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FURTHER EXTRACTS from "*A Enquiry into the state of the Nation.*"

1. "The actual changes of dominion which the third coalition has already produced, are in the highest degree alarming—whether we consider them as losses to Austria or gains to France.

At the last peace, the Venetian territory had even been imagined by some to be a fair compensation for the loss of the Netherlands. In several points of view, its importance was certainly of the very first rank. Besides a large extent of the most fruitful country, a population of nearly two millions, and a revenue of a million sterling; it gave Austria a line of sea coast, studded with excellent harbors, in the immediate neighborhood of those rich provinces, which had long been checked in their progress, by their scanty means of foreign commerce. The acquisition of Venice easily rendered the power which also possessed the extensive dominions on the north of the Adriatic, mistress of that sea. The country to the east of the Gulf, was valuable in case any views might hereafter be formed respecting Turkey;—or might become necessary from the policy of other states in relation to that defenceless neighbour. The footing which the Venetian territory gave Austria in Lombardy, added to her dominions in the Alpine country, served to retain somewhat at least of her former sway in the affairs of Italy; gave her a certain security against any further changes being attempted by France in that quarter; and secured, when an opportunity might offer, the means of regaining the ascendant she had once possessed in these fine countries. All these valuable possessions are now lost; and all the prospects of which they were the foundation—the hopes of external influence, and the more solid expectation of domestic improvement, are vanished for ever. France, or her dependency, the Italian republic, has completed the conquest of Lombardy. From the Gulf of Genoa to the Gulph of Istria, all is French.

To estimate how much France has gained by the acquisition of the Venetian provinces, it is only necessary that we should reflect on the importance of those territories to the Italian republic, from their position, and the facilities which they afford of increasing the naval power of the enemy. The commerce of Venice, now very considerable, and only checked since the revolution by the impolitic preference given to Trieste, will increase rapidly, when at least equal exertions are made to encourage it. At present it does not occupy less than 400 vessels belonging to the port of Venice alone. In its better days the number of these was tenfold. The naval arsenal of that city is famous, and the neighboring harbors perfectly well adapted to the purposes of trade. The coast of Dalmatia, with the islands, possesses perhaps more fine ports, with strong fortifications, than any in the world. Nona, Zara, Sebenico, Trau, Spalatro, Castel Nuovo, Matero, Lesina, Corcyra—are but a few of the harbors impregnable to attack, and commanding every commercial advantage, which have now fallen into the hands of the Cisalpine and its masters. It is unnecessary to state how prodigious an accession of trade and force this must, in a short time, secure to France; and how paramount it must render her superiority in the Mediterranean. Whether we now attempt to defend Sicily, or avert the downfall of Turkey and the seizure of Egypt, we shall feel the consequences of the treaty of Presburg in every operation of the war.

The loss of the Tyrol, and its annexation to the new kingdom of Bavaria, is, though not from the superior territorial value of that province, yet certainly from its relative situation, of still greater detriment to Austria than her sacrifices in Italy. The natural strength of the country, the loyalty and valor of its inhabitants, and the skill which their mode of life gave them in the warfare adapted to mountaneous countries, made the Tyrol altogether invaluable as a barrier against the invasion of the hereditary states; had the House of Austria but learnt the right use of those resources. Unhappily, there prevailed a constant jealousy of the Tyrolese, and an inclination to check them in those pursuits which were their most favorite occupation, and which formed the habits, of all others most necessary for the successful defence of their country. Even in a war which threatened the throne of the monarchy, the same evil policy continued to curb the exertions of this high spirited people; and, after weakening, during peace, by absurd restraints, the force which they could have opposed to the enemy, the court of Vienna, now, at the moment of invasion, persisted in refusing to avail itself of their services. In several places, the peasantry were deprived of arms, and checked by the army, least they should defend their mountains irregularly, while the old tacticians were retreating from the strongest holds, according to rule. Frequently, in spite of all resistance from their own master, these brave and skilful mountaineers made out the point of being allowed to fight; they generally made a successful stand, sometimes gained signal advantages over the French troops, while all their exertions were systematically thwarted by the Austrian commanders. But it is manifest, that while the province remained under the dominion of Austria, she might at any time have turned it to full account, by reforming so obviously pernicious a system of management. During a short interval of peace, she might organise its natural force so as to render it quite impregnable; and then, whatever successes the enemy might, on any future occasion, gain in Lombardy and the Frioul, or on the Danube, his progress was effectually checked by the natural garrison which he left behind him; which must be taken, not turned; which preserved unbroken the communication with Italy and with Switzerland; which must always, if properly managed, have been the main theatre of any war, where Austria acted on the defensive. Such were the incalculable advantages, in a defensive point of view, which Austria lost by the cession of the Tyrol.

