

**THE SCOTCH BANKER;  
CONTAINING ARTICLES UNDER  
THAT SIGNATURE ON BANKING,  
CURRENCY, &C. WITH SOME  
ADDITIONAL ARTICLES**

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The Scotch Banker; Containing Articles under That Signature on Banking, Currency, &c. With Some Additional Articles by Thomas Attwood

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**THOMAS ATTWOOD**

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**THE**  
**SCOTCH BANKER.**

THE *J. 1829*  
**SCOTCH BANKER;**

CONTAINING

ARTICLES UNDER THAT SIGNATURE

ON

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REPUBLISHED FROM THE GLOBE NEWSPAPER.

WITH SOME ADDITIONAL ARTICLES.

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" My father made your yoke heavy, and I will add to your yoke. My father also chastised you with whips, but I will chastise you with scorpions. My little finger shall be heavier upon you than my father's reins."

1 KINGS, xi, 14.

" At the end of every seven years, thou shalt make a release. And this is the manner of the release. Every creditor that lendeth ought unto his neighbour, shall release it; he shall not exact it of his neighbour or of his brother.

" Beware that there be not a thought in thy wicked heart, saying, the seventh year, the year of release is at hand, and thine eye be evil against thy poor brother, and thou lendest him nought."

DEUT. xv, 1, 2, 9.

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LONDON:  
JAMES RIDGWAY, PICCADILLY.

1828.

114.

## PREFACE.

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THESE papers were not written by a *Scotch* Banker, but by an *English* Banker. The former signature was adopted accidentally without the knowledge of the writer.

The six first articles were published in the *Globe* paper, of September 27 and October 22, 1827, and of April 5, April 9, May 22, and August 13, 1828. The three last articles have not been published before.

The article entitled, "Anticipation of the late Panic," was sent to Lord Liverpool on the 22d November, 1825. At that period no banker had stopped payment. The mischief had been entirely confined to the *merchants* of London, Liverpool, and Manchester. The first bank that stopped payment was that of Sir William Elford and Co.,

of Devonshire, on the 28th of November. What is called the *Panic*, may be said to have commenced by the stopping payment of Sir Peter Pole and Co. in London, on the 12th of December, and to have ended, by the purchase of Exchequer Bills by the Bank of England, on the 20th and 21st of December. The Bank of England first re-issued its one pound notes on Friday the 16th of December. This issue of one pound notes, however important, and indeed *vital* it was to the country, was not of itself sufficient to arrest the *Panic*. It enabled the Bank of England to go on for a few days longer; and it enabled the Country Bankers to give *one bit of paper for another*, neither of which objects could have been accomplished without it. It was the issue of the *thousand pound notes however*, in the purchase of Exchequer Bills and other securities on the 20th and 21st of December, which relieved the *Panic!* The Bank of England increased its issues of paper money about nine millions in the course of a few days, besides issuing also many mil-



lions of additional *sovereigns*. These operations *removed* the panic, in the very same way as *counter-operations* of a similar nature had produced it. During the year 1825 eight millions of sovereigns had been exported, and the Bank of England, as is well known, had reduced its paper circulation about five millions. Thus panic was produced by the abstraction of the circulating medium, and removed by its restoration.

The ministers say, that there are now twenty-two millions of sovereigns in circulation, and twenty-six millions of Bank of England notes, in all *forty-eight* millions. But if they wish to preserve the standard at all hazards, they ought to have reduced the Bank of England notes in proportion as they increased the sovereigns; for otherwise the issue of the sovereigns, *in addition to the Bank notes*, does but promote a general depreciation of both. When the *Panic* commenced there were only *seventeen* millions of Bank of England notes in circulation, and *scarcely any* sovereigns. The Government have now been

issuing, as they say, twenty-two millions of sovereigns, and the Bank has also been issuing twenty-six millions of Bank notes. It is no wonder then that *Panic* is kept aloof. If it were not that the public mind is worn out with repeated disappointments, and that the men who possess the money are unwilling and incompetent to use it, the prices of commodities would at this moment be higher than they were during the war, for at no period of the war had we so great a circulation as forty-eight millions of the legal or practical money of the country. We are now therefore, in the very same monetary circumstances in which Lord Goderich (in his speech of February 11, 1826) represented us to be in the year 1825. We ought also to have now the "*prosperity*" of 1825. We had in that year forty-six millions of gold coins and Bank of England notes in circulation, as Lord Goderich informs us; and we have now forty-eight millions of gold coins and Bank of England notes in circulation, as Mr. Goulburn informs us. Accord-

ing to Mr. Goulburn, those instruments of money have been increased from their amount of perhaps twenty or twenty-five millions in December, 1825, to about forty-eight millions in July, 1828; and according to Lord Goderich, they had been increased from about twenty-five millions to forty-six millions during the years from 1821 to 1825. The circumstances, so far, are very much alike. It remains yet to be seen, whether the same results will follow upon the same state of things.

Of this twenty-six millions of Bank of England notes, now in circulation, how much does the reader think is issued upon discount in the regular way of banking business? Just *one million*! All the rest is issued in the way of "*tampering with the currency,*"—in purchases of the national debt, effected for the threefold object, first, of *shoving off panic*, secondly, of enabling the Government to *pay its dividends*, and thirdly, of *covering the retreat of the country one pound notes*. None of these objects could be ef-

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