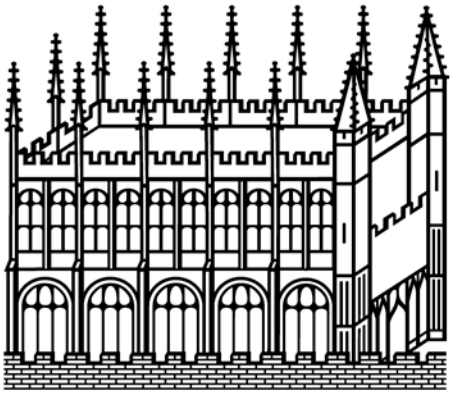

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Samuel Jackson. 2.

COMMERCIAL DISTRESS

TEMPORARY.

LETTER FIRST,

ADDRESSED TO EARL FITZWILLIAM.

COMMERCIAL DISTRESS

TEMPORARY;

ARISING FROM NATURAL AND PERIODICAL CAUSES, AND NOT FROM THE EFFECTS OF THE

CORN LAWS.

LETTER I.

ADDRESSED TO

THE RIGHT HON. EARL FITZWILLIAM:

BY

SAMUEL JACKSON.

"A too great inattention to past occurrences retards and bewilders our judgment in every thing; while, on the contrary, by comparing what is past with what is present, we frequently hit on the true character of both, and become wise with very little trouble."

LONDON:

LONGMAN, ORME, AND CO.,

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CLARKE, PRINTERS, SILVER STREET, FALCON SQUARE.

TO THE

RIGHT HON. EARL FITZWILLIAM.

My Lord,

Your thoroughly straight-forward conduct, in the investigation of questions involving the well-being of your country, richly entitles you to respect and admiration. True nobility of mind lifts you above the prejudices and the too often narrow views of your order, and far above the crooked and finely balanced policy of men in power. You stand pre-eminently conspicuous, in an age and in times by no means abounding in instances of fearless independence and unswerving integrity. The whole course of your political life is marked by these virtues. If distinguished by peculiarities, they are the peculiarities of intelligence, a singleness of purpose, a love of

your species, and the most comprehensive liberality. Your object is to seek and attain truth, and your inquiries are stamped by a simplicity and force of character which give to your writings the charm of sincerity and novelty.

Your virtues and talents have, however, in combination with peculiar and temporary causes, exercised an injurious influence in the discussion of the Corn Laws, the evils of which have been most preposterously magnified. The boundaries of truth have been over-leapt by the inconsiderate multitude. Intemperate and high-flown language has taken the place of sober inquiry. Assertions have been substituted for facts, and one-sided views for general principles.

Were numbers evidence of truth, it would on this occasion be a waste of words to attempt to invalidate any of the conclusions arrived at by your Lordship or your zealous supporters. They frequently, however, afford strong presumption of the existence of serious errors. The many do not think. Their thoughts and impressions are hastily caught from others, whose education or position in society too often unfits them to judge soundly of practical matters. The latter may perceive distant and large objects,

but are far from being familiar with the busy and active scene of human actions—the every day concerns of life.

Perhaps there never was a question less accurately understood in all its bearings than the one to which you have most ably directed attention. Agitation on the subject has been excited to the greatest possible pitch. All orders and classes have united in the hue and cry of opposition. The Landlord has been partially taught to perceive his interest in the abolition of these laws; the eye of the manufacturer brightens at the prospect of uninterrupted prosperity consequent on their repeal; and the poor artisan, equally credulous and hopeful, condemns them as the cause of all his privations.

Had those who raise the hue and cry reasoned at every step of the inquiry, they would have found that commercial depression does not originate in any singly restrictive class of laws; and, still further, that their repeal would scarcely touch existing evils. That evils exist is unquestionable, but their source, nature, and tendency, have not been traced, and are evidently misunderstood. This is by no means extraordinary. The man of profits and losses is seldom a good analyst. He calculates finely, but there is

nothing comprehensive in the character of his views. Though feeling momentarily the effects, either advantageously or injuriously, of important causes in operation, he rarely contemplates the latter in a steady and clear light.

