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THE NATIONAL DEBT AND THE STOCK EXCHANGE.¹

The idea of associating history with some specific locality or institution, has long ago occurred to the skilful fabricators of romance. If old walls could speak, what strange secrets might they not reveal! The thought suggests itself spontaneously even to the mind of the boy; and though it is incapable of realisation, writers – good, bad, and indifferent – have seriously applied themselves to the task of extracting sermons from the stones, and have feigned to reproduce an audible voice from the vaults of the dreary ruin. Such was at least the primary idea of Scott, incomparably the greatest master of modern fiction, whilst preparing his materials for the construction of the *Heart of Mid-Lothian*. Victor Hugo has made the Cathedral of Paris the title and centre-point of his most stirring and animated tale. Harrison Ainsworth, who seems to think that the world can never have too much of a good thing, has assumed the office of historiographer of antiquity, and has treated us in succession to *Chronicles of Windsor Castle*, the *Tower*, and *Old St Paul's*. Those of the *Bastille* have lately been written by an author of no common power, whose modesty, rarely imitated in these days, has left us ignorant of his name; and we believe that it would be possible to augment the list to a considerable extent. In all those works, however, history was the subsidiary, while romance was the principal ingredient; we have now to deal with a book which professes to abstain from romance, though, in reality, no romance whatever has yet been constructed from materials of deeper interest. We allude, of course, to the work of Mr Francis; Mr Doubleday's treatise is of a graver and a sterner nature.

We dare say, that no inconsiderable portion of those who derive their literary nutriment from Maga, may be at a loss to understand what element of romance can lie in the history of the Stock Exchange. With all our boasted education, we are, in so far as money-matters are concerned, a singularly ignorant people. That which ought to be the study of every citizen, which *must* be the study of every politician, and without a competent knowledge of which the exercise of the electoral franchise is a blind vote given in the dark, is as unintelligible as the Talmud to many persons of more than ordinary accomplishment and refinement. The learned expounder of Thucydides would be sorely puzzled, if called upon to give an explanation of the present funding system of Great Britain. The man in easy circumstances, who draws his dividend at the Bank, knows little more about the funds than that they mysteriously yield him a certain return for capital previously invested, and that the interest he receives comes, in some shape or other, from the general pocket of the nation. He is aware that consols oscillate, but he does not very well understand why, though he attributes their rise or fall to foreign news. It never occurs to him to inquire for what reason that which yields a certain return, is yet liable to such surprising and violent fluctuations; he shakes his head in despair at the mention of foreign exchanges, and is not ashamed to avow his incapacity to grapple with the recondite question of the currency. And yet it may not only be safely, but it ought to be most broadly averred, that without a due comprehension of the monetary system of this country, and the general commercial principles which regulate the affairs of the world, history is nothing more than a tissue of barren facts and perpetual contradictions, which it is profitless to contemplate, and utterly impossible to reconcile. Nay more, all history which is written by authors, who have failed to acknowledge

¹ *A Financial, Monetary, and Statistical History of England, from the Revolution of 1688 to the present time.* By Thomas Doubleday, Esq. London: 1847. *Chronicles and Characters of the Stock Exchange.* By John Francis, Esq. London: 1849.

the tremendous potency of the monetary power in directing the destinies of nations, and who have neglected to scrutinise closely the source and operation of that power, must necessarily be fallacious, and can only mislead the reader, by false pictures of the condition of the present as contrasted with that of a former age. No eloquence, no genius, will avail to compensate for that radical defect, with which some most popular writers are justly chargeable, and a glaring instance of which we propose to examine in the course of the present paper.

The study is said to be a dry one. Certainly, until we have mastered the details, it does look forbidding enough; but, these once mastered, our eyes appear to be touched with fairy ointment. What formerly was confusion, worse than Babel, assumes a definite order. We behold, in tangible form, a power so terribly strong that with a touch it can paralyse armies. We behold it gradually weaving around us a net, from which it is impossible to escape, and claiming with a stern accent, which brooks no denial, a right of property in ourselves, our soil, our earnings, our industry, and our children. To its influence we can trace most of the political changes which perplex mankind, and which seem to baffle explanation. Like the small reptile of the old Northumbrian legend, it has grown into a monstrous dragon, capable of swallowing up both herd and herdsman together. The wisest of our statesmen have tried to check its advance and failed; the worst of them have encouraged its growth, and almost declared it harmless; the most adroit have yielded to its power. Interest after interest has gone down in the vain struggle to oppose it, and yet its appetite still remains as keen and insatiable as ever.

When, in future years, the history of this great nation and its dependencies shall be adequately written, the annalist must, perforce, give due prominence to that power which we weakly and foolishly overlook. He will then see, that the matchless industry displayed by Great Britain is far less the spontaneous result of bold and honest exertion, than the struggle of a dire necessity which compels us to go on, because it is death and ruin to stand still. He will understand the true source of all our marvellous machinery, of that skill in arts which the world never witnessed before, of our powers of production pushed to the utmost possible extent. And he will understand more. He will be able to comprehend why, within the circuit of one island, the most colossal fortunes and the most abject misery should have existed together; why Britain, admitted to be the richest of the European states, and in one sense imagined to be the strongest, should at this moment exercise less influence in the councils of the world than she did in the days of Cromwell, and, though well weaponed, be terrified to strike a blow, lest the recoil should prove fatal to herself. The knowledge of such things is not too difficult for our attainment; and attain it we must, if, like sensible men, we are desirous to ascertain the security or the precariousness of our own position.

The history of the Stock Exchange involves, as a matter of necessity, the history of our national debt. From that debt the whole fabric arose; and, interesting as are many of the details connected with stock-jobbing, state-loans, lotteries, and speculative manias, the origin of the mystery appears to us of far higher import. It involves political considerations which ought to be pondered at the present time, because it has lately been averred, by a writer of the very highest talent, that the Revolution of 1688 was the cause of unmingled good to this country. That position we totally deny. Whatever may be thought of the folly of James II., in attempting to force his own religion down the throats of his subjects – however we may brand him as a bigot, or denounce him for an undue exercise of the royal prerogative – he cannot be taxed with financial oppression, or general state extravagance. On the contrary, it is a fact that the revenue levied by the last of the reigning Stuarts was exceedingly moderate in amount, and exceedingly well applied for the public service. It was far less than that levied by the Long Parliament, which has been estimated at the sum of £4,862,700 a-year. The revenue of James, in 1688, amounted only to £2,001,855; and at this charge he kept together a strong and well-appointed fleet, and an army of very nearly twenty thousand men. The nation was neither ground by taxes, nor impoverished by wars; and whatever discontent might have been excited by religious bickerings, and even persecution, it is clear that the great body of the people could not be otherwise than happy, since they were left in undisturbed possession of their own earnings, and at full liberty

to enjoy the fruits of their own industry and skill. As very brilliant pictures have been drawn of the improved state of England now, contrasted with its former position under the administration of James, we think it right to exhibit another, which may, possibly, surprise our readers. It is taken, from Mr Doubleday's *Financial History of England*, a work of absorbing interest and uncommon research: we have tested it minutely, by reference to documents of the time, and we believe it to be strictly true, as it is unquestionably clear in its statements.

"The state of the country," says Mr Doubleday, "was, at the close of the reign of James II., very prosperous. The whole annual revenue required from his subjects, by this king, amounted to only a couple of millions of pounds sterling, – these pounds being, in value, equal to about thirty shillings of the money of the present moment. So well off and easy, in their circumstances, were the mass of the people, that the poor-rates, which were in those days liberally distributed, only amounted to £300,000 yearly. The population, being rich and well fed, was moderate in numbers. No such thing as 'surplus population' was even dreamed of. Every man had constant employment, at good wages; bankruptcy was a thing scarcely known; and nothing short of sheer and great misfortune, or culpable and undeniable imprudence, could drive men into the Gazette bankrupt-list, or upon the parish-books. In trade, profits were great and competition small. Six per cent was commonly given for money when it was really wanted. Prudent men, after being twenty years in business, generally retired with a comfortable competence: and thus competition was lessened, because men went out of business almost as fast as others went into it; and the eldest apprentice was frequently the active successor of his retired master, sometimes as the partner of the son, and sometimes as the husband of the daughter. In the intercourse of ordinary life, a hospitality was kept up, at which modern times choose to mock, because they are too poverty-stricken to imitate it. Servants had presents made to them by guests, under the title of 'vails,' which often enabled them to realise a comfortable sum for old age. The dress of the times was as rich, and as indicative of real wealth, as the modes of living. Gold and silver lace was commonly worn, and liveries were equally costly. With less pretence of taste and show, the dwellings were more substantially built; and the furniture was solid and serviceable, as well as ornamental – in short all that it seemed to be."

The above remarks apply principally to the condition of the middle classes. If they be true, as we see no reason to doubt, it will at once be evident that things have altered for the worse, notwithstanding the enormous spread of our manufactures, the creation of our machinery, and the constant and continuous labour of more than a century and a half. But there are other considerations which we must not keep out of view, if we wish to arrive at a thorough understanding of this matter. Mr Macaulay has devoted the most interesting chapter of his history to an investigation of the social state of England under the Stuarts. Many of his assertions have, as we observe, been challenged; but there is one which, so far as we are aware, has not yet been touched. That is, his picture of the condition of the labouring man. We do not think it necessary to combat his theory, as to the delusion which he maintains to be so common, when we contemplate the times which have gone by, and compare them with our own. There are many kinds of delusion, and we suspect that Mr Macaulay himself is by no means free from the practice of using coloured glasses to assist his natural vision. But there are certain facts which cannot, or ought not, to be perverted, and from those facts we may draw inferences which are almost next to certainty. Mr Macaulay, in estimating the condition of the labouring man in the reign of King James, very properly selects the rate of wages as a sound criterion. Founding upon data which are neither numerous nor distinct, he arrives at the conclusion, that the wages of the agricultural labourer of that time, or rather of the time of Charles II., were about half

the amount of the present ordinary rates. At least so we understand him, though he admits that, in some parts of the kingdom, wages were as high as six, or even seven shillings. *The value*, however, of these shillings – that is, the amount of commodities which they could purchase – must, as Mr Macaulay well knows, be taken into consideration; and here we apprehend that he is utterly wrong in his facts. The following is his summary: —

"It seems clear, therefore, that the wages of labour, estimated in money, were, in 1685, not more than half of what they now are; and there were few articles important to the working man of which the price was not, in 1685, more than half of what it now is. Beer was undoubtedly much cheaper in that age than at present. Meat was also cheaper, but was still so dear that hundreds of thousands of families scarcely knew the taste of it. *In the cost of wheat there has been very little change.* The average price of the quarter, during the last twelve years of Charles II., was *fifty shillings*. Bread, *therefore*, such as is now given to the inmates of a workhouse, was then seldom seen, even on the trencher of a yeoman or of a shopkeeper. The great majority of the nation lived almost entirely on rye, barley, and oats."

If this be true, there must be a vast mistake somewhere – a delusion which most assuredly ought to be dispelled, if any amount of examination can serve that purpose. No fact, we believe, has been so well ascertained, or so frequently commented on, as the almost total disappearance of the once national estate of yeomen from the face of the land. How this could have happened, if Mr Macaulay is right, we cannot understand; neither can we account for the phenomenon presented to us, by the exceedingly small amount of the poor-rates levied during the reign of King James. One thing we know, for certain, that, in his calculation of the price of wheat, Mr Macaulay is decidedly wrong – wrong in this way, that the average which he quotes is the highest that he could possibly select during two reigns. Our authority is Adam Smith, and it will be seen that his statement differs most materially from that of the accomplished historian.

"In 1688, Mr Gregory King, a man famous for his knowledge of matters of this kind, estimated the average price of wheat, in years of moderate plenty, to be to the grower 3s. 6d. the bushel, or *eight-and-twenty shillings the quarter*. The grower's price I understand to be the same with what is sometimes called the contract price, or the price at which a farmer contracts for a certain number of years to deliver a certain quantity of corn to a dealer. As a contract of this kind saves the farmer the expense and trouble of marketing, the contract price is generally lower than what is supposed to be the average market price. Mr King had judged eight-and-twenty shillings the quarter to be, at that time, the ordinary contract price in years of moderate plenty." – Smith's *Wealth of Nations*.

