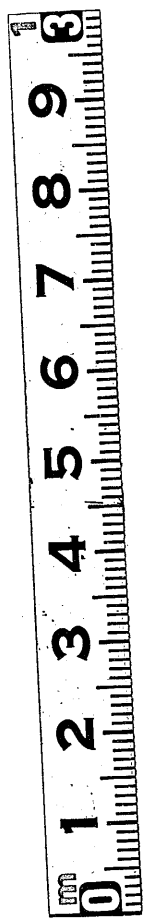


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An Inquiry  
 INTO THE  
 Nature and Uses of *Money* ;  
 More especially of the *Bills of Publick  
 Credit, Old Tenor.*

Together with  
 A PROPOSAL of some proper Relief in the  
 present Exigence.

To which is added,  
 A Reply to the *Essay on Silver and Paper  
 Currences.*

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# An Inquiry into the Nature and Uses of Money, &c.



THE Title-Page sufficiently shews the Reader the Design I have in Hand. To pursue it in the clearest Method, I propose

- First, to treat of the *Value or Estimation* of Things.
- Secondly, of the *Changes* in the comparative Value, or Price of Things in the Market.
- Thirdly, of *Money*.
- Fourthly, of *Banks*, with a PROPOSAL.
- Finally, I shall make some Observations on a Piece, intituled, *An Essay on Silver and Paper Currencies*.

Of these in their Order: And  
 I. Of the *Value or Estimation* of Things.  
 All Things that are in Use in the World, have their Value or Estimation from two different Causes, viz either 1st from the craving *Necessity*, or 2dly from the voluntary *Choice* of Mankind.  
 Those of the *first* Sort have a *real* and *intrinsic* Value or Estimation, which is unchangeable and cannot be withdrawn: but those of the *second* Sort have only an *accidental* or *circumstantial* Value or Estimation, which is changeable, and not only may be, but often is withdrawn.  
 Of the first sort of Things the most remarkable Articles are Air, Water, necessary Provisions &c. which as they are absolutely necessary to our being and well-being, we must value or esteem them highly, and readily

readily part with all other Things in our Possession (which have only their accidental Value) for a present Supply of any of them, when it happens to be in the Power and Pleasure of others to with-hold them from us; or in other Words, we find by Experience that there is a certain Virtue in the Things themselves, which we cannot but value or esteem: And this I take to be the true meaning of *intrinsic* Value, tho' in common Speech it is often otherwise applied; as we say, that one Piece of *Silver* has more *intrinsic* Value than another Piece; by which we mean no more than that one Piece *weighs* more than another, when they are both of the same *fineness*; or that one Piece has more *fine* *Silver* in it than another, when they are both of the same *weight*. We say also that *South Sea Stock* rose above its *intrinsic* Worth, meaning no more than that it rose higher than its *Dividend* was worth.

We must add one Instance more, which particularly relates to our present Case, *viz.* in *New England* we commonly say, that *Silver* has an *intrinsic* Value, and *Bills* of publick Credit have not: and why? because *Silver* will pass generally throughout the trading World, and *Bills* of Credit only in *New England*. But that is wrong, for the universal Currency of *Silver* (strictly speaking) gives it no *intrinsic* Value, and the Value of each is only accidental, as we shall shew anon.

Of the *second* Sort of Things, *viz.* Those that have only an *accidental* Value or Estimation, there are innumerable Articles, as *Diamonds* and other curious Stones, *Jewels* of all Sorts, *Silver* and *Gold*, also every Degree of *Finery*, in the several Species of Manufactures, beyond what is absolutely necessary; and in short, every Article of Provision, Cloathing, or Lodging, upon which there is more Cost bestowed than is needful. These have their Value or Estimation from the *voluntary Choice* of Mankind, guided either by Reason, or meer Humour & Fancy, in choosing one Thing and neglecting or refusing another at one Time, and again choosing what they before neglected or refused.

Some of these Articles have obtained a very general Value in the World, as *Silver* and *Gold*, Time immemorial; others have had it only in *particular* Places in a more changeable Manner; and a third Sort change with the Fashion for the Year or a particular Season, and either go into disuse, or at least are greatly reduced in their Price

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till the Return of the Fashion brings them in use again. Thus we may probably suppose, *Silver* was first brought into use as a *Metal*, and in Time it was used as *Money*, passing by *Weight* (either in unequal *Pieces*, or else in *Coins*, where the *Weight* and *Fineness* of each Piece is ascertained) till it obtained the common Consent of the trading World; and so long as that continues, it will have an accidental Value; but when it is withdrawn (if ever) *Silver* must go into disuse, and be of no Value.

Under this Head of the second Sort of Commodities, are our *Bills* of publick Credit, of the old Tenor, to be ranked: They have not an *intrinsic* Value, as *Air* and *Water*; but an accidental Value, as *Silver* & *Gold*, founded partly upon the Promise of this Government, but principally on the common Consent of this and the other Colonies that are pleased to receive them. They are not *universal* Commodities, as *Silver*, *Iron*, &c. but *local*, or confined to these *Provinces* which: however makes no material Difference in the present Case, as we shall show in the Sequel.

I am persuaded, that in order to form a right Judgment of the Cause of the present Difficulties in the Trade of this Province, and find out a proper Remedy, nothing can give greater Light, than the right Understanding of this Point; and therefore shall further pursue the Argument, and endeavour to make it plain and obvious to the Understanding of every Body.

And here,

1st. That the *Bills* are a *Commodity*, will appear by comparing their Promise with the Promise of any other Commodity. For Example, the implicit Promise of an Ounce of *Silver* is, that it will be received universally in exchange for *Wheat* or any other Commodity at the Market-Price, so long as common Consent shall continue to value *Silver*; but the *Bills* have a twofold Promise, *viz.* An *explicit* Promise on the Face of them, and in the Acts by which they were emitted, *That the Government will receive them in all publick Payments, or for any Stock* (as *Wheat*, &c.) *at any Time in the Treasury*, meaning to be disposed of at the Market-Price; and the *Bills* can never go into disuse, because there is a Demand for every Shilling of them, founded in the Acts of Government, and they must for ever be a lawful Tender for publick Taxes, so long as any of them are extant. And besides this explicit, the *Bills* have also an *implicit* Promise found

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ded in the common Consent of the Colonies where they pass.

But great Stress is laid upon that Part of the Promise, shall be in Value equal to Money; — that is (say some) shall be made good to the Possessor at the Rate of Silver-Money at eight Shillings per Ounce, which I reckon might in the Year 1702 be near the Rate Silver passed at in the Market; and so they would put the Bills on the Foot of common promissory Notes in Trade.

But that they are not common promissory Notes, is plain; for these must express the Thing promised, as so many Ounces of Silver, Pounds of Iron, of a certain Fineness &c. besides the Time when, and the Place where they are to be paid off: neither of which are to be found in the Bills, nor in the Acts of Government; all which will appear upon Examination. For in the Year 1702, the Government first began to emit the Bills, now called old Tenor, and the general Reasons assigned in the Act then, and in the subsequent Acts for and relating to the Emisions, were the extreme Scarcity of (Silver) Money, and the Want of other Media of Commerce: And in 1704 they say, and the Impossibility that the Money, Plate and Bullion within this Province, can support the Charge of the War: And in 1716 they say, All the Silver-Money which formerly made Payments in Trade easy, being now sent into Great Britain, to make Return for Part of what is owing there; by Means of all which the Trade of the Province is greatly obstructed, and the Payment of the publick Debts and Taxes retarded, and in a great Measure rendered impracticable &c. Thus far for the Design of the Government; and next for the Tenor of the Bills themselves, viz — This intended Bill of Twenty Shillings, due from the Province of the Massachusetts-Bay in New England, to the Possessor thereof shall be in Value equal to Money, and shall be accordingly accepted by the Treasurer, and Receivers subordinate to him, in all publick Payments, and for any Stock at any Time in the Treasury Boston, November 21st, 1702. By Order of the Great and General Court or Assembly. I R. E. H. N. E. Committee. — Now from the foregoing Quotations it is very plain, that the Government intend no more than this, viz That inasmuch as there was not Silver-Money sufficient to carry on the Affairs of the Province, they projected those Bills, and promised to give them the same Credit as they did Silver-Money, i. e. where they owed twenty Shillings in Silver they paid it by one of their twenty

twenty Shilling Bills, and where any Person owed them twenty Shillings for Taxes, or had bought any Commodity of them to that Value, they received the same twenty Shilling Bill back again in Payment. And indeed to have emitted special promissory Notes, as Affairs were thus circumstanced, would have intirely defeated the chief Design of the Government, viz. That their Bills should be negotiated without Discount, and serve as well for the Trade, as publick Taxes; and the Consequences of such Bills would have been to introduce Stock jobbing and usurious Practices, to the Damage both of the political and trading Interests of the Province.

Indeed there is no mention made of their being received as a Commodity, but only as Money; however, that is sufficiently imply'd: for the more general Definition of Money is briefly this, viz Any one Commodity (or a Number of Commodities) chosen out of all others, and received either by the trading World in general, or any Community of People in particular, more readily than all other Commodities passing in Trade, and that for which Contracts or Agreements are usually made. The Notion of a Commodity is inseparable from that of Money; they differ only in Degree, being of the same Kind. All Monies are Commodities: but all Commodities are not Monies; because the latter by common Consent will be more readily received than the former. Thus as the ingenious Mr. Lock well observes, "Amongst all other Commodities passing in Trade, Money is truly one". For Example, Silver, Iron, and Lead, are all Commodities generally in Use, but Silver is used as the Money, or the most general Commodity in the trading World; and here in New-England having no Silver, nor other fit Commodity for Money, our Bills of Credit are received as the most general Commodity, or Money.

2dly. As other Commodities are distinguished by their Weight, Fineness, Measure &c. and have a greater or less Value in Proportion thereto (i. e. two Ounces of Silver will purchase double the assigned Quantity of other things in the Market, that one Ounce of the same Fineness will do, and so on). In like manner our Bills are distinguished by their Quantity or Number, as twenty and forty Shillings &c. (the last will purchase twice as much as the first) and by their Impression, Subscriptions, and other Marks of Distinction; by all which they are as well secured, if not better than any other Commodity, from Counterfeits.

I must here observe by the Way, that they are not such a Commodity as hath its Value only from the Usefulness of its Matter (which indeed is most agreeable to the vulgar Notion of a Commodity) as Iron, which is made into a vast Variety of useful Manufactures: But we have already shown, that it is in the Power, and the usual Practice of Mankind, by common Consent to give an accidental Value to Things for different Reasons, as to Diamonds, and other curious Stones, for the Sake of their Colour; to Silver chiefly as qualify'd for Money; and to set these Things at a vast Degree of Value beyond Iron, tho' the most useful of any Thing that comes under the Head of accidental Value.

3dly. They are a Commodity the best qualified for the true Ends and Uses of Money, of any other Commodity whatever. But the Proof of this I must defer till I come to the Head of Money.

And finally, Without labouring the Point in Hand, the Fact is self-evident, and must appear so to every one in Trade. For supposing any Man in this Province possessed of any Quantity of Wheat, Silver, Iron, or any other Commodities, and Bills of Credit, he cannot be insensible that although the first three Articles are in general Demand, yet the Bills are by far the most useful, will be vastly more readily received, and may be negotiated to much better Advantage, than those or any other Commodities whatever in Trade.

I shall only add here, the Bills were in the Year 1702 received by the common Consent of the Province, as a Commodity, passing among others in the Market, or as Money, the most general Commodity in Use among us. At their first Emission eight Shillings in Bills were made equivalent (suppose) to one Ounce of Silver, thirty two Pound of Iron, and seven Pecks of Wheat; or in Words more adapted to our common Way of Speaking, equivalent to Silver at eight Shillings per Ounce, Iron at three Pence per Pound, and Wheat at four Shillings and seven Pence per Bushel, and to other Things at the then current Market Price. And having been thus established in Credit, and continued so ever since, they never could change their Value, but by the same Means that all other Commodities always have, and still continue to do; which brings me to consider the second Thing proposed, namely,

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The CHANGES in the comparative Value or Price of Things in the Market.

HAVING finished the Distinction of real and accidental Value, I have now to do with the comparative Value, or (as it is commonly called) the Price of Things in the Market; this being the common Notion of Value, and understood by every Body, I shall proceed to the Matter in Hand.

All Things in Use in the World, whether they have a real or accidental Value, change their comparative Value or Price in the Market, from the same Causes, viz. either from the Plenty or Scarcity of the Commodity to be sold, or from the greater or smaller Number of Buyers; but more fully and clearly expressed thus, by Means of any Change in the Proportion between the Quantity to be sold, and the Demand for that Quantity.

By the Quantity to be sold, we must understand the present Quantity of Goods that the Sellers are inclined or forced to part with; and by the Demand, the present Quantity of Goods, which the Buyers are under Obligations at the same time to purchase. For the deferring the Sale or Purchase of Things till to morrow, or the next Month, or Year, has no Effect upon the present Market.

The true Proportion between Quantity and Demand, as to any Commodity, is rarely known; because no Man can tell what Obligation or Disposition other People may have to sell or buy. We can only form a general Judgment of the Circumstance of the Market; but may be fully satisfied that a Change in the Price can proceed from no other Cause, but a Change in the Proportion of the Quantity and Demand: For Example, Suppose a Man went to Market yesterday and bought Wheat at ten Shillings, and to day was obliged to give eleven Shillings, he might easily discover that there was less Wheat, or more Buyers, at Market to day than yesterday. The exact Change in the Proportion, between yesterday and to day, none can tell; but every one must necessarily conclude, that the Change in the Price was the Effect of the Change in the Proportion of the Quantity and Demand. Many Incidents may contribute to raise or lessen the Demand for a Commodity, besides its own natural and common Circumstances. For Instance, the short Crop of Indian Corn and Rye may

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be supplied by good Crops of *Wheat*, and consequently the Demand for *Wheat* increased thereby: As on the other hand, a Plenty of fresh *Fish* or wild *Pigeons* will have a Tendency to lessen the Demand for *Beef*, and consequently affect the Price of it: But these and all other the like Circumstances are included in the Notion of Quantity and Demand.

All *exportable* Commodities, common to the World in general, change their Value by Means of any Change in the Proportion between the Quantity and Demand in the whole trading World; but such as are *not* exportable, change their Value from the same Cause, within any particular Country.