To investigate these, and to apportion to each its due influence in a complicated series of events, is perhaps one of the most difficult problems on which the human mind can exercise its powers. The liability to error is in generalizing on insufficient data. The labour of collecting and weighing particulars is tedious and irksome, and few are willing to submit to it, and yet otherwise it is impossible to reason accurately on any department of science. This slow but necessary procedure has been largely neglected in the discussion of the Corn Laws. They are at once charged with being the cause of commercial depression, and their repeal is anticipated as the immediate precursor of prosperity. Their injurious influence is however much less than has been imagined, and their power of correcting existing distress proportionately limited. The question we propose, at this moment, to examine is, not the beneficial or detrimental effects of these laws, or the still wider and more comprehensive, but kindred

inquiry, the desirableness of free trade. We may warmly and sincerely advocate both, and yet may fearlessly expose what we deem gross fallacies in the views entertained on either important matter. Truth is our object, and this we shall endeavour to attain, without the slightest bias to any party, or to previously determined conclusions.

Our method of treating the subject will, perhaps, be as novel as it will be considered tedious. We shall attempt to point out the various causes of commercial depression, the investigation of which will not lead in this letter to the discussion of these laws. We shall show that these causes are periodical in their visitation, originating in the constitution of the human mind, and hence will always be liable to occur. Legislative enactments will not altogether correct its natural tendencies, which are laws, as unchangeable as those which regulate the revolution of the planetary bodies; and, though not admitting of the same precise calculation, are legitimate objects of inquiry, and susceptible of analysis sufficiently refined and just for all practical purposes. *In examining the causes of commercial depression, the influence of these Laws will be studied in relation to effects observed in this*

largely manufacturing district. In thus circumscribing the view, we shall be enabled to adduce definite and clearly established facts. We shall not lose ourselves in generalities, which too often give rise to declamation, in place of close and consecutive reasoning. There is no objection to this limitation of the inquiry, this town and neighbourhood having experienced commercial distress to an equal extent with any other part of the kingdom, and which moreover has recently been at once referred to the baneful agency of the Corn Laws. The leading political authorities here are unanimous in opinion on the subject. A doubt is never expressed, nor is the attention for a moment directed to the consideration of other important circumstances.

It will be admitted by all who are capable of reasoning, that were these laws as injurious as they are represented to be, one of two results would necessarily follow from their operation—*either the gradual deterioration or the abrupt cessation of trade.* If they exert any influence at all, it would of course be evident in one of these ways. The former is the effect we should naturally anticipate. Commerce never departs from a country at once.

The decay of a nation is marked by premonitory symptoms much less equivocal than those of bodily disease. The one speaks in figures intelligible to the merest tyro, the other are often as difficult to seize as they are to define. What evidence is there of gradual decay? Has this country since the enactment of these laws lost her spirit and enterprise? Have her wealth, intelligence, and industrious habits passed to other shores? Where are the depopulated towns or the miserable mud-built villages? Since these laws have been in force, villages have sprung into influential towns; and towns, from their rapid growth in population and wealth, are assuming the character and dignity of metropolitan cities. The humble manufacturer has long since forgotten his original occupation and dependent feelings, and is now fast sliding into the ranks of the aristocracy. Is this a downward course?* Is this a symptom of decay? Are nations, like individuals, of an apoplectic tendency, nearest death when in the highest state of health?

* This expression was suggested by the satirical remark of a French Poet, who, in reference to a Contemporary, ridicules his pretensions with peculiar point and humour, stating, as unquestionable evidence of his desperate condition, that he gradually fell in reputation and success till at length he fell into the French Academy.

Is this the rule by which nations are to be judged?

Those, with few exceptions, who are the most violent in their opposition to these laws, and who represent them as a dead weight on commerce, are men who have realized princely fortunes since their enactment. If not allowed to trace their success to these laws, which would be quite as logical as attributing the present temporary depression to their influence, we may certainly rest on this self-evident truth, that their meritorious and enterprising exertions were not interrupted or rendered fruitless by their agency.

