

best Christian fruit, and whether the fault be in the preacher or in the stiff-neckedness of the people, the fact of the sermon having proved barren remains the same.

Sermons, in their own peculiar sphere, as much as prayer and sacraments, are to be accounted as means of grace. I do not pretend to decide to which of these most importance is to be attributed; each has its own place, and the results will be best when each receives all the attention we can give to it; but I remark upon the propriety of recognizing sermons as means of grace, because it gives no occasion to notice, that in the case of sermons, as with sacraments, much of the benefit to be received depends upon the disposition of mind of the recipient; and therefore it is well that Christians should not only give their own most earnest endeavours to understand and remember what God's servants say to them, but also that they should pray God to grant them the help of His Holy Spirit, that they may bear to real profit. Nor will their task be complete when they have prayed for themselves; they are bound to remember the preacher, also, in their prayers; no one can say how much of the efficacy of a sermon may depend upon such co-operation on the part of the people; each minister may find good cause to say, as St. Paul said to the Thessalonians, "Brethren, pray for us; that the word of the Lord may have free course and be glorified."—(2 Thess. iii. 1.)—*Rev. Harvey Goodwin.*

### News Department.

From Papers by R. M. Stonner Asia, Oct. 27.

#### PEEL'S BANK BILL DYING!

The Bank of England recently made a representation to Her Majesty's Government soliciting some modification of the Bank Act, so as to issue more notes against a portion of its assets; but the application was refused. Yesterday the Bank of England again raised the minimum rate of discount in a manner which excited some sensation, viz.:—For bills having less than sixty days to run, 6 per cent.; between sixty and ninety-five days, 7 per cent. Whatever may be the ultimate results of the present strain upon the resources of the Bank of England, we are sure we speak the opinion of the whole mercantile world when we declare, that upon every principle of public necessity and expediency, the time has now arrived when the relations of the Bank of England with the State must be reconsidered, in strict conformity with the observance of the provisions of existing statutes. It is our duty at this juncture, when reasonable dread of a monetary convulsion is producing the mischievous effects of a real panic, to debase the public mind of the error which generally prevails respecting the indefinite duration of the agreement now in force between the Bank of England and the Government—to indicate clearly the exact position of the relations subsisting between them—finally to urge upon Parliament the immediate reconsideration of the statute 7 and 8 Vic., cap. 32, commonly called Peel's Bank Charter Act, with a view to its total or partial repeal.

That which is called the Bank Charter is in fact no charter at all, granted or revocable by the Crown, but various Acts of Parliament regulate the powers and privileges exercised and enjoyed by the Bank of England as a corporation. During the present century the Act of 39 and 40 Geo. III., cap. 28, and 7 Geo. IV., cap. 47, continued these powers and privileges, until the year 1833, when the 3 and 4 William IV., cap. 98, was passed. In August of that year. By the 5th and 14th sections of that last act, the subsisting agreement between the Bank of England and the Government was conditionally prolonged until the 1st of August, 1855. Although the 7 and 8 Victoria, cap. 32, called Peel's Bank Charter Act subsequently passed in 1844, made certain alterations in the mode of conducting the business of the bank by separating the issue and banking departments—in so far as relates to the termination of the agreement—yet the 25th section still continued the powers and privileges of the Bank until the 1st day of August last. The Government is now in a position, according to law, to give 12 months' notice to the corporation of the Bank to terminate the existing agreement; and, upon re-payment to the Bank of England of the debt of £11,015,100, and all other liabilities, their exclusive banking privileges would cease, upon the expiration of twelve months after the Speaker has given such notice, in conformity with a resolution of the House of Commons.