In corroboration of this view, if so eminent an authority as Adam Smith requires any corroboration, we subjoin the market prices of wheat at Oxford for the four years of James's reign. The averages are struck from the highest and lowest prices calculated at Lady-day and Michaelmas.

1685,	43 s	per qr.
1686,	36 s	...
1687,	35 s	...
1688,	33 s	...
	40 1/2 s	...
Average, per qr.,	36 s 1/4	...

But the Oxford returns are always higher than those of Mark Lane, which latter again are above the average of the whole country. So that, in forming an estimate from such data, of the general price

over England, we may be fairly entitled to deduct two shillings a quarter, which will give a result closely approximating to that of Gregory King. We may add, that this calculation was approved of and repeated by Dr Davenant, who is admitted even by Mr Macaulay to be a competent authority.

Keeping the above facts in view, let us attend to Mr Doubleday's statement of the condition of the working men, in those despotic days, when national debts were unknown. It is diametrically opposed in every respect to that of Mr Macaulay: and, from the character and research of the writer, is well entitled to examination: —

"The condition of the working classes was proportionably happy. Their wages were good, and their means far above want, where common prudence was joined to ordinary strength. In the towns the dwellings were cramped, by most of the towns being walled; but in the country, the labourers were mostly the owners of their own cottages and gardens, which studded the edges of the common lands that were appended to every township. The working classes, as well as the richer people, kept all the church festivals, saints' days, and holidays. Good Friday, Easter and its week, Whitsuntide, Shrove Tuesday, Ascension-day, Christmas, &c., were all religiously observed. On every festival, good fare abounded from the palace to the cottage; and the poorest wore strong broad-cloth and homespun linen, compared with which the flimsy fabrics of these times are mere worthless gossamers and cobwebs, whether strength or value be looked at. At this time, all the rural population brewed their own beer, which, except on fast-days, was the ordinary beverage of the working man. Flesh meat was commonly eaten by all classes. The potato was little cultivated; oatmeal was hardly used; even bread was neglected where wheat was not ordinarily grown, though wheaten bread (contrary to what is sometimes asserted) was generally consumed. In 1760, a later date, when George III. began to reign, it was computed that the whole people of England (alone) amounted to six millions. Of these, three millions seven hundred and fifty thousand were believed to eat wheaten bread; seven hundred and thirty-nine thousand were computed to use barley bread; eight hundred and eighty-eight thousand, rye bread; and six hundred and twenty-three thousand, oatmeal and oat-cakes. All, however, ate bacon or mutton, and drank beer and cider; tea and coffee being then principally consumed by the middle classes. The very diseases attending this full mode of living were an evidence of the state of national comfort prevailing. Surfeit, apoplexy, scrofula, gout, piles, and hepatitis; agues of all sorts, from the want of drainage; and malignant fevers in the walled towns, from want of ventilation, were the ordinary complaints. But consumption in all its forms, marasmus and atrophy, owing to the better living and clothing, were comparatively unfrequent: and the types of fever, which are caused by want, equally so."

We shall fairly confess that we have been much confounded by the dissimilarity of the two pictures; for they probably furnish the strongest instance on record of two historians flatly contradicting each other. The worst of the matter is, that we have in reality few authentic data which can enable us to decide between them. So long as Gregory King speaks to broad facts and prices, he is, we think, accurate enough; but whenever he gives way, as he does exceedingly often, to his speculative and calculating vein, we dare not trust him. For example, he has entered into an elaborate computation of the probable increase of the people of England in succeeding years, and, after a show of figures which might excite envy in the breast of the Editor of *The Economist*, he demonstrates that the population in the year 1900 cannot exceed 7,350,000 souls. With half a century to run, England has already more than doubled the prescribed number. Now, though King certainly does attempt to frame an estimate of the number of those who, in his time, did not indulge in butcher meat more than once a week, we cannot trust an assertion which was, in point of fact, neither more nor less

than a wide guess; but we may, with perfect safety, accept his prices of provisions, which show that high living was clearly within the reach of the very poorest. Beef sold then at $1\frac{1}{3}d.$, and mutton at $2\frac{1}{4}d.$ per lb.; so that the taste of those viands must have been tolerably well known to the hundreds of thousands of families whom Mr Macaulay has condemned to the coarsest farinaceous diet.

It is unfortunate that we have no clear evidence as to the poor-rates, which can aid us in elucidating this matter. Mr Macaulay, speaking of that impost, says, "It was computed, in the reign of Charles II., at near seven hundred thousand pounds a-year, much more than the produce either of the excise or the customs, and little less than half the entire revenue of the crown. *The poor-rate went on increasing rapidly*, and appears to have risen in a short time to between eight and nine hundred thousand a-year – that is to say, to one-sixth of what it now is. The population was then less than one-third of what it now is." This view may be correct, but it is certainly not borne out by Mr Porter, who says that, "so recently as the reign of George II., the amount raised within the year for poor-rates and county-rates in England and Wales, was only £730,000. This was the average amount collected in the years 1748, 1749, 1750." To establish anything like a rapid increase, we must assume a much lower figure than that from which Mr Macaulay starts. A rise of £30,000 in some sixty years is no remarkable addition. Mr Doubleday, as we have seen, estimates the amount of the rate at only £300,000.

But even granting that the poor-rate was considered high in the days of James, it bore no proportion to the existing population such as that of the present impost. The population of England has trebled since then, and we have seen the poor-rates rise to the enormous sum of seven millions. Surely that is no token of the superior comfort of our people. We shall not do more than allude to another topic, which, however, might well bear amplification. It is beyond all doubt, that, before the Revolution, the agricultural labourer was the free master of his house and garden, and had, moreover, rights of pasturage and common, all which have long ago disappeared. The lesser freeholds, also, have been in a great measure absorbed. When a great national poet put the following lines into the mouth of one of his characters, —

"Even therefore grieve I for those yeomen,
England's peculiar and appropriate sons,
Known in no other land. Each boasts his hearth
And field as free, as the best lord his barony,
Owing subjection to no human vassalage,
Save to their king and law. Hence are they resolute,
Leading the van on every day of battle,
As men who know the blessings they defend;
Hence are they frank and generous in peace,
As men who have their portion in its plenty.
No other kingdom shows such worth and happiness
Veiled in such low estate – therefore I mourn them,"

we doubt not that he intended to refer to the virtual extirpation of a race, which has long ago been compelled to part with its birthright, in order to satisfy the demands of inexorable Mammon. Even whilst we are writing, a strong and unexpected corroboration of the correctness of our views has appeared in the public prints. Towards the commencement of the present month, November, a deputation from the agricultural labourers of Wiltshire waited upon the Hon. Sidney Herbert, to represent the misery of their present condition. Their wages, they said, were from six to seven shillings a-week, and they asked, with much reason, how, upon such a pittance, they could be expected to maintain their families. This is precisely the same amount of nominal wage which Mr Macaulay

assigns to the labourer of the time of King James. But, in order to equalise the values, we must add a third more to the latter, which is at once decisive of the question. Perhaps Mr Macaulay, in a future edition, will condescend to explain how it is possible that the labourer of our times can be in a better condition than his ancestor, seeing that the price of wheat is nearly doubled, and that of butcher-meat fully quadrupled? We are content to take his own authorities, King and Davenant, as to prices; and the results are now before the reader.

These remarks we have felt ourselves compelled to make, because it is necessary that, before touching upon the institution of the national debt, we should clearly understand what was the true condition of the people. We believe it possible to condense the leading features within the compass of a single sentence. There were few colossal fortunes, because there was no stock gambling; there was little poverty, because taxation was extremely light, the means of labour within the reach of all, prices moderate, and provisions plentiful: there was less luxury, but more comfort, and that comfort was far more equally distributed than now. It is quite true, that if a man breaks his arm at the present day, he can have it better set; but rags and an empty belly are worse evils than indifferent surgical treatment.

We are very far from wishing to attribute this state of national comfort – for we think that is the fittest word – to the personal exertions of James. We give him no credit for it whatever. His bigotry was far greater than his prudence; and he forfeited his throne, and lost the allegiance of the gentlemen of England, in consequence of his insane attempt to thrust Popery upon the nation. But if we regard him simply as a financial monarch, we must admit that he taxed his subjects lightly, used the taxes which he drew judiciously for the public service and establishment, and imposed no burden upon posterity.

The peculiar, and, to them, fatal policy of the Stuart family was this, that they sought to reign as much as possible independent of the control of parliaments. Had they not been blinded by old traditions, they must have seen that, in attempting to do so, they were grasping at the shadow without the possibility of attaining the substance. They came to the English throne too late to command the public purse, and at a period of time when voluntary subsidies were visionary. They looked upon parliaments with an eye of extreme jealousy; and parliaments, in return, were exceedingly chary of voting them the necessary supplies. Corruption, as it afterwards crept into the senate, was never used by the Stuarts as a direct engine of power. The sales of dignities by the first James, detrimental as they proved to the dignity of the crown, were in substitution of direct taxation from the people. When supplies were withheld, or only granted with a niggardly hand, it was but natural in the monarch to attempt to recruit his exchequer by means of extraordinary and often most questionable expedients. The second James, had he chosen to bribe the Commons, might have been utterly too strong for any combination of the nobles. William III. was troubled with no scruples on the score of prerogative. He saw clearly the intimate and indissoluble connexion between power and money: he secured both by acquiescing in a violent change of the constitution as it had hitherto existed; held them during his life, and used them for the furtherance of his own designs; and left us as his legacy, the nucleus of a debt constructed on such a scheme that its influence must be felt to the remotest range of posterity.

That the exigencies of every state must be met by loans, is a proposition which it would be useless to question. Such loans are, however, strictly speaking, merely an anticipation of taxes to be raised from the country and generation which reaps the benefit of the expenditure. Such was the old principle, founded upon law, equity, and reason; and it signifies nothing how many instances of forced loans, and breach of repayment, may be called from our earlier history. Mr Macaulay says, "From a period of immemorial antiquity, it had been the practice of every English government to contract debts. What the Revolution introduced was the practise of honestly paying them." This is epigrammatic, but not sound. From the time when the Commons had the power of granting or withholding supplies, *they* became the arbiters of what was and what was not properly a state obligation. In order to ascertain the actual value of a debt, and the measure of the creditor's claim, we must necessarily look to the nature of the security granted at the time of borrowing. Forced extortions

by kings are not properly debts of the state. The sanction of the people, through its representatives, is required to make repayment binding upon the people. The practice which the Revolution introduced was the contraction of debt, not intended to be liquidated by the borrowing generation, but to be carried over so as to affect the industry of generations unborn; not to make the debtor pay, but to leave the payment to his posterity.

When William and Mary were proclaimed, there was no such thing as a national debt. We may indeed except a comparatively small sum, amounting to above half a million, which had been detained in exchequer by the profligate Charles II., and applied to his own uses. But this was not properly a state debt, nor was it acknowledged as such till a later period.

To those who are capable of appreciating that genius which is never so strongly shown as in connexion with political affairs, the conduct of William is a most interesting study. It would be impossible to exaggerate his qualities of clear-sightedness and decision; or to select a more forcible instance of that ascendancy which a man of consummate discernment and forethought may attain, in spite of every opposition. He had, in truth, very difficult cards to play. The different parties, both religious and political, throughout the nation, were so strongly opposed to each other, that it seemed impossible to adopt any line of conduct, which should not, by favouring one, give mortal umbrage to the others. It was reserved for William, by a master-stroke of policy, to create a new party by new means, which in time should absorb the others; and to strengthen his government by attaching to it the commercial classes, by a tie which is ever the strongest – that of deep pecuniary interest in the stability of existing affairs. At the same time he was most desirous, without materially increasing the taxation of England, to raise such sums of money as might enable him to prosecute his darling object of striking a death-blow at the ascendancy of France. The scheme answered well – possibly beyond his most sanguine expectation. Nor was it altogether without a precedent.

"In Holland," says Mr Doubleday, "the country of his birth, the Dutch king and his advisers found both a precedent to quote, and an example to follow. By its position and circumstances, this country, inconsiderable in size and population, and not naturally defensible, had been compelled to act the part, for a series of years, of a leading power in Europe; and this it had only been enabled to do, by that novel arm which a very extensive foreign trade is sure to create, and by the money drawn together by successful trading. Venice had at an earlier period played a similar part; but a series of struggles at last led the huckstering genius of the Dutch into a system at which the Venetian public had not arrived: and this was the fabrication of paper money, the erection of a bank to issue it, and the systematic borrowing of that money, and the creation of debt on the part of government, for only the interest of which taxes were demanded of the people. Here was machinery set up and at work; and, in the opinion of interested and superficial observers, working successfully. It was, accordingly, soon proposed to set up a copy of this machinery in England, and in 1694, the blow was struck which was destined to have effects so monstrous, so long continued, and so marvellous, on the fortunes of England and her people; and the establishment, since known as the Bank of England, was erected under the sanction of the government."