If we keep in mind the remark formerly made upon the importance of Switzerland, we shall be enabled to perceive still further advantages for defence, which Austria has lost in the Tyrol, and to estimate the extent of this loss in an offensive point of view. The complete establishment of France in Lombardy and the Genoese, would of itself have augmented the dependence of Switzerland upon her power. But though the passes on the West and South would have been open to her, while the Tyrol and the Voralberg remained in the hands of Austria, the Swiss might always reckon upon her powerful support; their country might be defended by its native forces against the inroads of the enemy from the other sides*, until assistance was poured in from the East; even if overpowered, their natural allies might still hope to effect their liberation, by attacking from that quarter the French who should have established themselves in the Alpine territory, as was done successfully by the Rhinthal and Engadine in 1799; and at all events, the subjugation of Switzerland would not have proved altogether fatal to Austria, when she had the strong outwork of the Tyrol on that side, both to oppose the new position of the enemy, and to interrupt the communication between his Italian dominions and the new acquisitions in the North, which the occupation of the Alps might give him.

But still more important, for offensive purposes, was the communication which the Tyrol afforded between Austria and Switzerland. The Swiss were beyond any other people hostile to France. Of this hatred they had given undoubted proofs in the last war; their skill in defending their own passes was truly wonderful; and no instance is on record of successes equal to theirs, won by individual dexterity and courage over numbers and discipline. While this character continued to adorn that virtuous and unconquerable peasantry, there was always a prospect of their making such a resistance to France, in the event of a wisely arranged scheme of invasion, as might enable Austria to come up, and thus attack the enemy upon his most vulnerable side. Even if she unfortunately preferred the plan of invading France by the Rhine or the Var, and for that purpose wished to secure the neutrality of Switzerland; the possession of the Tyrol enabled her to do so; because it gave France some inducement to acquiesce in that arrangement. All the advantages, then, which were most important to Austria, whether she intended to attack France, or to defend herself by means of Switzerland, depended entirely on her possessing the Tyrol. With the Tyrol she has now lost them for ever. Switzerland is completely surrounded by France and the French dependencies; cut off from the only power which could enable her to stand out for a moment against her enemy; delivered up without the possibility of resisting; prevented from ever being employed in the invasion of France; but ready at any time to be used as the means of finally reducing Austria. In this employment of Switzerland, the Tyrol will not only be no hindrance; it will be made to assist. The peasantry of that country will be *organised* according to their *aptitudes, physical* and *moral*; their privileges will be extended for the purpose of gaining their assistance against their former oppressors, and of rendering their exertions more powerful; and Austria will at length discover the value of the Tyrol, by the services which it may render to her invaders.

The loss of the Venetian and Tyrolese territory, with the confirmation of the French power over Switzerland, has now completed the dominion of France over the whole of Italy. Every avenue to that country is finally closed against Austria and commanded by her enemy with undivided authority. From Dalmatia and the confines of Turkey, round to Strasburg, France has drawn a line of strong possessions, by which she completely hems in Italy; cuts her off from every communication with the rest of the world; and opens to her the closest intercourse with herself. Her sway being so absolute here, it is natural that she should lose no time in exercising all the rights of sovereignty. accordingly, she models at pleasure the kingdom of Etruria; augments the Cisalpine; disposes at will of the court of Rome; and dethrones, by a common regimental order, the royal family of Naples; for which last proceeding England, be it remembered, took care to furnish also the pretext, after having given the power of accomplishing it.

Thus has the grand strife between France and Austria at length been settled, by the surrender of Italy, more absolute and unconditional, and in a far greater extent, than the courtiers of Charles, of Francis, or of Lewis, ever dared to flatter their masters to expect. France has now become sole mistress of that splendid country, from the Alps to the streights of Messina—its position, which domineers over the Mediterranean; its mighty resources; the fruitfulness of the garden of Europe; the bays, and rivers, and harbors which open to its produce the uttermost ends of the earth; the forests which variegate its surface, and only break the continuity of culture to augment its powers, by preparing for this favored land the dominion of the sea; the genius and fire of its numerous people; the monuments of art; the remains of antiquity; the ground on which the glories of their Roman ancestors were atchieved; all are now in the hands of the nation best able to improve them—to combine them to make them aid one another; and, after calling them forth, to the incalculable augmentation of her former resourses, ready to turn them against those, if any such shall remain, who still dare to be her enemies."

* *There are only four passes into Switzerland, from the French side, & seven from the Italian. The Swiss could easily defend these for a month or six weeks.*

BANK OF FRANCE.

(CONCLUDED.)

These two errors brought on a third fault. I mean that of having issued too many bank notes, whence resulted the necessity of fixing the quota of those which were to be daily reimbursed.

