

P R E F A C E.

Since the introductory chapter of this volume was printed, the Author has thought it best to avoid topics, which, if brought under discussion by a stranger in Canada, might have led to controversy without any good result. Of these, the question of a Public Bank is one, a Mint another. In May 1844, he, as a writer on commercial subjects, was sent from London to Liverpool to hold a conference with the head of the eminent American firm of Brown, Shipley, & Co.; Mr. Brown and his political friends feeling it necessary to lay before the electors of South Lancashire an account of the circumstances which induced the British Government, in November 1837, to negotiate for Brown, Shipley, & Co. a loan of two millions sterling with the Bank of England. By that loan, the borrowers, having taken advantage of it to the extent of one million, were enabled to stand and flourish, while many mercantile concerns of less magnitude fell, and were extinguished in the ruin of that year's panic. The firm which was thus endowed with a giant's strength, used their power with instincts attributed to giants. Their own bankruptcy might, in its temporary consequences, have been a greater disaster to the manufacturers who held their American bills, or who had passed them to the smaller banks; but, weighed against higher principles of commercial morality and of policy, the incident, with all its correlatives, stood out, as it yet stands, a proclamation that a lofty and comprehensive system of Conservative Economy has yet to be applied to Commercial Finance in Britain. It suggested a course of investigation to the Author, the evidence collected in which will be systematised in some other volume.

The Author has also avoided most of the dogmas of Political Economy. They would have been useless without many chapters of illustrative argument. In previous literary productions, he has written the history of Trade-Guilds, Chartered Commercial Companies, and brought out of past time the old controversies about Balance of Trade, Reciprocity, Free Trade, and Protection. History has no evidence, nor logic any absolute law, to decide between Free Trade and Protection.