The worst and most dangerous feature of a permanent national debt is, that, during the earlier stages of its existence, an appearance of factitious prosperity is generated, and the nation consequently blinded to its remote but necessary results. The tendency to such a delusion is inherent in human nature. *Après nous le deluge!* is a sorry maxim, which has been often acted on, if not quoted by statesmen, who, like a certain notable Scottish provost, being unable to discover anything that posterity has done for them, have thought themselves entitled to deal as they pleased with posterity. The proceeds of the earlier loans enabled William to carry on his wars; and the nation, puffed up

with pride, looked upon the new discovery as something far more important and valuable than the opening of another Indies. Nor did William confine himself merely to loans. Lotteries, tontines, long and short annuities, and every species of device for raising money, were patronised and urged on by the former Stadtholder, and the rage for public gambling became uncontrollable and universal. As we have just emerged from one of those periodical fits of speculation which seem epidemical in Great Britain, and which, in fact, have been so ever since the Revolution, it may be interesting to the reader to know, that the introduction of the new system was marked by precisely the same social phenomena which were observable four years ago, when the shares in every bubble railway scheme commanded a ridiculous premium. We quote from the work of Mr Francis: —

"The moneyed interest – a title familiar to the reader of the present day – was unknown until 1692. It was then arrogated by those who saw the great advantage of entering into transactions in the funds for the aid of government. The title claimed by them in pride was employed by others in derision; and the purse-proud importance of men grown suddenly rich was a common source of ridicule. Wealth rapidly acquired has been invariably detrimental to the manners and the morals of the nation, and in 1692 the rule was as absolute as now. The moneyed interest, intoxicated by the possession of wealth, which their wildest dreams had never imagined, and incensed by the cold contempt with which the landed interest treated them, endeavoured to rival the latter in that magnificence which was one characteristic of the landed families. Their carriages were radiant with gold; their persons were radiant with gems; they married the poorer branches of the nobility; they eagerly purchased the princely mansions of the old aristocracy. The brush of Sir Godfrey Kneller, and the chisel of Caius Cibber, were employed in perpetuating their features. Their wealth was rarely grudged to humble the pride of a Howard or a Cavendish; and the money gained by the father was spent by the son in acquiring a distinction at the expense of decency."

It is curious to remark that the Stock Exchange cannot be said to have had any period of minority. It leaped out at once full-armed, like Minerva from the brain of Jupiter. All the arts of *bulling* and *bearing*, of false rumours, of expresses, combinations, squeezings – all that constitute the mystery of Mammon, were known as well to the fathers of the Alley, as they are to their remote representatives. Nay, it would almost appear that the patriarchal jobber had more genius than has since been inherited. William's retinue did not consist only of mercenaries and refugees. Hovering on the skirts of his army came the sons of Israel, with beaks whetted for the prey, and appetites which never can be sated. *Vixere fortes ante Agamemnona* – there were earlier vultures than Nathan Rothschild. The principal negotiators of the first British loan were Jews. They assisted the Stadtholder with their counsel, and a Mephistopheles of the money-making race attached himself even to the side of Marlborough. According to Mr Francis: – "The wealthy Hebrew, Medina, accompanied Marlborough in all his campaigns; administered to the avarice of the great captain by an annuity of six thousand pounds per annum; repaid himself by expresses containing intelligence of those great battles which fire the English blood to hear them named; and Ramilies, Oudenarde, and Blenheim, administered as much to the purse of the Hebrew as they did to the glory of England."

It has been estimated, upon good authority, that from fifteen to twenty per cent of every loan raised in England, has, directly or indirectly, found its way to the coffers of those unconscionable Shylocks; so that it is small wonder if we hear of colossal fortunes coexisting with extreme national depreciation and distress. We might, indeed, estimate their profits at a much higher rate. Dr Charles Davenant, in his essay on the *Balance of Trade*, written in the earlier part of the last century, remarked – "While these immense debts remain, the necessities of the government will continue, interest must be high, and large premiums will be given. And what encouragement is there for men to think of

foreign traffic (whose returns for those commodities that enrich England must bring no great profit to the private adventurers) when they can sit at home, and, without any care or hazard, get from the state, by dealing with the exchequer, fifteen, and sometimes twenty, thirty, forty, and fifty per cent? Is there any commerce abroad so constantly advantageous?" We apprehend not. Capital is defined by the economists as the accumulation of the savings of industry. Such men as Rothschild have no doubt been industrious, but not according to the ordinary acceptation of the term. Their industry is of a wholesale kind. It is confined to a resolute and systematic endeavour to avail themselves of the savings of others; and we need hardly state that, in this pursuit, they have shown themselves most eminently successful.

The remarkable change which took place in the monetary system of England, under the auspices of William, could not, of course, have been effected without the concurrence of parliament. That body had certainly no reason to charge him with neglect of their interests. The representatives of the people for the first time began to understand, that there might be certain perquisites arising from their situation as men of trust, which could be made available to them, provided they were not too scrupulous as to the requirements of the crown. The mastiff which had bayed so formidably at James and his predecessors, because none of them would deign to cajole him, became at once amenable to a sop. Mr Macaulay should have written: "The revolution of 1688 did not introduce the practice of regularly summoning parliaments; what it introduced was the practice of regularly bribing them." Mr Francis, though an apologist of King William, who, as he thinks, was compelled to act thus from imperious necessity, is not blind to this stigma on his memory. He also believes that the settled animosity between England and France, which has caused so many wars, and led to such an extravagant expenditure of blood and treasure, is mainly to be attributed to the persevering efforts of William of Orange. The following summary is of much interest: —

"The parliamentary records of William's reign are curious. The demands which he made for money, the hatred to France which he encouraged, and the frequent supplies he received, are remarkable features in his history. Every art was employed; at one time a mild remonstrance, at another a haughty menace, at a third the reproach that he had ventured his life for the benefit of the country. The bribery, during this reign, was the commencement of a system which has been very injurious to the credit and character of England. The support of the members was purchased with places, with contracts, with titles, with promises, with portions of the loans, and with tickets in the lottery. The famous axiom of Sir Robert Walpole was a practice and a principle with William; he found that custom could not stale the infinite variety of its effect, and that, so long as bribes continued, so long would supplies be free. Exorbitant premiums were given for money; and so low was public credit, *that of five millions granted to carry on the war, only two and a half millions reach the Exchequer.* Long annuities and short annuities, lottery tickets and irredeemable debts, made their frequent appearance; and the duties, which principally date from this period, were most pernicious."

These things are elements of importance in considering the political history of the country. They explain the reason why the great bulk of the nation never cordially supported the new succession; and why, for the first time in English history, their own representative house lost caste and credit with the commons. Fifty years later, when Charles Edward penetrated into the heart of England, he met with no opposition. If the inhabitants of the counties through which he passed did not join his standard, they thought as little of making tiny active opposition to his advance; thereby exhibiting an apathy totally at variance with the high national and independent spirit which in all times has characterised the English, and to be accounted for on no other ground than their disgust with the new system which, even then, had swollen the amount of taxation to an extent seriously felt by the commonalty, and

which had so corrupted parliament that redress seemed hopeless within the peaceful limits of the constitution. The proclamation issued by the prince, from Edinburgh, bore direct reference to the funded debt, and to the notorious ministerial bribery; and it must have found an echo in the hearts of many, who began to perceive that the cry of civil and religious liberty is the standard stalking-horse for every revolution, but that the result of revolutions is too commonly an imperative demand upon the people for a large augmentation of their burdens, backed too by the very demagogues who were the instigators of the violent change. In this crisis, the moneyed interest, which William had so dexterously created, saved the new dynasty – less, certainly, from patriotism, than from the fear of personal ruin.

It is a memorable fact that, from the very first, the Tory party opposed themselves strenuously to the creation and progress of the national debt. It is well that those who, in our own times, bitterly denounce the system which has landed us in such inextricable difficulties, and which has had the effect of rearing up class interests, irreconcilably opposed to each other, in once-united England, should remember that for all this legacy we are specially indebted to the Whigs. Except by Tory ministers, and in one case by Walpole, no attempt has been made to stem the progress of the current; and this consideration is doubly valuable at this moment, when it is proposed, by a vigorous effort, to make head against the monster grievance, and, by the establishment of an inviolable sinking-fund, to commence that work which liberal and juggling politicians have hitherto shamefully evaded. It is more than probable that "the moneyed interest" will throw the whole weight of their influence in opposition to any such movement; unless, indeed, they should begin already to perceive that there may be worse evils in store for them than a just liquidation of their claims. Matters have now gone so far as to be perilous, if no practicable mode of ultimate extrication can be shown. Real property cannot be taxed any higher – indeed, the landowners have claims for relief from peculiar burdens imposed upon them, which in equity can hardly be gainsaid. The property and income-tax, admittedly an impolitic impost in the time of peace, cannot remain long on its present footing. To tax professional earnings at the same rate as the profits of accumulated capital, is a manifest and gross injustice against which people are beginning to rebel. There is no choice left, except between direct taxation and a recurrence to the system which we have abandoned, of raising the greater part of our revenue by duties upon foreign imports. The former method, now openly advocated by the financial reformers, is, in our opinion, a direct step towards repudiation. Let the fundholders look to it in time, and judge for themselves what results are likely to accrue from such a policy. One thing is clear, that if no effort should be made to redeem any portion of the debt – but if, on the contrary, circumstances should arise, the probability of which is before us even now, to call for its augmentation, and for a corresponding increase of the public revenue – the financial reformers will not be slow to discover that the only interest hitherto unassailed must submit to suffer in its turn. The Whigs are now brought to such a pass, that they cannot hope to see their way to a surplus. We shall have no more of those annual remissions of duties, which for years past have been made the boast of every budget, but to which, in reality, the greater part of our present difficulties is owing. Had a sinking fund been established long ago, and rigidly maintained, and at the same time the revenue kept full, the nation would ere now have been reaping the benefit of such a policy. We should have had the satisfaction of seeing our debt annually diminishing, and the interest of it becoming less; whereas, by the wretched system of fiddling popularity which has been pursued, the debt has augmented in time of peace, the annual burdens absolutely increased, ruinous competition been fostered, and internal jealousies excited. The Whigs, who arrogate for themselves, not only now but in former times, the guardianship of the liberties of Britain, have taken especial pains to conceal the fact that they were, in reality, the authors of our funding system, and the bitterest opponents of those who early descried its remote and ruinous consequences. Their motives cannot be concealed, however it may be their interest at the present time to gloss them over. Lord Bolingbroke thus exposes their occult designs, in his "*Letters on the Use of History*."

"Few men, at the time (1688), looked forward enough to foresee the necessary consequences of the new constitution of the revenue that was soon afterwards formed, nor of the method of funding that immediately took place; which, absurd as they are, have continued ever since, till it is become scarce possible to alter them. Few people, I say, saw how the creation of funds, and the multiplication of taxes, would increase yearly the power of the Crown, and bring our liberties, by a natural and necessary progression, into more real though less apparent danger than they were in before the Revolution! The excessive ill husbandry practised from the very beginning of King William's reign, and which laid the foundation of all we feel and fear, was not the effect of ignorance, mistake, or what we call chance, *but of design and scheme in those who had the sway at the time*. I am not so uncharitable, however, as to believe that they intended to bring upon their country all the mischiefs that we who came after them experience and apprehend. No: they saw the measures they took singly and unrelatively, or relatively alone to some immediate object. The notion of attaching men to the new government, by tempting them to embark their fortunes on the same bottom, was a reason of state to some; the notion of creating a new, that is, a moneyed interest, in opposition to the landed interest, or as a balance to it, and of acquiring a superior interest in the city of London at least, by the establishment of great corporations, was a reason of party to others: and I make no doubt that the opportunity of amassing immense estates, by the management of funds, by trafficking in paper, and by all the arts of jobbing, was a reason of private interest to those who supported and improved that scheme of iniquity, if not to those who devised it. They looked no further. Nay, we who came after them, and have long tasted the bitter fruits of the corruption they planted, were far from taking such alarm at our distress and our dangers as they deserved."