The first cause of the errors into which the administration of the bank has fallen, appears to lie in its organization. It is wholly formed of bankers or tradesmen, chosen by the holders, *i. e.* of men known to them as possessed of talents, integrity and good intentions.—But these men, at the same time that they are administrators of the bank, are holders of stock in it, and present bills to be discounted. They mutually judge of their personal interests; how then can we expect that none among them will profit of these reciprocal relations and advantages resulting from their position? How are we to expect from all a mutual and daily severity, so difficult to display and so necessary to maintain, in order not to fall into partiality and injustice?

There exists indeed a discount committee, where the merchants sit in a certain number, and who prepare the discount labour. But, 1st—Their operations were brought before and judged by the central committee, deciding without appeal on the operations of the discount committee and not in conformity to these operations; receiving the initiative of this committee, but acting more frequently in subservience to another influence. 2d. The rule established to discount in proportion to the number of shares, rendered almost null the effect of the labors of this committee, inasmuch as the bills presented to be discounted, with the best endorsers, and signed by a tradesman of the highest respectability, had not the same rights, as bills the most suspected, supported by the title, often fictitious, of a stockholder.

It was then but natural that in this kind of commercial oligarchy, a reciprocal condescension should be established, a kind of pact between the different interests. It was impossible that the central committee should deserve its name by a sufficient concentration of power, by the conception of a will sufficiently independent to be just, by the action of an authority powerful enough to be respected—The first cause of the faults committed by the bank therefore originated, from the disability it was in, sometimes to act with vigor, against abuses already introduced, and at others to resist new ones with perseverance.

To this first cause arising out of the composition of the administration, must be added a second one taken from the nature of things. The bank has a capital of about 50 millions, comprising its funds in reserve; it has 45 millions applicable to discount. This sum still increases by the number of notes which may be absorbed in circulation. It is possible that at a time when trade was stagnated, when consumption was abridged, and expences of luxury diminished, there should be few commercial bills to be discounted. Yet it was commercial paper, exclusively, that the administration of bank ought to have admitted into its books. No sooner, however, had good commercial paper, guaranteed by property or goods, ceased to become sufficiently abundant, than the administration must have taken effects of another nature; effects without guarantee, or having no other pledge in the hands of those who signed them than *values* known under the name of *public effects*, changing rapidly from one hand to another, without leaving any trace.

The depositaries of these public effects, such as annuities, receivers' bonds, even bank stock, taking an interest which was 20 to 30 per cent. got bills discounted at the rate of 6 per cent. and made an enormous profit to the prejudice of the state and of commerce. What a difference for commerce & for the state, if instead of arriving at the books of the bank, altered and in bills of exchange of an association of a few bankers or traders, the public effects had arrived there in substance, affording, like the receiver generals' bonds for example, the surest guarantee, the most solid pledge. The public treasury would have seen its charges of discount diminished by one half. Commerce, the transactions of which, for the rate of interest, tended by an irresistible inclination to graduate itself upon that which the public effects, the national values produce, would have obtained of private persons at a moderate rate, funds which would no longer have been attracted by the allurements of an excessive profit.

And in all this the bank not only would not have run a risk, but would have had a guarantee the more; for by a thousand events which may be readily conceived, and may have been apprehended for some moments, the effects of circulation might have remained unacquainted, and the bank had no pledge; whereas no body can reasonably and in good faith form to themselves a supposition in which receivers' bonds should not be either acquitted by themselves or reimbursed upon their security by the sinking fund, since the fact has never happened and can never happen.

It is thus that, instead of realising the general credit to the profit of commerce and of the state, the bank has realised only the fictitious and lying credit of several gamesters of the capital for the profit of a few private persons. It is thus that it contributed to break the equilibrium between the operations of government and those of commerce, between the advantages which the public effects afforded to capitalists, and those presented by the bills of merchants and manufacturers, where it was destined to maintain the level among all these different values, & to approximate the rate of their discount.

Let it not be said that there was a third cause in an exportation of specie taken from the coffers of the bank, and said to be gone to defray the expences of our armies in foreign countries. The council of the bank, the members of its committees know that this fact published by ignorance, is devoid of foundation. All those who have taken part in the public administration can attest that since his majesty quitted France to bid his legions to combat, there was not a sack of money exported for the service of the army; and they might safely assert that some money has on the contrary entered.

(In the ſecond part of the ſpeech, the orator diſcuſſed the diſpoſitions of the law which his majeſty has deemed proper to remedy the abuſes.)

The following are the principal proviſions of the bill above alluded to.

