinous and expensive contest. The plea of transition must be considered as long since at an end. Far from experiencing the often promised alleviation of our distress, not even a hope of improvement remains: each revolving year plunges the country into deeper ruin; and, after having swept away the fortunes of thousands, having consigned to bankruptcy the commercial, the manufacturing, and the agricultural interests—having sent despair and suicide through the land and increased to a fearful degree the amount of crime, the mighty evil has at length reached the public revenue, and if suffered to pursue its destructive course, will soon fatally affect that very interest, to the unjust aggrandizement of which, the productive classes have been thus mercilessly sacrificed.

My Lord, it is impossible that such effects as these could have been produced without a cause easily discernible to those who may take the pains to seek it. It is also certain, that no wise, equitable, or salutary measure could

have led to such destructive consequences. It is evident therefore, that some fatal error has been committed in our financial system ; that it continues to operate injuriously, and that so long as the government think fit to persevere in that mistaken course, the same result may be expected, misery at home, and disgrace abroad. It cannot, I believe, be denied, that the distress of the country dates from the resumption of cash payments. At least, no sooner was that measure in course of preparation, than the agricultural interest fell at once into severe difficulties, commercial credit was shaken, and the home market considerably diminished. Prices fell, but contracts of all kinds were fixed. By the reduction of the circulating medium, the proportion between the representative value and the things represented was altered, and every pound sterling commanded a much greater quantity of labour and produce than before.

In the year 1797 Mr. Pitt saw that the national debt of England had reached an amount which was incompatible with the metallic standard of that day ; he knew, that a debt so enormous could never be paid, or the interest of it discharged, in the then existing standard ; he

adopted that plan of finance which at once drew forth all the resources of this great country, enabled it to set its foreign enemies at defiance, and rendered the burthen of the public debt comparatively tolerable. That clever statesman must have foreseen that the abolition of the old metallic standard would facilitate an increase of the national debt to the extent required for the necessities of the state, by a proportionate augmentation of the paper money. But, the depreciation of the latter took place gradually, it was scarcely felt, while the phantom debt of hundreds of millions sat lightly on the yearly increasing wealth of a prosperous and contented people.

Now, if the safety and welfare of the country required, as I believe they did, the substitution of a paper currency to shelter us from the weight of four hundred millions, surely it cannot be supposed that prudence sanctioned, or good faith required, a return to an obsolete standard, when that immense debt was doubled through the operation of an inconvertible paper currency; and that private contracts to an amount almost incredible, had been founded on the same abundant and depreciated currency. Nothing short of a discovery of the art of trans-

muting baser metals into gold, could accomplish the payment of the debt in the actual currency of Great Britain. Such a sum is purely ideal ; it is a spectre evoked by credit, which has a tendency to increase, and will dilate until lost in its own extension.

The question is, shall this monstrous debt be allowed to gravitate slowly and safely to extinction, amidst augmented national wealth, and the well-remunerated employment of a happy and industrious population ; or, by forcing up pecuniary obligations of all kinds to a value they never possessed, which they never ought to possess, and which it is impossible they can maintain ; shall we precipitate the ruin of the public and private creditor, amidst the general destruction of property, and the convulsive struggles of an entire people, driven to despair and madness by unmerited poverty and privation ?

The period chosen for a return to the obsolete standard of value, a standard wholly inapplicable to the altered financial relations of England, was in itself peculiarly unpropitious. Besides the public debt, and the equally extensive private obligations which were founded on the paper system, and carried on by means

of the facilities it afforded, the supply of gold from the mines was, from various causes, considerably less than it had been for a long period preceding. It has been proved, that gold is subject to a greater and more frequent fluctuation of value than any other metal;* and, from that circumstance, as well as from its being so precious, that a slight diminution of weight makes a serious alteration in value, gold is not so well calculated for general circulation as silver. Accordingly, silver is the standard of every nation in the civilized world except England. In other countries, if gold be wanted for any particular object, it is easily obtained by paying for the accommodation, the difference, whatever it may be, between it and the ordinary coin. Gold is a sort of monetary luxury, which is in some degree distinct from the circulating medium in which the great commercial operations of the country are conducted. France has a circulation adequate to the demand, secured beyond the reach of speculators, and capable of such increase as the wants of the country may require, without incurring the risk of a panic. It would be otherwise, if gold

* This has been clearly established in a very able pamphlet by Col. Torrens, M.P. p. 75.

were payable on demand, and exportable in any quantity, whenever a premium could be made by the transaction. How much more does England require a copious, and above all, a *permanent* currency, to meet the obligation of her debt, and her almost boundless commercial dealings!

Never, since the first attempt to accomplish this fatal, this absurd measure, to which, in an evil hour for his future reputation as a statesman, Sir Robert Peel was induced to lend the sanction of his name, has England known a moment's release from suffering, except when its mischievous influence was suspended. It is a remarkable feature of this baleful system, that if its progress be interrupted for a short breathing-time, the most grinding misery inevitably ensues. I well remember the increase of paper circulation that took place in the beginning of 1824, and the consequent return of that prosperity which my Lord Goderich flattered himself was the natural and steady result of our regenerated finance. I had occasion to go to France that year, and remained for some days at Calais. Every packet came loaded with boxes of sovereigns; I had left a plentiful circulation of bank-notes in England; I saw

clearly the cause of the prosperity, and of its approaching downfall.

Of all the errors, and they are neither few nor trifling, which modern political philosophers uphold, perhaps the most injurious in practice, and the most plausible in appearance, is, that the money of a country ought to be considered as legitimate an object of traffic as any other commodity. To money-changers and loan-dealers, the doctrine is, no doubt, very acceptable, and the actual condition of all Europe, and especially of England, shows that they have not been idle in their vocation. But, it should be considered, that money being the measure of all other commodities, should be carefully guarded against any alteration in its value by a sudden diminution in its quantity : its numerical increase is always favourable to productive industry.* For this reason, during ages past, the exportation of the current coin of the realm was prohibited by severe penalties ; until the sweeping liberality of the Cash Act of 1819, at the same time that it aggravated our burthens, and reduced our means of payment, removed

* See " A Comparative Estimate of the effects which a continuance and a removal of the restriction upon Cash Payments are respectively calculated to produce." By Col. Torrens, M.P. p. 55, &c.

this barrier between us and destruction, by granting full permission to all persons to melt or export the coin of the realm at their pleasure.

My Lord, no relief can be given, except by an increase of the circulating medium proportioned to our demands of every kind. Now, as soon as that increase takes place, prices rise, the foreign exchanges turn *apparently* against England, and it becomes a profitable speculation to export gold. The funds supply ample means of acquiring gold coin; the notes pour into the Bank, and the sovereigns are sent out of the country. The panic commences, and carries before it the fortunes of landed proprietors, bankers, merchants, manufacturers in one general tide of ruin. Such is the too well known result of the "*sound principles*," and the "*wholesome currency*;" and such is the lamentable condition of England at the close of seventeen years of profound peace with all the world. These are our preparations for future war—a failing commerce, a ruined landed interest, starving manufacturers, an unemployed, dissatisfied "*superabundant*" population.