In like manner wrote Swift, and Hume, and Smith; nor need we wonder at their vehemence, when we direct our attention to the rapid increase of the charge. William's legacy was £16,400,000 of debt, at an annual charge to the nation of about £1,311,000. At the death of Queen Anne, the debt amounted to fifty-four millions, and the interest to three millions, three hundred and fifty thousand – being nearly double the *whole revenue* raised by King James! The total amount of the annual revenue under Queen Anne, was more than five millions and a half. Under George I., singular to relate, there was no increase of the debt. At the close of the reign of George II., it amounted to about a hundred and forty millions; and, in 1793, just one hundred years after the introduction of the funding system in Britain, we find it at two hundred and fifty-two millions, with an interest approaching to ten. Twenty-two years later, that amount was more than trebled. These figures may well awaken grave consideration in the bosoms of all of us. The past is irremediable; and it would be a gross and unpardonable error to conclude, that a large portion of the sum thus raised and expended was uselessly thrown away; or that the corruption employed by the founders of the system, to secure the acquiescence of parliament, was of long continuance. On the contrary, it is undeniable that the result of many of the wars in which Britain engaged has been her commercial, territorial, and political aggrandisement; and that bribery, in a direct form, is now most happily unknown. The days have gone by since the parliamentary guests of Walpole could calculate on finding a note for £500, folded up in their dinner napkins – since great companies, applying for a charter, were compelled to purchase support – or when peace could only be obtained, as in the following instance, by means of purchased votes: – "The peace of 1763," said John Ross Mackay, private secretary to the Earl of Bute, and afterwards Treasurer to the Ordnance, "was carried through, and approved, by a pecuniary distribution. Nothing else could have surmounted the difficulty. I was myself the channel through which the money passed. With my own hand I secured above one hundred and twenty votes on that

vital question. Eighty thousand pounds was set apart for the purpose. Forty members of the House of Commons received from me a thousand pounds each. To eighty others I paid five hundred pounds a-piece." Still we cannot disguise the fact, that a vast amount of the treasure so levied, and for every shilling of which the industry of the nation was mortgaged, never reached the coffers of the state, but passed in the shape of bonuses, premiums, and exorbitant contracts, to rear up those fortunes which have been the wonder and admiration of the world. Nor is it less palpable that the fortunes so constructed could not have had existence, unless abstracted from the regular industry of the country, to the inevitable detriment of the labourer, whose condition has at all times received by far too little consideration. Add to this the spirit of public gambling, which, since the Revolution, has manifested itself periodically in this country – the sudden fever-fits which seem to possess the middle classes of the community, and, by conjuring up visions of unbounded and unbased wealth, without the necessary preliminary of labour, to extinguish their wonted prudence – and we must conclude that the funding system has been pregnant with social and moral evils which have extended to the whole community. Before we pass from this subject – which we have dwelt upon at considerable length, believing it of deep interest at the present point of our financial history – we would request the attention of our readers to the following extract from the work of Mr Francis, as condemnatory of the policy pursued by recent governments, and as tending to throw light on the ultimate designs of the Financial Reform Associations. It is quite possible that, in matters of detail, we might not agree with the writer – at least, he has given us no means of ascertaining upon what principles he would base an "efficient revision of our taxation;" but we cordially agree with him in thinking that, as we presently stand, the right arm of Great Britain is tied up, and the Bank of England, under its present restrictions, in extreme jeopardy at the first announcement of a war.

"It is one great evil of the present age, that it persists in regarding the debt as perpetual. Immediately the expenditure is exceeded by the revenue, there is a demand for the reduction of taxation. We, a commercial people, brought up at the feet of M'Culloch, with the books of national debt as a constant study, with the interest on the national debt as a constant remembrancer, persist in scoffing at any idea of decreasing the encumbrance: and when a Chancellor of the Exchequer proposes a loan of eight millions, we growl and grumble, call it charitable, trust for better times, and read the Opposition papers with renewed zest.

There is no doubt that the resources of the nation are equal to far more than is now imposed; but it can only be done by an efficient revision of our taxation, and this will never be effected till the wolf is at the door. A war which greatly increased our yearly imposts would, with the present system, crush the artisan, paralyse the middle class, and scarcely leave the landed proprietor unscathed. The convertibility of the note of the Bank of England would cease; and it would be impossible to preserve the charter of Sir Robert Peel in its entirety, while twenty-eight millions were claimable yearly in specie, and the gold of the country went abroad in subsidies.

In an earlier portion of the volume, the writer briefly advocated annuities as one mode of treating the national debt. There would in this be no breach of faith to the present public; there would be no dread of a general bankruptcy; there would be no need of loans; and, had this principle been carried out, the national debt would be yearly diminishing. In ten years, nearly two millions of terminable annuities will expire, and it behoves the government to inquire into the effect which the conversion of the interminable debt into terminable annuities would have on the money market.

It is absolutely idle for the Financial Reform Association to think of effectually lowering the taxation of the country, while twenty-eight millions are paid for interest; and it is to be feared that great evil will accompany whatever good they may achieve. That there are many offices which might be abolished; that it is a rule in England that

the least worked should be best paid; that an extravagant system of barbaric grandeur exists; that the army and the navy, the pulpit and the bar, are conducted unwisely; and that great men are paid great salaries for doing nothing, – is indisputable; but it is equally so that great savings have been effected, and that greater efforts are making to economise further. There is a faith pledged to the public servant as much as to the public creditor; and, whether he be a colonel or a clerk, a man of peace or a man of war, it is impracticable, imprudent, and unjust to attempt that which would as much break faith with him, as to cease to pay the dividends on the national debt would be to break faith with the national creditor.

These things are paltry and puerile compared with that which, excepting a total revision of taxation, can alone materially meet the difficulties of England; and the gentlemen of the Reform Association are aware of this. They may cut down salaries; lower the defences of the country; abolish expensive forms and ceremonies; amalgamate a few boards of direction; reduce the civil list; and do away with all sinecures. But the evil is too vast, and the difficulties are too gigantic, to be met in so simple a manner. Nor will these gentlemen be satisfied with it while there are eight hundred millions at which to level their Quixotic spear. Repudiation was darkly alluded to at one meeting of the Association, and, though it has since been denied, it is to be feared that time only is required to ripen the attempt."

Turn we now from the national debt to its eldest offspring, the Exchange. Marvellous indeed are the scenes to which we are introduced, whether we read its history as in the time of William of Orange, enter it at the period when the South Sea bubble had reached its utmost width of distension, or tread its precincts at a more recent date, when railway speculation was at its height, and the Glenmutchkin at a noble premium. John Bunyan could not have had a glimpse of it, for he died in 1688: nevertheless his Vanity Fair is no inaccurate prototype of its doings. No stranger, indeed, may enter the secret place where its prime mysteries are enacted: if any uninitiated wight should by chance or accident set foot within that charmed circle, the alarm is given as rapidly as in Alsatia when a bailiff trespassed upon the sanctuary. With a shout of "Fourteen hundred fives!" the slogan of their clan, Jew, Gentile, and proselyte precipitate themselves upon the rash intruder. In the twinkling of an eye, his hat is battered down, and amidst kicks, cuffs, and bustling, he is ejected from the temple of Mammon. But, lingering in the outer court and vestibule, we can gain some glimpses of the interior worship; imperfect, indeed, but such as may well deter us from aspiring to form part of the congregation.

The creation and transferable character of public funds, necessarily involved the existence of a class of men who deal in such securities. That class multiplied apace, and multiplied so much that, after a time, the commissions exigible for each *boná fide* transaction could not afford a decent subsistence for all who were engaged in the business. People who buy into the stocks with a view to permanent investment, are not usually in a hurry to sell; and this branch of the profession, though, strictly speaking, the only legitimate one, could not be very lucrative. Gambling was soon introduced. The fluctuations in the price of the funds, which were frequent in those unsettled times, presented an irresistible temptation to buying and selling for the account – a process by means of which a small capital may be made to represent fictitiously an enormous amount of stock: no transfers being required, and in fact no sales created, the real stake being the difference between the buying and the selling prices. But, the natural fluctuations of the stocks not affording a sufficient margin for the avarice of the speculators, all sorts of deep-laid schemes were hatched to elevate or depress them unnaturally. In other words, fraud was resorted to, from a very early period, for the purpose of promoting gain. The following may serve as an example: – "The first political hoax on record occurred in the reign of Anne. Down the Queen's road, riding at a furious rate, ordering turnpikes to be thrown open, and loudly proclaiming the sudden death of the Queen, rode a well-dressed man, sparing neither spur nor steed. From west to east, and from north to south, the news spread. Like

wildfire it passed through the desolate fields where palaces now abound, till it reached the City. The train-bands desisted from their exercise, furl'd their colours, and returned home with their arms reversed. The funds fell with a suddenness which marked the importance of the intelligence; and it was remarked that, while the Christian jobbers stood aloof, almost paralysed with the information, Manasseh Lopez and the Jew interest bought eagerly at the reduced price." The whole thing was a lie, coined by the astute Hebrews, who then, as now, accumulated the greater part of their money in this disgraceful and infamous manner, and doubtless had the audacity even to glory in their shame. A more ingenious trick was played off in 1715, when a sham capture was made in Scotland of a carriage and six, supposed to contain the unfortunate Chevalier St George. The news, being despatched to London, instantly elevated the funds, "and the inventors of the trick laughed in their sleeves as they divided the profit." Modern jobbers will doubtless read these records with a sigh for the glory of departed times, just as a schoolboy bitterly regrets that he was not born in the days of chivalry. Universal rapidity of communication, and the power of the press, have rendered such operations on a large scale almost impossible. The electric telegraph has injured the breed of carrier pigeons, and more than half the poetry of fraudulent stock-jobbing has disappeared.

The range of the jobbers speedily extended itself beyond the comparatively narrow field presented by the funds. Exchequer bills with a variable premium were invented and brought into the market, a large and lucrative business was done in lottery tickets, and even seats in parliament were negotiated on the Stock Exchange. Joint-stock companies next came into play, and these have ever since proved an inexhaustible mine of wealth to the jobbers. Nor were they in the least particular as to the nature of the commodity in which they dealt. Thomas Guy, founder of the hospital called after his name, acquired his fortune by means similar to those which are now made matter of reproach to the Jews of Portsmouth and Plymouth. It is a curious feature in the history of mankind, that money questionably amassed is more often destined to pious uses than the savings of honest industry. The conscience of the usurer becomes alarmed as the hour of dissolution draws nigh. "His principal dealings were in those tickets with which, from the time of the second Charles, the seamen had been remunerated. After years of great endurance, and of greater labour, the defenders of the land were paid with inconvertible paper; and the seamen, too often improvident, were compelled to part with their wages at any discount, which the conscience of the usurer would offer. Men who had gone the round of the world like Drake, or had fought hand to hand with Tromp, were unable to compete with the keen agent of the usurer, who, decoying them into the low haunts of Rotherhithe, purchased their tickets at the lowest possible price; and skilled seamen, the glory of England's navy, were thus robbed, and ruined, and compelled to transfer their services to foreign states. In these tickets did Thomas Guy deal, and on the savings of these men was the vast superstructure of his fortune reared. But jobbing in them was as frequent in the high places of England as in 'Change Alley. The seaman was poor and uninfluential, and the orders which were refused payment to him were paid to the wealthy jobber, who parted with some of his plunder as a premium to the treasury to disgorge the remainder." But frauds and injustice, even when countenanced by governments, have rarely other than a disastrous issue to the state. So in the case of those seamen's tickets. That the wages due to the sailor should have fallen into arrears during the reigns of Charles and of James, need excite little surprise, when we remember that the revenue in their day never exceeded two millions annually. But that the abuse should have been continued after the revolutionary government had discovered its easy method of raising subsidies – more especially when ample proof had been given of the danger of such a system, by the want of alacrity displayed by the English seamen when the Dutch fleet burned our vessels in the Thames and threatened Chatham – is indeed matter of marvel, and speaks volumes as to the gross corruption of the times. So infamous was the neglect, that at length the sailors' tickets had accumulated to the amount of nine millions sterling of arrears. Not one farthing had been provided to meet this huge demand; and in order to stay the clamours of the holders – not now mariners, but men of the

stamp of Thomas Guy, – parliament erected them into that body known as the South Sea Company, the transactions of which will ever be memorable in the commercial history of Great Britain.

