

THE  
**EDINBURGH REVIEW,**

OR

*CRITICAL JOURNAL:*

FOR

APRIL 1803.....JULY 1803.

TO BE CONTINUED QUARTERLY.

---

---

JUDEX DAMNATUR CUM NOCENS ABSOLVITUR.  
PUBLIUS SYRUS.

---

---

*SECOND EDITION.*

VOL. II.

**EDINBURGH:**

---

---

PRINTED BY JAMES BALLANTYNE,  
FOR ARCHIBALD CONSTABLE & CO., EDINBURGH,  
AND T. N. LONGMAN AND O. REES,  
LONDON.

1804.

1. It remains white, when digested with nitric acid. 2. It is soluble in the sulphuric and muriatic acids, and forms colourless solutions, from which it may be precipitated, in the state of a white flocculent oxide, by zinc, by the fixed alkalis, and by ammonia. Water also precipitates it from the sulphuric solution in the state of sulphate. 3. Prussiate of potash produces a copious and beautiful olive-green precipitate. 4. Tincture of galls forms orange or deep yellow precipitate. 5. Unlike the other metallic acids, it refuses to unite with ammonia. 6. When mixed and distilled with sulphur, it does not combine with it, so as to form a metallic sulphurate. 7. It does not tinge any of the fluxes, except phosphoric acid, with which, even in the humid way, it appears to have a very great affinity. 8. When combined with potash, and dissolved in water, it forms precipitates, upon being added to solutions of tungstate of potash, molybdate of potash, cobaltate of ammonia, and the alkaline solution of iron.

Mr Hatchett has often distinguished himself as an able and ingenious analyst; and although we have no reason to doubt the precision and accuracy of the present analysis, yet it would be more satisfactory were his experiments confirmed by a repetition of them by himself, or some other chemist. This remark is suggested to us by Mr Hatchett's own researches into the nature of a mineral substance from Sydney Cove in New South Wales, by which the existence of a new earth, which the same substance, from the analysis of the late Mr Wedgewood, was supposed to contain, was fully disproved. But this satisfaction is not to be expected till more specimens of the mineral have been discovered. The specimen from which the analysis was made being small, and the only one known, admits not of being farther broken down. To the new metal, Mr Hatchett has given the name of *Columbium*.

ART. XI. *Guineas an unnecessary and expensive Incumbrance on Commerce: or, The Impolicy of repealing the Bank Restriction Bill, considered.* London. Nicols. 1802. pp. 123.

NOTHING but the subject of this tract, and the attention which we are astonished to hear it has received from the public, could have induced us to trouble our readers with any account of it. We have seldom met with a more contemptible performance. Ignorant of the very language of political œconomy, and grossly mistaken in the first principles of the science, the author has the confidence to treat of the most difficult matters of finance, and to utter his crude, half-formed, and incoherent opinions, upon

questions likely to remain for ever the subject of dispute, with more certainty than Sir Isaac Newton has displayed in stating his most celebrated discoveries in physical science.

As we wish to be impartial, and are disposed to give commendation where it is due, we admit that the motto is well chosen.

‘ *Quid juvat immensum te argenti pondus et auri  
Furtim defossa timidum deponere terra ?* ’

HOR. SAT.

With respect to the thing itself, we have to lament that our author should have so miserably mistaken his line of talent as to write at all, more especially upon such subjects as paper-credit. It is clear, from the whole of this long pamphlet, that he does not know what is meant by ‘ *public credit.* ’ All other writers use this word to denote the credit of the state ; he applies it to all the operations of banking, negotiation of bills, making of promissory payments, striking contingent bargains about moveables, &c. At least such is one meaning which he affixes to the phrase. But what is the sense of the words, in passages like the following ?

‘ It seems to have been received as a financial *maxim not to be disputed*, that the precious metals are the only true sign of prosperity, and the only legitimate medium through which public credit can be advantageously circulated. ’ p. iv.

Who ever thought that public credit could be circulated by gold and silver ? Or, who ever talked of circulating public credit, or any sort of credit ? The gold and silver, or the obligation to pay those metals, or the obligation to pay any thing else, may be circulated. But did any one ever talk of circulating credit by means of coin ? What need of credit when payment is made ? Yet such is the doctrine which our author formally combats in the whole of his first chapter, and indeed through the whole of his work, as if it required a proof, that a guinea is not an obligation in favour of the holder. He should have extended the same to cattle, moveables, land, and all other intrinsically valuable articles.