This country, from 1815 to the present time, in civilization and wealth has advanced to an extent unparalleled in the history of nations. Since then she has experienced several intoxicating periods of prosperity. She has indeed revelled in the excess of affluence and abundance, and the effects are observed in improvements of every possible description. The surplus of unemployed capital, or that which was not required for carrying on greatly extended manufactures, has been liberally spent in purchasing additional comforts or luxuries. Large and palace-like houses have been erected;—pleasure grounds have been

enclosed and laid out with exquisite taste—gaudy and costly equipages arrest the attention at almost every step: and, when the estates of decayed aristocracy are offered for sale, who are the keen and determined bidders? Not the nobility, but the men of ruined commerce! If we turn from these indications of wealth and luxury to the busy and ever active scenes of labour and enterprise, what is the character of the changes which meet the eye? New streets—workshops on a scale of magnitude unknown a quarter of a century ago—and splendid and imposing institutions for the purpose of affording to all classes of society sources of intellectual improvement or amusement. These cannot be regarded as symptoms of gradual decay, but on the contrary are unequivocal evidences of greatly abounding riches. A writer, however, has very recently stated that they are not indications of prosperity, but certainly without adducing a solitary fact in confirmation of his opinion.*

* "I know it has often been urged, that if poverty had prevailed to this extent, how comes it to pass that we observe the erection of new buildings, new streets, new institutions, &c., in every part of the kingdom? all symptoms of prosperity. To which I reply, that though it is not to be contended that all the accumulated riches of past ages are evaporated, these public insignia are no proofs of increased wealth. They arise, in a great measure, from a want of confidence in the security of landed property, where few purchases have taken place. They arise from a fearful foreboding of the vacillating principles of the day, that threaten destruction to

Had he spent his life in a manufacturing district, he would not have hazarded the assertion.

The picture here drawn is by no means overcharged. It presents the naked outlines of truth, unadorned by the witching touches of fancy. We address not the eye or the ear, but the understanding, and we hope to be able to give a new direction to its thoughts. In alluding to circumstances which clearly establish the increased wealth of the country, we did not direct attention to the immense capital resulting from manufactures, employed in purely speculative undertakings. Is this again a symptom of decay? *Speculations indicate a highly plethoric condition of a state.* They are conservative means, though depletory in their character, being an agreeable method of reducing the system to a natural standard of health. It is contended by some writers, that the direction of capital to such purposes is evidence of the difficulty experienced by the manufacturer in disposing of it in trade, so that in fact it is to be regarded as a symptom of commercial

the stability of former institutions. These outward marks of prosperity, therefore, are merely the conversion of property into new channels, from whence the capitalist hopes to derive a secure remuneration for his investments."—Free Corn ruinous to England, 4th Edition, by Henry Thompson, Esq. London: Simpkin, Marshall, and Co. 1839.

depression.* How exquisitely absurd is such an opinion! It is not only at variance with well-established facts, but it is indeed in opposition to the natural laws of the mind. Speculations are never rife in adverse times. They are the effect of a surplus of means beyond what is required for maintaining a healthy condition of trade. The moment the manufacturer feels, or even begins to apprehend, diminished demands, the spirit of enterprise flags. According to the doctrine here combated, speculative undertakings ought to abound the most at this time, but how often indeed are they

* "The Duke of Richmond contended, that if they repealed the Corn Laws, it would be impossible to collect the greater part of the taxes, and he believed the repeal would be attended also with this result—that in many parts of the country a great portion of the land would go out of cultivation. His grace asked, if manufactures were at such a low ebb, how so much money could be procured for railroads! He might as well have asked how Holland, after her manufactures were ruined, was the great lender of money to governments? The English are glad to lend money for railroads, both here and in America, because profits are low, and every man wishes to make as much as he can of his capital. If the noble Duke knew any thing at all of the subject of which he was talking, he would at once perceive, that it is precisely *because manufacturers have made money which they cannot profitably invest in their trade, that they are lending money to railroads and similar undertakings.*" Sheffield Independent, February 23, 1839. Had the Editor of a Newspaper in a purely agricultural district indulged in such absurdities, we might have excused him on the ground of his peculiar situation. The circumstance might have been adduced, as evidence of the dark and prevailing ignorance of the landed interest in regard to commercial matters. It is indeed evidence of gross ignorance of palpable truths.

wholly neglected or only feebly supported! People do not put off their clothes when they perceive the storm gathering in the distance, nor do they employ their money in cutting through mountains or elevating valleys, when its utility is likely to be enhanced by pressing circumstances. In both cases, the clothes and the money are hugged with tenacious affection. One act would be quite as wise as the other.

