

insufficient for the occasion. It will not save 'whole districts' from the 'absolute famine which stares them in the face.' It will not give to Ireland that ability to relieve herself which she does not at present possess.

If this anticipation be verified, what course will the Ministers pursue? Will they content themselves with stating the case against England? with enforcing the need and the duty? and in the end leave Ireland to perish in her inability, and whole districts to die of the famine which now threatens them? Will they treat Ireland as a part of a United Kingdom? or will they fall back upon the notion that these kingdoms are *not one*; that Ireland is a distinct nation; that her claim upon England, in point of justice, is no greater than that of France or any other foreign land? Will they take refuge in the commercial distress of the present year, and allege that England has spent, or is spending, her last shilling, and that the claims of justice are powerless against her because she is impotent? What course will they adopt? What pretext will they allege?

England cannot take Ireland to herself by halves. The Union, if rightful, must be for better and for worse, for richer and for poorer, till *Death* do us part; or till common-sense steps in to dictate the terms of a divorce. But while the future is doubtful this at least is not doubtful, that of all conceivable courses the course of wrenching from Ireland the power of her own development, and yet refusing to accord her the privileges of an entire union; to plead inability to help her, and yet to refuse her permission to help herself; to assure her that we have no strength left except what just suffices to keep her hands tied and her impotence perpetuated; this, of all courses, is at once the most hateful and the most foolish.

It can have one result. Amidst sufferings more than human, and rage which it will be difficult to restrain, it will disseminate and perpetuate the resolution to obtain repeal.

[From the European Times.]

#### THE COMMERCIAL PANIC.

The interval since our last publication has been pregnant with the most remarkable commercial events. The circumstances we now detail, which led to the intervention of Government, its transitory effect, and the resolution of assembling Parliament on the 18th November, will all be read with feelings of deep interest in every quarter of the globe where the *European Times* circulates. The state of commercial affairs in this country, as well as the consideration of what is to be done for Ireland, rendered it necessary that Parliament should meet before Christmas. It is also very desirable that if the Bank Charter Act should be infringed by the Government measure, the heavy responsibility which Ministers have taken upon themselves should be relieved with the least possible delay by the people themselves, through their constitutional representatives in Parliament assembled. We think it right to add, however, that the best informed persons, including the Bank Directors themselves, are of opinion that no actual violation of Peel's Act need be ventured upon. The Bank Directors perceive that to infringe the act would forfeit their charter; and before Parliament consented to pass a Bill of Indemnity, such conditions might be insisted upon as would destroy the exclusive privileges of the Bank for ever. Whilst the Bank Directors themselves are actually borrowing money on stock at seven per cent. until the 29th November, and charging eight per cent. on similar security, and nine per cent. on discounts, it is plain that, as regards money, no present relief can be calculated upon. The general contraction of all business and engagements is, however, working gradually a cure. Its fatal effects, however, are but too evident in our present journal.

On Tuesday, the 19th ult., a deputation of Liverpool merchants waited on Lord John Russell in Downing-street, and set forth in earnest terms all the evils under which the town and the general commerce of the country were labouring. An advance on the credit of the country was solicited. The Government, however, firmly, but in the most considerate terms, refused the application, and in the three or four following days the mercantile pressure considerably increased. Banks in various parts of the country failed. On Saturday, the 23d ult., Mr. Masterman and Mr. Glyn, at the head of a deputation of London bankers, called upon the Prime Minister at Downing-street, and were immediately admitted to an audience. They represented the intensity of the panic; the impossibility of allowing matters to continue without making some effort to alleviate the pressure; that the bankers were full of money, but not one dared to part with it to his customers for fear of a run upon him, and their statements produced such effect on the mind of the Minister that he promised on the Monday following to give them an answer. Mr. Rothschild also visited the Minister. When the news of these interviews transpired a better feeling in the city was the result. Consols and shares somewhat rallied. It transpired, also, that Sir Robert Peel had arrived at London on the previous evening, and was immediately called upon by the Chancellor of the Exchequer. The interview lasted several hours. Sir Robert Peel and his lady the following day went to Windsor Castle on a courtly visit to her Majesty, all which was deemed highly significant that something important was meditated. On

Monday, in the middle of the day, the following official documents were made public:—

Downing-street, October 25, 1847.