Sometimes public credit and paper-credit are the same. Sometimes the latter is the criterion and support of the former. In the same sentence (p. 15. 16.), paper-credit is the visible sign of public credit, and identical with it. Our author adds, ‘ paper, and not metallic money, represents public credit. ’ ( *ibid* )

Now, honesty and industry are the supports of public credit ; and now, all accommodation-bills are iniquitous, because they express a direct lie, the actual transference of value. Yet our wise author’s chief purpose is, to demonstrate the expediency and justice of the statute 1797 for stopping the cash-payments, which converts every bank-note into a direct lie. And how industry can support credit, we cannot imagine ; for an idle man, who is honest,

nest, will just receive as much credit as an industrious man, in proportion to his stock; nay, the bills and notes of an idle rich man will pass current, while a poor, industrious, honest person, is unable to find an indorsee for a five shilling bill. It is clear, that credit and national wealth are here perpetually confounded.

The next chapter contains a similarly unintelligible inquiry, whether specie be necessary for supporting credit? Our author settles it in the negative, with his usual happy tone of certainty. Does he mean to assert, that if all the bank-coffers are drained of gold, means taken to prevent a shilling from ever getting into them, and prohibitions past upon the discharging of a single obligation, the Bank Directors will still have the power of issuing promissory notes, that is, reams of promises to perform what they neither can nor will perform, and that all mankind will give value for such pieces of 'lying paper,' to use an idea of this author's? If the continuance of confidence were conceivable under such circumstances, that is to say, if the Bank possessed an unlimited power, not from Parliament, but from the nature of things, to issue as many notes as it pleased without incurring any obligation, and with no risk of depreciation, unless the directors and proprietors were an uncommonly disinterested sort of personages, they would be the sole proprietors of this island in half a year. On the other hand, no one ever thought of denying the possibility of rearing a vast fabric of credit, without having a single guinea in circulation. In fact, guineas are only one object of credit, one commodity which may be transferred by promise, and borrowed upon obligation; and the credit is the confidence which gives rise to such transactions. After such a specimen of our author's political acquirements, our readers will not be surpris'd to learn, that he is constantly talking of cash as a measure of price, a representative of value, a standard of exchange, as if pots and pans (to use Dr Smith's illustration) might not just as well receive the same epithets.

One method of argument we hold to be nearly allied to imposture:—After enumerating all the unquestionable drawbacks of specie money, (and every former writer gives the enumeration much better), he concludes, that paper must be advantageous, because it saves those losses. In a separate chapter, he pompously enumerates the benefits of paper-currency, by taking the converse of his former statements; and concludes, *à fortiori*, in favour of this sort of medium; because it has not the inconvenience of metallic money. This is making the most of an argument, according to those rules of good faith and ingenuity, by which certain practical speculators make the most of their ten fingers. But our author can *bestor* as well as *finesse*. At the end, after various hints, we are bombastically told, that all the outcry against paper-currency arose from the new philosophy. Our

poor author now loses all command of himself; every thing is atheism, blood, assassination, Jacobinism, French principles, in a word, reform. By a transition, happy for the extrication of one who has unwarily entangled himself in the subject of paper-credit, and not unnatural to a frantic person, he comes to the British constitution, on which he pronounces a laboured and ludicrous eulogium; because, in civil matters, all power is concentrated in the Monarch, who is endued by it with godlike attributes; because, in things ecclesiastical, the church dispenses all the superlative charities bestowed by the most high God (p. 103.); and because, in things judicial, the Judges are rendered learned and incorruptible! Why? Because they are not allowed to make laws! (P. 104.-5.)

Our author has a happy knack at calculation: He fixes the average amount of bills of exchange always in circulation at just 20,000,000, the number of clerks that every merchant saves by the institution of Banks at twenty for one, and the total savings of paper-currency at  $\frac{1}{2}\%$ . His notes are amusing: They generally contain some aliquot parts of the sentences, of which it is intended that the text should be composed.

The style of this strange production is truly grotesque; want of grammar, Scotticisms, neologisms, metaphors, double superlatives, proverbs, scripture-quotations, personifications, mercantile vulgarisms, all dance through each page in the most grotesque and giddy array.