A favourite assertion of the "sound currency" men is this. They admit the dazzling prosperity of the paper system period, but they

gravely assure us, that our profits and our comforts were all ideal and unsubstantial. One would actually imagine, that we wore visionary cloth, grew fictitiously fat on ghostly beef and delusive pudding, that labourers fed on suppositious bread and cheese and drank imaginary ale, and that our snug habitations were, after all, so many castles in the air. Admitting this to have been the case, I confess, my Lord, I am so unphilosophical, as to prefer these fancied blessings to downright solid misery, even when accompanied by that grand financial desideratum, a sound, wholesome, metallic currency of Queen Elizabeth's standard. But, say the theorists, this state of tumefied, unhealthy prosperity could not have lasted much longer, and *then*, what shocking evils would have befallen you! The paper system might have been good or bad; it might have worked for a longer or a shorter period, according to the abilities and the prudence of those to whom the management of it were confided; but, to what greater misfortunes could it ever have led, than those into which we have voluntarily plunged? We have played the part of Gribouille, "*qui se jetta dans l'eau de peur de la pluie.*"

The aspect of public affairs grows darker

and more menacing every day. Alas! where is the security—where are the regenerative and salutary effects of this sound and wholesome system, which were promised so often and so confidently?

My Lord, perseverance through difficulties in a good and glorious cause, is one of the noblest attributes of the human mind; but it ought to be remembered, that there are circumstances in which perseverance indicates not courage, but a criminal timidity, and even firmness itself may degenerate into perversity.

The great war-horse of the sound currency men is the plea of national good faith, which, say they, must be religiously kept, whatever may be the consequence. I humbly submit, that the safety of the state, and the public prosperity, are considerations of much greater importance than this good faith; moreover, I deny that good faith required any such sacrifices as have been made to the monied interest. I assert, that no contract was, or could have been made, the fulfilment of which necessitated the confiscation of landed property to a greater amount than was caused by the first French revolution, the destruction of public credit, and the ruin of our commerce and

manufactures. As to the letter of the contract, it is perhaps not undeserving of remark, that when the Bank of England issued its promissory notes to pay a pound, there was no such coin in existence. A pound was represented by nothing but paper, until the year 1817, I believe, when gold pounds were first coined, for the purpose of introducing “*sound and wholesome*” currency. The Bank of England did not, could not, promise to pay gold pounds, it had no power to coin them: no—this was reserved for the *ex post facto* honesty of men, some of whom increased the value of their private property half a million, or more, by this wholesome application of “*sound general principles.*”

The progress of the depreciation was gradual, and, consequently, little injurious even to the small portion of the community that was affected by it. The resumption of cash payments was nearly instantaneous in its effect, and, of course, the pressure was fatal to the property of the productive classes. Formerly, a man possessed of a good landed estate, a merchant engaged in extensive and prosperous business, a manufacturer with a great and flourishing establishment, a banker known to have ample

property, were all considered generally beyond the reach of insolvency and ruin. At present, by virtue of “*sound wholesome*” currency, no man is safe from bankruptcy, except the hoarder of sovereigns, or the owner of funded property convertible into gold, *so long as a panic can be averted from this most fictitious of all fictions.*

It has been advanced, that as it was probable “that the depreciation of the paper pound would have proceeded still further, the return to a metallic standard of value was a matter of indispensable necessity.” The reasoning seems to amount to this. It being probable that a slight loss may occur to the holders of stock and the dealers in loans, it therefore becomes “indispensably necessary” to consign at once to overwhelming ruin, the commercial, the manufacturing, and the agricultural interests; by not only arresting the progress of depreciation, but by reviving an obsolete and unsuitable standard, to give to monied obligations a value, that is, a command over produce, that they ought not to possess, and which the persons originally forming those contracts could never have contemplated.

Let us suppose that all the fundholders and possessors of monied obligations whatever, were

paid in paper, depreciated one-fourth below, instead of a currency raised cent. per cent. above, that in which they agreed to be paid, what would such a loss be, either to individuals or to the country, compared to the unsparing havoc which this unjust addition to *their* wealth has made among nine-tenths of the most valuable portion of the community? What is the monied interest to the nation? and yet the happiness, the tranquillity, the honour of the nation, have been sacrificed without reserve to the monied interest.

This cry of good faith, at all risks, gives me the idea of a man, who, having agreed to take passengers by water from Lake Ontario to Lake Erie, in order to keep his contract scrupulously, should endeavour to force his bark up the falls of Niagara.

Again, the person who purchases into the funds—the three per cents, for instance—does so with a perfect knowledge that there is no guarantee moral or legal, that what he gives eighty-two or three pounds for, may not fall fifty per cent. in the course of two days. The property of which he becomes the voluntary purchaser, is as variable as the winds, and in every respect as much a gambling transaction as hazard or

blind hookey. Nay, the excitement produced by this incessant fluctuation of price, constitutes the chief attraction of the Stock Exchange.

It is another favourite axiom of the fund-holders, that the land, the commerce, the industry of the empire, past, present, and to come, were and are all mortgaged for the payment of the national debt. But, no government, no parliament, ever were so insane as to propose or pass such a law; and if they had enacted a law so monstrous and absurd, it would have been the first duty of the succeeding parliament to have annulled an engagement so opposed to common sense, and so incompatible with the welfare and safety of the state, the paramount principle of all legislation. I should like to know in what court, or by what process, this assumed mortgage could be enforced against the people? The parliaments, by the authority of which those loans were made, no longer exist; the ministers who devised, and the monarchs who sanctioned them, are in the dust. Taking, however, this obligation of stern good faith as the basis of our financial system, was no good faith to be kept with the landholder, the merchant, the manufacturer, the vast labouring population who bore the

weight of the struggle, who cheerfully made great and numerous sacrifices, and who constitute the real strength and greatness of the kingdom? *No faith whatever has been kept with them*; they were consigned to destruction without ceremony or delay; and it is a matter of astonishment and of indignation, that they suffered themselves to be duped, plundered, and degraded, when ample means of protecting themselves and their properties were within their reach.

My Lord, the best, the only security for the fundholder, is the prosperity of the productive classes, from the profits of whose successful industry his income must be derived. If the present system be persevered in, the public creditor will find too late, that he has killed the goose that laid the golden egg: the panic which has annihilated other interests, will assail and level his, the most fragile and precarious of any. He will then discover how little reliance is to be placed on the constructive pledges of bygone parliaments and defunct statesmen.

The cause of the unprecedented disasters which have befallen the country was not immediately apparent to the sufferers. They

reeled under the blow, but saw not whence it came. The farmers called for corn laws, the manufacturers exclaimed against them, while both joined occasionally, in the silly chorus of "*sound metallic currency—gold is better than filthy rags.*" Corn laws have afforded no protection to the landholder, nor would the repeal of them restore the home market to the distressed manufacturer. What both stand in need of, is a sufficient circulating medium, against which the tremendous lever of eight-hundred millions cannot be brought to bear for speculative purposes, at a minute's notice. A considerable quantity of admirably confused jargon has from time to time, been vented, touching the awful consequences of the foreign exchanges turning against us. I do not pretend to be deeply versed in the mysteries of foreign exchange, but it seems to me, that there is a real and a nominal rate of exchange, the former being necessarily in favour of that country to which the balance of trade inclines. So that the rate of exchange may be apparently against, when in reality it is favourable, and may be against, when apparently favourable. If the currency of a country were depreciated, or reduced in exchangeable value fifty per cent. be-

low an ancient level, and, that the nominal exchange were twenty per cent. against that depreciated currency, I should say that the real exchange was thirty per cent. in its favour. The rate of exchange is merely the value of our English pound sterling in foreign money.