It therefore follows as a necessary conclusion, that if the exigencies of commerce, or the public policy of the country should imperatively require a reconsideration of the principles laid down by Sir Robert Peel's

Act of 1844, for the guidance of the Bank in its functions as regulator of the currency, and in its antagonistic business as bankers, parliament is now perfectly unfettered to act in any way its wisdom may dictate. The only remaining condition of repayment to the Bank of the government debt of about eleven millions, would be nothing more than a simple money operation, which a Chancellor of the Exchequer of the most ordinary capacity could without difficulty compass. Our readers will now perceive that no legal impediment stands in the way of an immediate reconsideration of Sir Robert Peel's Act. In point of law and fact, the agreement between the government and the Bank expired more than two months ago, on the 1st of August last. The perpetuation of the monopoly is only tolerated by sufferance, by reason of an inconsiderable debt due by the government to the holders of Bank of England shares. It becomes the duty of the press and of parliament to consider all the difficulties in which previous inexperience and legislation have entangled us; and insist upon such an effectual remedy as shall place our currency and our banking institutions upon a distinct and secure footing.

Our readers are aware that by the Procuetean provisions of Sir Robert Peel's Act, the Bank of England was compelled in its management of the Issue to set apart securities to the value of 14 millions, whereas the Government debt of about 11 millions may constitute a portion. In addition to this fixed amount of 14 millions, which for no special reason was taken as a basis, or pivot of operations, the Bank was required to add all the gold and silver they did not want for banking purposes. Whatever this aggregate amount may be, whether two millions of bullion and 14 millions of securities, making together 16 millions; or 29 millions of bullion and 14 millions of securities, making 33 millions; or any other imaginable variable sum, fluctuating always with the sliding scale of the stock of bullion, the Bank was authorized to issue notes to that extent and no more. This is the real basis of the circulating medium of England, irrespective of the notes of the country circulation, which since 1844 is strictly limited.

Now, in December quarter of 1847 the stock of bullion fell to £9,798,000; the securities were £29,492,000. Total, £39,290. The notes in circulation were £29,058,000; the deposits, £15,574,000; total, £44,632,000. A perfect panic was the result. In October of that year, Sir Charles Wood, then Chancellor of the Exchequer, sent for the late Sir Robert Peel from Tamworth, at that time in opposition, and, as a privy councillor, advised with him on the crisis. With £20,058,000 of notes in circulation, and nearly ten millions of bullion in stock, the country was within "twenty-four hours of a state of birtor." If any parties withdraw under such circumstances four millions of bullion, as we have had a practical instance within this fortnight, the Bank must as at present part with the bullion so demanded, and screw down their note circulation accordingly. Whether the gold and bullion disappear by reason of an adverse exchange produced by the importation of grain, or the introduction of vast quantities of speculative foreign securities; whether the gold is exported to provide for the engagements of foreign loans, to meet the demand of India and China, or the exigencies of war, the Bank of England is inexorably bound to limit the paper issues accordingly—whatever may be the requirements of trade, and even though, as at present, the exchanges furnish no inducement to transmit gold abroad.

It was clearly pointed out to Sir Robert Peel that the apprehension alone of a suspension of specie payments, or, at least, of greater stringency in the money market, aggravated, if it did not cause, the panic which prevailed. The circulation was unduly restricted. General mercantile ruin ensued. Houses which had been insolvent for years, and firms which had ample means of ultimate payment, alike succumbed to the mischievous effects of a disturbance of the currency of the country. Sir Robert Peel's Act broke down, and utterly failed at the very moment when its efficacy, if founded on a correct principle, was most needed. A letter was written by the Treasurer to the Bank practically suspending the stringent provisions of the act of 1844—the tempest was stayed, and calm and confidence was restored. It is self-evident also that with a full currency, the act of 1844 is inoperative. Whenever the circulation is inadequate to the wants of the country, it matters little whether the stock of bullion varies; but the moment the circulation becomes restricted to such a point as to occasion uneasiness in the mercantile mind, we are exposed to those mischievous shocks to public credit, from the effects of which we are now once more suffering.