Now we hear of a capital of fifty-six millions being raised from the dead (p. 64). Suddenly it is attacked with a consumption, (p. 71); but it retains the power of generation, (ibid.) Then we are amused with a grumbling confederacy, and a few 'doubtful neutrals.' An animated picture rapidly succeeds, of the mighty coalition foiled, universal invasion, rebellion bursting, a palladium in a state of mutiny, London blockaded by sea, sedition sowing on the shore, a barometer falling in a congregation of perils, credit imploring protection, and committing acts of bankruptcy from compulsion. Public credit is now introduced, complaining, in the bitterness of distress, with the good old patriarch, "All these things are against me, and they will bring me down with sorrow to the grave." But no, says our author; those things were tending to unchain paper-credit from the more than leaden weight of gold, (p. 72.). The poor damsel (Paper-credit) is saved by the Bank restriction-bill, and order restored to the universe. All this is literally presented to us in two pages. In the next, our author, not recovered from his fit of inspiration, amuses us with the figure courteously called *hyperbole* by those who love a longer and a more learned word than our own language supplies for the occasion. He says, that the unhy-pothesized part of the income-tax was a fund of ways and means,

means, sufficient for borrowing a hundred millions of new debt ! The Latin in p. 102, is a proof that our author does not enjoy the benefit of an acquaintance with that language.

The only abuse of paper-credit, according to him, is speculation by accommodation-bills. This he seems to think one of the highest of human crimes; and he extends his anathemas to such bills, provided the value transferred is in land or other immoveable property ! Query, What crime is a man guilty of, on these tight-drawn principles, who grants his bill for the price of a ship ?—The effects of paper-money, in encouraging forgery, he holds very light. ‘ That is the fault of the forgers,’ saith he, ‘ not of the lawgiver.’ There is much acuteness in the distinction; but we submit it as a sort of insinuation, whether systems are not, *ceteris paribus*, to be condemned, which bring forward strong and obvious temptations to fraud, especially if the only reform that our cautious author will hear of, is a reform of character in the people. P. 102.

The bold style of declamation in which our author arraigns of Jacobinism every one who differs from him, makes us fear that even on the dry subject of paper-credit, we shall soon see Bowles’s, and Giffords, and Playfairs, thundering out their artillery of new light, overthrow of thrones, reform, French principles, &c. &c.; and then, is the science of number and quantity itself safe ? To the present writer we have only to hint, that when he ascribes all the arguments used against paper-credit to Jacobin principles, he forgets the millions of assignats poured forth by those *dabblers* in the paper-system who lately ruled over the Parisian mobility, the paper-currency of the American rebels, and the alarm against all such inventions which followed the speculations carried on under the reigns of Louis XIV. and George I. when Jacobin was as yet the appellation of a set of monks.

From the whole, our author draws conclusions partly self-evident, partly vague and unintelligible, partly nonsensical. He loudly demands that the tinsel of declamation shall be brought to the test of demonstration. We may accede to this, when we shall comprehend its meaning. He farther insists upon being allowed only to ‘ weigh unvarnished facts.’ We scarcely yet perceive his object; but his final claim is modest and plain, ‘ Let the preponderating balance prevail.’ We believe it would be a new sight, to see the light scale preponderate. He adds a notice, that, in this publication, he has no interest to serve. We think this lucky, inasmuch as the performance would never be able to serve any interest; and are inclined to believe, that whenever the author may have any interest to serve in addressing the public, he will find it necessary to act by *proxy*.

Hitherto, we have given our readers such specimens of our author’s opinions and assertions, as carry their refutation or condemnation

demnation along with them. We are now to observe the general drift and tenor of the book, since we hear this is supported by high authorities.

In one of the notes to this second chapter, we meet with a singular vindication of what most men have been accustomed to regard as a breach of trust—the interference of the managers with the specie and other valuables contained in the Deposit Bank of Amsterdam. That those valuables were entrusted to the custody of the directors and other functionaries of that celebrated body, under the express compact of a safe deposit, no one can entertain a doubt, who is in the least acquainted with the history of the institution. The premium paid was actually, as Dr Smith observes, a warehouse-rent; the recipices, or receipts, acknowledged the nature of the charge to be that of a simple deposit. No one ever had the slightest suspicion that his property was moved from the coffers of the Bank; and although Mr Smith seems to suspect that the money for which receipts had been long expired, and which would in all probability remain for ever undemanded, was not so sacredly treasured up; yet he adds, on the authority of Mr Hope, the Dutch merchant, that at Amsterdam no point of faith is better established than a belief in the existence of a guilder in the Bank chests, for every guilder circulated in the form of paper-money. ‘The city,’ says he, ‘is guarantee that it should be so. The Bank is under the direction of the four reigning burgomasters, who are changed every year. Each new set of burgomasters visits the treasure, compares it with the books, receives it upon oath, and delivers it over, with the same awful solemnity, to the set which succeeds; and in that sober and religious country, oaths are not yet disregarded.’—*Wealth of Nations, Book IV. chap. 3.* Now, we do not inquire, whether or not the inviolability of this deposit was necessary for the commercial prosperity of Holland; we do not argue that the original purpose of the institution could not have been obtained by other means, viz. the raising of a depreciated medium of exchange; we do not even contend, that the locking up so enormous a treasure as the deposits, was consistent either with mercantile prudence, or with the public safety. It is enough for us that the bargain was made, and has been broken; that the deposit was sacred, ought to have been inviolable, and has been infringed; that the solemn oaths of endless successions of functionaries have been wilfully given; that perjury has as constantly followed; and that the plighted faith and honour of the Dutch republic has been squandered away. When late events brought about a disclosure of this scene of perfidy, which no views of expediency can justify, and which only the most short-sighted and temporary conceptions of policy can vindicate as expedient, is it not fair to conclude that public credit must have received a shock all over Holland?—