Of the *first* Sort are *Wheat* and other Grain, salted Provisions, as *Beef*, *Pork*, *Butter*, and *Fish*, Metals of all Sorts, and innumerable other Articles. The Price of these, when taken for a Number of Years, is comparatively the same in all Places where there is Freedom of Trade; as having only this Difference, that those Countries that have the Commodities *imported* to them, must pay all Charges, besides a reasonable Profit to the Importer; at least the Merchant always adventures upon that Supposition. And thus the Price of a Quintal of *Cod-Fish* in this Province is governed by the Proportion of the whole Quantity carried every where, to the whole Demand every where within the Compass of the *Fish-Trade*. As we are *Exporters*, we save the Charge of Transportation, as to what is consumed among us; which we should pay, were it imported to us from other Countries. And the Merchant must make a Judgment from his former Experience, and the best present Advices he can obtain.

Of the *second* Sort, of Things, *viz* Those that have only a special or local Value, the most remarkable Articles are Houses and other Buildings, Lands under most Circumstances, Mutton, Fowl wild and tame, fresh *Fish*, *Roo's*, *Herbage*, *Fruits* &c. these being either not exported at all, or but rarely, change their Value in every Country, as the Quantity is greater or less within themselves in Proportion to the Demand, & many Times with as little Regard to the Prices of the same Kind of Things in other Countries, as if they were unknown to all the rest of the World. The most remarkable Instance in this Part of the World is our *wild Pigeons*, which are sold at one Time for *five Shillings* per Dozen, and in two or three Weeks, or perhaps Days, fall down to *five Pence*, and

and so by Degrees return to *five Shillings* again; and yet there is no Article in Trade but under the same Circumstances would undergo the same Changes.

There may be some Exceptions to the foregoing general Rules, and particularly in this Province, *viz* Our *Beef*, *Pork*, *Butter*, and many other Articles, which are usually exported, have their Value from the Quantity and Demand within this Province, because we have not yet a Surplusage of them to send abroad to foreign Markets; our own Demand being equal to the Quantity: and sometimes we are obliged to import *Butter* in particular from *Ireland*. Whereas if we depended on a foreign Market for the Sale of a Surplusage of *Beef*, the Price of *fresh* *Beef* in this Province would be govern'd by the Price of *salt* *Beef* in the Markets to which we exported it; which is the present Case of our *Cod-Fish*. And here I cannot but make a short Remark, of what vast Importance our *trading* Interest is to our landed Interest, and how solicitous our Country-Gentlemen ought to be to support it; for if they depended chiefly upon foreign Markets for the Sale of their Produce, the Prices thereof must fall at least to half, if not a third of the present Money, (*viz* Silver at *twenty-nine Shillings* per Ounce) and their *inexportable* Articles to a very little (compared with the Prices in the Mother-Country, and other trading Countries) and the Purchase Value of their *Lands* fall in Proportion to the Fall of their *Produce*.

The Rents of *Houses* and *Lands* are governed by the Proportion of Quantity and Demand, and the Purchase-Value is governed by the Rent: For Example, if a House bring in *one hundred Pounds* a Year neat Rent (supposing the common Rate of Houses twenty Years Purchase) it may sell for *two thousand Pounds*; but if by a Change in the Quantity, or Demand; it bring in *two hundred Pounds* a Year, it will then sell for *two thousand Pounds* &c.

The same may be said of *Money*. There is one Way of Judging of the Change of its Value, by comparing it with other Things in the *Market*; and another Way of Judging of it, by the Change of its yearly *Increase* or *Interest*: For agreeable to *Mr. Lock*, *Money* is fitly compared to *Lands*; Mankind by common Agreement or publick Authority having added a Faculty to it (which naturally it has not) of increasing yearly so much per *Cent*: In the Land it is called *Rent*, in the Money Use or *Interest*.

Of these in their Order.

1st. As to the Change in the Value of Money, when compared with Goods in the Market. Mr. Lock observes, " That the natural Value of Money in exchanging for any one Commodity, is the Quantity of the trading Money of the Kingdom, designed for that Commodity, in Proportion to that single Commodity and its Vent". This is certainly true : and therefore it is exceeding difficult to judge when the Change is in the Money, and not in the Commodity for which it is given.

It is equally difficult to judge of the general Change of Money in the Market in the trading World : For, tho' it be certain that many Things have risen in Value, in some Proportion to the Increase of Silver (the common Money) in Europe, yet it is equally certain that many Things have fallen in Value, more especially of later Years, notwithstanding the yearly Increase of Silver. For Money has this extraordinary Faculty, that altho' it be the Cause of a greater Demand for many Things, yet ( as it circulates vastly quicker than any other Commodity ) it gives a Spring and Encouragement to the Invention and Industry of Mankind, and so becomes also the Means of increasing the Quantity of many Things, equal to, and often vastly exceeding, the most extravagant Demand.

A further Reason for the Difficulty of Judging in this Case, take from Mr. Lock : " For Money ( meaning Silver Money ) being look'd upon as the standing Measure of other Commodities, Men consider and speak of it still as if it were a standing Measure, tho' when it has alter'd its Quantity ( meaning in Proportion to Demand ) it's plain it is not".

But the best and clearest Notion, that we can have of the Change of the Value of Silver Money, is by the Influence it has on the Mode of Living in all Countries where it is in Use : For upon a new Accession of Money, People require not only a greater Number of Articles, but a greater Degree of Finery in the same Sorts ; so that the yearly Expence is considerably increased, even tho' some Articles should continue at the same, or even fall in their Price. Thus in England, and more particularly in London, the Difference in the Mode of Living, since the opening of the Spanish Mines in America, to this Day, may probably be as one is to thirty, if not more, for Men of the same Rank and Employment ; And yet many Articles, more especially those that are raised in the American Plantations,

Plantations, are sold for a trifle of Silver now, to what they were then sold for.

2dly. As to the Change in the Value of Money with Regard to its natural Interest, or yearly Increase.

By natural Interest I mean the Market-Rate of Interest, which subsists in all Countries, and is sometimes above, and sometimes under the Rate of Interest assigned by Law. The Law nevertheless may be founded on Justice and Equity, and a necessary Rule where Bonds and Specialties, upon which Interest becomes due, are sued for in the Law: But tho' that forbids a Transgression of the Rule by Excess, when it is in the Power of the Lenders to have more ( as in this Province ) it nevertheless establishes Contracts for less than the Rule, where the Parties have agreed it should be so : The Reason of this is because Money is an absolutely necessary Instrument for carrying on Trade ; and the lower the Rate of Interest, the better the Instrument. Therefore all Countries strenuously endeavour to have it as low or lower than any of their Neighbours, because of the superior Advantages it gives them in Trade.

The Change of the natural Rate of Interest, is an undeniable Evidence of the Change in the Proportion of the Quantity & Demand of Money, and therefore of the Change in the Value of Money from time to time. For if a House changes its Purchase-Value from a Change in its yearly Rent, undoubtedly Money must be allowed to have a Change in its Value upon any Change in its natural Interest : And therefore if ( agreeable to Mr. Lock ) in the Year 1691 the natural Interest of Silver Money in England was eight to ten per Cent ( say nine at a Medium ) and now as I am informed but about three per Cent ( the Government have it so, and the Stocks in general produce thereabouts, in proportion to the Purchase-Money given for them ) then upon this Supposition we may truly say that an Ounce of Silver of the same Fineness now as it was in 1691, is worth but one third of an Ounce at that Time, when compared with the great Capital Stock, viz the Lands and other real Estate of England ; besides what other Changes it may have undergone for the worse, by Means of the Change in the Mode of Living, uncertain, yet doubtless very considerable.

But to proceed,

I have but one Change more to speak to, and that is not a Change in the natural Proportion of Things, but a forced

forced Way of Rating Things under some Circumstances in Trade, and that chiefly with Regard to a State of private or publick Bankruptcy.

For Instance, The Standard for Silver Money in Great Britain is five Shillings and two Pence per Ounce, or three Ounces, seventeen Penniweight, ten Grains assigned to the Money Pound: But supposing Silver there (to avoid a Fraction) at five Shillings per Ounce, or four Ounces to the Money Pound, and that N owes one hundred Pounds Sterling, or four hundred Ounces of Silver, but it happens that he has but two hundred Ounces of Silver, and can pay no more but half his Debt, by Composition. Now there are two Ways of expressing the Case of N, viz. one Way by keeping to the Standard of Great Britain, five Shillings per Ounce, and saying that N pays ten Shillings in or for the Pound, or that he pays half a Pound instead of a whole one. But there is also another Way of expressing N's Case, commonly in Use in this Province, when we talk of Money, viz. that N's Silver is raised to ten Shillings per Ounce, (instead of five Shillings) and therefore his Money Pound (agreeable to his Circumstances) is only equal to Silver at ten Shillings per Ounce, and so his two hundred Ounces of Silver at the Rate of ten Shillings per Ounce, is just equal to one hundred of his Composition Pounds.

Again, suppose N owes one hundred Yards of Cloth, (the Standard Measure being thirty-six Inches to the Yard) and has but fifty Yards to pay his Debt: In this Case also N pays half his Debt according to the Standard Measure; or in other Words he pays by a Yard (agreeable to his Circumstances) of but eighteen Inches: for fifty Yards of thirty six Inches are just equal to one hundred of N's Yards of but eighteen Inches.

Thus we see that N's Circumstances put a new Rate upon his Money, the Measure of the Value of Things; and upon his Yard, a Measure of the Quantity of Things: and every Thing he has, must be rated according to the Quantity he is able to pay in Proportion to the Demand. And this, as has been observed, makes no Alteration in the natural Worth of his Silver and Cloth in the Market, but they continue as they were.

This brings me to the chief Thing to be considered under this general Head viz. our BILLS of publick Credit, of the old Tenor. I shall therefore, agreeable to the foregoing Method with Regard to Silver Money, consider them in two different Respects. 1st. As

1st. As to the Change of their Value with Regard to the Purchase of other Goods in the Market. And in this Regard I shall endeavour to prove that they have not undergone any other Change, than that which is common to all other Commodities. For let it be observed,

In 1702 eight Shillings in Bills was equal to eight Shillings in Silver, in Iron, in Wheat, and all other Commodities: And now in 1739, eight Shillings in Bills is still equal to eight Shillings in these and all other Commodities.

Eight Shillings in Silver has now but eight twenty-nine Parts of the Quantity of Silver it had in it in 1702. Eight Shillings in Iron has likewise about the same eight twenty-nine Parts, and eight Shillings in Bills but eight twenty-nine Parts, of the Value they had, when compared with these and other Commodities.

By the Year 1715 Silver at sundry Times by the Scarcity of it in Proportion to Demand, and by no other Means, rose from eight Shillings to nine Shillings per Ounce, and so the Silver Money Pound was reduced from two Ounces and half, call it fifty Penniweight, to forty four Penniweight and seventeen Grains. By the Year 1728 it rose to twenty Shillings per Ounce, and the Money Pound was reduced to twenty Penniweight. By this current Year 1739, it has risen to twenty-nine Shillings per Ounce, or the Money Pound reduced to thirteen Penniweight and nineteen Grains. And this is truly our natural Silver-Money-Pound; such a one as our trading Circumstances, or our Market affords; and which must for ever be govern'd by the Market: While that affords a Quantity equal to Demand, it will then be fixed in its Quantity, but upon any Variation will contain more or less Silver in Proportion ad Infinitum; only with this Reserve, when the Quantity exceeds the Demand, it will then be in the Power of the Government and People (and no doubt all would be willing) to agree upon a certain assigned Quantity of Silver that it has fallen to, for the Pound; but otherwise it is impossible for them to fix it.

Or if we take any other Articles of our Exports, shall we not find the same Changes? As supposing (what is absolutely necessary in all Cases of this Kind) that Tarr had all along kept the same Proportion to its Demand in the trading World, must it not nevertheless have risen here in Proportion to the general Deficiency in our Returns and kept pace with Silver, gradually rising from eight



eight Shillings to nine Shillings, twenty Shillings, and twenty nine Shillings per Barrel?

Or, on the other hand, Can it be imagined that Britons, who buy and sell with a Regard to the Rate of Silver in all Places, should not be allowed to raise the Rates of their Goods by common Consent, in Proportion to the Changes in the Rates of Silver? And accordingly when Silver was eight Shillings per Ounce, to sell at about one hundred per Cent advance (above the Par of Great Britain, five Shillings and two Pence per Ounce) and Silver nine Shillings per Ounce, Goods at one hundred and twenty-five per Cent; and so on to this present Year, Silver at twenty-nine Shillings, Goods at six hundred per Cent, or seven hundred Pounds of our Standard for one hundred Pounds Sterling-Standard, in the Sale of Goods?

Or finally, Could it possibly otherwise have happened but that the Bills, which are a Commodity passing among other Commodities in the Market, should keep pace with all other Commodities, whether common or special? most certainly it could not be otherwise.

But it will be objected, that in 1702, eight Shillings in Bills were equal to an Ounce of Silver, but now eight Shillings in Bills are only equal to five Penniweight twelve Grains and half, of Silver; therefore the Change must be in the Bills and not in the Ounce of Silver.

I answer, This is all true: But it has no Relation at all to the present Case; because an Ounce of Silver is a fixed Measure, but all our Measures are changed, as in the Case of N. For Instance, the old Measure for eight Shillings was an Ounce of Silver, but the new or forced Measure is but five Penniweight twelve Grains and half of Silver: And this is as truly the common Measure of eight Shillings, as if the Government had enacted it, and common Consent concurred in it. So that whether we say, we pay five Shillings and six Pence half Penny in the Pound, when we compare the new Measure with the old, or say that we now pay by a new Measure of five Penniweight twelve Grains and half for eight Shillings (that is, thirteen Penniweight nineteen Grains to the Pound) it amounts to the same Thing; and the Change is alike in every Thing in Use among us, as well as in the Bills.

This Province has not been obliged to pay more to the Mother Country, than its just Deb<sup>t</sup>, but rather less, by Means of those Changes; for if we formerly gave Great Britain one hundred per Cent Advance for Goods, and paid

paid them in Silver at eight Shillings per Ounce, and other Things in Proportion; and now give them six hundred per Cent. Advance, and pay them in Silver at twenty-nine Shillings per Ounce, it amounts to near the same Thing. And as the Trade of this Province has first caused the Change, and the Mother-Country has follow'd the Course of Trade, so the former has had much the Advantage of the latter in that Regard.