I cannot discover any inconvenience likely to arise from the course of exchange turning against us, except the exportation of our gold coin, which I propose to remove as a standard of value. We were in a state of enviable prosperity, when the exchanges were apparently unfavourable. This unfavourable exchange acts as a premium on the exportation of manufactured goods, and a tax on the importation of foreign produce ; it also operates as a check to absenteeism, which *some persons* consider rather disadvantageous. But when the exchange is brought to be nominally in our favour, the position is exactly reversed.

There is a point of view, my Lord, in which this question deserves to be attentively considered, and which admits of actual demonstration. I allude to the moral consequences of giving a greatly increased value to money, and at the same time, lessening and placing farther out of the reach of men, the just and lawful

means of acquiring it. The influence of money has been made supreme. The temptation to grasp it by any and all means, has become too potent for human frailty. Want, cruel and unmerited want, and consequent degradation in the scale of society, where wealth is now every thing, has changed good men into bad, and driven indifferent characters into the extreme of hopeless and hardened villainy. The aristocracy of riches, the most insolent, the vilest, the most intolerable of human assumptions, has been triumphantly established; while the feelings of the poorer classes of our unhappy countrymen are reconciled to meanness and inured to crime. The early lessons of virtue, the kinder emotions of the heart, are effaced by despair, or extinguished by the impious thirst for gold. New and incredible horrors crowd on us: means the most revolting are eagerly embraced for the acquisition of money. It would seem as if the hour drew nigh, when it will be unsafe to walk alone, lest one should be murdered for the dissecting room price. (c) And this is "merry England," with her matchless laws, and "*sound general principles!*"

Religion too, has been profaned for the same unhallowed purpose. Every day, we find the

most disgusting and detestable hypocrisy among the successful contrivances for extorting this supreme good, this sole criterion of moral worth, or social influence.

“ This yellow slave

Will knit or break religions ; bless th’ accurs’d,
 Make the hoar leprosy ador’d ; place thieves,
 And give them title, knee, and approbation.”

And, what are the remedies to which the different administrations of late years have had recourse, to counteract these formidable evils ? Why, in the first place, the political philosophers made the astounding discovery, that all at once, merchants had taken to over-trading ; manufacturers and farmers were every where guilty of over-production ; and, still more strange to tell, that men, cattle, sheep, and pigs, as it were by common consent, gave headlong into the pestilent heresy of over-breeding !

As you value your comfort, cry the philosophers, avoid, or evade breeding ; and you, farmers and manufacturers, remain idle until the demand affords a remunerating price. At the same time, the hopeful experiment was made of penny savings and farthing retrenchments in the public departments. The tried

and faithful servants of the state were mulcted in their justly-earned salaries, the public business impeded, and the country disgraced by a worrying system of paltry economy equally contemptible and inefficient. The way to save a few pounds was hailed as a discovery on which the destiny of nations hung. Unhappy clerks have been dismissed by scores; offices have been abolished, or the duties united; in short, it must be admitted, that ministers have set about the work of retrenchment in good earnest. Yet, they are taunted with the deficiency in the revenue, and the failure of their declared expectations, by the very men whose measures have produced this defalcation. There are ways, perhaps, which a more intimate acquaintance with the details of office might have suggested, of concealing a deficiency in the revenue from the public eye, at an inconvenient moment. You, my Lord, have boldly told the honest truth, and it does you honour, both as a minister and as a man.

His Majesty's government might with great justice have replied to their accusers, *You* left the financial concerns of the country in such a state of confusion, that no revenue arising

from production or consumption, could be calculated as certain, for three successive months. The vicissitudes are so numerous and so great, to which your financial laws have subjected the great sources of public wealth, that, although the Chancellor of the Exchequer may say, such should be the return from such and such taxes, yet the *actual receipt* must depend on the operations of money-changers, panics, and all the train of ills that wait on “*sound general principles.*”

Then we are lectured to this effect. “Why don’t you take courage, like men, and pay off your debt, as the Americans have done? If it were duly explained to the people of England, they are far too reasonable to object to paying twice the amount of taxation which they now endure, for so desirable and rational an object as clearing off the debt altogether.” If it were not a question of anarchy or of tranquil government, of prosperity or of ruin, of life or of death, few things could afford more amusement, than the gravity with which these oracles are announced, and the profound veneration with which they are received. Why don’t we pay off our debt? the eight hundred millions

in sovereigns of full weight?—Aye, indeed, why don't we? As to reasoning with the people of England on the propriety of increased taxation, I apprehend *that* would, under existing circumstances, be a hopeless task. But there is a less numerous and extremely intelligent class, who, *perhaps*, might be induced to listen to reason in the following terms:—"Gentlemen fundholders, and all ye monied men who sway the destinies of nations and individuals, be pleased to recollect, that for the last fifteen years, you have been paid in a currency raised cent. per cent. in value, over that to which you were justly entitled. This being the case, it is equitable and expedient, that your demands should now be reduced to one-half of their nominal amount, which will still leave you gainers to an enormous extent, at the same time, that substantial relief may thus be afforded to the nation, brought to the verge of ruin, to swell your overgrown wealth; and an efficient sinking-fund may be provided for the final liquidation of your claims."

It is to be feared, that to the last moment that interference would be available, this vital question of the currency will be suppressed and kept out of sight. Every species of absurdity

is eagerly listened to and cheered by all parties, that serves to divert the public attention from this dreaded topic, this master evil, which, however, cannot be kept out of view much longer: it will not be got rid of; like the demon of Frankenstein, it will pursue its authors. They close their eyes—they shift their position in vain.

Even the post-office, which ought never to be considered as a source of direct revenue, has, like all other public institutions, been subjected to those parsimonious regulations. I willingly admit, what it would be most unjust to deny, the disinterestedness, the perfect integrity, the unwearied diligence of the noble and distinguished individual who fills the situation of postmaster-general. His Grace only acts conscientiously in furtherance of the principle which the present administration has adopted from the late—the vain and futile expectation that the gigantic incubus of eight hundred millions could be propped up by any reduction that can be made with safety in our national establishments.

The wide-spreading discontent is unquestionably much increased by those wretched arts of economy, more suited to the broken

fortunes of an insolvent cobbler than to the financial embarrassments of a great and powerful nation. And is it really believed, that the dismissal of certain clerks, the added postage on the transmission of vaccine infection, or the drawing of a mail-coach with two horses instead of four, with the use of decayed stores, and such like scrapings, can avail to save a country afflicted with chronic bankruptcy, and whose credit, the soul of commercial enterprise, whenever it springs up, is as certainly stifled by a periodical panic ?