land?—a shock, for its magnitude, worthy of being admitted to explain some of the effects so universally ascribed by our author to the machinations of Jacobinism? After the statements of Mr Hope, to which we have referred, we may be permitted to doubt whether the disclosure of the transaction dignified by our author with the appellation of wise policy, in whatever manner it might have been effected, would not have ruined the credit of the Dutch republic, although no French invasion had been combined with this shock. We must be allowed to denominate by our author's favourite epithet of '*Jacobinical*,' the policy practised by Holland, of interfering with private property, in spite of the most solemn and holy sanctions of public and individual guarantee.

We have thought it necessary to take particular notice of this singular remark, because it is introduced as a parallel case; a vindication of the breach of contract which the restrictions have enabled the Bank of England to commit. We do not intend at all to discuss, on this occasion, that very intricate and difficult question connected with this subject; we are only arguing the matter upon one simple and limited ground—the nature of the contract or obligation which a promissory note implies. It would, however, be difficult, by any casuistry, to convince a person of plain common sense, that the measure which this author recommends, the perpetual establishment of the restriction, can be reconciled, either to the principles of honesty and good faith, or to the most sound and obvious views of expediency. 'The measure, (says he, p. iv.) was at first justified, on the ground of necessity, and its term prolonged on that of temporary expedience; whereas, the following remarks, if just, prove the advantages of continuing it as a permanent measure of prudence and sound policy.' Accordingly, it is the avowed object of the whole publication to recommend the perpetual stoppage of specie-issues at the Bank; and we lament to hear, that the proposition of so strange an expedient should have been favourably received in certain high financial circles. We shall therefore take the liberty of subjoining a few remarks upon this new, and, we trust, fruitless attempt to injure the commercial resources of Great Britain, in order to favour a small class of persons engaged in one branch of the banking trade, and in order to give them the power of assisting the financial measures of the Government.

The grounds on which the advocates of the order of Council in 1797, and the subsequent statutes, have hitherto maintained their practical doctrines, have been the danger of the Bank losing all its specie in consequence of an unfavourable balance of trade—sudden and extensive alarm occasioned by great mercantile failures—dread of invasion, and, more generally, in consequence of the excess of the market over the mint-price of gold, which rendered it profitable to melt down guineas, and export the bullion.



tion. To these circumstances were added others, which, we confess, have never been to us very intelligible; such as the designs which the enemy was supposed to entertain against the credit of Great Britain\*.

Now, it is evident, that all these grounds can only be occupied by the advocates of a temporary restriction or suspension of Bank payments. In their very nature and essence, they are unfit for the support of any thing farther than a temporary measure. The circumstances enumerated are in themselves temporary causes of a rapid drain of specie; the existence of such causes can only justify a temporary scheme of prevention. Accordingly, Mr Thornton, and all the other friends of the measures which Government pursued, have been content with supporting the temporary necessity or expediency of those measures. They are abundantly satisfied with their success, if they can convince their readers that the circumstances of the country in 1797 justified the order of Council; that the continuation of those circumstances required a subsequent renewal of the suspension; and that the inconveniencies or losses which may arise from the operation of those unprecedented measures, are palliated by the necessities of the case, or compensated by opposite advantages, arising from the circumstances of the times, or partially counteracted by various causes unobserved by the noisy declaimers who at first condemned the whole system of restriction.

