

**SPAIN, ITS GOVERNMENT AND
POLICY, ITS LOANS AND
RESOURCES CONSIDERED, WITH
REFERENCE TO THE CLAIMS OF
ITS FOREIGN CREDITORS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649278848

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Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

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BY M. D.

LONDON:
RIDGWAY, PICCADILLY.

1839.

702.

PREFACE.

THE writer of the following pages having lately met with a pamphlet, entitled "A Word on the Spanish Cortes' Loans, and the Claims of the Bondholders," has been induced to offer a few additional remarks with reference to the same subject, and on the policy and resources of Spain. They have been made with the view of putting the public on its guard, against any further dabbling in Spanish securities, until justice has been done to the old creditors, and at the same time of drawing the attention of those interested in Spanish affairs, to the deplorable condition, to which misgovernment, and the total want of public honesty and good faith, have reduced the credit and finances of that noble country. The author of the above named pamphlet, (although quite prophetic in his observations,) seemed at the time, to have cherished the fond hope, that the "Act of Amnesty," would have done much for Spain, "and would have aided in restoring Spanish credit once again to that level, to which her importance and splendid resources entitle her." Alas! the unfortunate Bondholders now know, to their cost, the degree of reliance that may be

placed on the offers and promises of the Spanish Government. Their offers and their promises have hitherto been found as deceptive and as evanescent as their continuance in office. Happy will the writer of these remarks esteem himself, if they tend to prevent any more dupes being made, and to arouse the Bondholders from the state of apathy and indifference, into which they seem to have fallen. It is only by renewed activity and vigilance, as well as by united exertion, that they may hope to defeat the schemes concocting at Madrid, and thus force the Government of Spain, to make due reparation for the injustice they have suffered.

REMARKS.

It is universally admitted, that, all credit is based on a punctual and faithful discharge of every oral and written obligation. So well is this understood between individuals, in their private transactions, and in the daily occurrences of life, that, an habitual neglect of engagements entered into, is sure, sooner or later, not only to plunge the parties guilty of it into the greatest embarrassments, but often to bring them and their families to irretrievable ruin. They may go on for a time, but the day of reckoning must come, and instead of finding that support and assistance, which suffering probity commonly receives, their downfall is viewed with cold indifference by those, who, had they acted with honour and good faith in their transactions, would generously have enabled them to overcome the difficulties of their position. Now, if what has been here said, can be applied with truth, in the case of individuals, how much more so, with reference to the conduct of governments? In proportion, as the parties are of high and elevated station, so in proportion, are their public actions and conduct open to censure, or

approbation. If want of principle and honour be considered so disgraceful and infamous in private life, what terms sufficiently strong can be used to brand a government, which has pursued without shame for so long a time, the same line of conduct? This brings me to the subject matter of the following remarks.

Amongst the governments of Europe, there is one, (and I may say the only one,) which stands pre-eminently conspicuous, not only for the imbecility of its general polity, but also for its want of honour and good faith in the fulfilment of its engagements. Whilst the statesmen of other countries, since the close of the last war, have constantly exerted themselves, with the greatest zeal, and the most unwearied perseverance, to put the finances of their respective states in a sound and healthy condition, (and thus remedy the disorganization introduced into them, during the long and arduous struggles for independence) those of Spain evinced the greatest apathy and disregard for the honour and credit of their country, as well as duplicity and bad faith, in their financial transactions with other nations.* If, indeed, now and

* The only States that have been found to compete, in this honourable course, with the Spanish Government, are her ancient Colonies of South America. But a better spirit seems to animate them to-day, and they begin to give indications of their determination to wipe off the disgrace, and to restore their credit. Columbia has taken the lead, and we are glad to find, is adopting the

then, there have appeared amongst them some honourable men (*raræ aves!*) shewing a disposition to act with rectitude in their public capacity, and a desire to restore public credit and confidence, their good intentions have been constantly frustrated by the intrigues and manœuvres of those, who know by experience, that more can be gained whilst every thing remains in a confused and disorganised state, than when the affairs of the nation, both internal and external, are conducted on sound and just principles.

If we could unfold here the history of the secret engagements and agreements entered into, on the occasion of loans, and other financial measures in Spain, what a picture might be held up for the satisfaction of the Bondholders! We should then be enabled to point out and explain with facility, the real causes of the sudden rise and colossal fortunes of many who have figured in them. We

best course for re-establishing confidence, and effecting an amicable arrangement with her almost despairing creditors,—that of making large remittances now deposited at the Bank of England. Fortunately the English public have firmly resisted every attempt at further loans to the South American States, and the Committee of the Stock Exchange have closed their gates against all contractors, until justice is done. It is to be lamented, that Spain was ever allowed to negotiate a *second* loan, when her injustice to English creditors was publicly proclaimed on the face of the decree, as well as her gross partiality to her own subjects. However she has now been *twice* “weighed in the balance, and *twice* found wanting.” We trust no *third* loan experiment is now required, to open the eyes of the public, or will be permitted.

should then also be enabled to give, for the benefit and edification of the public, an exact enumeration of the number of "*Pots de Vin*,"* which have been poured into the laps of those *disinterested* and *patriotic* individuals, who, profiting by their fortuitous position, and the difficulties under which their country laboured, lent their names and influence in procuring loans, &c. to mend the broken fortunes of Spain, at the expense, and I may add, the ruin of thousands.

To those unacquainted with the secret workings of the system, every thing in connexion with the Loans, appeared, at the time, straightforward and open, and many were consequently induced to advance their money on the securities offered, and the solemn promises held forth. The events, however, of the last few years, have proved how wofully mistaken they were, in placing confidence, where no real intention, or even thought existed, of an honourable fulfilment of the stipulations entered into. If such had been the case, some anxiety would have been at least subsequently manifested, some prudent care, (as a matter of policy,) displayed, to make provision to meet those engagements. But the "*Pots de Vin*,"* having been measured out, as it were, *en famille*, those who had been duped were left to the full enjoyment of bitter disappointment. It was not the well-informed and

* Literally, "*pots of wine*," in other words, "*gratifications*," in the shape of commissions, &c.