Another paltry result of deficient means from scanty currency, is, that when ministers find themselves compelled, by urgent representations, to bring forward a grant in aid of public works, it is so hedged in with conditions and securities, that it is nearly impossible to obtain a portion of it ; at least, it could be procured on the same terms from the veriest Jew in the city. Ministers are not to blame for this---their poverty, not their will, consents. Persons who have good security to offer, can, no doubt, obtain money at interest, without the aid of government, if they should be mad enough to engage in any commercial enterprise or speculation, however advantageous it may seem, in

times of such uncertainty and ruin as these. What is required from government is, *in defiance of the economists*, to set in motion the industry and talent of those who have no other security to offer, than that which Providence gave them—ability and willingness to labour.

I am quite aware, how absurd this will appear to those whose ruling principle is to keep what they have, and to add to it *per fas et nefas*: who would pinch every one else by a keen, searching parsimony, in order to secure with unflinching severity, as much as possible for themselves; and, when their miserable victims are stripped of their property and driven from their homes, who coolly tell them that they are “*superabundant*” population in their native land, and bid them depart into exile—or perish. How many more thousand families of our honest, industrious fellow-subjects are to be immolated to economists and fundholders, before the necessity of a change of system is admitted? My Lord, we have borne this long—we have borne it patiently: how much longer it can be endured, remains to be tried.

The people of this kingdom still retain the energy, the perseverance, the industry, that gave them the superiority over the nations of

the earth. But, the sources of Britain's wealth are sealed up by the talisman of 1819, and until they are permitted to flow freely again, there can be neither prosperity nor quiet. If the public expenditure, with the exception of the interest of the debt, could be reduced to one million of pounds annually, still would the frantic demagogue be cheered in his projects of revolution by his starving audience, and still would the nightly incendiary spread terror and devastation from one end of the island to the other.

I shall now proceed to state the only remedy which, in my humble opinion, the nature of our present dangerous condition admits.

It has always struck me as an anomaly in our financial affairs, that any description of money should be permitted to circulate, that did not rest on the authority of government, and that was not, to all intents and purposes, a legal tender. I should propose, therefore, that the present company of the Bank of England should be dissolved, the proprietors being of course duly compensated, and their engagements undertaken by government. That a national bank should be established, retaining the machinery of the present one. That this bank should issue notes payable in silver coin, and

legal tenders to all except the bank itself. It might also accommodate with gold those who were willing to pay the difference. That one-pound notes should be issued. That the affairs of the bank should be under the control of a board, with a president and vice-president, who should furnish a monthly report to the King in council, and also lay before Parliament a yearly statement of the proceedings of the bank.

That the profits of this establishment should form part of the national revenue.

That after a certain period, no more private bank-notes should be issued, unless by the consent, and, to a certain degree, under the control of the national bank committee.

Convinced as I am, that no money should be allowed to circulate except by the authority of government, yet I am well aware, that banking establishments exist, so important and advantageous to the country, that every possible favour and protection should be extended to them.

In Ireland, for instance, the provincial bank has been of incalculable service. That unfortunate country being entirely agricultural, and possessing little money capital, has suffered even more severely than England, from the

effects of the fatal measure of 1819. It is certain, also, that the operation of the provincial bank would have been more decidedly beneficial, if the directors could have ventured to put forth its resources to that extent which its ample capital would have warranted. Such, however, is the miserable state in which we have been placed, that it is in the power of any individual, who may have acquired some popularity, to throw the most solvent establishment into confusion, for a political purpose, by advising a demand for gold. It is strange, that this palpable contradiction between the doctrines and practice of the bullionists has not been noticed. They declaim furiously against what they call worthless rags; nothing but a solid, gold currency, at the ancient standard, can, according to their principle, save the country from perdition; yet, when a vigorous attempt is made to put their grand maxim into practice, they are the first to denounce the authors as mischievous, unprincipled traitors. It would, indeed, appear, that their object was to provide a sort of currency partaking of all the instability, and exposed to all the evils of the worst description of the paper system, united

with the inconvenience and scantiness of the gold standard of three centuries ago.

When I reflect on the miseries inflicted on England during the last seventeen years of “*sound general principles*,” it reminds me of the expression of Frederic of Prussia, who declared that if he had to punish a province, he should place it under the rule of political philosophers.

I am quite sensible, my Lord, that there is room for much amendment in the practical details of the proposition I have ventured to make ; but after many years attentive consideration of the subject, I am firmly persuaded that some measure of the kind is absolutely necessary.

Mere palliatives and provisional expedients can no longer avert convulsion. The bankers who still issue notes, will either be driven to suspend their payments, or will give up the business as too hazardous and unprofitable.

I do not pretend to assert, that the system which I here recommend, would be the best under every possible circumstance ; but I believe it to be the only one adapted to our actual position. The philosophers of this our day, legislate on first principles, well calculated, perhaps, for a world just starting into existence,

but totally inapplicable to a particular condition of society, fettered by circumstances that have grown up along with it. Above all things, *immediate relief is necessary to the suffering people*; and, if at some distant period, the paper system must wear itself out and terminate, let us avert the crisis as long as possible, prepare for it by setting loose in full and fearless exertion the industry, the credit, the intelligence of England; and, for the rest, confide in Providence, and in the wisdom of future generations.

It may be objected, that such a power as that I propose to give to government, should not be confided to any king or administration. But, in a season of extreme peril, confidence must be reposed, and power entrusted somewhere. Besides, it would be under the control of parliament, and, *probably*, a reformed parliament. In the present posture of our affairs, the command of the circulating medium, so as to be able to increase it in time of need, without danger of re-action, is the very rudder of the state. In a moment of thoughtless exultation at the downfall of Napoleon, the minister of the day flung it loose from his hand, and his successors have declined the arduous task of seizing it again, amidst the storms that ensued.

The Bank of England notes in circulation in 1826 appear to have amounted to twenty-eight millions; last year they were little more than sixteen millions: can it be expected, that sixteen millions will do the work for which twenty-eight, at least, are required?

It may be said, that our engagements are less extensive than in the year 1826. They are; but looking at the frightful condition of all the productive classes at this moment, I assert, without fear of contradiction, that the means of meeting the engagements that do exist, are proportionably much less than those which the country possessed in 1826.

Again; is it to be supposed that war can be averted *for ever*, by any concessions however degrading, or any sacrifice however humiliating; and, at what period, or under what probable circumstances, can we ever think of going to war, were it for our very existence and dearest rights, without having recourse to such a financial measure as that which I now propose?

It is in vain, that we shut our eyes to the coming crisis. The hour approaches rapidly that will appal the stoutest heart, and perplex the ablest understanding; when it will not be

safe even to speak of these matters, lest the people, driven to madness, should take summary vengeance on the authors of their misfortunes, and, when nothing can save the country but *prompt and decisive action*.

At this present time, it would be difficult to conceive the consternation which, I will not say the announcement of war, but the bare suspicion of such a thing, would produce. It is absolutely come to this, that the packing up of the Russian or Austrian Ambassador's trunks would convulse all England. Such a race for gold, as we have hitherto had no idea of, would instantly take place; for every body now understands the matter thoroughly. Then would come, of course, a bank restriction with all possible speed; but at what an inconvenient and dangerous moment! Is it wise, is it statesman-like, to leave England constantly exposed to such fearful peril as this? We may be told to take warning by the disastrous termination of Law's celebrated project. But, the system of Law was politic and enlightened; in all probability, it would have raised France to great prosperity, and prevented many of the calamities which she subsequently underwent, had it not been abused, perverted and destroyed by the

profligate and reckless extravagance of the Regent. (*d*)

Enough, and more than enough, has been tried in England, by way of experiment, and “*stern path of duty.*” It is too true, that no compensation will, or perhaps can, be made to the victims of this unhappy measure, to the families of the suicide, the exile, the ruined outcast. But the public prosperity may be revived, and the national honour vindicated.