The existence of this company dates from the reign of Queen Anne; but for some years its operations were conducted on a small scale, and it only assumed importance in 1719, when exclusive privileges of trading within certain latitudes were assured to it. We quote from Mr Doubleday the following particulars, which utterly eclipse the grandeur of modern gambling and duplicity.

"As soon as the act had fairly passed the Houses, the stock of the company at once rose to *three hundred and nineteen per cent*; and a mad epidemic of speculative gambling seemed, at once, to seize the whole nation, with the exception of Mr Hutchison, and a few others, who not only preserved their sanity, but energetically warned the public of the ultimate fate of the scheme and its dupes. The public, however, was deaf. The first sales of stock by the Court of Directors were made at three hundred per cent. Two millions and a quarter were taken, and the market price at one reached *three hundred and forty*– double the first instalment according to the terms of payment. To set out handsomely, the Court voted a dividend of ten per cent upon South Sea Stock, being only a half-yearly dividend, payable at midsummer 1720. To enable persons to hold, they also offered to lend half a million on security of their own stock; and afterwards increased the amount to a million, or nearly so. These bold steps gained the whole affair such an increase of credit, that, upon a bare notice that certain irredeemable annuities would be received for stock, upon terms hereafter to be settled, numbers of annuitants deposited their securities at the South Sea House, without knowing the terms! About June, when the first half-yearly dividend was becoming due, the frenzy rose to such a pitch, that the stock was sold at *eight hundred and ninety per cent*. This extravagance, however, made so many sellers, that the price suddenly fell, and uneasiness began to be manifested; when the Directors had the inconceivable audacity to propose to create new stock at *one thousand per cent*, to be paid in ten instalments of one hundred pounds each. Strange to relate, this desperate villany turned the tide again, and, to use the words of Anderson, 'in a few days the hundred pound instalment was worth *four hundred*!'"

We invariably find that the success, whether real or pretended, of any one scheme, gives rise to a host of imitations. If any new company, whatever be its object, is started, and the shares are selling at a premium, we may look with perfect confidence for the announcement of six or seven others before as many days have elapsed. This is, of course, partly owing to the cupidity of the public; but that cupidity could not manifest itself so soon in a tangible form, but for the machinations of certain parties, who see their way to a profit whatever may be the result of the speculation. Amidst the ruin and desolation which invariably follow those seasons of infuriated and infatuated gambling, to which we are now almost habituated, such men preserve a tranquil and a calm demeanour. And no wonder: they have reaped the harvest which the folly of others has sown. At the hottest and most exciting period of the game, they have their senses as completely under control as the sharper who has deliberately dined on chicken and lemonade, with the prospect of encountering afterwards an inebriated victim at Crockford's. They may play largely, but they only do so while their hand is safe; the moment luck changes, they sell out, and leave the whole loss to be borne by the unfortunate dupes, who, believing in their deliberate falsehoods, still continue to hold on, trusting to the advent of those fabulous better times which, in their case, never can arrive. It has been so in our own times, and it was so when the South Sea bubble was expanding on its visionary basis. Multitudes of minor schemes were projected, subscribed for, and driven up to an exorbitant premium. The shares of really solid companies participated in the rise, and mounted correspondingly in the market. The nominal value

of all the sorts of stock then afloat was computed at no less than five hundred millions; being exactly double the estimated value of the whole lands, houses, and real property in the kingdom!

The collapse came, and brought ruin to thousands who thought that they held fortune within their grasp. The history of the downfall is not less suggestive than that of the rapid rise. It has had its parallel in our days, when the most rotten and unsubstantial of companies have brazened out their frauds to the last, doctored accounts, declared fictitious dividends, and threatened with legal prosecution those who had the courage and the honesty to expose them.

"The minor bubbles burst first, when the South Sea schemers were foolish enough to apply for a *scire facias* against their projectors, on the ground that *their* schemes injured the credit of the grand scheme. This turned quondam allies into furious enemies. The *scire facias* was issued on 13th August 1720, when the downfall began; and Mr Hutchison saw his predictions completely fulfilled. The South Sea villains, in sheer desperation, declared a *half-yearly dividend of thirty per cent* due at Christmas, and offered to guarantee fifty per cent per annum for twelve years! They might as well have declared it for the thirtieth of February. Everything was done to prop the reputation of the directors, but all was in vain; and when the stock fell at last to one hundred and seventy-five, a panic ensued, and all went to the ground together, totally ruining thousands, and nearly dragging the Bank and East India Company along with it."

Mr Francis gives us some interesting anecdotes of the casualties arising from this gigantic scheme of imposture. Gay, the author of the *Beggar's Opera*, was a holder of stock, and at one time might have sold out with a profit of twenty thousand pounds – an opportunity very rarely vouchsafed to a poet. In spite of shrewd advice, he neglected his chance, and lost every penny. One Hudson, a native of Yorkshire, who had succeeded to a large fortune, went deeply into the scheme. From a millionaire he became a beggar and insane, and wandered through the streets of London a pitiable object of charity. But it would be work, of supererogation to multiply instances of similar calamity. They are reproduced over and over again at the conclusion of every fit of wild and reckless speculation; and yet the warning, terrible as it is, seems to have no effect in restraining the morbid appetite.

It would, we apprehend, be impossible to find any one who will advocate gambling upon principle; though a multitude of excellent persons, who would shrink with horror were the odious epithet applied to them, are, nevertheless, as much gamblers as if they were staking their money at *rouge-et-noir* or *roulette*. The man who buys into a public stock with the intention of selling in a week or a fortnight, in the expectation of doing so at an advanced price, or the other who sells shares which he does not possess, in the confident belief of a speedy fall, is, in everything save decency of appearance, on a par with the haunter of the casino. He may, if he so pleases, designate himself an investor, but, in reality, he is a common gamester. This may be a hard truth, but it is a wholesome one, and it cannot be too often repeated, at a time when general usage, and yielding to temptation, have perverted words from their ordinary significance, and led many of us to justify transactions which, when tried by the standard of morality, and stripped of their disguise, ought to be unhesitatingly condemned. "He that loveth gold shall not be justified," said the son of Sirach. "Many have sinned for a small matter; and he that seeketh for abundance will turn his eyes away. As a nail sticketh fast between the joinings of the stones, so doth sin stick close between buying and selling." This spirit, when it becomes general in the nation, cannot be otherwise than most hurtful to its welfare, since it diverts the thoughts of many from those industrial pursuits which are profitable to themselves and others, and leads them astray from that honourable and upright course which is the sure and only road to wealth, happiness, and esteem. This has been, to a certain extent, acknowledged by government, even within our own time. The pernicious effect of the lotteries, originally, a state device, upon the

morals and condition of the lower classes, as testified by the vast increase of crime, became at length so glaring, that these detestable engines of fraud were suppressed by act of parliament. They still linger on the Continent, as most of us have reason to know from the annual receipt of documents, copiously circulated by the Jews of Hamburg and Frankfort, offering us, in exchange for a few florins, the chance of becoming proprietors of several chateaux on the Rhine, with boar-forests, mineral springs, vineyards, and other appurtenances. We presume, from the continuity of the circulars, that Israel still finds its dupes; but we never happened, save in one of Charles Lever's novels, to hear of any person lucky enough to stumble on the ticket which secured the right to Henkersberg, Bettlersbad, or Narrenstein. The extent to which lottery gambling was carried in this country seems to us absolutely incredible. Derby sweeps were nothing to it.

"In 1772," says Mr Francis, "lottery magazine proprietors, lottery tailors, lottery staymakers, lottery glovers, lottery hatmakers, lottery tea merchants, lottery barbers – where a man, for being shaved and paying threepence, stood a chance of receiving £10; lottery shoeblacks, lottery eating-houses – where, for sixpence, a plate of meat and the chance of 60 guineas were given; lottery oyster-stalls – where threepence gave a supply of oysters, and a remote chance of five guineas, were plentiful; and, to complete a catalogue which speaks volumes, at a sausage-stall, in a narrow alley, was the important intimation written up, that, for one farthing's worth of sausages, the fortunate purchaser might realise a capital of five shillings. Quack doctors, a class which formed so peculiar a feature in village life of old, sold medicine at a high price, giving those who purchased it tickets in a lottery purporting to contain silver and other valuable prizes."

A new discovery was presently made, which had a serious effect upon trade. Money-prizes were discontinued, and shopkeepers, parcelling out their goods, disposed of them by lottery. As a matter of course, this business, commenced by disreputable adventurers, proved most injurious to the regular dealer. People refused to buy an article at the regular price, when it might be obtained for next to nothing. They were, however, utterly wrong, for the staple of the prize goods, when inspected, proved to be of the most flimsy description. Tickets in the state lotteries became the subject of pawn, and were so received by the brokers, and even by the bankers. Suicide was rife; forgery grew common; theft increased enormously. Husbands and fathers saw their wives and children reduced to absolute starvation, and weeping bitterly for bread, and yet pawned their last articles of household furniture for one more desperate chance in the lottery. Wives betrayed their husbands, and plundered them, for the same purpose. Servants robbed their masters; commissions and offices were sold. Insurance was resorted to, to accommodate all classes. Those who had not money to pay for tickets might insure a certain number for a small sum, and thus obtain a prize; and so lottery grew upon lottery, and the sphere was indefinitely extended. It was not until 1826 that this abominable system, was finally crushed. The image of the vans, placards, and handbills of Bish is still fresh in our memory; and we pray devoutly that succeeding generations may never behold a similar spectacle.

It would be in vain for us, within the limits of an article, to attempt even the faintest sketch of the speculative manias which, from time to time, have affected the prosperity of Great Britain. Some of these have been quite, as baseless as the South Sea bubble, and may be directly traced to the agency and instigation of the Stock Exchange. Others were founded upon schemes of manifest advantage to the public, and even to the proprietary, if cautiously and wisely carried out; but here again the passion for gambling has been insanely developed, and encouraged by those who sought to make fortunes at the expense of their dupes. There is at all times, in this country, a vast deal of unemployed capital, which, in the cant phrase, "is waiting for investment," and which cannot well be invested in any of the ordinary channels of business. The fact is, that within the area of Britain, it has been long difficult for a capitalist to select a proper field of operation; and the tendency of recent legislation

has materially increased the difficulty. The country, in fact, may be considered as entirely *made*. Agricultural improvement, on a large scale, which implied the possession of a tract of unprofitable country, was considered, even before the repeal of the corn laws, as no hopeful speculation. Since that disastrous event, the chances have naturally diminished; and we suspect that, by this time, very few people have any faith in Sir Robert Peel's proposal for establishing new colonies in Connaught. When we find the Whig Lord Monteagle denouncing free trade as the bane of Ireland, we may be sure that few capitalists will sink their funds in the western bogs, hoping that they may appear again in the shape of golden grain which may defy the competition of the fertile valleys of America. We have quite enough of factories for all the demand which is likely to come for years: instead of building new ones, it is always easy, if any one has a fancy for it, to purchase abandoned mills at a very considerable discount; but we do not find such stock eagerly demanded in the market. Foreign competition has extinguished several branches of industry to which capital might be profitably applied, and materially injured others; so that moneyed men really are at a loss for eligible investment. This want has been felt for a long time; and the uncertain policy of our ministers, with regard to colonial affairs, has undoubtedly had an injurious effect upon the prosperity of these dependencies. We have annihilated much of the capital invested in the West Indies, and have withdrawn a great deal more. It is long since Adam Smith urged the propriety and the policy of identifying some of our more important colonies with Great Britain, by the simple process of incorporation, thus extending materially the field of the capitalist upon security equal to that which he can always command at home. Such an opportunity is at this moment afforded by Canada; but it seems that we will rather run the risk of seeing Canada merge in the United States than make any sacrifice of our pride, even where our interest is concerned. A considerable deal of capital has gone to Australia; but we suspect, from late events, that the future supply will be limited.

Before the railways opened to capitalists a channel of investment which appeared exceedingly plausible, and which was, in a great measure, guaranteed by the result of experiment, vast masses of realised wealth accumulated from time to time. Upon these hoards the members, myrmidons, and jobbers of the Stock Exchange, cast a covetous eye: they whispered to each other, in the language of King John —

"Let them shake the bags
Of hoarding abbots; angels imprisoned
Set thou at liberty: the fat ribs of peace
Must by the hungry now be fed upon:
Use our *commission* in its utmost force."