The mercantile community—if not the whole country—have, therefore, a right to demand an alteration of the law, which professes to regulate the Queen's currency, but which, instead of regulating, contrives to derange it in seasons of commercial difficulty.—Having failed upon two critical occasions, the knell of Sir Robert Peel's Act is now rung. When Parliament re-assembles, a committee must be appointed to inquire into the working of the Act of 1844, with a view to a re-adjustment of the relations of the Bank of England with the State. Some well-considered plan must be devised, whereby the functions of the Regulator of the national currency shall be placed in other and independent hands. The principle of a metallic standard, and a convertible currency, must still be jealously guarded; and the present Bank of England, having its monopoly abolished, must be left to conduct its banking business upon the principle of a fair competition in trade. A commercial people, like ourselves, must not be exposed to these periodical monetary convulsions, if such can be averted by a prudent reform in the management of the currency.—*Morn. Chron.*

#### ITALY.

A diplomatic quarrel, in which, according to the *Times*, Austria is at the bottom, has caused the interruption of all relations between the Sardinian and Tuscan Governments. Some time ago, after a previous hint to the Tuscan Government, who took no exception to the proposal, Count Casati, a youth of eighteen, the son of a Count Casati who emigrated from Lombardy in the disturbances of '48, and settled in Sardinia, was appointed *attaché* to the Sardinian Embassy at Florence, at the head of which is the Marquis Sauli. The new *attaché* left cards with the Tuscan Prime Minister, M. Ballasseroni, and with the Austrian Ambassador, who returned the compliment:—

"Shortly after, however, the Tuscan Premier calls on the Marquis Sauli, and says that the Grand-Duke's Government has been too precipitate in receiving the son of a refugee, and begs that the *attaché* may be sent away on leave, and then receive another destination. This request is forwarded to Turin, but the haste of M. Ballasseroni cannot await an answer. He addresses an official note to the Marquis Sauli, intimating that Count Casati must at once be sent on leave, and never return, as he would not be received by the Grand-Duke. This note was returned, and the Sardinian Minister used all means to bring the matter to a friendly conclusion. M. Ballasseroni would, however, bear nothing, and now wrote to Turin a demand that the Sardinian Minister himself should be recalled. The only course open to the Court of Turin was, therefore, to break off all diplomatic relations with the Tuscan Government: the Sardinian Legation left Florence, and the Tuscan Minister at Turin received his passports." The Austrian part in the matter is this:—On the appointment of the son of the refugee coming to the notice of Count Buel, the Austrian Minister for Foreign Affairs, he demanded of the Grand-Duke of Tuscany whether he could really think proper, "in his position as an Austrian Archduke," to receive in his palace a person who could not be received by his Imperial Majesty or by any Austrian Minister? This was enough; reparation must be made at any cost, and the obnoxious *attaché* was got rid of. The British Minister at Turin tendered his mediation; it was accepted by the Sardinian Cabinet, and the proposition was made involving great concessions to Tuscany, for the sake of peace; but this proposition the Tuscan Government peremptorily refused to receive. Lord Normanby has since openly expressed censure on the conduct of the Sardinian Government in appointing Count Casati, and a pretty considerable commotion seems likely to rise out of the matter, it being reported that a diplomatic agent has been sent by our Government to Florence, to bring Lord Normanby to a different view of the subject.

Such is the story related in a leader in yesterday's *Times*.

THE COST OF THE WAR.—To those who doubt the ability of the country to carry on a war at the cost of £80,000,000 or £90,000,000 a year, as long as shall be necessary, we could observe that if England could bear taxation to the extent of £72,000,000 in 1815, it would not be too much to say that we could with equal ease bear taxation now to the extent of £100,000,000, when we bear in mind the increased population, wealth, and trade of the country. In 1815 the income assessed to the property tax was £170,000,000 a year; now, computing it upon the same basis, it cannot be less than £250,000,000. Again, with regard to the extent to which it is possible to abstract from the capital of the country we have had experience in the construction of railways