The greatest Loss has been to those who agreed for Bills of Credit, or for Money indefinitely, without Regard to the Rate of Silver or any other Commodity: For, as we have already shown, our Measures are all virtually changed. And in this Respect those that have Salaries, and Fees of Office appointed by the Government, have been great Sufferers, and (where they have not already) ought to be relieved in such a Way as to Equity (all Circumstances considered) appertains: For which I do by no Means think the Change in the Rate of Silver is the best Rule; but rather the different Circumstances of an Office on one Hand, and the Change in the Mode of Living on the other.

But for all other Persons, who have been left to their Liberty, to make Contracts for a certain Rate of Silver, or other Things, either where Moneys were lent, or Goods were sold, they have an Exception or Reserve made in the Acts, for Bills being a lawful Tender, purposely for them (viz. Specialties and express Contracts in Writing always excepted) and the Law has ever supported them in such Agreements. Therefore they must blame themselves; and not the Government, who have not yet succeeded in any Methods to stop the Changes in the Rates of Things. Orphans must blame their Guardians; Widows their Advisers; and money'd Men themselves; for they might always have let their Money at a certain fixed Rate, if they had not (its to be feared) been too covetous in expecting, besides 6 per Cent (or more) Interest, a further Advantage of the Borrower in the Fall of the Rate of Silver. Upon this Score the Clergy have in many Regards been less free than other People, and ought to be honourably supported by their Hearers under all the Changes of Things.

This Province (simply considered) has so far been a great Loser in Trade, as that all our Treasure (Silver and Gold) which is the chief Encouragement and Reward for Industry in all Countries, has been constantly carried off

( and often all too little ) for the Payment of our Debts, due to the Mother-Country. But yet ( excepting that Case ) at the same Time our *capital Stock* has prodigiously *increased in Value*, since the Emissions of Bills, chiefly by their Means, and next to impossible it should have been brought about without them : And we may reasonably suppose, that we are now capable of exporting three times more Produce in Quantity, and the general Estate of the Province is three times more valuable ( when compared with Silver ) now than in the Year 1702.

On the other Hand, not only the Mother Country, but the Province has greatly suffered ; the most laborious and industrious among us, Widows and Orphans consider'd as such, and in general every Body, save the Shopkeepers and a very few money'd Men, have been greatly *distressed* by Means of the *Want* of a Sufficiency of Bills ; by having their Debts postponed ; by being obliged to take Goods ( and in a much greater Degree of Quantity and Fineness than their Inclinations or Circumstances required ) in lieu of Bills ; by being obliged to purchase Goods or borrow Money at a much higher Rate than in other Countries, where they have a Competency of Money ; and in fine, by being put under a Necessity of pursuing a despicable Trucking ( and naturally a cheating ) Trade.

There is another *Objection* very commonly brought against the Bills, *viz.* That on sundry *large Emissions* Silver and other Returns have *risen* in a very extraordinary Manner, which would *not* have happened *without* those Emissions.

To this I answer, That ( agreeable to my own Argument ) the *sudden & large Emissions*, as in the Loan Money, might have a *proportionable* Influence on the Prices of Returns to the Mother-Country, and ought for ever to be industriously *avoided* in the Regulation of Bills. However, still I am of Opinion that the Market-Rate of Things would have *risen* to the *same* Height by *slower*, yet *equally certain* Degrees, *without* the Help of such *Irregular Emissions*, and by the mere *Operation* of our Trade.

For consider,

1. Every trading Country must at all times have a *Sufficiency* of Silver to answer *all Demands*, whether they be great or small, more sudden or more gradual ; else upon *Failure* thereof, their Rates of Silver must undoubtedly be raised. Now if this Province had been in *such* Circumstances, let the *Emissions* have been never so large and sudden,

sudden, they would not have affected the Price of Silver, the Quantity thereof being still equal to the Demand ; But as they have generally been otherwise, we might expect sudden and great Changes at times.

2. Another Reason, to the same Effect, may be this, that the *general Quantity of Bills*, current at any Time in the Province, has been vastly *less than the Demand* ( as we shall show anon ) so that often *between* the several Emissions a great *Scarcity* has happen'd : And as they were the *chief Money*, for which *Contracts* were made, it was impossible but that many *Debts*, due to the *Mother-Country*, must have been *postponed* ; so that upon a *new* Emission, obtained with great Difficulty, after long Sollicitations, perhaps *L. 100000* was immediately applied to the Purchase of *Silver* and other Returns ; and the Quantity being *unequal* to such Demands, the Prices *rose*. Whereas, if there had been a moderate Quantity of Bills *always extant*, the *Demand* would have kept a more *regular* Pace with the *Quantity*.

3. The *Instances* hinted at in the Objection, are vastly *too few* to make a settled Rule. For *Changes* in the Price of Silver have been *daily* ; it has not one Day been *fixed* to an absolutely certain Rate, as in the Mother-Country ; since the Year 1702 ( and many Years before ) any Emissions of Bills of any Sort ) no *two* Men hardly selling at the *same* Price for *one* Day. And this was not only obvious to every one all along, but will still admit of Demonstration every Day : that is, we shall find the Sellers and Buyers acting in the same Manner with Regard to the Sale or Purchase of *Silver*, as they do with Regard to *all other* Commodities, and the Proportion of Quantity and Demand every Day operating on the Price of Silver in the same Manner, as on every other Commodity ; and consequently more or less *Bills, Iron &c.* given for the same assigned Quantity of Silver on one Day than another, without the least Regard to the Quantity of Bills extant.

But supposing that the irregular Emissions had produced these bad Effects, *this does not at all destroy the Scheme of Bills*. There is nothing in the Operation but what is common to all Moneys : for there is not one new Ounce of Silver added to the old Stock in the trading World, but what has a *natural* Tendency to *increase* the Demand for many Things ; as, on the other Hand, the same Tendency to increase the *Quantity* of many Things. The same

Tendency must also be allowed to our *Bills*, and indeed in a lower Degree to all Commodities whatever. For there is not a single *Cow* or *Horse* added to the Capital Stock of this Province, but what has the same Tendency. As contrariwise, the *Reduction* of Silver-Money in the trading World would have a natural Tendency to *lessen* both the Demand and Quantity of many Things; but it ill *worfe*, when the Quantity of Money is so reduced, that it is utterly insufficient for the Instrument of Trade (as in this Province) to make Money become the Instrument of the greatest *Oppression*, and to force People upon Contrivances to supply that Defect by other Commodities, or to run into a general Barter in Trade equally pernicious, and which must end in a general Ruin. For, what Mr. *Lock* says of Silver, that it is the Measure of the Quantity or the Extent of Trade in the World, the same may be truly said of *Bills* in this Province.

Some will *object*, that according to the general Observation of judicious Men, many People upon the first *Emission* of *Bills* ran into an *extravagant Use* of *English Shop-Goods*, more than the *Exports* of the Province were sufficient to pay for, and consequently *Returns rose*, and plainly by their Means. I answer, I have already assigned two different Effects to Money, *viz.* both the Rise and Fall of Things: Which of these two were most prevalent, is difficult to tell; but we are sure, that the Silver from 1702 to 1715 rose but from about 8 to 9s. which is no great Matter, considering the Benefit the Province might otherwise have by the *Bills*, more especially in increasing the Quantity of Returns. But by the best Information I can have from Men of Credit then living, the Fact is truly this, *viz.* about the Year 1700, *Silver-Money* became exceeding *scarce*, and the Trade so embarrassed, that we began to go into the Use of *Shop-Goods*, as the Money. The *Shopkeepers* told the *Tradesmen*, who had Draughts upon them from the Merchants for all Money, that they could not pay all in Money (and very truly) and so by Degrees brought the *Tradesmen* into the Use of taking Part in *Shop-Goods*; and likewise the *Merchants*, who must always follow the natural Course of Trade, were forced into the Way of agreeing with *Tradesmen*, *Fishermen*, and others; and also with the *Shopkeepers*, to draw *Bills* for Part and sometimes for all *Shop-Goods*: And the Continuance of this pernicious Practice (the unavoidable Consequence of the Want of a Sufficiency of Silver-Money,

Money, or *Bills of Credit*) has always been, is now in a surprizing Manner, and for ever will be the Bane, and in the End the Ruin of this unhappy Province, by forcing us into a vile *Trucking-Trade*, or to trading without any other Measure, than such a one as every Man is either willing, or thinks himself obliged by Way of general *Reprizal*, to try to impose upon his Neighbour, and operates in many Respects as if we had no Laws for the Measures of Justice, no Yards nor Bushels for Measures of Quantity, but every Man left free to do what seemed right in his own Eyes.

The greatest Quantity of *Bills* extant at one Time was in 1721, and probably fell considerably short of 90 thousand Pounds Sterling; and yet at that Time the general Run of Ship building, the greatest Article of our Returns, was for half Money, half Goods, or more. The Merchant indeed at that Time might have possibly had ready Money for his Goods, and paid the *Tradesmen* in the same; but every Body knows that even then (and now much more) no Man could live by the Trade, because of the great Abatements in Proportion to the Prices for Money upon them, or for those Notes. And now the Sum of *Bills* extant may be about £. 250000, and equal but to £. 45000 Sterling; and no Ways proportionable to the Demand.

Finally, With Regard to the common Observation of Men in Trade touching the Changes of Commodities in the Market, I may appeal to the Experience of every Body, whether the *Bills* have not always been the *scarcest* Commodity whatever; whether a Man that wanted ready Money, has not generally been put to great Difficulty, and obliged to sell at a very low Rate; or when he wanted to buy any Thing upon Credit, for want of ready Money, whether he has not been obliged to purchase his Credit very dear, and at a Rate vastly exceeding the Usage in other Countrys, where they have a Competency of Money.

I am to consider the *Bills* with Regard to the Change of their yearly Interest, or Increase. The *lawful* Interest in this Province is 6 per Cent. No Man since the first Emission had occasion to let his Money under: He might always have *that* (which by the Way is comparatively exceeding *high*) with very good Security, none better in the World, than in this growing Province; and his *Bills* fixed, as in *Europe*, to an assigned Rate

Rate of *Silver*: But how much *more* than 6 per Cent, the Borrowers and Lenders can best inform us; it is so well known that I need say nothing more upon it. But that the Bills have never exceeded in *Quantity*, even on the greatest Emissions, is evident; for if they had, their *Interest* must undoubtedly have fallen; because the *natural Interest* follows the *Proportion* of the *Quantity* and *Demand*, as the Shadow does the Body. They have a mutual Dependence, naturally lead to, and illustrate each other.

Besides the foregoing, we might offer another Argument, indeed not so certain, but abundantly sufficient to prove the Point in Hand, and that is from a Comparison of the supposed *Numbers* of People, yearly *Expence*, and Quantity of *Money* in *Great Britain*, with those of *this Province*.

Suppose in *Great Britain* 9 Millions of Souls, the yearly Expence from the highest to the lowest 1. 8 by the Head, and the current Money (which is so variously reported, that I am at a Loss what to say; having found it computed from 30 Million and upwards down to 18 Million) say at a Medium, 24 Millions Sterling, or 1. 2. 13s. 4d. by the Head; besides immense Sums in Bills and Notes passing in Trade, equal to and on some Accounts better than Money; that, while they have but a general, tho' small Ballance of Trade, and a wise and faithful Administration, might be extended to any Length, even beyond what the Kingdom might at any Time have Occasion for. Besides they have an old Country abounding in all Sorts of Cultivation and Manufacture, in many Respects beyond the Vent of their Trade. Now, on the other Hand, suppose we have in *this Province* 125 thousand Souls; the yearly expence 1. 40 per Head; and the Money 1. 250000. In that Case they have a Sum of Money equal to one third of their yearly Expence, and we only a Sum equal to one twentieth Part of ours; or nearly, but one seventh Part, in Proportion to what they have. The Quantity of our Bills cannot be enlarged, as their Silver-Money virtually is, by the Help of *Banks*, they being already a compleat Instrument of Trade. And we labour under many other Disadvantages from the yet comparatively Infant-State of the Province; together with the Irregularities in emitting and calling in the Bills, which makes them liable to many and great Stagnations &c.

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By this Instance it appears, or even taking the whole *New England* Colonies complexly, and more critically comparing their Circumstances with those of the Mother-Country, I doubt not but it might be made appear, that we have not one tenth Part of Money in Proportion to them.

Before I leave this Head, it will be needful further to explain what I mean by comparing the trading Condition of the Province to a State of *Bankruptcy*; which I was forced to do out of mere Necessity: For I know of no other Comparison, that would have clearly illustrated the Subject. And I would not be understood to mean a *total* Bankruptcy, as in the Case of a private Man when all his Estate real and personal is not equal to the Demands his Creditors may have upon him: For the real and personal Estate (or Capital Stock) of the Province is vastly more valuable than all the Demands upon it in the present Case. Therefore,

By a State of *partial* Bankruptcy, or Bankruptcy in our Trade, I mean only, that at certain Times the whole exportable Produce, the whole Silver and Gold to be purchased in the Market, or all exportable Things whatever put together, are *less* in *Quantity* than the *Demand* for them, and of Necessity the Prices of them must rise in the Market in Proportion to their Scarcity. For Example, Suppose that last *February* the Rate of *Silver* in the Market was 27 s. per Ounce, and *Tarr* 27 s. per Barrel, and all other Returns in Proportion: And that *N.* had sold 100 worth of *British Goods* to *P.* at an Advance agreeable to the then Rate of Silver, to be paid this *February*; which accordingly is done by *P.* and *N.* goes to Market in order to purchase Silver, but there he finds that by the Scarcity of it in Proportion to Demand it has risen from 27 to 29 s. per Ounce, and *Tarr* and all other Returns in Proportion; and that he can no otherwise make Returns than by purchasing Things at the Market-Price. Now in this Case *N.* sold by a Measure of 27 s. per Ounce, and receives only by a Measure of 29 s. per Ounce: Or in other Words, receives only 1. 93. for 100, or a Composition of about 18 s. 9 d. in the Pound.