Acting upon this principle, they made their business to find out new channels of investment — an easier task than the discovery of a north-western passage in the arctic regions — and to represent these in all the glowing colours which are peculiar to the artists of 'Change Alley.

The year 1823 was remarkable for the commencement of an epidemic which proved, in its effects, even more disastrous than the South Sea delusion. It would be tedious to enumerate or discuss the causes which led to this sudden outburst; some of them have been indirectly traced to the operation of Sir Robert Peel's famous Currency Act of 1819, which fettered the Bank of England, whilst it left the country bankers free to issue unlimited paper, and to the respite of the smaller notes which had been previously doomed to extinction. Whatever may have been the cause, speculation began and increased at a rate which was quite unprecedented. All kinds of ridiculous schemes found favour in the public eye: nothing was too absurd or preposterous to scare away applicants for shares. Mining, building, shipping, insurance, railway, colonising, and washing companies were established: even an association for the making of gold was subscribed for to the full amount, and doubtless a balloon company for lunar purposes would have been equally popular. This period was marked by

the apparition of an entirely new animal in the precincts of the Stock Exchange. Bulls, bears, and even lame ducks, were creatures coeval with its existence; but the "stag," in its humanised form, first appeared in 1823. The following sketch might pass for a view of Capel Court some two-and-twenty years later: —

"The readiness with which shares were attainable first created a class of speculators that has ever since formed a marked feature in periods of excitement, in the dabblers in shares and loans with which the courts and crannies of the parent establishment were crowded. The scene was worthy the pencil of an artist. With huge pocket-book containing worthless scrip; with crafty countenance and cunning eye; with showy jewellery and threadbare coat; with well-greased locks, and unpolished boots; with knavery in every curl of the lip, and villany in every thought of the heart; the stag, as he was afterwards termed, was a prominent portrait in the foreground. Grouped together in one corner, might be seen a knot of boys, eagerly buying and selling at a profit which bore no comparison to the loss of honesty they each day experienced. Day after day were elderly men with huge umbrellas witnessed in the same spot, doing business with those whose characters might be judged from their company. At another point, the youth just rising into manhood, conscious of a few guineas in his purse, with a resolute determination to increase them at any price, gathered a group around, while he delivered his invention to the listening throng, who regarded him as a superior spirit. In every corner, and in every vacant space, might be seen men eagerly discussing the premium of a new company, the rate of a new loan, the rumoured profit of some lucky speculator, the rumoured failure of some great financier, or wrangling with savage eagerness over the fate of a shilling. The scene has been appropriated by a novelist as not unworthy of his pen. 'There I found myself,' he writes, 'in such company as I had never seen before. Gay sparks, with their hats placed on one side, and their hands in their breeches' pockets, walked up and down with a magnificent strut, whistling most harmoniously, or occasionally humming an Italian air. Several grave personages stood in close consultation, scowling on all who approached, and seeming to reprehend any intrusion. Some lads, whose faces announced their Hebrew origin, and whose miscellaneous finery was finely emblematical of Rag Fair, passed in and out; and besides these, there attended a strangely varied rabble, exhibiting in all sorts of forms and ages, dirty habiliments, calamitous poverty, and grim-visaged villany. It was curious to me to hear with what apparent intelligence they discussed all the concerns of the nation. Every wretch was a statesman; and each could explain, not only all that had been hinted at in parliament, but all that was at that moment passing in the bosom of the Chancellor of the Exchequer.'"

The sketch is not over-coloured. No one can have forgotten the sudden swarm of flesh-flies, called from corruption into existence during the heat of the railway mania, and the ridiculous airs of importance which they assumed. A convulsion of this kind – for it can be styled nothing else – does infinite injury to society; for the common greed of gain too often breaks down the barriers which morality, education, and refinement have reared up, and proves that speculation, as well as poverty, has a tendency to make men acquainted with strange companions.

There were, however, features in the mania of 1823 which distinguish it from every other. The joint-stock companies established for domestic bubble purposes engrossed but a limited share of the public attention; though the extent of that limitation may be estimated by the fact, that five hundred and thirty-two new companies were projected, with a nominal subscribed capital of £441,649,600. Of course only a mere fraction of this money was actually put down; still the gambling in the shares

was enormous. The greater part of the capital actually abstracted from the country went in the shape of foreign loans, of which there were no less than twenty-six contracted during that disastrous period, or very shortly before, to an amount of about fifty-six millions. On sixteen of these loans interest has ceased to be paid. We find among the borrowers such states as Chili, Buenos Ayres, Colombia, Guatemala, Gunduljava, Mexico, and Peru, not to mention Greece, Portugal, and Spain, countries which have set to Europe a scandalous example of repudiation. Most of these loans purported to bear interest at the rate of six per cent, and some of them were contracted for at so low a figure as 68; nevertheless, with all these seeming advantages, it appears marvellous that people should have lent their money on such slender security as the new republics could offer. We observe that Mr Francis has revived the antiquated scandal touching Joseph Hume's "mistake" with regard to the Greek bonds, a story which has been a sore thorn in the side of the veteran reformer. We think he might have let it alone. The real mistake lay on the part of those who assumed that Joseph's philanthropic interest in the Greek cause was so intense as to suffer him for one moment to lose sight of his own. His anxiety to back out of a bad bargain was perfectly natural. He never was an Epaminondas, and he felt justly irritated at the foolishness of the Greeks in persisting that he should sustain the heroic character, at the expense of his privy purse, when the stock had fallen to a discount. If, when it rose again to par, the Greek deputies were weak enough to repay him the amount of his loss, with the uttermost farthing of interest, that was their concern. When a senatorial sympathiser gives the aid of his lungs to the cause of suffering humanity, he has surely done enough. Why mulct him further from the pocket?

Those foreign loans, and the drain of bullion which they occasioned, speedily brought on the crisis. It was a very fearful one, and for the second time, at least, the Bank of England was in danger. It was then that mighty establishment owed its safety to the discovery of a neglected box of one pound notes, which, according to the evidence of Mr Harman, one of the principal directors, saved the credit of the country. The coffers of the bank were exhausted, almost to the last sovereign; and but for that most fortunate box, cash payments must have been suspended in December 1825, a position of affairs the issue of which no human intelligence could predicate. Subsequent legislation has not been able to guard us against the possibility of a similar recurrence. All that has been done is to insure the certainty of an earlier and more frequent panic, and to clog the wheels of commerce by rendering discounts impracticable at periods when no speculation is on foot. But as far as regards the stability of the Bank of England, under our present monetary laws, no provision has been made, in any way commensurate to the additional risk occasioned by the absorption of the twenty millions and upwards lodged in the savings-banks, all which must, when required, be repaid in the precious metals; and in case of any convulsion, or violent alarm, it is clear that such a demand would be made. The experience of 1832 has clearly demonstrated how the fate of a ministry may be made to depend upon the position of the establishment in Threadneedle Street.

It is perhaps not to be wondered at that, in a commercial country like ours, wealth should command that respect and homage which, in other times, was accorded to the possessors of nobler attributes. We make every allowance for the altered circumstances of the age. High and heroic valour, as it existed before, and undoubtedly still does exist, has not the same field for its display as in the days when Christendom was leagued against the Infidel, or even in those, comparatively later, when contending factions made their appeal to arms. Our wars, when they do occur, are matters of tactics and generalship; and physical courage and daring has ceased to be the path to more than common renown. Where most are loyal, and no treason is at hand, loyalty is no conspicuous virtue. Those who are distinguished in the walks of literature and science need not covet adulation, and very seldom can command it. Their fame is of too noble and enduring a quality to be affected by ephemeral applause; and it is good for them to work on in patience and in silence, trusting for their reward hereafter. The substantiality of wealth, the power and patronage which it commands, will inevitably make its possessor more conspicuous in the eyes of the community, than if he were adorned with the highest mental attributes. All things are measured by money: and when money is acknowledged as the chief

motive power, he who knows best how to amass it cannot fail to be the object of attention. But the marked and indiscriminate homage which is paid to wealth alone, without regard to the character of the possessor, or the means through which that wealth has been acquired, is, in our estimation, a feature disgraceful to the age, and, were it altogether new, would justify us in thinking that the spirit of independence had declined. We shall hold ourselves excused from illustrating our meaning by making special reference to a recent but striking instance, in which wealth suddenly acquired, though by most iniquitous means, raised its owner, for a time, to the pinnacle of public observation. We prefer selecting from the pages of Mr Francis the portrait of a man whose character displayed nothing that was great, generous, benevolent, or noble; whose whole life and whole energies were devoted to the acquisition of pelf; whose manners were coarse; whose person was unprepossessing; whose mind never ranged beyond its own contracted and money-making sphere; and who yet commanded, in this England of ours, a homage greater than was ever paid to virtue, intellect, or valour. Such a man was Nathan Meyer Rothschild, the famous Jew capitalist.

Originally from Frankfort, this remarkable man came over to England towards the close of last century, and commenced operations in Manchester, where he is said to have speedily trebled his first capital of £20,000: —

"This," says Mr Francis, "was the foundation of that colossal fortune which afterwards passed into a proverb; and in 1800, finding Manchester too small for the mind which could grapple with these profits, Rothschild came to London. It was the period when such a man was sure to make progress, as, clear and comprehensive in his commercial views, he was also rapid and decisive in working out the ideas which presented themselves. Business was plentiful; the entire Continent formed our customers; and Rothschild reaped a rich reward. From bargain to bargain, from profit to profit, the Hebrew financier went on and prospered. Gifted with a fine perception, he never hesitated in action. Having bought some bills of the Duke of Wellington at a discount – to the payment of which the faith of the state was pledged – his next operation was to buy the gold which was necessary to pay them, and, when he had purchased it, he was, as he expected, informed that the government required it. Government had it – but, doubtless, paid for the accommodation. 'It was the best business I ever did!' he exclaimed triumphantly; and he added that, when the government had got it, it was of no service to them until he had undertaken to convey it to Portugal."

Rothschild was, in fact, a usurer to the state, as greedy and unconscionable as the humbler Hebrew who discounts the bill of a spendthrift at forty per cent, and, instead of handing over the balance in cash to his victim, forces him to accept the moiety in coals, pictures, or cigars. His information was minute, exclusive, and ramified. All the arts which had been employed on the Stock Exchange in earlier times were revived by him, and new "dodges" introduced to depress or to raise the market.

"One cause of his success was the secrecy with which he shrouded all his transactions, and the tortuous policy with which he misled those the most who watched him the keenest. If he possessed news calculated to make the funds rise, he would commission the broker who acted on his behalf to sell half a million. The shoal of men who usually follow the movements of others sold with him. The news soon passed through Capel Court that Rothschild was bearing the market, and the funds fell. Men looked doubtingly at one another; a general panic spread; bad news was looked for; and these united agencies sank the price two or three per cent. This was the result expected; and other brokers, not usually employed by him, bought all they could at the reduced rate. By the time this was accomplished, the good news

had arrived; the pressure ceased; the funds rose instantly; and Mr Rothschild reaped his reward."

The morality of the ring has sometimes been called in question; but we freely confess, that we would rather trust ourselves implicitly to the tender mercies of the veriest leg that ever bartered horse-flesh, than to those of such a man as "the first baron of Jewry" – a title which was given him by a foreign potentate, to the profanation of a noble Christian order.

Such were the doings of Rothschild: let us now see him in person. "He was a mark for the satirists of the day. His huge and somewhat slovenly appearance; the lounging attitude he assumed, as he leaned against his pillar in the Royal Exchange; his rough and rugged speech; his foreign accent and idiom, made caricature mark him as its own; while even caricature lost all power over a subject which defied its utmost skill. His person was made an object of ridicule; but his form and features were from God. His mind and manners were fashioned by circumstances; his acts alone were public property, and by these we have a right to judge him. No great benevolence lit up his path; no great charity is related of him. The press, ever ready to chronicle liberal deeds, was almost silent upon the point; and the fine feeling which marked the path of an Abraham Goldsmid, and which brightens the career of many of the same creed, is unrecorded by the power which alone could give it publicity."

