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Mr. McCulloh, professor of political economy in the University of London, in his notes upon the works of Adam Smith, states:

1st, of the effect of banking in 1793. "The extended transactions of the country, required fresh facilities for carrying them on; and in consequence a bank was created in every market town and in almost every village. To force their paper into circulation was the object of all. The catastrophe which followed was such as might have been foreseen. The currency having become redundant—the exchanges took an unfavorable turn in the early part of 1792; and the Bank of England having been in consequence obliged to narrow her issues, a most violent revulsion took place in the ending of that year and beginning of 1793. The failure of one or two great houses excited a panic, which proved fatal to myriads more. When this revulsion began, there were it is supposed about 350 country banks in England and Wales, of which about 100 were compelled to stop payment, and upwards of 50 more were totally destroyed, producing by their fall an extent of misery and bankruptcy, that had been until then, unknown in England."

2d, of the effect of banking in 1814. "Up to 1813, there were banks in almost all parts of England, forcing their paper into circulation at an enormous expense to themselves. The price of corn had risen to an extraordinary height in 1813, and fell in the beginning of 1814. This fall produced a want of confidence, and an alarm among the country bankers and their customers; and such a destruction of country paper took place as has not been paralleled except only by the revulsion of 1825. By 1816 no fewer than 240 country banks had stopped payment and 92 commissions of bankruptcy were issued by these establishments. The failures that then occurred were the more distressing as they chiefly affected the industrious and poorer classes, and frequently swallowed up in an instant the fruits of a long life of laborious exertion. Thousands upon thousands, who had considered themselves affluent, found they were destitute of all real property; and sunk as if by enchantment and without any fault of their own into the abyss of poverty."

3rd, of the effects of banking in 1825. "Nations are slow and reluctant learners, and it seems as if additional experience had been necessary to convince the parliament and people of England that there was any thing defective in a system, which had in two previous instances deluged the country with bankruptcy; and which enables every individual, however unprincipled, who chooses to open a *money shop* to issue notes to serve as currency in the ordinary transactions of society. A rise of prices and a rage for speculation took place in 1824, '5. Many of the country bankers seemed to have no other object than to get themselves indebted to the public; and such was the vigor and success of their efforts to get their paper in circulation, that the amount of it afloat in 1825, was estimated to be near fifty per cent greater than the amount of it afloat in 1823. The consequence of this extravagant and unprincipled conduct is well known. The currency became