The Bank is a great company, incorporated by an act of Government, and binding itself, like other trading copartneries, by the authorized obligations which its officers incur on its account. The extent of those obligations, and the confidence of the public in so wealthy an association, have conspired to give this company a very great influence upon the motions of Government, and the commercial operations of the country. If the Bank is concerned in the prosperity of the community, the community is reciprocally interested in the existence of the Bank; and the Government is of course interested in the welfare of both. The credit of the Bank, that is, the confidence of the public in its fidelity and ability to discharge all its obligations, (which are indeed the same thing †), depend upon its will and power (which are the same thing) to fulfil such obligations as the creditors may from time to time wish to have fulfilled. As this number of obligations can never, in common probability, be equal to the sum of all that have been contracted, it is perfectly fair and prudent in the Bank to use the funds destined to supply the power of fulfilling

---

\* *Vide* Parliamentary Debates.

† We say, that in common cases the integrity and prosperity of the Bank must be synonymous terms, because an over issue of paper is unquestionably a breach of good faith in any company whose notes already circulate; it is a species of bankruptcy.

ling the remaining obligations, in a way profitable to itself and the community at large; and if, on any emergency, the crisis of public affairs should render it dangerous to the company and to the country, that the obligations of the former to the latter should be fulfilled, it is evidently their mutual interest that those obligations should, for a season, be rendered ineffectual. If a merchant has become bound to pay a certain sum to his correspondent at a certain day, and if, on the day before, the debtor finds that he shall not have a sufficient quantity of money in his chest, and that his creditor must have the money, it is in vain that he complains of his creditor's rigour—he must either pay or break. If, on the other hand, the circumstances of the creditor render the payment disadvantageous to him at that particular day; if, for example, his receipt of the money will sanction the extravagant demands of his needy personal friends, or force him to discharge debts of honour, or constrain him to fulfil conditional obligations, it will clearly be for the interest both of the debtor and the creditor, that the payment should be delayed, and the security or contract renewed. The parties in this case will meet, and immediately come to an understanding; so would the country and the Bank, if the former were not an immense congregation of individuals, who cannot act together, and whose interests, or views of interest, are in certain cases far from uniform. But as many individuals will always persist in requiring the fulfilment of the obligations contrary to the general good, and as the minority, whose peculiar interests or fancies thus stand opposed to the common cause, are sufficiently numerous and important to ruin both the Bank and the country, it becomes necessary, that in this, as in all other cases, the part should yield to the whole; and the only method of effecting so requisite an end, is the ordinary mode of sinking partial in general interests—the interference of the common Government. Thus, the Legislature, on behalf of the majority of the country, that is, on behalf of the country, is justified in absolving the Banking Company of England from fulfilling those obligations which a part of the country might otherwise require to be fulfilled in defiance of the general safety.

Such is the only manner in which we have ever been able to state the great question of the restriction to our minds, consistently with the plainest principles of justice and expediency. The whole arguments of those who have discussed this question, have been directed to prove the case—to evince the incompatibility of the fulfilment of the obligations with the public safety—to shew by evidence that the circumstances of the times render a stoppage of Bank payments necessary, so long as those circumstances last. No one has ever yet denied, that a trading company, whether incorporated by charter, or by private agreement, is bound in strict justice to fulfil its contracts. The utmost extent

of the argument in favour of the late measures has been an attempt to demonstrate the dangers of allowing the fulfilment of those contracts in the case of the Bank—an endeavour to prove, that the mutual interest of the parties, the Bank and the country, required the suspension of the contract, so long as the crisis of public affairs should continue.

Now, we have no hesitation to admit the whole conclusions of all those who have adopted this opinion. We firmly believe, that an unprecedented concurrence of circumstances and events rendered the restriction, or modification of the original contract, essentially necessary to the interests, nay, to the safety of both the parties concerned. We are yet to learn, that a shadow of argument can be advanced, either in point of justice or expediency, to vindicate so monstrous an absurdity, as the proposition supported in the present publication—the propriety of rendering the breach of contract absolute and perpetual. No powers of argument can ever persuade us, that an extensive trading company, endowed by Government with the power of issuing promissory notes for a valuable consideration, and absolved from keeping the promises upon which the value was obtained, is any thing else than a monster in political creation. For a time, circumstances may prescribe to any great commercial body a regimen analogous to this, in the same manner that arsenic or foxglove may be administered to the animal system. But a man feeding upon arsenic, and drinking tincture of foxglove, would not present to our minds a more accurate idea of a monster in physiology, than a copartnership, allowed to benefit by contracts, from the fulfilment of which it is absolved, would do in policy.

