

Lord William Wyndham Grenville

Gold Coin and Bank Note Bill  
(1811)

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## **GOLD COIN AND BANK NOTE BILL.**

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Lord Grenville rose and said: My Lords, in addressing you on this occasion, it is painful to me to observe, that I cannot remember in the course of my life to have ever seen the ministers of this country placed [822] in so disgraceful a situation as that in which they appear this night. Whatever may be the variety of opinions entertained upon this subject by different persons there is no man in the community who does not feel that this is by far the most important question in the whole circle of the political interests of the empire. I know that the House of Commons has already, by coming to certain Resolutions, expressed their belief that by so resolving, they had set this question entirely at rest. If the dangers, indeed, which being set before the view of that House, were intended to be counteracted by these Resolutions, had been purely visionary, the object had been perhaps accomplished. But if, on the contrary, we have now a practical test of the reality of the danger—if the predictions of those who pointed it out have been since completely verified—if in every day, and every succeeding hour, the evil is increasing—we have a manifestation of the futility of the supposition that the vole of the House of Commons would put a period to the discussion. I did not feel disappointment, my Lords, for it was what I expected, though I confess it was with a sentiment of indignation that I found only one of his Majesty's ministers rise on this occasion; and that he, declining all enquiry, all examination into the state of the alledged depreciation of the currency, should confine his whole answer to an attack on the private conduct of my noble friend. Provided men sinned not against the laws—provided they made the laws the rule of their conduct—it was an ancient maxim of wholesome government to permit them to act, under all circumstances, by their own discretion, and not to interfere in any manner, by regulations of any kind, or authority of

any description, to debar them from the right of exercising their free and unbiassed judgment. It was left to the period of the French Revolution, it was left for Robespierre, for the Jacobin Club, and for the present ministers, to pronounce upon the private actions of individuals, and to determine whether they deserved the character of civism or incivism. My Lords, if men are to be governed by rules, those rules ought to be clearly expressed and generally understood, not left to the interpretation of political parties. In alluding to my noble friend and relation (lord King)', I am sure that the censures applied to his conduct were most unmerited. I know and love the character of that noble lord; [822] I know his public spirit, his extensive information, his acquaintance, equalled by few, with the subject now before us. My Lords, I also know the private virtues that adorn him, the kindness of his temper, and the benevolence of his heart; and if I were called on to name the last man in the country likely to commit an act of injustice and oppression, it would be my noble friend. If the time is arrived for the introduction of new principles of government, and if my noble friend is to be required to explain the reasons which govern his private proceedings, in this assembly, will your lordships tell me where these principles are to stop? Are the merchants likewise to be called to your bar, to be interrogated as to the mode of managing their business, or to be instructed by government in the means of conducting their commercial transactions, so as to produce the greatest share of advantages to the country? Is that maxim of political science which influenced the policy of the government till it was subverted by the rash measures of the Board of Trade, to be at length utterly relinquished? That maxim which has been sanctioned by the most eminent statesmen and writers, and in the justice of which I most heartily concur, that the best way of promoting the public, was to give unrestrained freedom to the prosecution of individual interests, the aggregate of which constitutes the mass of national prosperity? It is not my intention, my lords, to trespass on your patience by following my noble friend through all the detail of his lucid and manly speech. In answer to the observations upon it, made by the noble lord

(Bathurst) I content myself with appealing to the law, the plain understood law of the country. It is by that law that the members of the community must regulate their conduct, and not by party doctrines in parliamentary debate. I do not wonder at the wrath of ministers being directed against my noble friend: I do not wonder at the cowardly attempt to raise a public clamour against him, because he has been the immediate means of proving the fallacy of their belief, that they had set this question finally at rest. If, however, they had been animated by one spark of justice, or ordinary candour they would not have held him out as a solitary example, but have fairly admitted what has been stated to you by a noble lord, this night (lord Rosse) that he had only imitated what has been the common practice in the north of [824] Ireland, as well as the conduct of numerous individuals in this part of the empire. But this would not have suited their design, this would have been to admit the existence of the mischief that is coming upon us, and the only way of accomplishing this purpose was, if possible, to deter him by clamour and invective, from persisting in pursuing the dictates of his judgment. The question, however, is now said to assume a public character, and in this light I perfectly agree with those noble lords who have dwelt on the urgent necessity of applying an early remedy. The kind's ministers, indeed, from whom it was natural to hear something on such a subject, do not favour us with the slightest observation. I believe, my lords, and I have before expressed this opinion, that the moment is at length arrived when, if the evil be not arrested it must advance with an accelerated progress, till it produces a state of calamity, not only unequalled by any thing that has hitherto ever affected this nation, but which it is almost impossible for the imagination to conceive. We are, however, in that miserable style of argument by which the measures of administration are generally defended, desired even now to shut our eyes to this alarming and extensive danger, and are told still to confide in our shield and buckler, as a certain armour against all the perils that surround us. A noble and learned lord has informed us that when Mr. Pitt first adopted the measure, of the Restriction, he contemplated at the same time its indefinite