Mr Disraeli, in some of his clever novels, has drawn the portrait of a great Jew financier in colours at once brilliant and pleasing. His Sidonia, whilst deeply engaged in money-making pursuits, is represented as a man of boundless accomplishment, expanded intellect, varied information, and princely generosity. He is the very Paladin of the Exchange – a compound of Orlando and Sir Moses Montefiore. The extravagance of the conception does not prevent us from admiring the consummate skill of the author, in adapting his materials so as to elevate our ideas and estimate of the Hebrew idiosyncrasy. Sidonia is as much at home in the palace as in the counting-room; his great wealth ceases to be the prominent feature, and becomes the mere accessory of the polished and intellectual man; avarice never for one moment is permitted to appear; on the contrary, the prodigality of the munificent Hebrew is something more than Oriental. We may refuse to believe in the reality of such a character, which implies a combination of the most antagonistic pursuits, and a union of mental attributes which could not possibly coexist; but, this difficulty once surmounted, we cannot challenge the right of so eminently gifted an individual to take his place among the true nobility of the earth. We fear, however, that such a phoenix of Palestine has no existence, save on paper. Certain it is, that Rothschild was not the man; and yet Rothschild, in his day, commanded as much homage as the novelist has claimed for Sidonia. Great is the power of money! Princes feasted with him; ambassadors attended him to the tomb; and yet, for all we can learn, he was not equal, in moral worth, to the meanest pauper in the workhouse. He would at times give a guinea to a street beggar, not for the object of relieving his wants, but to enjoy the joke of seeing him run away, under the apprehension that the donor had been mistaken in the coin! His wealth was gained by chicanery, and augmented by systematic deceit; and yet attend to the words of the chronicler: —

"Peers and princes of the blood sat at his table; clergymen and laymen bowed before him; and they who preached loudest against mammon, bent lowest before the mammon-worshipper. Gorgeous plate, fine furniture, an establishment such as many a noble of Norman descent would envy, graced his entertainments. Without social refinement, with manners which, offensive in the million, were but *brusque* in the millionaire; he collected around him the fastidious members of the most fastidious aristocracy in the world. He saw the representatives of all the states in Europe proud of his friendship. By the democratic envoy of the New World, by the ambassador of the imperial Russ, was his hospitality alike accepted; while the man who warred with slavery in all its forms and phases, was himself slave to the golden reputation of the Hebrew. The language which Mr Rothschild could use when his

anger overbalanced his discretion, was a license allowed to his wealth; and he who, when placed in a position which almost compelled him to subscribe to a pressing charity, could exclaim, "Here, write a cheque – I have made one – fool of myself!" was courted and caressed by the clergy, was fêted and followed by the peer, was treated as an equal by the first minister of the crown, and more than worshipped by those whose names stood foremost on the roll of a commercial aristocracy. His mode of dictating letters was characteristic of a mind entirely absorbed in money-making; and his ravings, when he found a bill unexpectedly protested, were translated into mercantile language before they were fit to meet a correspondent's eye. It is painful to write thus depreciatingly of a man who possessed so large a development of brain; but the golden gods of England have many idolaters, and the voice of truth rarely penetrates the private room of the English merchant."

Poor as Lazarus may be, let him not envy the position of Dives. Even in this world, riches cannot purchase happiness. Any pecuniary loss was enough to drive Rothschild to despair. His existence was further embittered by the dread of assassination – no uncommon symptom, when the mind is rarely at ease; and those who knew him best, said that he was often troubled with such thoughts, and that they haunted him at moments when he would willingly have forgotten them. "Happy!" he said, in reply to the compliment of a guest – "me happy! what! happy when, just as you are going to dine, you have a letter placed in your hands, saying, 'If you do not send me £500, I will blow your brains out?' Happy! – me happy!" We are not compassionate enough to wish that it had been otherwise. Such thoughts are the foreshadowing of the end of those who have prospered beyond their deserts, and have failed in making even that negative expiation, which conscience sometimes extorts from the apprehensions of unscrupulous men.

And here we shall close our remarks. There is still a fertile field before us, on which we might be tempted to enter; but that discussion would bring us too near our own days, and involve the resumption of topics which have already been handled in *Maga*. The time doubtless will come, when, after the cessation of some new fit of speculation, and when men are cursing their folly, and attempting by late industry to repair their shattered fortunes, some historian like Mr Francis shall take up the pen, and chronicle our weakness, as that of our fathers is already chronicled. In the meantime, it would be well for all of us seriously to lay to heart the lesson which may be drawn from this interesting record. Speculation, carried beyond due bounds, is neither more nor less than a repetition of the old game of Beggar my Neighbour, under another form. To fair and legitimate enterprise we owe much of our modern improvement; which has been further rendered necessary by the pressure which has increased, and is increasing upon us. To unfair and illegitimate enterprise, undertaken for the sole purpose of immediate gain, we owe nothing save periods of great misery and desolation. The game of Beggar my Neighbour may be played privately or publicly. Some of us have taken a hand in it privately, with what results we shall keep to ourselves. For several years back, our statesmen have played the public game, and played it well. They have succeeded in inflicting successively a blow upon each great interest of the country, by dealing with each separately, and by alienating the sympathy of the others. The game is now pretty well played out; and when we come to reckon our counters, it is evident from the result, that not one of the parties so dealt with has been a winner! Who, then, are the gainers? We think the answer is plain. They are the Capitalist and the Foreigner.

MY PENINSULAR MEDAL BY AN OLD PENINSULAR PART II

CHAPTER IV

We held our course, after parting with our friends in the boat, and were soon at the harbour's mouth. The breeze continued to freshen, and the swell to increase. Our little *Wilhelmina* now began to give us a specimen of her qualities as a sea-boat. Labouring through the curled and crested seas, creaking, groaning, vibrating from stem to stern; now balancing, with her keel half bare, on the summit of a lofty surge, now deep in a liquid trough; now kicking up behind, now running her nose bang into a bank of water; now pointing skywards, as if bound to the moon, and not to Lisbon; now pitching, now jig-jigging it, she simulated the paces of a Spanish genet – a great deal of action, very little progress.

By the time we were clear of the harbour, and in comparatively smooth water, the wind had shifted to the north-west; our course lay south, and, being sheltered by the land, we soon exchanged the jig-jigging of our exit from port for a far more agreeable, because more equable motion, as we drove over ocean's swell. It had already become palpably evident that none of our military friends were good sailors. Now, however, they were all able to stand without holding – all, I should say, but one unhappy individual, and that was Mr Commissary Capsicum, who had been reduced to a miserable state of disorder by the active movements of the brig, and whose actual symptoms were by no means those of convalescence.

Night closed in. It was past twilight, yet not wholly dark – in short, that interval between twilight and perfect night, for which in English we have no word, but which the richer language of Burns expressively designates as "the gloaming." Little more than enough of it to fill the sails and give the vessel way, the wind was soft, and at times scarcely perceptible. The waves heaved lazily; the ship surmounted them with measured rise and fall; and, though the heavens were overcast, a light, different from that of day, clear but faint, was equably diffused on all sides. The tremulous surface of the ocean, dark, but distinguishable to the horizon, was there sharply outlined against the pale but still luminous sky.

Since we left port in the morning, what with showers and spray, wind and sunshine, I had been more than once wet through and dry again. The consequences were now perceptible. I shivered inwardly. My mind, too, was ill at ease. After much reflection, and some self-examination, I came to this conclusion: that something was requisite, something was indispensable, in my actual condition both of mind and body. What that something was, did not instantly occur to me. I asked myself the question point-blank – I answered it. The problem was solved: I wanted – a nightcap. Down I rushed into the cabin. "Steward, bring me some hot water and a little brandy." – "Yes, sir; a glass of hot brandy and water, sir; coming directly, sir." – "No, no, steward; that's not what I called for. Bring the brandy and the hot water separate. I'll mix for myself."

"Quite right," growled a feeble voice. It was poor, unhappy, still-very-far-from-perfectly-recovered Mr Capsicum's. The falling of the wind had so far abated the ship's movements, that his worst symptoms were now relieved. Still, however, he was far, very far, from well. Most of the passengers had turned in; but there, by lamplight, sat poor Capsicum at the cabin table, from sheer listlessness, destitute of sufficient energies to put himself to bed, a lamentable spectacle.

"Suppose you join me, then," said I. "Do you good."

"Can't, can't," said he, plaintively. "Couldn't get it down, if I knew it would make me well this instant. Wish I could. I'll see you take yours, though. That'll be some comfort, anyhow."

The steward now brought hot water, half a lemon, lump-sugar, tumbler half full of capital brandy. – "Here, steward, you may take the lemon away with you. Don't want it."

"Quite right," grunted Capsicum, who thought himself a connoisseur in all things eatable and drinkable. "Quite right; no rum, no lemon." Spite of his pitiful plight, he now, *con amore*, set himself to watch my operations critically; as if, from the brewing, he would form an estimate of my judgment, capabilities, taste, character, and general attainments.

With the silver tongs I extracted a lump of crystal sugar, the largest in the basin. The present "without" system was not then in vogue, nor have I adopted it yet. But now there was a hitch – how to melt the sugar. In the tumbler it must not go – there was the brandy: that had been an infringement of all the laws of potatory combination. I felt that I was under observation, and that my character was at stake. I placed the sugar in the spoon. "Quite right," said Capsicum.

Yet neither, according to the modern practice, did I wash the sugar, half melted, from the spoon into the tumbler, with a stream of hot water. That, I submit, is an approximation to the error of immersing the sugar in the unmixed brandy. No, no. Holding the spoon over the tumbler, I carefully dropped upon the sugar three drops of the boiling water. It was enough. The sugar gradually subsided into a pellucid liquid, which filled the spoon. Capsicum, who, sick as he was, still watched my proceedings with the deepest interest, and with a patronising air of mild benignity, repeated his testimonial – "Quite right."

Waiting till the sugar was wholly dissolved, I then at length infused sufficient hot water to scald the raw spirits, then added the sugar. Two or three stirs sufficed; not a bead floated on the surface. The mixture was made – tumbler about half an inch from full – a "stiff un." Capsicum raised himself from the table on which he had been leaning, with folded arms, like a cat watching a mouse, and gave a snort of approbation.

"You and that white fellow old acquaintance?" said Capsicum.

"Our acquaintance," replied I, "commenced at Falmouth about a week ago."

"Oh! thought perhaps he was some family connexion," said Capsicum.

"The connexion is quite recent, as I tell you," said I; "but I certainly don't mean to cut it. Hope to dine with him at headquarters, every day I'm disengaged."

"Dine with him at headquarters?" replied Capsicum. "You'll do nothing of the kind, I can tell you that, sir. That is, you'll dine with him at my table; pretty often, too, I trust. Hope I shall frequently have the pleasure of seeing you both. But at his own table, if you're twenty years at headquarters, you won't dine with him once; take my word for that. John Barrymore wouldn't suffer it." Here was a blow!

"Well, but that's a thing I can't understand," said I.

"Well then, I must make you understand it," replied Capsicum. "You are going out on an appointment as clerk in John Barrymore's Department. Isn't it so?" I bowed assent.

"Very well. That white chap does business in commissariat bills. When he gets a bill, he's dying to get the cash. Your Department pays the cash. Don't you see, my dear sir? It wouldn't do. It would be utterly at variance with all the rules of propriety, for any man in your Department to be on terms of intimacy with any man who does business in bills. Besides, it would be contrary to headquarters etiquette; everybody would talk about it. Now," added Capsicum, with a self-approving air, "now I've done my duty by John Barrymore. Noticed you were very thick. Thought I'd tell you, the first opportunity. Oh me! oh me!" (sighing, panting, gasping, pressing his hands on his stomach, and swaying his head from side to side,) "how very ill I do, feel! Such a horrid sensation! a don't-know-howishness – a sort of a come-overishness! The exertion of talking has made me quite bad again. Here, steward! steward! I must go on deck this instant." He turned ghastly green.

"Yet," said I, hoping he would soon be better, "Mr Gingham, it seems, can dine with *you*, without any breach of propriety."

"Yes, yes, to be sure he can," said Capsicum; "and so can you. Our Department don't finger the cash. Don't you see? That makes all the difference. Hope you'll both dine with me often."

"Shall be very happy," replied I: "much obliged for your kind invitation. But still I can't understand. Mr Gingham has been at headquarters before, and knows headquarters. He also knows, I suppose, that your humble servant is a clerk of the military chest. Yet it was he himself who made the proposal that he and I should campaign together."

"Can't explain that," said Capsicum; "must leave him to explain that as he can. Oh! here he comes."