Gentlemen,—Her Majesty's Government have seen with the deepest regret the pressure which has existed for some weeks upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade. They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx of bullion, and the feelings which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust. They were encouraged in this expectation by the speedy cessation of a similar state of feeling in the month of April last. These hopes have, however, been disappointed; and her Majesty's Government have come to the conclusion that the time has arrived when they ought to attempt, by some extraordinary and temporary measure, to restore confidence to the mercantile and manufacturing community. For this purpose they recommend to the Directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts and advances, upon approved security; but that, in order to retain this operation within reasonable limits, a high rate of interest should be charged. In present circumstances they would suggest that the rate of interest should not be less than 8 per cent. If this course should lead to any infringement of the existing law, her Majesty's Government will be prepared to propose to Parliament on its meeting, a bill of indemnity. They will rely upon the discretion of the directors to reduce as soon as possible the amount of their notes, if any extraordinary issues should take place, within the limits prescribed by law. Her Majesty's Government are of opinion that any extra profit derived from this measure should be carried to the account of the public, but the precise mode of doing so must be left to future arrangement. Her Majesty's Government are not insensible to the evil of any departure from the law which has placed the currency of this country upon a sound basis; but they feel confident that in the present circumstances, the measure which they have proposed may be safely adopted; and that, at the same time, the main provisions of that law, and the vital principle of preserving the convertibility of the bank note may be firmly maintained. We have the honour to be, gentlemen, your obedient humble servants,

(Signed)

JOHN RUSSELL.  
CHAS. WOOD.

The Governor and Deputy  
Governor of the Bank of England.

(Copy of reply.)

Bank of England, Oct. 25, 1847.

Gentlemen,—We have the honour to acknowledge your letter of this day's date, which we have submitted to the Court of Directors, and we enclose a copy of the resolutions thereon, and we have the honour to be, sirs, your most obedient servants,

(Signed)

JAMES MORRIS, Governor.

H. J. PRESCOTT, Deputy-Governor.

To the First Lord of the Treasury  
and the Chancellor of the Exchequer.

Resolved,—That this Court do accede to the recommendation contained in the letter from the First Lord of the Treasury and the Chancellor of the Exchequer, dated this day, and addressed to the Governor and Deputy-Governor of the Bank of England, which has just been read.

That the *minimum* rate of discount on bills not having more than 95 days to run be 8 per cent.

That advances be made on Bills of Exchange, on Stock, Exchequer Bills, and other approved securities, in sums of not less than 2000*l.*, and for periods to be fixed by the governors, at the rate of 8 per cent. per annum.

The effect of this measure was electrical; in the general eagerness of speculators for a fall to buy in their accounts the market became wild, Consols in a day or two advanced, after the most violent fluctuations, not less than five per cent. upon their extremest point of depression of the previous week. Shares of railways, which had been ruinously depressed, rose rapidly. London and North Western rose from 10*l.* to 12*l.* a share. Exchequer Bills only rallied to about 15*s.* to 20*s.* discount. The sugar market became more active, and cotton and corn advanced considerably. The difference of opinion amongst the press respecting the policy of this virtual abrogation of Peel's Bank Act was most striking. The *London Times*, with an ill-suppressed feeling of disappointment, boldly reproduced all the arguments which they have lately so unflinchingly urged against the intervention of Government, which was again pronounced as most mischievous. In the city article of the *Times*, that powerful journal pointed out the apprehended mischief in the following terms:—

The Government has now fairly taken the crisis on its own shoulders. The consequences may easily be foreseen. A general belief that the worst is over; a withholding of shipments, which would otherwise have been forced off at a sacrifice; a rise in the price of cotton as well as of all other articles; a steady increase of imports; a continuance of railway works; and a readiness to enter into future commitments, where otherwise all would have been caution and contraction;

a renewed drain of bullion, unattended to this time, because the 'Government will give aid if things go wrong;' a contraction of the circulation; new deputations for relief enforced by representations of the good effected by the relief in October; new concessions; another rebound of prices and of 'confidence;' again a drain of bullion; an alarm at the exhausted coffers of the Bank; a rush for gold; an issue of one-pound notes; another rebound and another panic, and, finally, a suspension of specie payments. The order or rapidity with which these circumstances may come about no one can attempt to determine, because, the Minister having undertaken to regulate the supply of money, it is now a matter not of calculation according to fixed laws, but entirely of individual discretion; but, that such events or others analogous to them will happen, can only be doubted on the supposition that the yielding Minister of to-day will determine at some time of far severer peril to take his stand and to deny relief of any kind.