Insults which would have fired the blood of Britons in former times, no longer need be submissively borne; the nations of the earth would know that Britain had again arisen in her strength and majesty; and, amidst a contented, industrious, and well-employed population, no longer “*superabundant,*” such reforms in our laws and political institutions as the spirit of the age, and the altered condition of society require, would be dispassionately discussed, and unanimously adopted.

My Lord, nothing is required to effect this desirable alteration, but a clear head and firm nerves. If the blow were struck, it would be but a three days’ wonder. The economists would pass into oblivion; the monied classes would quickly perceive that their real interest

and just rights had not been sacrificed, and that they would ultimately derive advantage and security from the measure. And, if a murmur against the renovating system were raised by a few desperately selfish or disappointed persons, it would be quickly lost in the congratulations and the applause of a restored and happy people.

My Lord,

I have the honour to be,

With the greatest respect,

Your Lordship's most obedient and

very humble servant,

H. LAMBERT.

N O T E S.

Note (a), page 1.

To those who wish to know the real cause of the distress which has wrought such ruin, a perusal of the following masterly statements is recommended.

TOWN'S MEETING.

Birmingham, May 8, 1829.

At a Meeting of the Merchants, Manufacturers, and other Inhabitants of the Town of Birmingham, held this day at Beardsworth's Repository, for the purpose of considering the Distressed State of the Country, and the propriety of Petitioning Parliament to adopt such Measures as may be necessary for its Relief.

JOSEPH WALKER Esq. High Bailiff, in the Chair.

Moved by Thomas Attwood Esq., and seconded by Joshua Scholefield Esq.

Resolved, with one dissentient voice,

1. That in the opinion of this Meeting the want of employment, the deficiency of wages, and the present general and almost unexampled distress of the country, are mainly to be attributed to the attempt which Government is making to restore the ancient and obsolete currency of the country, with-

out having previously effected a corresponding reduction in the taxes and monied obligations of the country.

2. That by means of this unjust and impolitic attempt, the real value and the real burthen of all the taxes and obligations of the country are in the process of being in reality *doubled*, and the interests and welfare of the industrious classes of the community are being sacrificed to the unjust aggrandisement of persons interested in the taxes and other fixed incumbrances.

3. That when the Legislature was induced to sanction this destructive measure in the year 1819, the most positive assurances were held out that it would reduce the prices of property and labour only *four per cent.*, and consequently add only *four per cent.* to the national burthens; and it was only under confidence in these assurances that the bill proposing to establish the present money was passed into a law.

4. That instead of being *four per cent. only*, experience has proved that the reduction in the prices of the products of industry is on an average full fifty per cent., and consequently that the nation is now called upon to repay full *double* the amount of real value which it actually owes in the discharge of all its taxes and fixed monied incumbrances.

5. That this extreme reduction in the prices of the products of industry brings them down within *the gripe* of the fixed taxation, and prevents the possibility of employing labour with any profit to the employer; that the consequence of this annihilation of profit is either a general discharge of workmen, or an unnatural increase in the amount of their daily labour, or a general reduction of their wages to the level which existed when the taxes which they had to pay were a comparative trifle.

6. That the National Debt of eight hundred millions sterling is thus made equal in real value and in real burthen to *sixteen hundred* millions sterling, estimated in the money in

which nearly the whole of such debt was contracted, and the national taxation of fifty-five millions per annum is thus made equal to a taxation of one hundred and ten millions per annum, estimated in the money in which nearly the whole of such taxation has been imposed and submitted to.

7. That it is not possible to believe that the Legislature can really have contemplated such an enormous and gigantic fraud as this might appear to be, and this Meeting trusts that the Legislature will not longer suffer the taxes and burthens of this overburthened nation to be thus destructively increased by an insidious increase in the value of the money in which they are collected.

8. That during the period of the last fourteen years the truth has been concealed from the public eye, and the pressure of our monetary measures has been broken and disguised from time to time by the relaxations of system which the Government has adopted, and which have had the effect, at some periods, of reducing the value of money to the level which existed during the war ; and this Meeting is of opinion now, when the truth is exposed to all eyes, and the pressure of our monetary measures is becoming literally insupportable, that it is not to be endured that Government should tell the people that it is too late to retrace their steps.

9. That during the periods when Government relaxed their monetary measures, and rendered the state of the currency competent to effect the duties which it has to perform, the whole country was in a state of prosperity ; that during the years 1818, 1824, and 1825, every branch of industry was, by such relaxations, kept in ample and healthy operation, and the whole population of the country was wholesomely employed in producing and consuming the respective productions of each other.

10. That during the periods when Government proceeded to enforce their monetary measures, and to carry into effect

the destructive plan of converting all the taxes and obligations of the country into gold coin of the ancient standard, the most general and alarming distress prevailed throughout the whole country ; that during the years 1816, 1819, and 1826, the general reward of industry was thus totally destroyed, and the population of the country were generally thrown out of employment, and whilst they became *non-producers* on the one hand, they became equally *non-consumers* on the other.

11. That the error of the Legislature appears to have arisen from the mischievous and fallacious theory of considering the price of gold as furnishing the measure of the depreciation of the currency, although for a period of twenty-two years, the use of gold had been altogether abandoned as a standard of value in England, and that commodity had been thrown upon the market almost as an useless drug, its very prices not having been quoted in the prices current for many years together.

12. That during this period of twenty-two years, when gold was almost entirely thrown out of use and out of demand, its exchangeable value was greatly depreciated when estimated in commodities and labour, and its price furnished but little or no criterion of the actual depreciation of the currency, the extent of which could only be gathered from the range of prices existing in all the productions of industry generally.

13. That it is necessary to recall these great truths to the recollection of the Legislature, and to claim from it a reconsideration of the whole question of the currency, and the establishment of such a just and equitable currency as shall secure a range of prices competent to protect alike the labour of the poor and the just interests of the rich.

14. That if the Legislature should not deem it expedient to establish such a just and equitable currency as may lift up the *means* of the country to a level with its *burthens*, it would in that case be indispensably necessary that the *burthens* of the country should be cut down to a level with its *means* ; and

that with this view common justice and common honesty would require that all the separate payments and salaries of the Government should be at once reduced to the same level as existed in the year 1791, when the present money existed.

15. That in this case it would be necessary to reduce the National Debt in a degree proportionate to the increase that has taken place in the value of the money in which it was contracted; and it would also be necessary to reconsider the state of leases and of fixed obligations generally.