Gingham, before he turned in, had been on deck, to take a last look at the weather, to commune with the silent night, to scrutinise the horizon, to soliloquise with the clouds, and perhaps for some better and more solemn purposes: for Gingham, with all his oddities, was a man of religious principle, and of devotional feeling, and cared not who knew it. He now approached, and seated himself with us at the cabin table.

"Saw you at Cadiz," said Capsicum. "Think I saw you at Madrid."

"I saw you at Canton," coolly replied Gingham. Capsicum looked a little queer.

"At Canton?" said Capsicum. "Saw me at Canton? Did you, though? Come, come, now you're joking, you know. Did you though, really? How was I dressed?"

"You were dressed like what you were; not exactly as you are dressed now. You had a long, taper pigtail, reaching down to your heels; no hair on your head besides. You had slippers, scarlet and gold, turned up at the toes. You carried a fan; and didn't I once or twice see you followed by a fellow who carried a parasol over your head at the top of a long pole? You had – "

"I'll tell you what," said Capsicum precipitately; "I'm a Christian for all that, and my father was an Englishman. True, I was bred at Canton; but I wasn't born there. Born at Macao. My mother – "

Here, in a voice which ran through all the notes of the gamut, not however in due order, but like the cat's minuet, high and low alternately, Gingham struck up a strange outlandish sort of utterance, whether talking or singing I could not tell; but, if singing, it was the rummest song I ever heard – a jumping, dissonant compound of bass and treble. Capsicum responded in a similar fugue. The two funny rogues were speaking Chinese! The discovery of Capsicum's semi-gentile extraction tickled my fancy not a little.

"So," said Capsicum to Gingham, "you and Johnny intend to make a joint concern of it at headquarters."

"That's how we've settled it," replied Gingham.

"Can't be," said Capsicum. "Thought you knew all headquarters' rules, regulations, and observances."

"Thought I did know something about them," replied Gingham.

"Well, then," replied Capsicum, "don't you know what department young Johnny here belongs to?"

"*Your* department, the commissariat department, I always understood," replied Gingham; "saw his name put down so in the list of passengers per packet at Falmouth. If Mr Y – will oblige me by referring to a document, which I had the honour of handing him before dinner, he will find himself there designated accordingly."

Sure enough, so it was: "G. Y – , Esq., Commissary-General's Department, in A. C., with Gingham Gingham."

"But didn't you happen to know that Mr Y – , as you call him," said Capsicum, "was John Barrymore's own nephew?"

"Of that circumstance I was not cognisant," replied Gingham, "till I happened to become aware of it by the conversation during dinner. Still I retained my former impression, that Mr Y – belonged to your department, not to the military chest."

"The long and the short of it," said I to Gingham, "is this. Shirty here, I am sorry to say, gives me to understand that, at headquarters, as I am attached to the military chest, and not to the commissariat, I cannot have the pleasure of stretching my legs under your table, when you give a spread. My regret is undissembled and profound."

"Nor," said Gingham, "while we both retain our present positions, can we be more than common acquaintance."

The shock of this *dénouement* was diverted by Capsicum. Spite of his sea-sickness he had purpled up; his eyes flashed and twinkled beneath his massive and contracted brows; he growled, he grunted, he wheezed, he snorted, he puffed; for a time he could not articulate. Either he performed admirably, or he was regularly riled. At length, recovering his breath, not once looking at me, but leaning over to Gingham on the table, he whispered hurriedly, "What does he mean by that? Shirty? Who's Shirty?" Again he turned very green, and sat back in his chair, panting, and swaying his head, like a man ready to faint.

I was sorry to see him so ill, and begged to apologise. He with the greatest propriety might call me "Johnny Newcome," yet it ill became me to call him "Shirty." The name was casually suggested by his profusion of frill, &c. &c. &c.

"I'll tell you what, Mr Johnny," said Capsicum, "it's well for you I'm so bad as I am: wish I was better, for your sake. Wouldn't I pitch into you at once, and give you a precious good hiding? Oh dear! oh me! I am so very bad!" Then, rallying again: "Ah, I wish you did belong to my department! Wouldn't I detach you on outpost duty? Wouldn't I make you ride till you had no leather left? Wouldn't I send you bullock-hunting over the sierras? Oh, dreadful! dreadful! What a horrid sensation this sea-sickness is! Well, good night. I suppose I shall be called Shirty as long as I live." He tottled off to his berth.

"Yes, you may say that," said Joey, from behind his curtain. Joey was right. Ten years after, I heard an old Peninsular speak of Capsicum by the name of Shirty.

There is certainly something very adhesive in a sobriquet; that is, if it happens to stick when first applied. A lubberly big boy once gave me a thrashing at school; and I gave him the only redress in my power, as we were not allowed to throw stones – the name of "Buttons." He had cheated me at the game; and he had many on his jacket. "Buttons" was his name, to his dying day.

Gingham and I remained at the table. "Mr Capsicum is quite right," said Gingham. "Very proper it should be so. Not the less sorry on that account. At Lisbon, you will, in fact, have joined. From the time we land, then, our communications must be limited to the ordinary civilities of social life: until," he added, with a confidential look, "having digested my grand financial project, with Lisbon as the basis of my operations, I am prepared to promulgate it, as authorised, at the headquarters of the British army. Then," said he, proudly, "I shall take such an entirely different footing, so high above the vulgar imputations which always attach to a dealer in bills, that, without exposing either you or myself to criticism, I may again permit myself the pleasure of cultivating your acquaintance, on our present terms of friendship – I may say, intimacy. At any rate, while we remain on board the packet, that intimacy, I trust, will experience no diminution. Good night, sir."

We shook hands: his manner, I thought, a little stiff.

Left alone in the cabin, leaning on the table, the night-lamp shedding a dim and dubious light, my small modicum of brandy-and-water expended, and the time gone by for brewing another, as the steward had turned in, I sat and ruminated. Gingham, watching his opportunity, had benevolently endeavoured to make me sensible, that, as a clerk on actual service, I should soon be engaged in duties which could not be performed to my own credit, without care and circumspection; and that I might find myself, ere long, in some responsible situation, demanding the utmost caution and energy, to compensate my inexperience. Since the morning, for we had been much together during the day, through his friendly suggestions, I had, in a measure, become conscious of all this: I was beginning to feel the value of such a monitor; and now, it appeared, he was lost to me in that character! Then there

were other considerations of a deeper kind. I remembered the dinner at the hotel; I remembered the breakfast; I thought of the travelling store-closet. To have lost such a companion of my first campaign – it was, indeed, a loss! Had I never dined with him, I could have better borne it!

At length I came to this conclusion; that, as all the other passengers had retired to rest, I – had better do the same. I was about to put my decision in execution, when my attention was arrested by a lamentable cry, which issued from the berth of poor Mr Commissary Capsicum. "I can't – I can't – I'm stuck! – weak as a rat! Oh, I am so very bad! Here, steward! steward! – ah! oh!" Having heard his monody to the end, and waited in vain for a second stave, I flew to his assistance.

Poor Mr Commissary Capsicum had contrived to divest himself of his diurnal habiliments; and was now embellished with a red *bonnet de nuit*; and an elegant night-shirt, which fitted – as if it had been made for him. I found him – in what an attitude! One leg he had contrived to hoist into his berth. *Quoad* that leg, he was kneeling on the mattress. The other leg was stretched towards the floor, which he barely touched with his extended and agonised toe. In this painful position, he was clawing with both hands at the board intended to keep him in bed, equally unable to advance and to recede. Something – either the wooden tester – or the proximity of his shake-down to the deck above – or what else, I cannot pretend to say – prevented his further movements. He wanted strength; there he was, literally, as he expressed it, stuck. I expressed the deepest sympathy.

Joey whipped on his drawers and dressing-gown, and was with us in a twinkling. Joey, seeing all other expedients vain, brought his shoulder to bear, and commenced a series of well-directed *hoists*, each hoist accompanied with a musical "Yeo-heave-ho." I laughed; Joey laughed; poor Capsicum himself caught the infection: his whining and whimpering gradually glided into a deep pectoral chuckle. The object was at length effected. Capsicum was stowed for the night; but not without vigorous and long-continued efforts, both on Joey's part and mine. "Can't imagine what caused the obstruction," said I; "it's prodigious; it's incredible." "Incredible, but true," replied Joey; "suppose we call it 'A tail founded on facts.'" "Good night. Good night, Mr Capsicum." "Good night, Mr Capsicum; good night." "Good night; ah! oh! what *shall* I do? Suppose I should be taken bad again before morning! Thank you both. Goodnight. Two impudent, unfeeling young hounds. Good night."

So terminated our first day afloat.

CHAPTER V

It has been intelligently remarked, that, in writing travels by land or by sea, the traveller has only to jot down everything just as it occurs, and he will be sure to produce a book worth reading. This rule may be excellent in theory; but, gentle reader, it will not do. Only look here. I have not jotted down one tithe of the incidents of the first ten hours since we left harbour; and see what a long yarn it makes. A man who, in travelling, really registered everything, would yarn away at the rate of a quarto a week.

There *is*, however, an observation which is much more to the purpose; namely, that one day at sea is very like another. This we certainly found out, in our voyage from Falmouth to Lisbon. For, with the exception of changes in wind and weather, little occurred to vary our daily existence; at least till we got off Oporto, and took in fresh passengers. During the first night after we left Falmouth, the wind got round to the S.W. We had three days of it, regular Channel weather: thick, cloudy, squally – much rain – the ship pitching, labouring, creaking, straining, groaning – going every way but the way we wanted to go – all the passengers, except Joey, more or less indisposed – and nobody pleased but the skipper, who whistled a perpetual "Yankee doodle" rondo, and seemed to exult in our miseries. "I calculate," said Joey, "if this lasts much longer, we shall come to anchor in the Downs." For want of anything to relate, and for the benefit of the reader, should he cross "the Bay," I shall here beg leave to say a few words respecting that horrid malady to which landsmen are subject on board ship, and respecting my own mode of dealing with it. *Experto crede*.

My case resembles that of many other persons; *i. e.*, in foul weather on board ship, you do not, we will say, at once get thoroughly ill; but certain disagreeable sensations, quite sufficient to call a man's attention to himself, such as giddiness, prostration of strength, awful depression of the whole system, and still more awful sensations at the pit of the stomach, induce the painful consciousness that you are very, very far from well, and in some danger of being worse before you are better. In this state of the case, the "indication," as the doctors say, is to keep off daddy Neptune's last outrage, the detested crisis. Don't give ear to the good-natured friend who says, "You had better be ill at once, and get it over." That may do very well in a sail from West Cowes to Allum Bay; but it won't answer if you are a fortnight at sea. You may be "ill at once," if you please; but don't be certain "you'll get it over;" if once you begin, you may go on for a week. Keep well, then, if you can.

Now, as long as you can keep your legs, and keep on deck, you can generally effect this. In your berth, also, in a recumbent posture, you may manage to escape the dire catastrophe. The real difficulty is this: that, in passing from one of these states to the other, *e. g.*, in turning in at night, or turning out in the morning, in all human probability you become a miserable victim. You must dress – you must undress – and, in the course of doffing or donning, ten to one your worst apprehensions become a reality. What, then, is the remedy? Now, don't stare, but be advised. Till you are fairly seasoned, which you probably will be in three or four days if you do as I tell you, don't doff or don at all. Keep on deck all day, get thoroughly cold, tired, and drowsy, rush below at night, throw yourself on your mattress as you are, go to sleep at once. In the morning, the moment you turn out, rush on deck. No shaving; no titivating. You must wash, must you? Go forwards, then; wash in the open air; wash anywhere but below. "Beastly, though, to go day after day without a change." Beastly, I admit; but not so beastly as day after day of convulsive paroxysms and horrid heavings; and, depend upon it, if once you begin, there is no telling how long it may last. Whereas follow my plan, and in three or four days you are all right – you are seasoned – the ship may dance a polka, and you not the worse for it. You may then go below, and stay below, with perfect impunity – treat yourself to a grand universal scrub and a clean shirt – and, if you are a shaver, shave – only remember you are shaving on board ship, and mind you don't cut off your nose. After all, it's a matter of taste, I admit: and tastes are various. If you consider a three-days' shirt, and a rough chin, greater evils than vomitory

agonies, and spasms of the diaphragm, why, do as you like; shave, titivate, change, your linen, and retch your heart up.

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