duration. Really I am at a loss to know where the noble lord acquired this knowledge, but I do feel it to be my duty to declare, and it is a declaration which the part I took in the public councils at that period warrants me in making, that the most painful day both to Mr. Pitt and ray-self, of his and my political life, was that on which the circumstances of the country were deemed such as to impose on us the necessity of coming to parliament with that proposition as a temporary measure. By what considerations we were afterwards induced to extend it for successive short periods, it is unnecessary to explain; suffice it to say, that they are considerations which I shall ever deeply regret had any influence upon my mind. I do assure my noble friend that I have long since fully concurred in the arguments which he has urged against the original policy of that restriction. It must be in the memory I of some who hear me, that I did oppose in [825] my place in this House, the Bill for extending the restriction to the end of the war, and even then considered the propriety of the virtual resumption of cash payments. Does the noble earl think then, that blame is rather due to me than to those ministers who now sit in silent apathy, and see the evil approaching to its maturity with the most perfect insensibility? With regard to my conduct when last I held an office in his Majesty's government, I beg leave to remark that I was from the month of February to the November following, engaged with many of my noble friends near me, in endeavours to preserve what we considered to be the greatest boon that could be obtained for the people of this country, a safe and honourable peace. Had that event been happily accomplished, the Bank restriction would have been consequently at an end. If called on to account for the subsequent four months which I passed in office, I am called on to perform a task of which I am not ashamed. From the moment when I found that a safe and honourable peace was not to be obtained, I bent the whole force of my mind to prepare and mature a permanent system, which by wise precaution and provident arrangement, might so economize and husband our resources, as to enable us to continue the contest, not merely for a few years, but to the most distant period. Without any of those

extraordinary exertions which have since been made, and in my opinion for the most impolitic purposes, this system would have operated in the most beneficial manner. I did not forget that the restriction was a permanent evil, but I conceived that the most effectual mode of dispensing with it, was to place the government in such a situation as to deprive the Bank of the plea of its necessities to continue their own profits. I know that it is not, as it was said to be declared by the Chancellor of the Exchequer, the want of gold in which the necessity of the continuance of the restriction originates. It is in the exigencies of the government, and in profuse and wasteful expenditure. To supply those exigencies, and to support that expenditure, you permit the Bank to make unlimited issues and spread through the country a depreciated currency. It is for this purpose that his Majesty's subjects are compelled in amount to pay their income tax, once to the revenue, and twice to those who profit by the restriction. This state of things is now openly [826] avowed and defended, as necessary to the support of government. Necessary it may be, while the annual expenditure is 90 million sterling, but that is an expenditure which it is absurd in the highest degree to imagine you can maintain. However grateful to your wishes or flattering to your pride, you must at length renounce this vain idea. With all my respect for the logical acuteness of the noble lord near me, I do not think he has acted up to his own sense of the utility of definition in his explanation of paper at par, and paper under a depreciation. Neither do I agree with him, that bankers are exclusively the true judges of its real value. I consider a paper currency to be depreciated when in the transaction between man and man, less gold is given for the paper than that paper promises to pay, and that in proportion to the difference between the sum promised as to the sum thus paid, is the extent of that depreciation. The noble and learned lord has put an extreme case, equally applicable to all periods, and has said, that if gold was required to the fulfilment of all contracts, it could not possibly be procured. There never, however, was a time, and I am ready to establish the fact, when there was more or even so much gold in the country as at

the present period. No difficulty is experienced in obtaining any quantity, as stated in, the evidence before a Committee of the House of Commons, if the price is only offered. We were formerly accustomed to draw our supplies from foreign countries, not always well disposed to us, and sometimes in open hostility. The demand for gold, as will ever be the case, was still, notwithstanding the hazard and difficulty, more or less supplied. You have now free access to the countries which produce gold, you are the masters of the seas, you pursue the trade without the slightest interruption from any state, and the consequence is, that you both import and export in larger quantities than at any antecedent period. It is to a destructive policy alone that the evil must be attributed. It has advanced slowly, progressively increasing, like the Mississippi and South Sea schemes, and, like them, if not checked, it must end in the most extensive ruin and calamity. My lords, it has often fallen to my lot to point out the inevitable results of the issue of the assignats in France. How little did I then imagine, that, in the description I then gave, I was but anticipating what, in the course of twenty years, would [827] be the faithful picture of my own country! How little did I then apprehend that the established credit of Great Britain, that her flourishing finances and proud resources, would perish by the same hideous monster, appearing in all his pristine deformity!

The noble lord then commented on the pernicious tendency of the Bill, which, though declared by the noble earl who brought it forward, not to be intended to make Bank-notes a legal tender, yet went so near it as to create great risk of committing gross and flagrant injustice. The noble lord next proceeded to animadvert with great strength of argument and observation upon the danger of making paper a legal tender. His Majesty's ministers appeared now to be adopting measures which had been stigmatised by all eminent authorities upon such subjects as most injurious to a state. They had determined to issue tokens for three sterling shillings—tokens which, according to the standard value in the sterling shillings, would not be worth more than 2s. 4d. In this instance he must

contend, that they were not satisfied with a depreciated paper, unless they accompanied it with a debased coin. If this measure were fit to be adopted, he should be glad to know, why the tokens were not to be issued by government for the profit of the public? He could see no good reason why the profit should go to the Bank of England, rather than to the treasury. The tokens were to be prepared in the King's mint, and under the immediate sanction of ministers, and if the nation was to take the mischief of the issue, the public was entitled to the profit—He had thus long detained their lordships, because he felt it necessary, to state explicitly his opinions upon the present measure. But he had by no means exhausted the subject; he had not even expressed all the considerations which suggested themselves to his mind upon the question. If the measure were to be persisted in, he should often have to address their lordships upon it; not that he was not perfectly aware how little useful it was to address their lordships upon such occasions; but because, feeling as he did respecting this measure, he should not think that he had performed his duty if he failed to state his sentiments fully. Whatever might be the future misfortunes of the country in consequence of these measures, he was sure that he could bear his proportion of them with the fortitude of a Man conscious of having discharged his [828] duty in endeavours to avert them: but when he considered how particularly it had fallen under his observation on a former occasion to watch the progress and effects of similar measures in that unhappy country, France, he should be criminal not to use all the means in his power to prevent their introduction into his native land.