16. That if it should be possible that the preservation of public faith should be deemed by the Legislature to require that the National Debt should not be reduced, but should be paid *in full* in money of *double* the value of that in which it was contracted, it would in that case, at least, be necessary that the burthen of such debt should be borne by the wealth of the nation, and not by its poverty;—that in the opinion of this Meeting the lower classes of the people are no longer in a condition to pay taxes, and therefore that the taxes upon beer, malt, tea, sugar, tobacco, soap, and candles, ought to be forthwith entirely repealed, and the amount of such taxes ought to be raised by a property tax, or by some other tax which should be borne by the more affluent members of the community.

Moved by Mr. Charles Jones, and seconded by Mr. Benjamin Hadley.

Resolved, with two dissentient voices,

17. That in the opinion of this Meeting no defects have existed in the system of country banking in England, and none do now exist; and this Meeting is confirmed in this opinion by the fact that of seventy country banks which stopped payment during the panic of 1825, sixty of them have already paid 20s. in the pound, and that it was altogether unjustifiable and

inexcusable in Lords Liverpool and Goderich to hold them up to popular odium and suspicion.

Moved by Richard Spooner, Esq., and seconded by Mr. Charles Jones.

Resolved, with one dissentient voice,

18. That in the opinion of this Meeting no general “*overtrading*,” nor “*overproduction*,” nor “*overpopulation*,” has existed in this country at any time ; that “*overtrading*” cannot exist as a general principle, because *trade* is the supplying of *human wants*, and human wants are insatiable ; nor can “*overpopulation*” exist in a country where every healthy workman in the kingdom, under a just state of the currency, is competent to produce annually more than four times the food and the shelter which the humble wants of his family annually require.

19. That in the opinion of this Meeting, whenever the *appearance* of “*overtrading*,” or “*overproduction*,” or of “*overpopulation*,” has existed in England, such *appearance* has been entirely occasioned by the unjust and unseen contractions of the currency effected by the Government, and has always disappeared as soon as the pressure of national distress has compelled the Government to suspend its operations.

20. That in this way, general adversity was brought on in 1815 and 1816, presenting the *appearance* of “*overproduction*” and “*overpopulation* ;” and general prosperity was restored in 1818, when both “*overproduction*” and “*overpopulation*” disappeared ; that in this way general adversity was a second time brought on in 1819 and 1820, presenting again the *appearance* of “*overpopulation*” and “*overproduction*,” and general prosperity was a second time restored in 1823, 1824, and 1825, when “*overpopulation*” and “*overproduction*” were no longer heard of ; and that in this way general adversity was a third time brought on with similar

appearances in the winter of 1825, and was a third time partially suspended by the continued “tamperings with the currency,” which the Government was compelled to have recourse to in the years 1826, 1827, and 1828.

21. That a similar and greater contraction of the currency is now a fourth time set in operation, presenting every where similar *appearances*, producing every where the most distressful consequences among the industrious classes in all parts of the country, and threatening still more disastrous consequences to the whole nation, unless relieved by the timely interference of Parliament.

22. That it is not possible to ascertain exactly the real extent to which this contraction of the currency, *if suffered to go on*, will ultimately reduce the prices of property and labour in England; but this Meeting entertains no doubt that it will ultimately reduce them to the Continental level, at which period the taxes and fixed charges of the country, *if unreduced*, would swallow up nearly the whole of the products of industry, and reduce the whole of the industrious classes to the lowest state of poverty and degradation.

23. That when Mr. Pitt brought forward the Bank Restriction Act, establishing a paper currency, in the year 1797, which had the effect of continuing and extending a permanent reduction in the value of money of full fifty per cent., the object of such measure was to defend the country, and particularly the unproductive classes of the community, from great and imminent dangers; but when Lord Liverpool brought forward the Act of 1819, restoring the ancient value of money, and thus doubling the real weight and real value of the national burthens, such measure was in no respect called for by any circumstances of national emergency or national faith, but was altogether a gratuitous and uncalled for sacrifice of the industrious classes of the community to the unjust aggrandisement of the unproductive classes.

Moved by Mr. Charles Jones, and seconded by Mr. Thomas Clutton Salt.

Resolved unanimously.

24. That in the opinion of this Meeting the public faith is as much pledged to the nation that its burthens should not be surreptitiously increased, as it is to the fund-owner that his dividends should not be unjustly reduced ; and this Meeting is of opinion, that when the industrious classes of the community have embarked their labour and their capital in the pursuits of productive industry under confidence in legislative measures, they have as great a right to expect that their labour shall not be deprived of its due reward, nor their capital torn from their hands by legislative interference, as the fund-owners and annuitants have to expect that their mutual claims and credits shall be protected.

Moved by Mr. Benjamin Hadley, and seconded by Mr. Edward Thornley.

Resolved, with a few dissentient voices,

25. That in the opinion of this Meeting, no restraint or limitation whatever ought to exist on the importation of agricultural produce ; and if the agricultural classes of the community *want higher prices*, the proper way to obtain them is for the Government to put such money in circulation as will raise the prices of labour to a corresponding level ; and thus the interests of the agricultural classes and those of the people at large would be reconciled and conciliated : but in the opinion of this Meeting, to attempt to protect agriculture without first protecting labour, to attempt to secure *remunerating prices* to the agricultural classes, without first securing to the people the means of paying them, is a most unjust and reprehensible proceeding, carrying the appearance of a wish to relieve the landed interest from those burthens which in justice it is bound to bear in common with all the other interests of the community.

THE CURRENCY.

From the Birmingham Journal of January 14th, 1832.

THE CURRENCY.—We think it proper in another column to republish a letter from Mr. Thomas Attwood to Sir John Sinclair, which, when the date is considered, will, we think, exhibit a remarkable foresight into the present condition of the monetary and political affairs of the country. At the expiration of the last quarter, the bank-note circulation was reduced, agreeably to Mr. Attwood's prediction, as low as seventeen millions sterling, and at the same time the country has been deprived of the use of the one pound note circulation. Have the taxes, tithes, rents, debts, contracts, and obligations of the country been reduced correspondently? If they have not, there seems no occasion to search further into the cause of the very general difficulty, embarrassment, and distress which prevail. Men have the same burthens to bear, and about half the means to bear them. It is true the political discontents which Mr. Attwood has foretold, have not quite taken the course of those of 1816 and 1819. Instead of the "*Blanketeers*" of Manchester, and the "*Northern Cloud*" from Glasgow, and the *Cato-street Plot*, and the Staffordshire colliers dragging loads of Coal to London, we have now the terrible "*burnings*" which alarm half of England, the reduction of profits, employment, and wages; and the "*Political Unions*," which we apprehend are equally significant of the grand catastrophe which awaits us, *unless arrested by the timely interference of a wise, upright, and powerful government.* We sincerely hope that this interference will not be delayed too long, and that all the classes of our fellow-countrymen will be brought into that state of solid and healthy prosperity, which is the wish of our paternal King, and is the best guarantee for the peace and tranquillity of the country.

LETTER

From Mr. Attwood to Sir John Sinclair, on the future operation of the Metallic Standard, and on the two modes of carrying it into full effect.

Birmingham, January 4, 1826.