This unhappy and dishonourable State may be called by another Name, viz. A *Ballance of Composition*; or to give it the softest Name, a *Ballance* (not of Trade, but) of *Debt*, as I formerly called it upon another Occasion; by which I mean, a certain Part of our provincial Debt,

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due to the Mother Country, virtually remitted or forgiven us at Times: As in a most remarkable Manner in the Year 1734, when Silver rose from 22 s. 6 d. to 27 s. and all that had Debts out when the Change happened, were obliged to take their Composition in Proportion thereto. The Ballance of Trade is only the Difference between the Value of the Produce and Manufacture traded for between two Countries, which is paid or received in Silver or Gold, the general Treasure of the World: For Example, if Great Britain exports in one Year to Spain 1, 100000 in Produce and Manufacture, and takes back in Return but 1, 90000 worth of the Produce & Manufacture of Spain, she must then receive 1, 10000 in Silver or Gold, to ballance that Years Account of Trade; and nothing is forgiven Spain: But it has happened some Years in the like Case that we have had 1, 10000 forgiven this Province, in the Manner above; which for the Future I shall call by the Name of a Ballance of Debt: which is the one and only Cause of the Changes in the comparative Value or Rate of Things in our Market, and while continued must still have the same Effect, and that whether we have Bills of Credit extant or not. But it's time to proceed to the next Thing proposed, viz. to treat

Of MONEY.

THE Definitions of Money are very various. I shall collect a few of them, from Mr. Chambers, and others.

Money is any Matter, whether Metal, Wood, Leather, Glas, Horn, Paper, Fruits, Shells, Kernels &c. which hath Course as a Medium of Commerce.

Most of the Ancients are frequent and express in their Mention of Leather-Moneys, Paper-Moneys, Wooden-Moneys &c.

This is a good general Definition of Money; & agreeable not only to the Usage of ancient Times, but even of the present. Look into our British Plantations, and you'll see such Money still in Use. As, Tobacco in Virginia, Rice in South Carolina, and Sugars in the Islands; they are the chief Commodities, used as the general Money, Contracts are made for them, Salaries and Fees of Office paid in them, and sometimes they are made a lawful Tender at a yearly assigned Rate by publick Authority, even when Silver

Silver was promised. And the same may be said of Shop-Gods in this Province, in several Respects sufficiently known among us.

Paulus the Lawyer defines Money, a Thing stamped with a publick Coin, and deriving it's Use and Value from it's Impression, rather than it's Substance.

This Definition must be confined to the Construction, which the Law puts upon Money: that is, whatever assigned Quantity of Silver, Gold, Copper, &c. the publick Authority of any Country have given to the Pound, Livre, or Guilder, and whatever Changes they shall think fit to make as to Matter, Weight, and Fineness at any Time; yet the Piece of Matter having the publick Stamp for a Pound, shall be a lawful Tender for so much. In this Definition he seems to countenance the Custom of reducing the Weight or Fineness of Coins, by Recoinages, which (when made to take in past Contracts) is a publick Fraud.

Or if we take him in a general Sense, he is notoriously wrong: For Money derives both it's Use and Value from the common Consent of Mankind. Neither Silver, Copper, nor Iron have any other Value than what common Consent gives them: nor will they ever give the same Value to one Ounce of Metal, which they do to two Ounces, or receive one Ounce of baser Metal equal to an Ounce of finer.

Indeed if a Method could be found to fix an Impression upon any Metal, easily to be distinguished from all other Impressions, next to an Impossibility of counterfeiting, then an assigned Quantity of that Metal might be raised to any Value, and the common Consent of the People (if they stood in good Terms with their Government) might be obtained to such a national or provincial Scheme; and the Money continue for ever to pass, with as little Variation as all other Commodities have. But this is next to impossible to be done upon Metals: So that an Ounce of Silver or other Metal can never pass for more in Coin, than in Bullion. And therefore those Princes, who have attempted to introduce Copper-Species at a great Disproportion, have been forced to use the most violent Means; as in the well known Case of the late King of Sweden, when a Farthing's worth of Copper was ordered to pass for 32 Pence of their Money, upon Pain of Death.

Mons. Boizard defines Money, a Piece of Matter to which publick Authority has affixed a certain Value and Weight, to serve as a Medium of Commerce.

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By certain Value, I suppose, he means a certain Denomination, as Pound, Shilling &c. and also an assigned Weight. For the Value of Coins in the Market is equally uncertain with other Things. This is also an Assertion of the Right of publick Authority to make and alter their Coins or Money.

Mr. Lock says, Silver is the Instrument and Measure of Commerce, in all the civilized and trading Parts of the World. It is the Instrument of Commerce by its intrinsic Value. The intrinsic Value of Silver, considered as Money, is that Estimate which common Consent has placed on it; whereby it is made equivalent to all other Things, and consequently is the universal Barter, or Exchange, which Men give or receive for other Things, that they would purchase or part with for a valuable Consideration: And thus (as the wise Man tells us) Money answers all Things. Silver is the Measure of Commerce by its Quantity; which is the Measure also of its intrinsic Value: If one Grain of Silver has an intrinsic Value, two Grains have double that intrinsic Value &c.

The Meaning of all this (I humbly conceive) is, that as Silver by common Consent is made a universal Commodity, so People measure the Value of every Thing by it, and usually say that Things are dear or cheap in Proportion to the greater or smaller Quantity of Silver they cost in the Market, and for the same Reason they choose Silver, rather than any other Matter, as the Instrument for carrying on their Commerce.

The ingenious Author does not by this mean, that Silver is either a fixed Measure or Standard of the Value of all Things bought or sold, as a Yard and a Bushel are fixed Measures of Quantity; nor that it is the best Instrument for expediting Commerce: For as to the first he is frequent and express in it, that Silver changes its own Value in a Course of Years, more than almost any other Commodity; and every one knows that Bank-Bills and Transfers are a much better Instrument of Commerce. Therefore he only means that Silver is the received Measure or Instrument of Commerce. And we must all allow it is one of the best universal Commodities, the general Treasure of the World, the Measure of the Quantity of Trade carried on in the commercial World (as our Author elsewhere observes) and indeed in a great Degree the Measure of the Power and Influence of every Country in the political World.

Mr.

Mr. Law defines Silver the Measure by which Goods are valued, the Value by which Goods are exchanged, and in which Contracts are made payable. By which he Means neither a fixed Measure of Value, nor the best Instrument of Commerce; but that Silver is the received Measure by which Goods are valued, and the agreed Value or universal Commodity (by common Consent) for which Goods are exchanged, and in which Contracts are made payable. For he not only reckons that it falls in Value, but that it is in danger of losing its Use as Money, and of being reduced to a mere Commodity; and that it is far from being the best Instrument of Commerce. But to proceed,

Money is a Measure of the Value of all Things bought and sold, and a necessary Instrument for facilitating Commerce.

It is a Measure of the Value of Things, in some sort as a Yard or a Bushel are Measures of the Quantities of Things.

It is an Instrument of Commerce; an Expedient, without which Trade can never be carried on to good Purpose.

In these different Regards Money must be subjected to Rules, as all other Measures are.

The Qualifications of Money may be reduced to the four following ones; viz.

- 1. That its own Value be stable.
- 2. That it be made of convenient Matter.
- 3. That it be received by common Consent within the Community for which it is intended.
- 4. That it have the Sanction of publick Authority.

Of these in their Order.

1. Money must have a stable Value. Now in Order to have any Commodity a of stable Value in the Market, it must have its own Quantity as near as possible always equal to the Demand for it; because otherwise it cannot be the Measure of the Value of other Things: No more than a Yard or a Bushel, that by Means of some Imperfection should at Times grow longer or shorter, bigger or less, would be just Measures of Quantity.

There's no Commodity, left free to its Course in the Market, but what must for ever be liable to change its Value: And no assigned Quantity of any one Thing will long continue just equal to an assigned Quantity of another Thing. Even Silver and Gold are naturally as far from holding an exact Proportion to one another, as any other Commodities: But in asmuch as the European Nations have thought fit to receive Gold in Payments in a

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certain Proportion to Silver (the Standard) every Kingdom is obliged to be very vigilant in observing the Proportion that is fixed by the Maritime Nations, or the Majority, to keep to that, and change as they do; else they run a Risque of having the less valuable Species imported to them, and the more valuable carried off to their Loss. As for Silver, how can it ever be made a stable Measure of Value? Since it is introduced without any Regard to the Proportion there ought always to be kept up between the Quantity and Demand, and loses its Value every Year by the Influence it has on the Mode of Living, and on the Rate of Interest.

Mr. Lock reckons that Silver is reduced to one tenth Part of the Value it had in the Reign of Henry VII (about the Time of opening the Spanish Mines in America) when compared with Wheat, which he reckons a Commodity the least liable to change, when taken for a Number of Years. And Mr. Law reckons that Silver-Money is worth but one twentieth Part of the Goods, & one fifty-seventh Part of the Land, it was worth about 200 Years ago. But in Mr. Law's Calculations, Allowance must be made for the lessening the Quantity of Silver in the Coins from time to time. There are many strange Instances to this Purpose, so well known, that I need not mention any more.

Some think that the Rate of Labour is a Standard-Measure of the Value of Things: But I am of a different Opinion. For we find that even this undergoes as many and as great Changes as other Things do, and from the common Causes, viz. the Changes in the Proportion of the Number of Labourers to the Demand for them, in the different Employments of Life: And it may be said to differ in Great Britain from a Groat to a Guinea a Day. Indeed in the first Contrivance of Things, the Labour to be bestowed on them, must always be considered as one, and often the chief Article of the Cost of them: Yet notwithstanding, when the Husbandman has produced his Wheat, and the Clothier has perfected his Piece of Cloth, and both are carried to the Market, they must be sold there according to the Proportion of Quantity and Demand.

A Commodity, that is to be made the Measure of the Value of other Things, must besides its natural Qualifications, have a considerable deal of Art and Pains added to them. And I know of no one Thing in Being, that

can be so well managed for that End, as our BILLS of publick Credit, put under proper Regulation: They may be made almost a perfect Measure of Value, by being fixed to an assigned Rate of Interest (say 3 to 6 per Cent) and may be emitted or called in always in Proportion to the Demand every Day at the assigned Rate; and whilst they were so managed, they could not be said to change their own Value, nor to be the Cause of the Change in the Value of other Things, whether directly or consequentially. Nor on the other Hand, could they fix the Rate of any Commodity: For this can only be done by the common Consent of a Community, or by special Agreement among private Men. But in one Word, they would be the Measure of the Changes in every other Thing, as being fixed themselves.

However strange this Doctrine may seem to those, who have either wilfully or ignorantly tantalized this unhappy Province by calling in Question, whether the Bills may be said to have any Value at all, contrary to the daily Evidence of their own Senses; branding them as Waste-Paper, - - Pen, Ink & Paper, and the like childish Stuff: And however plain we have proved the contrary, yet I shall not desire them to rely on those Evidences, but will call in the Judgment of the great Mr. Lock, who perhaps was the first, at least in England, that ever wrote judiciously on the Subject of Money, which has all along been kept as a great Mystery, as he somewhere observes, and (as we have already hinted) supposed to be just what an iniquitous Ministry and a crafty Mint would have it to be, for their own Advantage.

The Author speaking of a Standard-Measure of Value, says, that Wheat in Europe (& that Grain which is the general Food of any Country) is the fittest Measure to judge of the alter'd Value of Things in any long Tract of Time; then shews what would be such a Measure in an Island unknown to the rest of the World; and proceeds to observe, That if in any Country they use for Money any lasting Material, whereof there is not any more to be got, and it cannot be increased; or being of no other Use, the rest of the World does not value it, and so it is not like to be diminished; this also would be the steady standing Measure of the Value of all other Commodities.

— Which is a Case full in Point. Such a Material I propose (that need neither be increased nor diminished, will not be exported, and sufficiently lasting, or when damaged

damaged by any Accident capable, of being easily renew'd) for an Instrument of Commerce. But the ingenious Author presently stops his Prosecution of this Point, and gives the Reason, Because *Silver* and *Gold* have already obtained in *England*, and the trading World, and he is not for altering (nor should I neither if we were on the same Footing, because of the great Difficulty of such a Transition in most Countries) but adds, Though it be certain that that Part of the World, which bred most of our *Gold* and *Silver*, used least of it in Exchange (meaning for other Goods) and used it not for *Money* at all.

Take also the Judgment of *Mr. Law*, who wrote admirably well upon *Money* in the Year 1705, about 14 Years after *Mr. Lock*, and as many before the fatal *Mississippi*-Scheme, father'd upon him, but more likely to be the Device of the then Regent of *France*, I mean the iniquitous Part of it. He says, If a Money be established, that has no intrinsic Value, and its extrinsic Value such as that it will not be exported, nor will not be less than the Demand for it within the Country, Wealth and Power will be attained, and 'twill be less precarious Money, not being liable to be lessened directly nor consequentially, and Trade not liable to decay consequentially; so the Power and Wealth of that Country will only be precarious from what may be directly hurtful to *Money*. Again, That a Nation having established such Money, having also the other Qualities necessary in Money, they ought to have no Regard what Value it will have in other Countries; on the contrary, as every Country endeavours by Law to preserve their Money, if that People can contrive a Money that will not be valued abroad, they will do what other Countries by Laws (meaning with Regard to their *Silver* Money) have endeavoured in vain.

This is also full to the Purpose: And though we must not dream of Wealth and Power in this Province, yet I am satisfied that a sufficient Quantity of *Bill-Money* for the Improvement of the great natural Advantages of the Province, a moderate Ballance of Trade with all the World in our Favours, a Competency of *Silver* and *Gold* for common Safety, would all have a direct Tendency to promote the Interest of the Mother-Country, as well as our own; that the Want of either of them would be vastly prejudicial; but that the Want of a Sufficiency of *Money* would be the absolute Ruin of our Trade. We may also learn from this and other Passages of *Mr. Law*, that

that it is better to have *Silver* in any Country passing on the Foot of a *Commodity*, than as *Money*. Which brings me to the second Qualification of *Money*;

2. That it be made of convenient Matter.

As *Money* is the Instrument or Tool of Commerce, convenient Matter is absolutely necessary. It must be of little Bulk and Weight, both for the Convenience of Carriage and Keeping: Durable or not liable to waste or perish: Capable of being divided, without Loss, for small Change: Capable of taking a plain lasting and not easily counterfeited Impression, that the Receiver may be satisfied that the Measure offered him is according to the Standard.