The privilege granted to the bank of France is prolonged for five and twenty years. Its capital, which conſiſted of forty-five thouſand ſhares, will be augmented to ninety thouſand, each of the ſame ſum. The adminiſtration of the bank will be empowered to place as they ſhall judge moſt proper, the funds of reſerve which they may for the future acquire. The totality of the ſtock holders are to be repreſented by two hundred amongſt them, who when united, will form a general aſſembly and will appoint the directors and cenſors. From fifteen directors and three cenſors who form the council general of the bank, five directors and the three cenſors ſhall be ſelected from amongſt thoſe manufactures, or tradeſmen who are holders; Thee directors ſhall be ſelected from amongſt the receiver's general for the public contributions.

The direction of the bank affairs delegated until now to a central committee, shall be henceforth exercised by a governor and two sub-governors, appointed by H. M. the Emperor. Before entering on his functions, the governor shall be bound to take a hundred shares, and each sub-governor fifty. They shall take the oath from the hands of the Emperor *faithfully to direct the bank affairs, conformably to the law and statutes.* The governor shall preside over the council of the bank, and all the committees; no deliberation can be executed until it has been signed by him. It is forbidden to the governor and to those who supply his place to present any bill to be discounted, signed by or belonging to them. The governor shall receive a yearly salary from the bank of 60,000 fr. and the two sub-governors a salary of 30,000 fr. each.

The council general of the bank will continue to superintend all parts of the establishment, to make the choice amongst the bills which may be brought to be discounted, to deliberate on its particular statutes and the regulations of its interior direction; to deliberate on the proposition of the governor, on all general treaties and conventions; to determine on the creation and issuing of notes from the bank, payable to the bearer at sight; to determine in like manner on taking out of circulation and annulling them; to regulate the form of these notes, to decide concerning the signatures on them; to deliberate on the issuing of the 45,000 shares created by the present law; to determine in what manner the funds in reserve shall be placed for the future, and to take care the bank carries no other operations into effect than those determined by the law, and according to the forms regulated by the statutes.

FROM THE AURORA.

DOCTRINES

OF THE OLD SCHOOL AND THE NEW SCHOOL.

THE old school maintains for doctrine, that man was made by God, a creature of God, pure, holy and innocent; but that his nature became changed, and his posterity, except a chosen few; that therefore, men are in this life unfit to be *free agents*, or to possess *self government*—that they need a *master* to rule, and this *chosen few*, or well-born, to govern and give them laws. That is—

They must have a king or owner, which we will compare to a southern planter—a nobility for his companions, and to share his favor—governors and civil officers, like overseers of different farms—a numerous priesthood, or hierarchy, like spies and persuaders of the slaves to patience & duty. Yet strange, these chosen few, these well-born, these care-takers, are equally under the same curse with the rest!—For they are all of the same original stock, and we have no record nor physiological laws by which we can ascertain the least difference between them.

Their sentiments of the people, the swinish multitude, are as follows. Keep them at work, or at play, or at war, or at land, or at any thing, so their minds are sufficiently engaged—for, as an idle slave becomes saucy and unruly, and the better they are used the less valuable they are, so it is with a nation. Let the multitude be amused with feasts, fasts, holy-days, fashions, shew, pageantry, engaged in lawsuits, war, or any way to keep the industrious poor in debt, this will give employment to *genius*, which will amply employ its contrivers to live without work, by imposing on the ignorant or the credulous, and thus sharing the tyranny, be a security to the tyrant, both for their own interest, and by serving like a weight to keep down the dull and industrious—producing the harmony of a state governed energetically.

In answer to objections against such a hard and partial burthening of society, the answer given is—

Men must be employed, and were all to work, their wants would not require their constant work. His idleness would lead him to mischief, and his envy, to resisting his governors, consequently anarchy and confusion would follow.

To the injustice of such inequality among beings whose rights are equal, & equally, from natural causes, prone to good or evil, it is answered, in this condition genius will find its proper level; like innumerable substances thrown into a deep lake, each will rise or sink according to its gravity; and therefore there is no injustice, or if any, not more than in every other practicable state.

The new school maintains for doctrine, with Mr. Pope, that.

Of systems possible it is confess'd
That wisdom infinite must form the best,
When all must fall, or not coherent be,
And all that rises, rise in due degree;
Then in the scale of quickened life, 'tis plain
There must be some where such a rank as man;
And all the question, wrangle ere so long,
Is only this, if God has placed man wrong?
Respecting man, whatever wrong we call,
May, *must* be right, as relative to all.
Then say not man's imperfect, Heaven in fault,
Say rather man's as perfect as he ought;
His knowledge measured to his state and place,
His time a moment, and a point his space.

That without pretending to dispute God's wisdom and goodness to his creatures, as an excuse for a few *cunning*