The cause which requires such an argument stands on a very slender and questionable basis, and he who uses it displays a culpable ignorance of obvious truths and of the influence of motives on the human mind. In the majority of instances, extensive speculations, in matters out of the ordinary course of commerce, are entered into and supported not on the really surplus profits and unemployed capital of trade, *but on the strength of this continuing good or improving.* These remarks might be amply illustrated were it necessary. Shares in almost all speculative schemes commenced in prosperous periods are at once lowered in value, and occasionally fall suddenly from a high premium, and stand long at a discount, on trade becoming indifferent.

This is not the effect that ought to be observed,

were such undertakings begun and maintained by the unemployed capital of the manufacturer. If money cannot otherwise be profitably invested, it should flow, at this time, in such directions, in a greatly augmented stream.

Before proceeding further we will pause, not to recapitulate what has been very generally stated, but to concentrate to a point the bearing of the foregoing observations.

It has been shown, not by a series of statistical facts, but by broad and admitted conditions of society, that since 1815, so far from commerce having gradually decayed, and as a necessary consequence, all classes of the community having suffered in the abridgment of the comforts and luxuries of life, they have gained, and immensely, in all these respects. These are truths requiring no refined analysis to discover, nor can the political economist, with all his subtle ingenuity, distort them. Perhaps they are too big to be conveniently grasped or fully comprehended, but at present we will not resolve them into minor or statistical truths. Their size is not objectionable.

In the various orations made in and out of Parliament on the cursed laws, as they are elegantly designated, it is asserted, that the alterations made in

these laws in 1815 were the cause of our continental neighbours becoming manufacturers.* The inevitable sequence from this fact, admitting it to be true, is, that our trade from that period ought to have gradually and perceptibly declined.

If we suppose a cause was then put in operation, the nature of which is increasing probably in geometric proportion; an annual diminution in the exports of British goods would as a matter of course be expected. Twenty-four years is a space sufficiently long to allow its influence to be fully appreciated. Indeed, some of the zealous advocates for the repeal of these laws state, that the trade has finally left us, so that, according to their admission, the cause must have grown prodigiously from year to year.

It is pleasant to have their own assertions to reason upon. In opposition to such a statement, a crowd of facts rise up in judgment. The manufacturing interest in 1822, and the two following years, was in a healthier condition than it had

* "A large manufacturer in Germany, and president of their Board of Trade, assured my friends, that they were determined to become manufacturers on a large scale, *and that they took their rise from about the time the Corn Laws began.*" Introduced by Mr. Villiers in his speech, on bringing forward his motion for hearing evidence at the bar, as to the effect of the Corn Laws. February 19, 1839.

ever been known. The times gave an extraordinary impulse to speculations of every description, and the subsequent depression for two years was not attributed to the Corn Laws, *but justly to extravagant speculations and to changes in the currency.* The shock which the manufacturing interest received at this time *was too sudden and severe in its character, to arise from the gradually increasing rivalry of our continental neighbours.* This must be regularly progressive in its nature. It would therefore be absurd to imagine it capable of producing such results. A disturbance in the planetary system might as reasonably be anticipated from its operation.

The way in which manufactures recovered from this depression is evidence of the correctness of the views here insisted upon. Confidence was gradually re-established both at home and abroad, and, as a consequence, money which had been frightened out of its proper channels, was again put in circulation. Its invigorating influence was ultimately felt by all classes of the community, and the improvement, at first imperceptible and doubtful, was enlarged till we arrived at a point

of commercial prosperity, greater than at any preceding period.