We are told, that paper-credit is a much more advantageous method of assisting the operations of commerce, than the use of a metallic money. The former is unquestionably a cheaper medium of exchange than the latter; and the use of it, no doubt, enables a country to employ a considerable part of its capital in a profitable manner; whereas the use of that capital in the form of money is attended with loss. Of all this there can be very little doubt. If any method could be invented, of conferring upon paper the important qualities which render the precious metals subservient to the purposes of commerce, an inestimable benefit would be derived to the nation possessing so grand a secret; or if one of those qualities could be procured for paper, if the public could be induced to take it instead of money in all payments, nearly the same advantages would accrue to the national wealth. But unhappily, there is almost as much difficulty attendant upon the plans for endowing paper-money with this one property, as upon those which would give it all the useful attributes of gold. In one way only can it be supported as a perpetual medium of exchange.

change. The public consent must be procured to receive, for all the valuable commodities which form the subjects of commerce, the pieces of paper issued by a certain body of men, in whose wisdom and integrity entire confidence is to be reposed. Since no prospect, we fear, exists of ever seeing so desirable an event accomplished as the production of this confidence, we must be contented with an approximation; and the circumstance which have given rise to banking, furnish an approximation sufficiently near to satisfy any temperate lover of paper-credit. We know only one method of giving to paper the attributes of the precious metals in commercial operations: we can, indeed, conceive no other in the present state of mankind. It consists in the erection of certain companies, whose resources and probity are sufficient to gain the entire confidence of the community—whose contracts are held by themselves to be inviolable, and are therefore believed to be so by their countrymen, without trial. While those obligations continue to be fulfilled every time that a requisition is made by the creditors, the companies may safely count upon a great proportion of the creditors abstaining from making any requisitions. The sum of metallic money answering to the debts thus allowed to remain due, is displaced by the paper containing the constitution of those debts; and this seems to be the utmost extent of paper-credit that the wit of man can introduce into the affairs of trade. In peculiar emergencies, a neglect of those obligations may be permitted, on the part of the debtor, without any material cessation of confidence on the part of the creditor. We have already described the nature of those emergencies: and the circumstances which render the temporary defalcation justifiable in point of natural equity, render it also safe to public credit; that is to say, prevent it from destroying the confidence of the creditor. But this confidence is only maintained by the idea, that the emergency is to be temporary. It cannot possibly survive the belief, that upon a restoration of the former arrangements, the defalcation will immediately cease. It is a confidence which may be prolonged, but cannot possibly be perpetuated: an expectation which may continue after a temporary delay of fulfilment sufficiently accounted for, but cannot, in the nature of mens' minds, remain in existence, when the day of fulfilment is removed to an infinite distance.

In a word, the reason why, out of a hundred bank-notes, only ten are ever presented for payment, is, that the holders of the remaining ninety believe in the certainty of the ten being regularly and fully paid, and can thus circulate them among other persons equally convinced of the debtor's integrity and wealth (which are one and the same thing). If the ten holders begin to find difficulty in procuring payment, their number will immediately

immediately increase; and if the still greater increase of this demand would be prejudicial to the majority of the hundred, and to the bulk of the community of which they form part, the Government is justified (as representing the majority) in suspending all the payments while the emergency lasts. The knowledge that this suspension is necessary, and the absolute certainty that it is temporary, prevents the majority of holders, and, in consequence, the whole holders of the notes, from distrusting their debtors. By law, the notes are rendered a full tender of payment in all bargains previously made. This the enactment can effect; but other consequences follow which no statute could secure. By common consent, it is agreed to receive the same notes as a valuable commodity in all future bargains; and the confidence in the debtor continues exactly as high as formerly, merely because the defalcation is known to be necessary and temporary.

Suppose that, in this state of things, a law is passed, rendering the restriction perpetual, or extending it far beyond the probable duration of the emergency which caused and justified it, can we for a moment suppose that confidence will now continue? The law may force creditors to receive payments in this useless paper; that is, may cheat all those who have previously entered into contracts for time: but no law can force men to enter into new bargains—no law can force them to give valuable commodities for a paper-money which it deprives of all value. The ninety holders of notes who do not present for payment, may now, with the ten who do present, burn the whole as useless, if they have no debts to pay—no creditors with whom to share their loss, and no chance of obtaining justice from the Bank. But they will not surely give away more of their property for more of those notes: and if the Bank is again forced to pay, they will be rendered wise by the attempt to cheat them, they will instantly demand payment.