Dear Sir,—The principal object of my last letter was to explain the *cause* of the late *panic*, and of the present alarm and want of confidence, which so generally prevail. Some people assume that the *panic* was itself a *cause*, and not an *effect* produced by any other cause. They represent it as resembling what the French call “*terreur panique*,” which sometimes takes effect in armies, when the bravest troops are dismayed without any ostensible cause, and rush upon their ruin, in their blind eagerness to avoid imaginary danger. Never was assumption more false than this. Never was there more *real cause* for *panic* than that which existed in England a fortnight ago. If an *earthquake* had opened its gaping jaws in a thousand directions, and had literally swallowed up every tenth man’s house throughout the country, no more real cause of terror could have existed than that which was occasioned by the late exportations of *bullion money* being suddenly followed up by a correspondent reduction in the *paper money*. The foundations of every man’s house did, in fact, tremble under his feet. Every *debtor* in the kingdom was endangered by the impossibility of suddenly discharging his debts; and every *creditor* was endangered by the threatened bankruptcy of his *debtors*. No capital, no wealth, was a protection to either party. Nothing but the literal *possession of sovereigns* could guarantee either creditors or debtors from the most frightful losses and injuries. How then could we wonder to see every man anxious to obtain them? A reduction of *one half* had taken place in the number of sovereigns existing in the country. A correspondent reduc-

tion had commenced in the bank notes. A vast mass of monied obligations was thus left unprotected; for the remaining sovereigns in existence, could not possibly discharge daily the same quantity of *debts* which the former quantity of sovereigns daily discharged. Here, then, was ample cause of alarm. The unprotected masses of *obligations* began to crumble over our heads. The American merchants first gave way in London, Liverpool, and other large towns. Then the Devonshire bankers followed, and soon after some eminent London bankers were obliged to suspend their payments; and, through *their* connexions, the alarm was rapidly propagated through the country bankers generally. A general *scramble* for sovereigns and bank notes ensued. The safety of a man was not to be measured by his wealth or capital, but by the prudence and foresight which he had exhibited in *scrambling for bank notes in time!* No doubt this general *rush* or *run* for money, which was set in action, aggravated the evil which it was meant to cure. If the public had been contented to sit down quietly, and to be destroyed *in detail*, one after another, it is probable that the destruction would not have been so general as the late panic threatened to make it; but still it would have been frightful and enormous. *Panic* was, therefore, its inevitable result, and that *panic* necessarily continued to increase, until the *cause* which gave rise to it was removed by the increased issues of money. These increased issues of money were certainly driven off to the very last hour at which they could possibly be effectual. In all human probability, if they had been deferred for another week, no human power could have prevented a general explosion of all the monetary obligations of the country.

At this critical period, however, the evil *has been stayed*. But the cause which produced it has not been removed. That *cause* still remains in operation, and still threatens the most tremendous consequences to the country. It is right, therefore,

to inquire what these consequences will be, and how they will exhibit themselves. If the Government should, indeed, think proper to abolish the metallic standard altogether, or to reduce it greatly by *alloy* or *diminution of its weight*, or *elevation of its price*; then, indeed, it is certain that this country can have nothing to fear. But assuming that we are still to attempt to persevere in the present metallic standard, I apprehend, in that case, a long train of calamities, beginning in poverty, bankruptcy, and misery, and ending in the most frightful anarchy and revolution.

Assuming, then, that the present metallic standard is to be still persevered in, there are, in this case, two modes of proceeding for the Government to adopt. In the first place, they may proceed firmly in the course which they have pointed out, leaving the Bank of England to protect itself, and compelling that establishment and all individuals to pay their debts rigidly *in gold coins*; or, in the second place, they may adopt a middle, or temporizing policy, and endeavour to bolster and prop up the metallic standard by the assistance of palliative and artificial measures.

In the former case, it is probable that we shall very quickly return to the state from which we have so lately escaped. The Bank is said now to have about twenty-eight millions of notes in circulation. From ten to fifteen millions of these notes must be instantly withdrawn, in order to render the bank notes as scarce as the coins in which they are payable, and in order to prevent the renewed exportation of those coins, by again beating down the prices of property and labour.

This reduction of the bank notes will instantly bring back the late convulsions in the money markets. Again we shall see the failure of banks and other establishments, the most affluent and eminent in the country. One calamity will follow another in sudden and rapid progression, and after a little

while, when *crash* upon *crash* shall have prepared men's minds for a tremendous catastrophe, that catastrophe will inevitably come. The money of the country will not be equal to discharge one hundredth part of the demands upon it; and if men live at all, they will only do so by having recourse to universal plunder. The Bank of England will be compelled to stop payment; but the probability is, that it will not do so, until the general distress and terror have become so great, as to render a bank restriction act, at such a period, perfectly unequal to the mighty task of propping or re-constructing the falling fabric of society.

If the government should adopt the middle or temporizing policy; if they should act upon a system of *palliatives*, and should induce the Bank of England to call in its issues gradually and slowly, and in the meanwhile to throw in assistance from time to time, into such quarters, and under such parts, of our monetary obligations, as are in the act of giving way,—yet still the same fate will await us in the end. We shall go to the same ruin, but we shall go more slowly and more painfully. The cause also of our ruin will be more deeply seated, and less visible to the public eye. Instead of dying by a *cannon ball*, we shall die *by inches*. We shall run the race of 1816 and of 1819, instead of meeting the sudden and swift destruction of 1825. But still our end will be same. If we persevere in compelling every 3*l.* 17*s.* 10½*d.* of debt, tax, settlement, and obligation, to be convertible *by law* into an ounce weight of gold, the consequence must inevitably be a total breaking up of all monied obligations, and of the whole fabric of society, which they hold together.

If we look back to 1816 and 1819, we shall see, *as in a glass*, the dangers and the horrors which we have to meet. That is to say, we shall see them in their *commencement*, but not in their *career*. In 1816 they were arrested by the Bank of England issuing six millions sterling more notes, by a loan

to government *under the Restriction Act*. In 1819, 1820, and 1821, they proceeded slowly and surely until the whole mass of society became contaminated with revolutionary views. In 1822 they were again arrested by the One Pound Note Act, and by abundant issues of money. At that time, I *proved* in many letters, printed in the Farmer's Journal, that it was certain that *a third catastrophe* would ensue. That third catastrophe is now come, and if government neglect to apply an early and permanent remedy, all the dangers and all the horrors that we saw in 1816 and 1819, will very shortly be deemed but trifles, when compared with those which we have yet to see.

Suppose, then, the government to act upon the temporizing policy as above described. Is it not certain, that in this case the prices of property and labour generally in England must fall to nearly the Continental level? The Bank of England *must reduce* its issues *generally*, however much it may increase them *locally*. No other way will remain to stop the export, and force the import of gold, but so to beat down English prices, (*whilst gold remains the same*) that at last, gold becomes the *least* beneficial article that men can find to *export*, and the *most* beneficial article that they can find to *import*. This is the way in which the process of bringing back gold to England *at the ancient price* must work. It *must* force back all other commodities to their *ancient prices also*. Here begins the ruin of the system. The debts and obligations cannot be forced back to *their* ancient level. Thus every farmer becomes bankrupt to his landlord, and every landlord becomes bankrupt to his *creditor*, in one shape or other. Every merchant becomes insolvent to his creditors; or, at least, he finds the losses of his trade are greater than its profits. Every manufacturer finds the prices of his goods fall so low, as to give him a loss instead of a profit; and, therefore, he contracts his establishments and discharges his workmen, the only pos-

sible process through which he can compel them to reduce their wages. The unhappy workmen are thus made *non-producers* on one hand; but they are also made *non-consumers* on the other. A mighty evil is thus set in motion, which acts and re-acts upon its own elements, until the distress terminates in some great convulsion, or in the increase of the circulating money, occasioned either by the renewed importations of gold, or by the interference of government.