From 1832 to nearly the close of 1836 the manufacturing interest suffered from an excess of it. Wages were scarcely permanent, in any branch, for three months; and such was the urgent demand for goods, that masters were forced into compliance, how extravagant soever the terms. As a very striking illustration of these palmy times, we may mention a fact, which is, perhaps, not generally known. Masters were so afraid that workmen would not be found sufficient to execute their orders, that on condition they would be bound to serve them for one or two years, fifteen or twenty pounds premium was sometimes given, in addition, be it remembered, to high, and often most unreasonable wages. *Did the manufacturers, at this time, talk of the corn laws, or did they ever allude to the appalling rivalry of our continental neighbours — a rivalry which, according to vaunted evidence, had been growing rapidly from* 1815? Strange inconsistency! Silent on so important a subject! Had any one been foolish enough to agitate the question, what would

have been his situation? He would have stood alone, and would have been ridiculed for his absurdity.*

Here then these cursed laws, which had been striking at the root of commerce since 1815, had permitted two long seasons of extraordinary prosperity; and what is worthy of attention, the last after they had been in operation twenty years! Strange laws! How inexplicable they must be in their nature! These peculiarities would induce us to rank them with comets. They may destroy us, but it is clear we cannot divine when; for though, like comets, always in existence, it is only occasionally, and at no exactly computed periods, they honor us with their baneful visitation.

This rapid and very general sketch of the conditions of commerce, at different periods, is not altogether uninstructive or destitute of interest. The facts which it establishes are well calculated

* An Anti-Corn Law Association had been formed in Sheffield a little before this time by a few individuals, but it excited no interest whatever. Their occasional meetings were most miserably attended. There were frequently not a dozen persons present. It died at length from a long prorogation. The transition from life to death was not in this instance accompanied with any convulsive movements, indicating a struggling tenacity to cling to existence. It breathed its last calmly in the arms of prosperity.

to put in motion the reflecting powers of the mind, and certainly not according to any hackneyed outlines of argument. New vistas of thought are opened to the mind, which cannot fail to lead to more just and more comprehensive ideas than are generally entertained on the subject. The discovery of truth in all departments of science depends much more on the favourable point from which the view is taken than on any original powers of intellect. We may travel on the beaten road until we fail to observe the bright sky above, or the green hedges around us. When such is the case our thoughts, like our feet, naturally fall into the traces of those who have gone before.

In past years, we were disposed to call in question the wisdom or utility of one branch of the legislature. It seemed to us exquisitely adapted to arrest progress of salutary measures. Matured experience has led to very different conclusions. The good effected by the obstacles frequently interposed by this part of the constitution far exceeds the evil occasionally resulting. In the majority of instances, innovations become the established laws of the land quite as soon as they are understood or the mass are prepared for them. The discussion of the

Corn Laws has certainly strengthened previous impressions in regard to the utility of this branch of the legislature. The representatives of the people are too often their subservient mouth-pieces. They are men of taste, learning, and respectability, but are frequently wofully deficient in practical information, and especially in a knowledge of the interests which they are supposed to understand and protect. Their powers of swallowing are equalled only by those of disgorgement. We object not to the capacity of the former, but we should like to see the materials, when offered to us, exhibit traces of a digestive process — some evidence at least of having been closely analysed.* One naturally falls into this train of thought, in perusing the lengthened orations in support of a repeal of the Corn Laws. The speaker rests on the statements with which he is furnished, as implicitly as if they were simple arithmetical calculations, or self evident propositions. He

* Some of these gentlemen remind one of an argument most beautifully illustrated by Mr. Montgomery, in one of his lectures on the British Poets, delivered before the members of the Philosophical Society of this town. He showed, that many objects became poetical from being viewed in a certain position or relation to the eye. They labour to find out the *rhetorical* position of the subjects they handle. The lights and shadows of eloquence are their study, and not the carefully elaborated details of manufactures.

never for a moment seems to suspect the possibility of any fallacy lurking in the reasoning, and still less is he disposed to inquire whether the effects can be clearly traced to the causes assigned. The effects are obvious, and he takes the causes on credit.

Our object is now to show that the depression of commerce does not arise from any singly restrictive class of laws, but is indeed a result occasioned by temporary and periodical circumstances—circumstances which will always be liable to occur. These phenomena will be explained readily by a knowledge of human nature. It is to this source we must ascend for the solution of difficulties connected with this inquiry. Man in the aggregate is everywhere the same. He is similarly influenced by the same motives. The ruling passion of his nature is the love of gain, and the impulse by which he is impelled in his thirst to acquire it is the occasion of his frequent misfortunes. These truths apply as forcibly to nations as to individuals. The scale on which humanity is viewed does not in any degree affect the question.