Can the imagination of man, indeed, figure a case so full of irreconcilable contradictions, as that which the pamphlet before us presents to our view? Confidence sought for in systematic breach of faith; credit built upon necessary failure; obligations to pay, issued by men incapacitated from paying; promissory notes received at par, by those who are previously assured that the promise must necessarily be broken! With all the contradictions and paradoxes of human nature before our eyes, and as little disposed as possible to extenuate or disbelieve them, we do not believe man to be quite so ridiculous a creature, as the projectors of this truly original scheme would require, for the reception of their unlimited paper-system. If paper-credit is necessary to a mercantile state, in a much greater extent than the simple arrangements of former times have of themselves attained by a natural and intelligible process,

we fear human commerce wants a wheel which the eternal nature of things has doomed it never to acquire. The materials of which this wheel is proposed to be constructed, are obviously of such a description, that their union would necessarily prevent it from lasting a single second. If the existence of the work were possible, when so constructed, would it not instantaneously derange the whole machine, and crumble the surrounding fabric into dust? or, if the possibility of reconciling all those contradictions be for a moment admitted, would not the operations of this new power concentrate in the additional wheel all the motions and force of the engine, to the infallible destruction of every other component part?

The supporters of this unprecedented system, more particularly the practical friends of the perpetual restriction, will most probably couch their proposal in the form of a new temporary measure. Accordingly, the author of this pamphlet, although at the outset he speaks plainly of a permanent restriction, (p. 5.), in several parts of his inferences, talks vaguely of a renewal of the former measure. The whole reasonings, however, if such they can be called, and all the general statements of those who favour the system of unlimited paper-credit, proceed not upon any appeal to present circumstances, but on speculative views of the advantages derived from paper-money. Indeed, although the measure should be proposed in the insidious form of a constant renewal of the previous arrangement, (as it most probably will be), such a plan only deserves the more serious reprobation. It may gull the public for a few repetitions; but the bubble must burst, as soon as men perceive that the necessity no longer exists, which rendered the measures of 1797 necessary and excusable. And let it be remembered, that all the fundamental objections urged against a restriction professedly perpetual, apply equally to the unnecessary prolongation of the former law, for however short a time.

In these observations, we have confined ourselves entirely to the most general and fundamental view of the question. We have stated, that the subject appeared to us entirely new; and the standard to which the arguments that it involves must be brought, is obviously different from the criterion by which we must judge of the reasonings in favour of a temporary restriction. It may be proper enough, in discussing this last measure, to argue that the circumstances of the times render it necessary. No circumstances can so far alter the nature of human intercourse, and the ideas of obligation, as to render necessary the perpetual breach of promise, and abuse of confidence, required by the system of the new projectors. It may be fair, in opposing the temporary restriction, to state the evils of Government ever interfering with

Bank-affairs; the dangers of so unnatural a connection, as that between the executive, or even the legislative branch of a regular constitution, and a large, but private trading association; the abuses to which such an intercourse may naturally lead, both on the part of the Government, and of the company. But, in exposing the absurdity of the perpetual restriction, or rather of the total abolition of cash-payments, such puny arguments would be superfluous and nugatory; the innovation is best resisted in that quarter which it first and most insufferably attacks. Nor can we be accused of placing the question upon ground of too metaphysical or abstract a nature, when it is considered, that the very form and outward shape, assumed by the instrument of the proposed circulation, necessarily reminds us of the contradiction inherent in its nature, and the gross absurdity, not to say palpable fraud, in which its origin is involved.

The remarks into which we have unwarily been led, by the importance, and, we rejoice to say, by the entire novelty of the subject, apply rather to the general opinion and projects of those who support the doctrine of unlimited paper-circulation, than to the weak and vain attempts of this publication in recommendation for the scheme. We have already given a few specimens of the ignorance and stupidity which characterizes the whole pamphlet. We shall now add a few more, sufficient, we conceive, to justify the contempt which it has excited in our minds, and the manner in which we have ventured to express this contempt. In the following passage, our author explains the foundation of his general doctrines:

‘Our own country, since the establishment of the Bank of England, with comparatively a small circulation of specie, and since the year 1797, with almost none at all, has increased in commerce, riches, and national credit, to the envy of all neighbouring nations\*.

‘The more these momentous truths are considered, the more they confirm this *important fact*—that gold and silver coin do not establish or maintain public credit: but that it is best supported by a well-regulated paper-currency, united with honesty and punctuality.’ p. 25.