The temporizing policy, therefore, gives us no hope of escape from the fate which awaits us. It only procrastinates our misery, without the possibility of relieving it. Every year that it lasts, it brings thousands of heart-broken wretches to the grave. What reparation can we make to these unhappy men? What to the hundreds of thousands of others, who must toil early and late, and reap *ruin* as the reward of their labour? In my judgment, it is much better to adopt the *decisive policy* at once; and at once to compel all debts and obligations to be paid in heavy gold. Much better would it have been to have acted in this way in 1816 or 1819. The injustice and the impossibility of this would then have been evident to all eyes; and the country would necessarily have been placed under the protection of a *reduced standard*, or of a *Restriction Act*.

I remain, with sincere esteem, my dear Sir,

Your obedient humble Servant,

THOMAS ATTWOOD.

To the Right Hon. Sir John Sinclair, Bart.

Note (c), page 19.

The following passage from Lord Clarendon is admirably descriptive of our present social condition:—

“The very mention of good-nature was laughed at, and looked upon as the mark and character of a fool; and a roughness of manners, or hard-heartedness and cruelty was

affected. In the place of generosity, a vile and sordid love of money was entertained as the truest wisdom, and any thing lawful that would contribute towards being rich. There was a total decay, or rather a final expiration of all friendship."

Note (d) page 34.

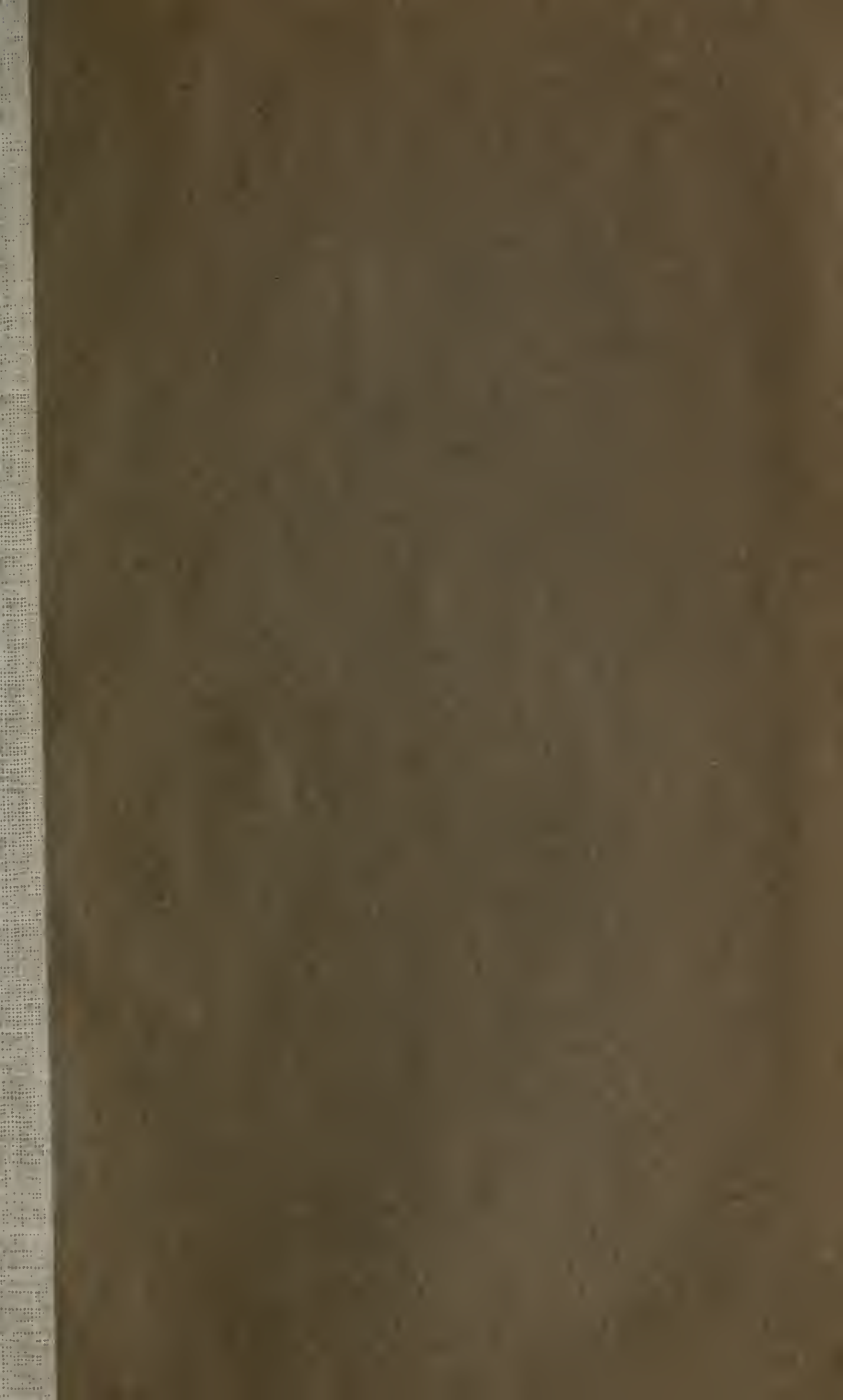
" La Banque de Law étoit utile à la circulation ; *l'abus* des billets que le Regent donnoit par millions aux Princes de Conti, de Condé, à madame la Duchesse de Berri, cette foiblesse, dis-je, *ruina son système* et força Law à devenir un fripon. Pourquoi son système ne fit il point d'emeute ? C'est qu'il n'attaquoit qu'une partie de la nation qui ne peut rien.

Il n'attaquoit ni le *cultivateur*, ni l'*ouvrier* ni le possesseur des terres, mais les Capitalistes classe d'hommes à la quelle la nation ne s'intéresse jamais. Le peuple n'a que deux mobiles dans ses soulevemens, les vexations ou le fanatisme religieux ou politique, et celui-ci ne lui est jamais inspiré par les riches, mais par les grands. Le regent avoit pour lui la noblesse, le peuple, et les armées. Il n'attaquoit que les *riches parvenus*, ceux qui avoient dans leur mains l'argent, espece d'hommes que les ministres *foibles et bornés ménagent le plus et de plus près* ; mais que les ministres courageux et éclairés méprisent parcequ'ils ne tiennent à rien, et que l'état leur rend justice en les regardant en fait de finance et d'impôts comme les premières victimes."—*Mémoires de St. Simon.*

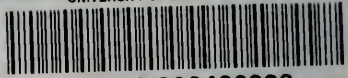
The savings' banks of this country were intended as a means of interesting a larger portion of the people in the fate of the funds. The principle of laying aside a portion of wages, or other earnings, for a day of future want, is certainly wise and praiseworthy ; but the scheme of investing these savings in the funds, cannot serve in the least to avert the crisis, but will undoubtedly render it more formidable when it arrives.

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