The revival of trade is always exceedingly slow

after every period of depression. The causes which produce the one leave effects which time only can correct. In the most healthy and natural condition of commerce that can possibly be imagined —natural from the demand resulting from real wants, and not from the spirit of speculation—the predominating passion of humanity comes into play, and gives rise to an artificial demand, which goes on increasing until credit is at length entirely exhausted. This state of things affects both the producer at home and the purchaser abroad. They are both equally liable to offend against the sound rules of judgment and prudence in times of prosperity.

As we must start from some point in illustration of this fact, we will begin with a moderately good condition of commerce, and trace its gradual improvement, until the demand for manufactured goods greatly exceeds the means of supply.

Trade not unfrequently maintains a steady and permanent character for a considerable period after previous depression. It is long before it leads to extravagance and wild speculation. The wealth which it affords is required to make up deficiencies and losses incurred during

adverse times. The manufacturer has to establish his credit, but even when his circumstances are good, he is exceedingly cautious and prudent in his conduct. Money, at this time, has a value which secures its proper application. The period, however, arrives when it becomes abundant, and there is every probability of its continuance. The manufacturer then feels himself in an easy position. So far from having pressing debts to cripple his energies, he has accumulated a few thousand pounds, and there is a glorious prospect of success before him. A new change comes over the spirit of his mind. He laudably attempts to take a much higher stand in society. His first object is to enlarge his manufactory, the demand for goods exceeding his means of supply. This being accomplished, and the demand still increasing with his greatly extended powers of production, ideas of comfort and luxury gradually intrude on his consideration. The town house is felt to be small, inconvenient, and unhealthy. But independently of these circumstances, which are regarded as urgent necessities by the mind of growing refinement, the promptings of ambition and pride suggest the propriety of a

change. A delightful country situation is accordingly fixed upon, and it is quickly graced by a prim, comfortable, and obtrusive mansion. One important alteration always occasions others. A country house without carriage and servants in livery are incongruities, which are soon corrected.

During this attention to personal considerations, commerce continues to improve, affording to the manufacturer abundant means of indulgence. The wealth which he has now at command invariably leads to speculations. His business and the gratification of his taste are no longer pressing in their claims. We now observe the effects of unemployed or surplus capital. Local and national schemes of improvement are as fruitful in number, as they are imagined to be in the creation of fortunes. Water and gas companies spring up with extraordinary facility. Railway and mining undertakings are exceedingly rife. Banking associations—Fire office and life insurance establishments, confuse the mind by their variety and proposed advantages. But this by no means completes the catalogue of good things offered to the speculator. We have coal, salt, packet, fishing, brewing and planting companies, and there are

most tempting inducements held out, to join in the purchasing of large tracts of land in districts untouched by human foot.

We cannot however afford time to extend the enumeration. The few particulars here given are quite sufficient to indicate the grasping views resulting from a plethoric condition of trade. This is a state of things which cannot possibly continue. The forcible illustration used by the sage to Alexander, might, indeed, with slight modification, be applied on this occasion.* *A proper concentration of wealth is as essential to the permanent security of the manufacturer as of power to the ambitious ruler.* If in either case this important principle is lost sight of, disastrous results are sure to follow. Speculation not only employs the surplus capital, but extensive obligations are incurred to satisfy it, the discharge of which is transferred to the future, teeming always with imagined ability. Here

* Calanus, we are told, presented Alexander with a good image of his empire. He laid a dried and shrivelled hide before him, and first trod upon the edges of it. This he did all round; and as he trod on one side, it started up on the other. At last he fixed his feet on the middle, and then it lay still. By this emblem he showed him, that he should fix his residence, and plant his principal force, in the heart of his empire, and not wander to the extremities.—*Plutarch's Life of Alexander.*

lies the error and the mischief. The future in this instance is never far from the present moment. To imagine it to be distant, is as foolish, as it is natural in the child, who throws its toy in sport, to look for it, not at its feet where it falls, but wide abroad. Obligations are endowed with a property of elasticity, in virtue of which they return unerringly and unexpectedly upon us. This elasticity is sure to operate. The methods usually employed to retard its play, make it only act convulsively.