In most of these Regards, *Bills* have much the Advantage of *Silver*. For the Imperfection of *Silver* is the true Cause of the Introduction of *Banks*; which have been of great Service to Trade, by avoiding the Expence & Risque of Carriage, the Charge of Cashiers, and the Danger of bad *Money*, which are considerable Articles; and therefore in all great Places of Trade, the Merchants would rather pay the Bankers for keeping their *Money*, than be without them.

In this Province we have not one Article of Produce, Manufacture, or imported Commodity, to serve as a fit Instrument of Commerce. Our *Silver* is all carried off, and some particular Years we may want above 50000 Oz. to pay our full and just Debt. If we had *Iron*, *Copper*, or *Lead*, they might be put into Magazines, and Notes taken out promising them at a certain Rate and Fineness, and they would change their Value as *Silver* and all other general Commodities do. *Wheat* or *Hemp* might be negotiated something after the same Manner; but they are more liable to perish: Nor have we a Surplusage of these, or any other Things for the Purpose, but either export or consume all of them. Our *Lands*, and other real Estate, cannot be exported, and will not commonly be taken for the Payment of a foreign Debt; tho' they may so far as relates to *Money*, be of Service: Of which more hereafter.

For want of *Silver*, or *Bills of Credit*, as an Instrument of Commerce, People have in a Manner been forced into a much greater Consumption of *Shop Goods*, both as to the Kinds and Degrees of Fineness, than they would have chosen; which has introduced all Sorts of Prodigality among us, one Step therein naturally leading to another.

Trading



Trading People in general, are obliged to pursue this Method, as they cannot make, but must follow the natural Course of Trade. But the *Shopkeepers* have reaped by far the greatest Advantages by it, as being virtually possessed of the current Money of the Province, and in that Regard may fitly be compared to the *Bankers* in *Europe*; only that they have greater Advantages than them, by having Goods put into their Shops upon Credit, and without Interest, and virtually the same taken back again in Payments, that is, Shop-Goods, or the Produce of them in Provisions, Tradesmen's Work, and the like, with very little Money, and a considerable Profit allowed them. And in this Regard they ought not to be blamed; since they act agreeable to the Plan of our Trade: For as all People that are concerned in Trade, will unavoidably lay hold of any bad Matter, and use it as Money, when they have no better to use, so most certainly upon the Want of Silver or Bills, even in any Degree of Proportion to the Demands of Trade, Shop-Goods will be negotiated as Money; tho' in the Main the Hurt and Ruin of all our Trade.

Some few People have traded chiefly for Money; others for a greater or lesser Part in Money, and the Remainder in Goods: But in the End the chief of the Labour of the Province has been paid for in *Shop-Goods*, and the Labourers have been the greatest Sufferers; by spending a great Part of their Time in attending the Shops, giving great Discounts for Money in lieu of Goods, and permitting many hurtful Conversions of Money into Goods, which has introduc'd great Extravagance and Idleness, to say no worse.

In some particular Places the Name of Money has been kept, but a quite different Thing intended: For Instance, *Shop-Notes* that have specified half Money, half Goods, have been by iniquitous Custom construed to signify half English Goods, half Provisions. I have heard of almost incredible Discounts allowed by the poor Tradesmen for ready Money in lieu of such Notes.

Another great Inconvenience consequent to the Want of Money is a *Trucking* Trade, which brings with it insurmountable Difficulty. For as a great Number of People depend upon Money to go to Market for their daily Provisions, & other necessaries, and as that Defect can by no other Means whatever be remedied than by proper Money, so it will be a Miracle if our Trade do not sink under the

the Burden, to the vast Damage of the landed Interest of this Province, and proportionably also of the Trade of the Mother-Country.

In fine, The Want of an adequate Instrument of Commerce has been the first and great Cause of all our Extravagance, the Rise of Silver, and a shameful Ballance of Debt; besides many base Practices, bitterly aggravated by our Enemies, and sufficiently complained of by our Friends.

3. Money must be received by common Consent, within the Community for which it is intended.

That Money should have the common Consent of the People, where it is to pass, is very obvious to every one; and why I restrain it to a particular Community, as a Kingdom, Province, &c. will appear from the following Considerations.

It is necessary in the trading World, that there should be one or more Commodities of universal ready Acceptance, in which the different trading Countries might pay or receive their respective Ballances of Trade with each other: For it is impossible that any two Countries can exchange yearly just an equal Value in Produce and Manufactures; and in this Regard Silver and Gold have the natural Advantages of all other Commodities. They are also of great Advantage, as being the Commodities, which all Nations have agreed upon to be used in the Course of Exchange; the Weight and Fineness of the Coins of one Country adjusted to those of another, being the Basis or Par of Exchange; and the Variation from the exact Standard, called the Rise or Fall in the Course of Exchange; and finally, they are the best Commodities to be transmitted from one Country to another, whose Trade or Policy requires they should.

Again, It would be of considerable Advantage to Trade, if all the *European* Kingdoms at least could agree in a fixed Proportion of Alloy to their Silver and Gold, and upon a certain Weight to their Coins; as supposing the highest of Silver to be exactly an Ounce, Troy-Weight, and subdivisions by tenth Parts as low as they conveniently could; and that all their Measures of Quantity were also fixed to one Standard.

Such a general Regulation might possibly be brought about: But a Regulation of Money as a just Measure and fit Instrument of Commerce, never could be accomplished. No universal Commodities, as *Silver, Gold, &c.* can

be so managed. Every Country must choose a special or local one, and in this Regard *Bills* of Credit have the Preference of all others.

4. The last Qualification of Money is the *Sanction of publick Authority*.

It is the undoubted Prerogative of the civil Magistrate, to appoint all the common Measures of Quantity and Value, and to change them as just Occasions require, and more especially to order what shall be adjudged Money in the *Law*. But then it is not the Act of Government, that gives Value to Silver: For that depends wholly upon common Consent, and no one would receive it of the Government, if it had not that Consent.

In like manner, it is not the Act of Government that gives Value to our Bills of Credit in the Market; but the common Consent of the People. For the Government can and do only say, that so far as they pay or receive, the Bills shall be valued, and any one or more Men may emit Bills to the same Import. They have (and it is their undoubted Right) said, that the Bills shall be a *lawful Tender* where Money is promised, but have justly excepted *special Contracts*; for otherwise they would strike at the very Root of Trade. They may order that the Bills and no other Things shall be received in Taxes, and so every one would be obliged to purchase some of them for that End: But the People might notwithstanding refuse them as Money in Trade. I am next to offer my Thoughts

#### Of BANKS. With a Proposal.

FOR some Years past People in general among us have run into the Notion of a *Bank*, and some Attempts have been made: As the Scheme for the *Merchants Notes*, promising *Silver*, at 19s. per Ounce, 3 10ths in 3 Years, 3 10ths in 6 Years, and 4 10ths in 10 Years, without Interest: Also a Proposal for £ 60000 in Notes promising *Silver* at 20s. per Ounce, half in 5 Years, and half in 10 Years, without Interest; not to mention the Province-Bills of the *new Tenor*. All such Schemes promising *Silver*, at a certain fixed Rate, and distant Time, having a direct Tendency (under our present Circumstances) to raise the Rate of Silver, and to oppress the Debtor, the Success of them has been answerable. However, I am of Opinion, that a Bank (erected either by one sufficient Man

Man alone, or by a Number of such Men associated together) contrived with a just Regard to our present unhappy Circumstances (for otherwise it would be of hurtful Consequence) might be of great Advantage; is indeed the first and most necessary Step towards our Relief, and would contribute, by the Favour of Providence, to the mutual Benefit of our selves and the Mother-Country. I shall therefore proceed to the Consideration of *Banks*, and examine how far they may be *practicable* and *useful* in *New-England*.

There are *two Sorts* of Banks in common use in the trading World, *viz.* those that make *effective* Payments of *Silver* or *Gold* on Demand, and those that make *no effective* Payments, but only a bare *Transfer* of an assigned Sum upon the *Bank-Books*, from one Man's Account to another, as every one has Occasion to pay or receive a Debt.

Of the *first Sort* are the Banks of *England* and *Scotland*, established by Acts of Parliament; the private Bankers or Goldsmiths *London, Dublin, &c.* All founded upon the *Estate*, but chiefly the *Credit* of the respective Bankers.

The general *Plan* of such a Bank is — to begin with, and always keep in Hand *such a Sum* of Money, as may answer all reasonable *Demands*; to lend Money, and discount Bills and Notes, in the *shortest* and *safest* Way; so that if a Run upon them should happen (either by a Diffidence of their Credit, or the Malice of other Bankers) they may be provided, and have a Supply of Money equal to all Demands.

They emit Notes *promising Money on Demand*; and may be assured, that while their Credit is good, and there is a competent Proportion of Silver in the Country where they live, the trading Party will bring them in *more Money* than they carry out. For the *Trader* is greatly benefited by the Bank: as having all the Bills or Notes, due to him, punctually negotiated by the Bankers without any Charge; ready Money advanced upon them occasionally at a moderate Discount; the Convenience of easier and quicker Payments, by a Draught on the Bank; saving the Expence of Cashiers, Baggs and Carriage; and having his Money more safely lodg'd, in Cases of Fire or Robbery, the best Measures being taken for that End. And besides these Advantages to the private Trader, the *Publick* is also greatly benefited: For by Means of the Bank the *Money* of a Country is virtually much *increas'd*,

Interest kept lower, the People better employed, and consequently under a wise publick Administration, Wealth and Power easier attained, establish'd and promoted.

The Bankers Notes bear *no Interest*, because they pay upon *Sight*, without Delay; and the Advantage of negotiating a Sum greater than their Stock, is the just Privilege of a Trade or Business, of all others one of the most useful.

Mr. Lock makes mention of a *private Banker*, that had circulating at one Time *l. 1100000* Sterling, in Notes signed by his *Clerk*: A Sum equal to *six Million* of our Currency, from which he might draw great Profits (natural Interest being then from 9 to 10 per Cent.) and no trading Man in the Kingdom might better deserve them.

It is impossible for us to have a Bank of this Sort, under our present Circumstances: Having no *Silver-Mines*, nor a general *Ballance of Trade*, as the Means of importing and keeping it in the Country, but some Years a considerable *Ballance of Debt* against us; so that no Man can either *purchase* a sufficient Sum as a *Fund* for a Bank, nor can he *keep* such a Sum in his Hands, if already purchased, without proportionably *increasing* the *Demand* for *Silver*. If all the *Exports* of the Province were made by its *Inhabitants* only, and they all should agree to make *no Returns* but in *Silver*, yet unless they could prevent the usual *Importations* of *Goods*, there would probably be a *Demand* for all the *Silver*, and *more*; and so the Price rather rise, than fall: But if one Man, or a Number of Men, should *stop* 10 or 20000 *l. Sterling*, as a *Fund* for a Bank, this would *raise* it to a great Degree, and such a Bank would speedily be exhausted, to the Loss, rather than Profit of the Bankers.

It is obvious to even the meanest Capacity, that every *new Demand* must have a Tendency to *raise* the Price of *Silver*: And we have frequent Instances of the Fact. To mention but one, I have known at the yearly Payments of *Impost-Money*, which in the whole was but a small Sum, yet consisting of a greater Number of small Payments (from about one Ounce and upwards) *Silver* rose *pro Tempore*, from 27 s. to 31 s. per Ounce, the Purchasers being numerous, the Sums generally very small, and the Sellers knowing the Pinch of the Matter right well.

But tho' our *Trade* cannot supply a *Bank*, yet some think that our *Lands* might easily do it. Suppose then a  
Number

Number of Men should go upon *this Method* (which would be easiest for the Province, and the Bankers) *viz.* to procure a *Credit* from the Bank of *England*, for *l. 100000* Sterling, at 3 or 4 per Cent Interest, upon *Land-Security*; and to draw out the said Sum *occasionally*; the *Interest* to commence from the Payment of their *Drafts*. When they have so done, then proceed to emit *Bills* for a Currency, promising a certain Sum *payable* in 3 or 6 Months, to the Possessor, in *Sterling-Drafts* (this short Distance of Time, considering our Condition, would bring them under little or no Discount) and let them out upon *Land-Security*, to pay in the *same* Money, and 6 per Cent. Interest.

This would be the *cheapest* and *easiest* Way of *borrowing*, and yet I believe next to *impracticable*. Supposing the Sum could be had at Home, which is very uncertain (for we have found by Experience, that the Mother-Country will sooner make us an *Abatement* in our Payments for Goods, than take *Lands* without it) the Province would be charged with a *new Debt*, for the Interest and Principal, and I doubt neither Undertaker nor Borrower here would find their Account in it.

The *nearest* and *safest* Method for a *Bank* Circulation of Bills promising *Silver* at a certain Rate, may be this that follows.

One or more Men having good Credit with the People, to emit Bills promising *Silver* at a certain Rate (suppose 29 s. per Ounce) or an Equivalent in the same *Bills*, at the End of *one Year*: Then to *call in* all their Bills extant, and make *Allowance* equal to the *Change* in the Rate of *Silver* for the *Worse* (if any) for that Year; and this, either according to the *different Changes* it may have undergone from *Week* to *Week* throughout the Year, taking the whole Number of *Weeks* upon an *Average-Computation*, or else according to the Rate of *Silver* at the *Time of Payment*, which of the two shall be thought most equitable: And having so done, return the *Possessor* his *Bills* back again with the *Addition*: And proceed after this Manner from Year to Year. Thus far as to the *Possessor*.

Again, To emit their Bills wholly upon *Loan*, with indisputable *Security*, at the Rate of 4 per Cent. *Interest*, conditioned to pay *Silver* at 29 s. per Ounce, or an equivalent at the End of every Year, for the *Difference* of Principal and Interest, on the same Foot that the *Bankers* allow to the *Possessors*. I

I put Interest at 4 per Cent, partly because it is the undoubted Benefit of all Countries to have it as low as they can, and partly because the Borrower makes the Rate of Silver good, which may possibly be costly to him.

This Scheme, I confess, would be very laborious and chargeable to the Banker: And how far it would operate upon the Price of Silver, is uncertain; the Payments not being effective as to Silver at the Year's End, and People being forced to do as they can in some Cases. However I am of Opinion, that such a Scheme as I have hinted at, might be put in Execution. But I proceed,

2. To consider the other Sort of Banks: And of these the Bank of Venice is the oldest, and perhaps the best model'd in the World. A short Account of it will be entertaining to the Inquisitive, and is well worthy of our Attention.