In almost every page, indeed, we meet with the same phrases—honesty, punctuality, *bona fide*, regularity, &c. But in this work they are evidently unintelligible. For what does honesty, punctuality, &c. mean in the mouth of him who denies the expediency,

---

\* ‘In Scotland, paper-money has been almost the exclusive currency for the last fifty years, and the rental of that part of the kingdom has increased during that period tenfold; while its commercial riches have kept pace with the improvement of its soil.’

pediency, and recommends the prohibition of merchants performing obligations? Does not the person laugh at us, as well as cheat us, who talks of *bona fide* paper, when he would have the promise contained in it systematically broken? Should we not be inclined to fling such trash in his face, if he handed it to us at once as an equivalent for our property, and as a mark of his good faith? For the rest, we do not maintain—no one, for a long time past, has maintained, that ‘gold and silver coin alone establish public credit.’ But this we will venture to state, that public credit, or confidence, must necessarily depend upon the performance of the obligations by the party which claimed that credit or confidence; whether the obligation is to pay metallic money, or leather, or shells, or cattle; that so long as the notes, which are proposed to be made the circulating medium, consist of obligations to pay money, their reputation and circulation depends, first of all, upon the belief, that this obligation will be fulfilled at the option of the holder of the note; and that all credit and confidence must cease as soon as the refusal to pay money is the systematic line of conduct pursued by the issuer, although credit and confidence may be maintained, while the refusal forms only a transient and obviously necessary exception to his general behaviour.

In chapter third, we meet with the following very strange remark, which we notice, because it shews the singular effects produced upon weak and superficial minds, by a misapprehension of some of the most undoubted truths in the science of political economy:

‘Some may wish to believe the specie in circulation more than we can account for, and think a great stock a proof of prosperity; whereas it would rather be a proof of indigence. France has at present a great deal of specie, and no public credit.’ p. 54.

Now, if this proposition has any meaning, it is, that a nation is not the better for possessing much coined bullion—a gross misconception of the doctrines held by those who attack the mercantile system. For, which of those political philosophers has said, that a great stock of coin, like a great stock of cattle, land, houses, or any other valuable commodity, is not a proof of national wealth? When Dr Smith, with an inimitable vein of pleasantry, ridicules the anxious care of the mercantile statesmen and speculatists, to multiply the quantity of the precious metals, and contrasts this with an anxiety for multiplying the pots and pans of the state, (*Wealth of Nations*, B. iv. c. 1.)—he does not deny that a nation possessing a large stock of specie, or of pots and pans, would be wealthy and prosperous: he only contends, that every state will, if industrious, possess as much of the former as



its commerce, and as many of the latter as its cookery requires; and concludes, that the endeavour to amass an over-proportion of money, is as absurd as the project of encumbering our warehouses with a load of culinary utensils. If France possesses much specie, she must soon acquire public credit. It is a proof that her commercial dealings are extensive: it is the demand which these occasions for money that attracts and retains money in the country; and all beyond the sum required to supply this demand, must be immediately turned into active stock. Indeed, as a proof of consistency, and an answer to our author from his own words, we quote the following passage in the preceding chapter:

'It is to be observed, that we are not speaking of the *commerce of bullion*, but the *putting it out of commerce* by coinage or hoarding. As commodities, as articles of commerce, the precious metals are highly valuable; it is the *prohibition* we deprecate.' p. 32.

**ART. XII.** *Prospectus of a Dictionary of the Language of the Aire Celti, or Ancient Irish, compared with the Language of the Cuti, or Ancient Persians, with the Hindostanee, the Arabic, and Chaldean Languages.* By Lieutenant-General Charles Vallancey, Author of the Vindication of the Ancient History of Ireland. With a Preface, containing an Epitome of the Ancient History of Ireland, corroborated by late discoveries in the Puranas of the Brahmans, and by our learned countrymen in the East. And an account of the Ogham Tree-Alphabet of the Irish, lately found in an ancient Arabic MS. in Egypt. Dublin. Graisberry & Campbell. 4to.

**T**HE ancient language of Ireland has long deserved the attention of the learned, both from the intimate connection which it holds with the history of the British islands, and the neglected state in which it has hitherto been suffered to perish. Though now confined to the mountains of Scotland, and a few of the wildest Irish counties, it possesses many qualities which merit an accurate examination; it is entitled to a share of the labours of the philologist, on account of its antiquity; and particularly endeared to a patriotic Briton, as the primitive language of his country. More important reasons might have induced the antiquary to study it, and transmit it to posterity. A considerable number of ancient MSS., the work of the dark and middle ages, are written in Irish. The monks of that kingdom, without deserving the praise of being more enlightening than their brethren on the continent, had, however, the good fortune to escape, in some measure, the Saxon and Danish conquests, which extinguished learning in Britain. The historians and antiquaries,