We have here shown the inevitable tendency of prosperity to lead to wild and visionary schemes, the certain consequences of which are, disappointment, inconvenience, bankruptcies, and depression of trade. The manufacturer might long continue his speculations, if the spirit of enterprise were confined to himself. If the foreign purchaser of his goods were prudent and honest, the future might possibly pay the debts with which it is charged, but the spirit is largely indulged in by both parties. They are both human and equally frail. Wealth abroad, suddenly acquired, acts on the mind precisely as at home. It leads to the results we have just pictured. It changes the face

of nature, and excites in the mind tastes and feelings in harmony with it. The foreign merchant is not satisfied to rise by attention to the ordinary routine of business. The ample means which he possesses are employed also in speculative schemes, and, like the manufacturer, he is tempted to go beyond his ability. He rests on credit, and calculates on the future honouring the demands when due.

This is the condition produced both at home and abroad by long continued prosperity. The result is indeed inevitable, not depending on legislative enactments, but on the constitution of the human mind, the laws of which are unchangeable. During the progressive improvement of commerce, and when the awful crisis of depression was at hand, not a word was breathed against the deadening influence of the Corn Laws. The artisan as little dreamed of attributing the one condition to this cause, as indeed the other, and the argument would have been quite as just for the one as for the other. The agitation on this subject was long subsequent to the shock which trade had received. The manufacturing districts have been extremely slow in awaking to a perception

of the evils engendered by such restrictions; and they have by no means been generally or strongly aroused. The pressing necessities of the times have not even made this perception clear. There are many links wanting in the chain of argument to establish satisfactorily cause and effect. We must however retrace our steps. As yet we have only shown, that the manufacturer at home, and the merchant abroad, were equally intoxicated with success, and were at the same moment carried beyond their means by the speculative spirit of the times.

We must now explain the origin of the shock, and follow its consequences. The immediate cause was unquestionably the inability of the foreign merchant to make good his returns to this country. He had not been satisfied in ordering goods according to the natural and healthy demands of the market. If this had been the case, the shock would have been slight and transient. The market was glutted—the money which ought to have been circulating in commercial channels, had been withdrawn and employed as described.

Business, it is evident, could no longer proceed.

There was no money where it ought to have been, and credit was entirely exhausted. The future had at last come, not to pay debts, but with a burthen of obligations, and so general and heavy that national bankruptcy was apprehended in the United States. This state of things was really awful to contemplate. Business was at a stand. Packets, instead of bringing home remittances, were the bearers of daily and extensive failures. The manufacturer here was similarly circumstanced. To meet his engagements he had recourse to all kinds of expedients and sacrifices. His first object was to concentrate his means, to effect which, property of every possible description was at once brought into the market. Shares in speculative undertakings, which a few months previously were at a high premium, and difficult to be purchased, were now a drug, and in many cases could not be disposed of at the price of the paid-up capital. The value of all kinds of property was greatly deteriorated. The universal demand was for money, and, to obtain it, serious and ultimately ruinous sacrifices were made. Credit, however, was constantly breaking down. Bankruptcies and assignments were weekly occurrences.

This will be admitted to be an accurate picture of the evils immediately consequent on the failure of trade, and we would here again intrude the question, *what influence had the Corn Laws exercised in their production?* If their influence had been injurious, is it not strange that this should be a discovery of a very recent date? That it should be long posterior to the occurrence of the evils? If cause and effect, in this instance, be so remarkably evident, why was not the relation perceived earlier, and observed in the gradual deterioration of trade? *This, however, was not slow and gradual in its decline. It was abrupt and awfully extensive.*