Many Years ago the State or Republick of Venice, by a solemn Edict, established a Bank, to consist of two Million of Ducats. Those that had a Mind to encourage it, carried in their Money to the Bank, and had Credit given them for their respective Sums upon the Bank-Books: Which Credit one might dispose of to any other Person, in the Way of Payment of a Debt, or by Way of Sale; and that by a bare Transfer upon the Books from his own Account to the other Person's, without any effective Payment of Silver or Gold. So that the first Capital has been in continual Circulation from one Creditor to another, and remains the same intire Sum of Credit, only belonging to different Persons, to this Day.

They enacted, that all Payments in the Whole-sale Trade, and for Bills of Exchange, should be made in Banco, that is, in these Transfers.

Their small or retail Payments are in Silver and Gold, as in other Parts.--- He that wants to dispose of his Credit on the Bank-Books for Silver, must sell it in the Market on the best Lay he can; and he that wants to purchase a Credit, must also buy it there as he can.

The Advantages of this Bank were so great, that after the first Subscription there arose an Agio or Premium on Bank-Money, of 28 per Cent: which, doubtless, came on gradually, as of 1-8th, or 1-4th of one perCent at a Time, occasioned by the great Opinion the People had of the Scheme, but chiefly by the Shortness of the first Subscription, in Proportion to Demands of Trade. This Advance the State did not like; and it's said, endeavoured

to restrain it by Laws; but without Effect, till they took in a second Subscription of 300000 Ducats more, which reduced it to 20 per Cent, and it has since never exceeded this. But I am of Opinion, that it was not the Effect of that small Subscription, nor of a Law restraining the Rise of the Agio, that reduced and kept it under, but some effective Method to supply the Person that wanted a Credit at 20 per Cent, when he could not purchase it so in the Market: For otherwise it might have continued rising to this Day.

Mr. Chambers says, The State has now five Million of the People's Money, and without Interest; which is a great publick Advantage, and no Body hurt by it: For every Man may let his Credit, as he does his Money, to Interest.

It is generally believed, there is little or no Money in the Bank-Treasury, but that the Government have long ago disposed of it for publick Uses; and very likely: Yet it does not, nor ought to lessen the Credit of the Bank.

Besides the general Calamities that attend all Countries, by which the Creditors of the Bank might suffer in common, I know but one Case which might affect the Fall in the Agio, or make a Run upon the Bank, and that is a Ballance of Debt against the Republick, or the Want of a sufficient Quantity of Silver, and other moveable Effects, to pay their foreign Debts, (which is the Case of our Province) but this is next to impossible to happen, while they are a State: For as the Evil might easily be foreseen, so it might also be prevented by regulating their Imports and Exports, making sumptuary Laws, borrowing Money of other Countries, and even obliging People to part with their superfluous Finery, by selling it off to other Countries for the publick Good; and upon a sudden Diffidence and Fall of the Bank-Agio, they might engage to pay Interest to the Creditor, computing the 100 Ducats at 120, which would probably keep up its Credit, and tax the Subjects for the Payment of the Interest. So that there is not the least Probability of the Fall of their Bank-Money, or that Silver and Gold shall be in equal Value with it.

Of later Years they have erected a Cash Bank, for the Advantage of Trade: where the Merchants may keep their running Cash for domestick Occasions, and they or Foreigners may be supplied with such Sums or Species, as they

they want for Exportation ; which has also been found beneficial.

Some have said that they emitted Bills : But this is a Fact I must call in Question. However, that makes no essential Difference in the general Plan : Only as it appears to me, the Transfer is preferable, and in some Cases it would be necessary to have both Bills and Transfers, as the Creditor pleased.

Now let any Man seriously consider this Scheme of the Bank of Venice, and I am persuaded he will find all the essential Parts of it in the Scheme of our Province-Bills of the old Tenor. Thus, for Instance, Their Foundation was a Depositum of Silver & common Consent : Ours only the common Consent of the Government and People, which is tantamount, as being the Foundation of the Value of Silver, and almost all other Things ; and if need were, we could make a greater and better Depositum in Lands, equal to double the Value of our Bank-Circulation. Both their Transfers and our Bills were made a lawful Tender. — Neither they nor we make effective Payments. Transfers, if left free to their natural Course in the Market, would be liable to change their Value every Day, as being virtually established upon the Footing of a Commodity ; that is, according to their Way of Reckoning, would rise or Fall every Day so much per Cent. In like manner, our Bills, being (unavoidably) left free to their Course in the Market, do change their Value daily. They would compute this Change by the Method of so much per Cent. And we do it by the different Rates of Silver, which amounts to the same Thing in different Words. Their Agio is now fixed : But our Rate of Silver cannot be so under our present Condition. Their Scheme, which was projected when they were in flourishing Circumstances, in order to the facilitating and further Improvement of Trade, succeeded in producing the designed Effect. Our Scheme, which was projected when the Government was in very low Circumstances, having little or no Silver, and no other fit Matter to serve as Money, for the Payment of publick Taxes, the Support of the War, and carrying on Trade, succeeded too, and fully answered the Ends proposed by it, especially the last mentioned, by the Improvement of the natural Advantages of the Province to a surprizing Degree. — Their Transfers rose to 28 per Cent, above common Money, till they were effectually restrained ; Our Bills indeed after some Years sunk in Value,

Value, yet not by the Imperfection of our Scheme, but the Ballance of Debt, which it has not been in the Power of our Government ( at least no effectual Attempts have hitherto been made ) to prevent. Otherwise, had our Trade produced a Ballance in our Favour, it would have been next a Miracle, if our Bill-Money had not been better now than at the first Emission, or ( in other Words ) if Silver had not fallen, as the Quantity increased above the Demand. — Thus, it appears, that the Schemes have virtually both the same Foundation and the same Tendency in their own Nature : Tho' the Success has been very different, owing intirely to the differing trading Circumstances of the two Countries, and no other Cause whatever.

The Bank of Amsterdam is nearly built upon the same Plan. Common Moneys have been and still are taken in by the Bank at an assigned Agio, generally from 3 to 4 per Cent above Par : But the Man that wants a Credit may either purchase it at the Bank-Rate, or the Market-Rate, as he can make the best Bargain. They have never made effective Payments : But People may lodge particular Species of Money in the Bank, not exceeding six Months, and have the same returned to them again, paying about 15 d. upon £. 100 Sterling, for keeping. The Magistrates and City are made responsible for the safe Custody of the Moneys deposited, and they are secured from the fraudulent Practices of Under Officers by sufficient Sureties and capital Punishments. The Creditor may have a Bill or Note from the Commissioners, certifying that he stands Creditor so many Guilders ( in a certain Folio ) on the Books, upon which he has his future Payments endorsed; or he may keep a running Account with the Bank. All Bills of Exchange ( inland and foreign ) are by Law made payable in Bank-Money. The Charge of this great Bank is chiefly ( if not wholly ) supported by small contingent Payments, collected agreeable to the Rules : As 20 Guilders for opening every Man's first Account, one Penny for every future Entry, 6 d. if the Sum be less than 500 Guilders ( about £. 27 Sterling ) and 6 d. for Business done out of Office-Hours, Forfeitures where a Man over draws his Ballance &c. This is also a Bank of pure Credit ; founded upon common Consent ; no Silver taken out, nor will it probably ever be the Interest of any Man to demand it : And for the Substance it is the same as the Scheme of our Bills of publick Credit. The different

Success is owing to no other Cause, but the different trading Circumstances : Which will further appear by the following Considerations.

Supposing there could be found in this Province, of wrought Plate and Bullion, to the Value of £. 50000 Sterling, and that every Man should bring in his particular Parcel, and take Credit for the same on the Books of a Bank erected for that Purpose, at the Rate of 29 s. per Ounce for Silver &c. and then dispose of that Credit, as already mentioned ; that would be doing the same Thing as they do in Venice and Amsterdam ; this in the best Manner would answer the Ends of Money ; and in all Countries where they have a Ballance of Trade in their Favour, this would soon rise above the Rate of common Money, if not restrained. And thus it would certainly be in this Province, if we had the Ballance of Trade in our Favour : But in the contrary Case. (as there would be no effective Payments.) Silver might rise to 40 or any other Number of Shillings, in Proportion to the Ballance against us.

Again, Supposing Lands were mortgaged for half their Value in Silver at 29 s. per Ounce, to remain as a perpetual Security to the Creditor of the Bank, and to be negotiated as above ; yet neither would that, nor any other Security, how great soever, affect the Price of Silver in the Market.

Now as I think these Consequences cannot be deny'd, so this affords us another strong Argument, that the Cause of the Rise or Fall of Silver is not from the Bills, but wholly from our trading Circumstances. — Wherefore I shall now proceed to offer a few general Hints for

A S C H E M E.

Perhaps the only Plan, that can be contrived agreeable to our present Circumstances, and which I am persuaded will have the most direct Tendency to extricate us out of our present Difficulties is this.

Let a Number of Men associate themselves together, and emit Bills of the following Tenor, viz.

WE the Subscribers, for our selves and Partners, promise to receive this Twenty Shilling Bill of Credit, in all Payments for Debts due to us, where Bills of publick Credit of the old Tenor were promised, and in all our future Dealings as Money : Specialties and express Contracts in Writing always excepted.

Possibly that Part of the Bill (in all Payments for Debts due to us, where Bills of publick Credit of the old Tenor were promised) may be a Stumbling Block to many among us, who have large Sums due to them upon the Footing of the old Bills, and have hopes that the Government will do something in their Favour on that Head ; therefore rather than the Scheme should be clogg'd by that Clause, it might be left out, and the Bills only made to look forward.

The Undertakers to give sufficient Security, that they will always receive the Bills according to their Tenor.

The Undertakers to be bound to the Signers of the Bills, as they are to the Possessor, in such a Manner as may give general Satisfaction.

No Undertaker to take out above 10 per Cent of the Sum he subscribes ; and for that too to give his Bond or Note bearing Interest, on the same Footing as other indifferent Borrowers : For as he is justly intitled to his Share of the Profits, and liable to pay his Share of the Charges and Losses, his Depositum ought for ever to remain intire, as a Security to the Possessor.

The Company to lend out their Bills on good Security at 6 per Cent Interest ; and to discount private Bills or Notes at the Rate of -- per Cent, on Conditions to pay in the same Bills again, or in Silver at the current Market-Rate, when purchased with the said Bills : And the Bank to take no other Bills but their own, or Silver as above.

That they immediately enter into a constant Course of Business, which is essential to a Bank. Their Loans to be regulated by the assigned Rate of Interest

As to Managers, Clerks, Meetings &c. there will be little Difficulty : So I shall not detain the Reader on these Heads.

Such a Scheme as this I take to be the most agreeable to our present Case. I am firmly in the Belief, that no other general Plan than this, can ever take Effect, so as to answer the Ends of Money ; and that sooner or later the Distresses of the Province, and the woful Effects of some other Schemes, much talk'd of, will force us into such a one as the foregoing, when our Affairs are much worse than even now : And further that such a one, if wisely managed, with an honest View to the publick Good, would have the most direct Tendency to promote Frugality and Industry ( without which the best adjusted Schemes will be of little Significance ) to turn the Scale of

Trade in our Favour, and make us a happy People: Particularly I look upon it the *only Means* to destroy the most pernicious Practice of *Shop-Notes*, or rather *Shop-Money*.

We have lately had a Variety of Schemes propos'd. The prevailing one at present, promoted by some particular Gentlemen, is that for *l. 300000*. the *Bills to promise to the Possessor Silver at 20 s.* (the now current Market-Rate being 29 s.) *payable at the End of fifteen Years, without any Interest.*

Now, according to the universal Rule, when these *Bills* are computed by *lawful* (compound) *Interest* of 6 per Cent, (not to mention the *natural Interest*, which is equally the universal Practice) they will then be *only equal to Silver at 47 s. 9 d per Ounce on the Day of their first Emission*, and would sell for no more in the *Mother-Country*, if Interest were at that Rate. — The *Effects* of such an ill-judged Scheme may be easily foreseen by the Success of some of the like among our selves, and other *British Plantations*: For it is next to impossible that such *Bills* should *long circulate as Money*, and but that they should be the Means of *raising the Rate of Silver*, promoting usurious Practices, and bringing this Province into great Disreputation at *Home*, as they who trade hither are like to be none of the least Sufferers.

Some among us are for *no Bills* of any Sort, but for leaving the Trade to its own natural Course; as thinking that the *Necessity* of the Thing will naturally oblige us to alter our present Mode of Living, and keep our Silver among us to serve as Money. But this Supposition is absurd and intirely groundless: For as the next and most handy Way of carrying on our Trade (in the Default of *Silver* or *Bills*) is that of the *Shop-Money*, so of Consequence this must prevail (as it has all along) in Proportion to the Scarcity of others, and by this Means Extravagance Increase, Silver rise, and finally the landed as well as trading Interest of the Province be hurt to a prodigious Degree.

We have had some Accounts lately of a Design on Foot to petition the *British Parliament*, in order to have the Case of the Plantations, with Respect to their *Bills* of Credit, taken into Consideration: And as the Colonies in general, and this Province in particular, are of great Importance to the *Mother-Country*, doubtless they will give great Attention to an Affair of that Kind.

Our

Our common Opinion is, that it would be well if the Parliament should *proportion the Quantity of Bills to every Colony* (that are in the Use of them) and *fix their Value*.

As to the *first* of these, our common Complaint is, that our neighbouring Colony of *Rhode Island*, tho' of small Extent, and much less Trade than we, yet have made and are still allowed to make Emissions of Bills without Restriction; while we are restrained by his Majesty's Instructions to his Excellency our Governour, and of Necessity are obliged to take theirs, which greatly promotes their Trade, and equally discourages ours. The *first Part* of this Complaint I shall now consider, and the *latter Part, viz.* with Regard to our Restraint, will naturally follow in the Sequel.

I much question whether our bringing a Complaint against the *Rhode-Island* Emissions would not have an Air of Envy, and hurt our Cause; and whether they might not easily set aside all our Arguments on that Head, by showing that they have only done what a wise People ought to do, in emitting Bills for the Improvement of their own natural Advantages, and carrying on as great a Part as they can of the Trade of the Plantations, which the *Mother-Country* has in great Wisdom left equally free to all, whilst all their Neighbours are equally free to their Trade, and at their Liberty to take or refuse their Bills.

