

But although in England, ages ago, it became incorporated, and ultimately lost in a more vicious system, it was again revived, and has been the one almost universally organized on the Continent of Europe for the last eighty years.

The origin of these institutions in Europe is now well known. The most ancient dates back to the year 1770. It was founded in Silesia. The country, we are told, was in a deplorable state. The effects of the seven years' war, the rise in the rate of interest and the low price of agricultural produce after the war was over, had reduced the proprietors of land to a sad extremity. Their credit was ruined, and capital at once deserted them. In this wretched state, a Berlin merchant, M. Büding, came to their rescue and proposed a remedy.

His plan was simply to combine all the estates of all the proprietors into one security, and to substitute that combined security for the individual security of each separate debtor. The plan at first was very imperfect, for there was yet wanting the grand principle of the system, a sinking fund. Yet it produced the most admirable effects—the rate of interest fell, capital returned, and usury, which feeds on the poor man's hard necessity, fled the country. Proprietors who had been in momentary expectation of being dispossessed of their estates, were now enabled to obtain fresh and additional loans—agriculture more than ever prospered, and the land, in consequence of these new advantages, increased rapidly in value.

The success of this first experiment (which was made under the auspices of Frederick the Great, a success of which any Sovereign or Government might be proud) brought about by degrees the foundation of a great number of establishments of the same kind in the rest of Germany, Pomerania, Bavaria, Wurtemberg, Hanover, Galicia, Mecklenburgh, Saxony, and many other States. Principalities or Duchies have seen them successively established amongst them. Many Sovereigns encouraged them by subsidies. In some countries the State managed them, in others they were formed by an Association of Landed Proprietors or by Commercial Companies, but all were under the surveillance, and many of them had the care and countenance of the Government.

Submitting to strict rules, invested with privileges and powers which assured the prompt repayment of their advances, these establishments every where inspired a just confidence, and we find that even in the most difficult times they were enabled to hold on their way without having recourse to any rigorous proceedings against the borrowers; and what is remarkable, in the midst of the most grave crises, which occasioned wars or revolutions, the value of their debentures, under the title of "*Lettres de gage*," maintained a rate always superior to that of the public funds, and why? *The Capitalist knew that he had good and immovable land for his security.*

Nor were the benefits of these institutions confined to the great estates, for whose special benefit they were at first organized. Every where, where they were established, they worked to the advantage of the landed proprietors great and small, more especially in the reduction of the rate of interest. They lessened the encumbrances on the land, and they furnished it with the means of cultivation.

These institutions, we have seen, have extended themselves all over the Continent of Europe, and it may occur to some, if their tendency is so beneficial, why have they