A return to prosperity must necessarily be an exceedingly tedious process. The whole commercial frame is sick. The manufacturer has not only to wait until his friends abroad recover from their debility and financial derangement, but he has his own pecuniary maladies and embarassments to overcome. The adjustment on both sides of the water is in progress, but the difficulties opposed to its completion are great. It must be borne in mind, that previous to the crisis the market was glutted with goods. The natural rate of consumption had

long ceased to regulate the supply. The departure from this salutary rule arose from the play of the same motives both at home and abroad. There was an urgent necessity to export to meet the current liabilities of the day, and the foreign merchant was equally anxious to import largely, from the exigencies of his own circumstances. The goods which came to hand might be sold at some price. The consideration of profit or loss was at this period fast ceasing to influence the mind. According to this view, it would be long before a regular demand for goods was established were both parties perfectly solvent. The immense stock on the shelves would be extremely slow in reduction in consequence of the depression of the times. If to this cause be added the pecuniary embarassments of both parties, no fact is easier of explanation than the long continued bad state of trade. Its duration may, with considerable accuracy, be estimated from a knowledge of the intensity and character of the causes producing it.

The circumstances here dwelt upon are self-evident truths, and truths on a large scale. To discern them requires not the subtle acuteness of the political economist. Society is at present recovering from its difficulties, and as rapidly as could

reasonably be anticipated. We are not, from the foregoing reasoning, to be regarded as the advocates of restrictions, but of free trade, as far as the carrying out of this principle can be shown to be beneficial to the country generally. This is a modifying condition, and implies extensive and careful investigations into very complex and important interests. We humbly contend that these interests have not been fully studied, nor do we consider the present moment favourable for their examination. The prevailing distresses affecting one portion of them engenders prejudices, and their consequences, short sighted views. Necessity may sharpen the intellect of the mass, but it seldom leads to the formation of enlarged views. Comprehension is mainly the result of ease and of dispassionate discussion.

The agitation on the destructive tendency of these Laws is an admirable illustration of the truth of these remarks. The multitude have been roused and marshalled, but how blindly have they been led! Advantage has been taken of their necessities to infuse into their minds one idea, and this not an idea of cause and effect, but of cause only. Indeed the doctrine strongly enforced is, that a plurality of ideas, were it entertained,

would be injurious. If the causes of commercial distress have been here accurately traced, it is evident that the agitation originates in narrow and false views. The opposition is directed against measures which have not produced the evils complained of, and, therefore, were they altered, these would only be slightly mitigated. If they stood to each other in the strict relation of cause and effect, the result would be different, but they do not.

It is always important, and especially in matters of this kind, to correct prevailing errors. They not only hold out fallacious expectations, but they blind our view to the perception of the injurious tendency of habits and misconduct, which are fraught with serious mischief. Let the whole truth be always placed before us.

In these general remarks we have not attempted to show that the Corn Laws are either beneficial or detrimental. This has been no part of our inquiry, nor could it be entered upon with advantage until the way had been cleared by these preliminary observations. The course is now open, and in our next letter to your Lordship we shall attempt to do justice to this deeply interesting subject. We shall endeavour to prove, not by broad and general asser-

tions, but by particular and well established facts, that the repeal of these laws will not confer the good which is anticipated.

The principal questions into which the further investigation will divide itself are the following:—

I. The tendency of all civilized nations, after long continued peace, to cultivate the arts.

II. The effect of the repeal of the Corn Laws.

1. On those who live by the cultivaton of the soil.

2. On the manufacturing interests, especially on the rate of wages.

3. On our continental manufacturing competitors.

In the discussion of the latter two questions it will be shown that the abolition of these laws will make little, if any permanent difference in the price of manufactured goods; *or if any, it will be at the expense of the comfort and respectability of the industrious classes generally.* It is necessary to apologize for thus trespassing so largely on your attention with these preliminary remarks. Their importance is perhaps their best and only apology. Sensible of your kindness and liberality, we trust you will extend a large share of both to the defects

of style and expression which may here meet your eye. The noise, smoke, and bustle of a workshop are not favourable to literary composition. Vulcan cannot be expected to play gracefully with Minerva, nor are the elegancies and refinements of language wrought out of steel.

I have the honour to remain

Your LORDSHIP'S most obedient servant,

SAMUEL JACKSON.

Nursery Mount, Sheffield,
March 30, 1839.

THE END.

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