There are two *Irregularities* in their Emissions, which yet hitherto have had few or no ill Effects; these may and ought to be remedied for the Future; *viz.* their emitting of *considerable Sums* (as about *l. 20000 Sterling*) at *one Time*, and *immediately dispersing* the Bills; together with their letting out the Bills on *Loan*, conditioned to repay the whole in 20 Years (as I am inform'd) in *certain partial Payments*. For Money ought to be emitted *gradually*, and the general Quantity so managed that it may be call'd in, or let out, as the *Trade* requires.

However, as to the *Quantity* of Bills now extant there, altho' they are vastly more in Proportion than in any other Colony, being I suppose about *l. 330000*: Yet this Sum, only equal to *l. 59000 Sterling*, may be thought in the *Mother-Country* but a very moderate or *small* one to carry on their enterprizing Trade.

I have spoken with the greater Freedom & in stronger Terms in Relation to *Rhode-Island* Bills, from a firm Persuasion, that all Attempts to stop their Currency will be

be

be fruitless, except that of having a Sufficiency of our own, and that Delays in this Case may be vastly hurtful to us both in our trading and landed Interests.

I am now to consider the fixing of the Rate of Silver by Law: And this I take to be impossible in our present Case, for we have already a Law of this Province ( of old standing ) fixing the lawful Tender of Pieces of Eight of 17dwt. to 6 s. that is nearest 7 s. 3 f. per Ounce, and much later than that, an Establishment in Queen Anne's Reign, making Pieces of Eight of 17dwt. & half a lawful Tender for 6 s. that is, 6 s. 10 d. two sevenths per Ounce, commonly called Proclamation-Money; which Act or Order came too late: For before the Commencement of it, Silver was got to 8 s. per Ounce Neither of these have been sufficient to regulate the Price of Silver, for the Reasons already given; in Effect, that a Bankrupt's Pound or Money must be according to what he is able to pay: and this is common, at least in private Affairs, to all Countries. For Instance in Great Britain, Silver being established by Law at 5 s. 2 d. per Ounce, the Man that pays 10 s. in the Pound, his Money is only equal to Silver at 10 s. 4 d. per Ounce. Or if he pays only 3 s. 7 d in the Pound, it is but equal ( as ours is ) to Silver at 29 s. per Ounce.

The Remedy then, that I would humbly propose to be apply'd for, is this, in brief: —

That we might be allowed to emit Bills of Credit, fixed to assigned an Rate of Interest; agreeable to the foregoing Plan, or in such Manner as shall be thought most proper.

That all Schemes for Bills promising Silver, at a certain Rate, and distant Time, without Interest, or other than by Law allowed, be discountenanced; & that the Courts of Law be required to regulate their Judgments in Conformity thereto.

That they would be pleased to allow us a certain Sum yearly, to be drawn for in Bills of Exchange, for such a Continuance as shall be thought needful ( or until we can reduce Silver to the Proclamation-Standard, and have a sufficient Quantity of it passing in Trade ) at an assigned Interest. Or else that we may be allowed and encouraged to make such Laws to regulate our Trade, as may effectually bring the Balance in our Favour, so far as to answer the aforesaid Ends.

These are some of the necessary Helps, that I would join in requesting from our indulgent Mother-Country: And

And the rather because her own Interest is so nearly concerned, and probably would be advanced in the End. But the chief and greatest Favour would be to allow us a sufficient Quantity of Bills, emitted on a well regulated Plan: Without which all other Expedients might fail of Success.

Thus I have finished what I had principally in View: And think I have sufficiently obviated the common Objections as I went along. However, having promised the Reader a Reply to a late printed Piece, on the same Subject, I must now proceed to

Remarks on the Essay concerning Silver and Paper Currencies, more especially with Regard to the British Colonies in New-England.

I shall not imitate the Author in introducing my Reply with *sarcastical* Reflections on his Performance. Nor do I design any *idle Criticisms* upon it. My Inducement in taking Notice of it is, chiefly because it seems calculated to promote such Measures with Relation to our Bills, as in my Opinion will be prejudicial to the publick Interest. Though, I confess, another Motive is, because the Author has pretended his Essay is a full Answer to a small Piece I had publish'd, viz. OBSERVATIONS on the Scheme for 1, 60000 &c. My principal Aim in which was (as the Occasion led me) honestly to represent the dangerous Tendency of any Scheme for Bills promising Silver at a certain Rate, and long Period, and to shew that such Bills would never answer the Ends of Money. In order to this, I was obliged to enter a little into the Consideration of Money in general, and of Bills in particular.

I shall now as briefly as I well can ( having already gone to a Length much exceeding my first Intentions ) in a general Way point out some material Differences between the Essay and my Observations, and then make other more particular Remarks.

I am first to give the Reader a general View of the material Differences between us. The following Instances may suffice.

I had in my Observations argued and sufficiently shown, that our Bills of the old Tenor, were established by Government and common Consent, upon the same Footing with all other Commodities, and preferable to all other



other Commodities, being received as the most general Commodity or Money of the Province — But the *Essayist* takes no Notice of this necessary Distinction and Definition: Only from the Beginning to the End of his Piece he calls them *Paper Currency, Vague, Fluctuating, Imaginary, Fallacious, Nominal; Bills promising a precarious or no Value; a forced provincial Tender; an ill-conceived unnatural false Medium, and as a Depositum no better than Waste-Paper; a Mischief of a Currency &c.*

In my Observations (p. 6 &c.) I plainly shew'd, the special Cause of the Rise of the Rate of Silver and other Things in the Market to be from the Operation of the Ballance of Debt against us: And not at all from any Operation of the Bills, they having never exceeded the due Proportion in Quantity — But the *Essayist* on the contrary, imputes the Rise of the Market to a Glut of this provincial confused Paper Currency, and gives it as his Opinion, that we ought not to have Recourse to any other Conceit (as Ballance of Trade) for its Cause, but only to the Operation of these Bills.

My general Cause assigned throughout the whole Letter, for the Changes of the Value of all Things in the Market, is the Change in the Proportion of their Quantity to Demand. And I shew'd that any Commodity or Money when fixed in that Proportion, would be an unerring Measure or Standard, by which to judge of the Changes of all other Things, not fixed after that Manner.

This only and unerring Rule he seems to be an utter Stranger to, and incessantly talks of the Excess of the Quantity of Bills in the N. E. Colonies, without considering the Demand for them, in a most surprizing Manner. For to the meanest Capacity it is evident, by all proper Ways of Judging, that the Quantity at any Time hitherto extant has been but very small in Proportion to Demand.

For Remedy of our present Calamity, I propos'd to have a sufficient Quantity of Bills, regulated by an assigned Rate of Interest, and managed with Prudence, as the first and absolutely necessary Expedient.

The *Essayist* delivers his Opinion (p. 6, &c.) That a Paper-Credit well founded and under good Regulation, and not larger than what the Silver Specie Currency will bear, has been found to be a very good Expedient in Business: But that if it exceeds this Proportion, its Effects are bad and ruinous. And yet by sundry Passages in his Essay he seems to deliver his Opinion intirely against all further Emissions

Emissions of Bills; declares *Barter* it self on some Accounts preferable to Province Bills as a Medium; and expressly says, *We have no Reason to fear Want of a Medium, if the Grievance of publick Paper-Credit were gradually removed: Thus Trade will find its own natural proper Medium, viz Silver and Gold.* Which is in Effect to say, that we shall have no Money at all, but the Province be left to their last Shift, viz Shop Notes, and finally be ruined; for we have not one Ounce of Silver to serve as Money.

In a Word, The favourite Notion of the *Essayist*, which runs through and animates his whole Piece, is, That the Bills being depreciated in Proportion to and hand in hand with the multiplied and large Emissions, this, and this only, is the true adequate Cause of the Rise of Silver; Ballance of Trade against us (which I call Ballance of Debt) not at all concerned in it. Which is the grand general Point in Controversy between us, and is in direct Opposition to the whole Tenor of my Letter. The Force of what he has offered to support his Opinion, I shall have Occasion to consider in the Sequel.

Not to take notice of some other material Points in the Controversy, which he has passed over in Silence, the foregoing Hints may suffice for a general View. I shall now proceed to make some more particular Remarks on his Essay.

His first Paragraph, *Paper Currency at a great Discount has prevailed in many of our Colonies; and by Advocates for it deluding the People with false Appearances and Representations, likely to continue to greater Disadvantages than ever: As appears by Emissions in Maryland, New-York and Rhode-Island.*

The Word, *Currency*, is in common Use in the Plantations (tho' perhaps least of all in this Province) and signifies Silver passing current either by Weight or Tale. The same Name is also applicable as well to Tobacco in Virginia, Sugars in the West Indies &c. Every Thing at the Market-Rate may be called a *Currency*; more especially that most general Commodity, for which Contracts are usually made. And according to that Rule, *Paper-Currency* must signify certain Pieces of Paper, passing current in the Market as Money. Thus he tantalizes the Province under its present unhappy Circumstances, and would insinuate that our Bills, emitted upon the best Plan (for the Substance of it) that the World ever saw, and of the greatest Service to our Well-being, are no better than

Waste-Paper, as he elsewhere expresses it. Surely according to this Way of Speaking, he might call Silver common Earth; so the best Bond in the Province a Paper-Bond, and our provincial Charter a Parchment-Charter, from the Matter on which they are wrote.

The Want of giving a proper Name to our Bills, has given the Essayer and others a Handle to impose such Names as convey a very wrong and delusive Idea of them. I shall therefore, by Way of Digression, endeavour to set that Matter in a just Light. And

First, They are often called a Medium of Exchange. Now tho' the Word Medium may be brought to signify a Means or Instrument of Commerce, yet it does not convey a just Notion of Money, as a Measure of Value, & much less as a Commodity passing in Trade. For the natural and obvious Notion of a Medium in Trade, is a Bill, Bond &c. given as a Pledge, Security, or legal Evidence of the Thing promised in the Bill or Bond at a distant Time. For Example, If a Man gives an assigned Quantity of Silver for an assigned Quantity of Iron, he then immediately exchanges one Commodity for another: But if he gives Iron for Silver to be delivered at a distant Time, and takes a Note for the Payment, he then receives only a Medium for the present. In like manner, if a Man exchanges our Bills for Iron, I see no Medium in the Case; but one Commodity is immediately given for another. Whereas if he sells Iron condition'd to pay Bills for it at a distant Time, by Book-Debt, Note, &c. he then receives only a Medium of Exchange for the present.

Secondly, They are called in the Acts for their Emissions, Bills of publick Credit: which Name upon their original Emission was very proper, inasmuch as they were at first established upon the Credit to be given them by the Government for Taxes &c. and that only. But when afterwards in the Year 1712 they were with common Consent made a legal Tender as Money (special Contracts necessarily excepted) and seeing that, agreeable thereto, the Government then and ever since made Emissions with a Design to supply the Trade with them as Money, I say, for those Reasons the naming them Bills of Credit seems not so proper now.

Thirdly, Their only true and adequate Name, I reckon, ought to be Bill-Money; being certain Instruments in Writing received by common Consent as Money, or a general Commodity for which Contracts are made in this Province. But to return from this Digression. He

He says, "Paper-Currency at a great Discount". That our Bills have undergone any Discount, is a wrong Supposition. For (first) By Discount on a Bill is generally understood an Allowance of — per Cent. made to the Debtor, provided he pays the Sum express'd in the Bill before it is due. Now as our Province-Bills promise no otherwise than as all other Commodities do, and differ as much from a promissory Note, as an Ounce of Silver or Pound of Iron does, so it is equally uncommon, and unintelligible, to say that our Bills have undergone a great Discount, as it would be to say, in Case an Ounce of Silver purchased a Bushel of Wheat yesterday, and will purchase but half a one to day, that therefore Silver has had a Discount to day of 100 per Cent. Indeed the Bills in Maryland have, strictly speaking, had a Discount upon them: and very justly: For they promise Sterling Money instead of (6s. 8d.) their old Money, yet the Payments are extended, viz. half to fifteen Years, and half to thirty Years, by Means of which, Exchange has risen from 33 to 150 per Cent. above Sterling. But the Rhode-Island and New-York Bills in this Sense have had no Discount.

But (secondly) if by Discount he means, that they will not now purchase so much Silver as formerly, I answer, It is already proved, that the Change of the Rate of Silver has been by Means of the Ballance of Debt, or its own Scarcity in Proportion to Demand; that the Bills had no Tendency to raise it; but otherwise, a direct one to keep it down, by Means of their constant Scarcity too: That their Rate is changed only in common with all other Things; and 20 s. in them always have been and still are as good or better than 20 s. in Silver, or any other Commodity in the Market.

His next Paragraph, "In Affairs of this Nature a true historical Account of Facts and their Consequences, is called political Experience" &c. The Meaning of this is; he first gives a delusive Account of the Bills, and then proceeds to support it by historical Facts, either foreign to our Case, without any fair State or Application, and some of them odious in the Comparison, or else proving nothing against us, but rather for us (which I shall show in the Sequel) When everyBody must know that in a Case of this Kind, the Facts and Experiences to illustrate the Nature and Operation of our Bills must chiefly (if not wholly) be collected within this Province.

Next Paragraph, "Silver being a staple Merchandize all the World over" &c. That Silver is an universal Merchandize, I allow; and therefore that all Countries partaking of the general Trade, must and ought highly to esteem it, as being one of the best Commodities, in which they can receive or pay their respective Ballances of Trade, and carry on foreign extraordinary Affairs: But it by no Means follows, that Silver and nothing else (as he affirms) ought to be the only legal Tender. For the Reasons assigned by Mr. Lock and Mr. Law, why the World used Silver as Money, were its being lighter and cleaner than other Metals, capable of taking a plain and lasting Impression, divisible without Loss &c. And the Example and Success of the Banks of Venice and Amsterdam sufficiently shew, that it is better to have it passing in Trade as a Commodity, than as Money. And I make no doubt but all the World would gladly reduce it at least in a great Degree to a common Commodity, if they could with Convenience introduce such Schemes as the aforesaid Banks, or even our Province-Bills, in lieu of it. But it is hardly practicable in many Countries. Besides it is plain, that it's neither the best Measure nor the best Instrument in Commerce. However, a sufficient Quantity of it in this Province, at least to pay our just Debts to the Mother-Country, or use as Money (if it be found needful) is what I do now and always have contended for.