On the other hand, the *London Morning Chronicle*, having urged the Government to interfere, in a series of brilliant articles, when the measure was announced, indulged in the most extravagant expressions of satisfaction and exultation. Ministers had saved the country, that journal said, and had given a deathblow to a most absurd law which only imposed fetters on trade. The *Morning Post* and *Morning Herald* were equally unrestrained in their unbounded satisfaction at the acknowledged failure of Sir Robert Peel's Act, which was condemned by them all in the most unequivocal terms. The *Daily News* was the only paper which, carried away by the delight of the moment at seeing 'the charm of the act of 1844 dispelled,' went so far as to advocate an unrestricted paper currency. That journal said, 'We cannot for our lives see in what way the public is more benefited by the Bank giving into the hands of the private bankers a number of its notes, instead of the private banker issuing his own notes to the same amount, seeing that the security would in both cases be the same.' The experience of the history of the last twenty five years, and of all the failures of private banks of issue, which spread at various periods universal ruin, seemed for the present quite disregarded. The satisfaction of some of the journals which have applauded the Government measure obviously arises from rancorous political animosity towards Sir Robert Peel; the gratification of being triumphant is a source of delight to others; whilst again sincere conviction seems to be the cause of the satisfaction expressed by more than one journal at the virtual repeal of Peel's Act. The *London Times* and the *Manchester Guardian*, in a graver view of the case, appear, on the other hand, equally and conscientiously impressed with the signal impolicy of tampering with the currency of the country to obviate difficulties not produced by the currency, but, as they allege, by other causes.

The excitement and rise of Stocks proved evanescent. After the first general rush of prices upwards, speculators began to reflect upon all the bearings of the measure, and Stocks became at first stationary, and then proceeded steadily to recede. Consols, before the week terminated, had relapsed to about 80 for Money, and London and North-Western Shares to 147; the price of Exchequer Bills, perhaps the truest criterion of Government credit and the value of money, fell to 18*s.* discount; the cotton market became as dull and inactive as ever, and prices receded; whilst failures in Manchester, Glasgow, and London, still continue to cause great dismay in the mercantile world. Meantime, the tone of the press generally has much moderated towards the measure.

#### CONTINENTAL AFFAIRS.

The hourly increasing danger of a Swiss civil war, since war is actually declared, is the only topic connected with European politics which attracts much attention. It will be seen elsewhere that in obedience to the orders of his Government, Baron Von Kaiserfeld, the Austrian Minister, has demanded his passport, in order to withdraw from Zurich previous to the commencement of hostilities. His assurance that Austria would not interfere between the belligerents had, in some degree, cooled the valour of the Sonderbund party, which had now appealed to France. It is said that the Radical party is not quite ready to take the field, or at any rate that a few day's delay will operate disadvantageously to the League party, whose finances would be impoverished by procrastination. The Russian ambassador has left Switzerland, and the Prussian Minister is expected to receive similar orders every moment. In this critical state matters remained at the last dates.

In Italy the Austrians evince no intention whatever of evacuating the position which they have usurped. But the din of revolutionary meetings has somewhat subsided, and matters, just at the present, seem to indicate that they will soon relapse into their previous state of political apathy. In the meantime the Pope, by his endeavours to promote peace, not only throughout his own States, but also in Naples and Switzerland, is laying the foundation for a still more glorious career. The Sultan has come to the resolution of henceforth placing the Christians of the Lebanon under the direction of a representative of the Holy See, thereby rendering the interference of France wholly unnecessary in the Turkish empire.

In Spain the effects of Queen Christina's intrigues are already beginning to be developed. Narvaez has been deprived of his portfolio of foreign affairs, and, for some