Page 2. "Formerly in England the summary Pound was the same with the Pound Weight of Silver: This was in a proper Sense the natural Pound." I presume, by this he intends to obviate my saying, that a 20s Bill is the natural Pound of New-England, which he takes Notice of Page 17 &c. And so far as relates to the Money in England, he is right. But surely he ought to consider, that our Case exceedingly differs from theirs. We can have no fixed Pound under our present Circumstances: And such a natural Pound, as I mentioned, viz. Such as a private Man under bad Circumstances can pay, always has fallen out in England, as well as in this Country. For a Man that then paid but one Shilling in the Pound, his natural one was Silver at 33 s. 4 d. per Ounce, instead of 1 s. 8 d. per Ounce.

Page 2, 3, 4. He introduces his historical Facts, and gives a long Detail of sundry Reductions of Silver-Coins, that is, making them lighter by Recoinages at the Mint, by iniquitous corrupt civil Administrations, in order to defraud Creditors.

Creditors, and more especially to cheat the Creditors of the Publick: And instances in England, Holland and France, and their respective Plantations.

That many Male-Practices of this Kind have been used in Europe, cannot be deny'd, nor vindicated. But what Relation has this to the British Colonies? For, excepting a Coinage of Shillings (3dwt.) &c in this Colony (Anno 1652.) I never heard of any Coinages or Recoinages in the Plantations, or that this or any at all, ever took the other Way of cheating Creditors, viz. that of Proclamations, making the Pieces of Eight when passing in Trade at 4 s. 6 d. to become a lawful Tender, in publick & private Payments, at the Rate of 5, or 6 s. or the like. So that all the Benefit we could have from such historical Facts would be, to shew the Curious the different Changes in the Rate of Silver in the English Mints, & by taking Mr. Lowndes's Extracts from the Indentures of the Mint, mentioned by Mr. Lock, and adding the present Proportion of Alloy, now in Use, it would then have appeared that Anno 28. Edward I. Silver was 20 d. per Ounce, or 285 Grains to the Shilling: 5 Edward VI. at 22 Shillings per Ounce, or 21 (6-10) Grains to the Shilling: 43 Eliz. at 5 s. 2 d. per Ounce or 93 Grains to the Shilling; and continued so ever since.

Page 4. "That in all the American Colonies, at their first Settling and for some Years thereafter, their Currency was the same with their (respective) Mother-Countries: But by the Iniquity of some Administrations all of them have cheated their Creditors at Home; and that in the British Plantations, in Process of Time, they remitted to their Creditors at Home a Piece of Eight, which is only 4 s. 6 d. Sterling, at the Rate of 5 s. afterwards at 6 s. and would have gone further by Persons in Debt getting into the Administration or Power of defrauding their Creditors, if the Proclamation-Act had not been obtained by the Sollicitations of the Merchants at Home; and finally, that in many of our Colonies they have gone greater Lengths, and by Floods of provincial Paper-Credit or Money they have made vile Work of it, &c.

These are the general Plantation historical Facts, by which agreeable to his political Experience, we are to know how our Silver rose or Bills came to be depreciated, and which he has constant recourse to upon all Occasions, Now tho' I might justly object against this Method,

Method, and tie him down (as usual in like Cases) to the Evidences where the Facts happened; yet for the sake of the Ignorant in such Affairs, and those that are easily imposed upon by Appearances that seem to gratify their present Interest, I shall once for all consider his general Account of the Plantation Moneys and our own in particular.

That our Plantations begun with Sterling Money, &c. Silver 5 s. 2 d. per Ounce, I allow: But the Account he gives of the Causes of the Changes, I utterly deny. Let us consider it distinctly.

First, "They remitted" &c. By (they) we can understand none other than Agents or Factors for the Mother-Country, making Returns to their Constituents. (For all others that remitted on their own Accounts, to pay a Sterling-Debt, are out of the Question.) Now there are only two Things to be supposed in the Case: viz. Either (1.) That they remitted Silver at the Market-Rate, and were obliged to give 5 or 6 s. for a Piece of Eight, instead of 4 s. 6 d. If so, they acted honestly, and the Rise was owing to some other Cause. Or (2.) that they bought at 4 s. 6 d. and charged their Constituents 5 or 6 s. — Which to say of them, is flatly calling hard Names. And yet all this could have no Effect upon the Market, unless he also prove them Idiots, as giving one Man 5 s. for a Piece of Eight, when they might have had as good from another for 4 s. 6 d.

Secondly, "Persons in Debt getting into the Administration or Power of cheating" &c. In this he leaves us as much in the Dark, as he did with Regard to Factors. Therefore we must suppose they raised the computative Value of their Coins by provincial Acts (for ReCoinages they had none) ordering that the Piece of Eight, when passing at 4 s. 6 d. should be a legal Tender at 5 or 6 s. or the like. Now in this Case he ought to have cited the particular Acts: And not only so, but likewise proved that they were made to take in all past Contracts, as well as future ones. For otherwise no Body could be hurt, as being left free to make their Bargains, agreeable to the new Regulation of the Rate of Silver, in all future Contracts. But so far as ever I have heard, and according to the present Circumstance of some of our Plantations, there never were any such Acts made.

Thirdly, "By Floods of provincial Paper Credit many of our Colonies have made vile Work of it. That there have been

been Floods of Bills emitted in any of the Colonies, he has not proved: And I am of Opinion that in general the Quantity has been too little, tho' the Emissions something irregular. But I have proved that the Quantity extant in the New-England Colonies has been but comparatively diminutive, and the Scarcity of Bills the Cause of great Oppression: And in Reality, neither have the Factors remitted Silver at a higher Rate than the Market-Price, nor the Government from time to time enacted that it should pass at a higher. So that the whole Account he gives of the Plantations seems to be full of Mistakes. And the true State of the Case is as follows.

All our Plantations at their first Settlement did, and many of them do to this Day, labour under great Difficulties by a Scarcity of Money. At first doubtless they received Pieces of Eight at the Rate of 4 s. 6 d. to 8 d. in Proportion to the Rate of them in the Mother-Country, and Bits (or Reals of Plate) being 1 8th Part at the Rate of 7 d. But by Means of their Difficulties in Trade, they were soon obliged to take light Bits, and light half Bits by common Consent. And upon this (as there are in all Places People that know the Difference between light and heavy Money, and how to make Advantage of it) some People hoarded up the heavy Pieces, and when the Merchants wanted to purchase Returns, insisted on 1 d. or 2 d. Difference between the light and the heavy Money, which the Merchants found their Interest to give. But in Time their Pieces of Eight (as well as small Money) were clipped, and in like Manner the heaviest always kept up and sold with a Premium, and People in Trade forced against their Wills to take such Money as passed, and even to make Contracts agreeable thereto. And thus by Degrees Silver is got from 5 s. 2 d. to 6 s. 10 d. 2 1/2 per Ounce in Barbados, to 7 s. 3 d. in Jamaica, to about 9 s. in Antigua, and neighbouring Islands, without any Emissions of Bills, or iniquitous Administration: And the same Cause (call it Ballance of Trade, or Debt, or both, at different Times, which you please) will produce the same Effects; & that altho' Money pass by Weights, as in Barbados (the Want of which, he seems to insinuate, has contributed much to the Rise of Silver.) And it would be next to a Miracle if it should happen otherwise.

As to the Colonies that have gone into the Use of Bills, it is plain, that the Reason for their so doing was, either (1.) a common Ballance of Trade against them, which unavoidably

unavoidably occasioned a great Scarcity of Money in Proportion to the Demand for the Improvement of their natural Advantages, as in *New York*: Or (2.) an actual Ballance of *Debt* against them, as having comparatively no Silver-Money at all, for the Support of Government and Trade (and even sometimes being obliged to collect their Taxes in *Indian Corn*, and other Produce.) as in the *New England* Colonies, and probably *South-Carolina*, *Pennsylvania* &c. And the same still continuing, what should hinder the Rise of Silver? And under these Pressures, what could the Government do by any Act for the fixing the Rate of Silver (or what could the *Plantation-Act* do, however wisely intended) even tho' the Breach of it had been made *Felony*? Surely our *Plantation-Governments* could do no otherwise than they have done, as this, and (I believe) most others, *viz.* to oblige every Man that makes a *special Contract* for Silver-Money at a certain Rate, to fulfil it, and where that is wanting to give Judgment for *current Money*, as Bills of Credit, or Silver at the current received Rate in the Market. The Instance he gives of *Maryland*, is an Exception to the general Rule: For their Bills promise Sterling Money, instead of 6s. 8d. Money, half in 15, and half in 30 Years, and have justly been depreciated by Means of their distant Promise from 33 to 150 per Cent above the *Par* of Sterling.

Page 5. He proceeds to show the *bad Effects* of Paper-Currency being made a *legal Tender*. But if he had considered *his own* Account of the Banks of *Venice* and *Amsterdam*, he would have found no Occasion to apply the following Instances to our Case.

"*Baron Gortz* about twenty Years ago had reduced *Sweeden* to extream Misery by imposing Government-Notes instead of *Specie*: For which, among other Crimes, he suffer'd *Death*." This he again puts us in mind of Page 8. How he came by this Piece of History, he does not tell us. I was in *Stockholm*, the Capital, in the Year 1718, being the last of *Charles XII.* and never then nor since heard of any *State-Bills* passing about that Time; the Moneys then current were *Copper Coins*, not so large as an English Farthing, called according to their Mark *Dollars S. M.* (*Silver Mint*) of 32 *Stivers* or Pence (their Money) and sometimes *Mint Tickets*. This Fact is universally known. *Monf. Devolliere* says, They were called *Gortz's Gods* by the People; which is true. And they have been frequently mentioned in Print, more especially in the *Affair of*

Woods's

*Woods's Half-Pence* in *Ireland*, which were compared to *K. James's Shillings*, and *Gortz's Copper-Coins*.— They were made a *legal Tender* (I think, only for *future Contracts*) upon Pain of Death; and a Man at *Gottenberg* (I was informed) suffered capitally for the Breach of the Laws relating thereto: All the Produce and Manufactures of the Kingdom were taxed to a certain Rate by the King's Officers respectively, and the People obliged to take their Pay in this Sort of Money.

Some Time after the first Coinage (for I have seen 4 or 5 Sorts of them, and have some of them now by me) they either were really *counterfeited*, or the Ministry gave out that they were so, by a foreign Country; upon which they made a *new Emission*, of the same Weight and Fineness, to pass at the same Rate, and reduced the old ones from 32 to 1 *Stiver*, and upon that Foot I have frequently received them. And thus they went on through several Coinages:—No Man of any Estate in the Kingdom, but detested such iniquitous Practices; all People that could lay down their proper Businesses, did it; Strangers forsook their Ports, until in the aforesaid Year the King granted *Passes* (chiefly with a View to supply his own Stores with Provisions) promising to pay the Importers in *Iron* and other Produce at the King's Tax or Rate, which was strictly performed by his Officers in *Stockholm* and other Ports.

Now to run a Comparison between these *Coins* and our *Bills*, would be odious and detestable: They differ as much as *Roguery* from *Honesty*, as *Folly* from *Wisdom*, and *Darkness* from *Light*.

Again, "*The arbitrary Government of France* (he says) did Anno 1719 embrace *Mr. Law's Project of a Paper-Currency*; *Silver* was banished by severe Penalties, and *Paper* made the only *legal Tender*. The Operation was, the Nation reduced to the utmost Confusion, *Mr. Law* disgraced &c.

What the Particulars of *Mr. Law's* Scheme were, he does not tell us, nor could I ever perfectly learn. But according to my present Thought, such a Scheme as the Bank of *Venice*, &c. could not effectually be put in Practice in *France*, where the People have had so much Reason to be diffident of the publick Faith. I have heard it said, that *Mr. Law's* Scheme was in it self good and practicable, but perverted by the Ministry. Or however that was, I am positively assured by Gentlemen of Credit then

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at Paris, and now in Boston, that the Bills had not only universal Consent, but were for some Time better than Silver, and a Premium of 5 to 10 per Cent above Par given for them. But the Fate of them was this; The Ministry having obtained their Ends, paid off the national Debts, and drawn in a great deal of Money into the Treasury, broke up the Scheme, upon the Appearance of great Numbers of Counterfeits in different Places at once, said to have been done by a neighbouring Country, refused them publick Credit, and left the Possessors to a total Loss.

Now to make our Case parallel to theirs, the Government in 1702 should have emitted a profuse Quantity of Bills, made them a legal Tender in all publick and private Payments, and to be received in both with a Premium of 5 per Cent above Silver, paid off the Province-Debts with them, given them out of the Treasury for Silver at Par, and lent them upon Loan; and after they had carried their Scheme as far as they could, then upon a sudden Appearance of many Counterfeit-Bills in different Places at once, said to be done by the *Mohawk* Indians, have dissolved the Scheme, refused the Bills publick Credit, and left every Possessor totally to bear his own Loss. — This is another of his historical Facts, by which we are to have our Bills, according to political Experience, set in a true Light. But to proceed with our Author. —

“ Barbadoes emitted 1. 80000 Bills on Land-Security at 4 per Cent, payable after 5 Years, which immediately fell 40 per Cent. below Silver: But by an Order from Home were all called in” &c.

These were promissory Notes, and quite different from our Bills. The People were wise in taking them only at that Discount: For as lawful Interest was then 10 per Cent, so by allowing Compound Interest 1. 141 1 s. of them was then only equal to 1. 100 Current-Money on their first Emission: And their Sentence from Home (which I have from good Hands) being that instead of 5 Years they should be paid off in 18 Months, was truly equitable, and ought to be a Warning Piece to some among us who are always hankering after such Bills.

Page 6 “ Our Province-Bills from the various Operations of frequent large Emissions distant Periods, & Periods postpon’d; are become 400 per Cent. worse than Sterling” &c.

As for large and sudden Emissions, I declared against them in my Letter, as what ought industriously to be avoided,

avoided; and propos’d their being emitted in a regular progressive Way so as not hurt the Trade by a sudden Flood. But for the general Quantity of Bills out at any one Time in the 4 New-England Colonies, it is far from being large. I could make him almost any Concessions on this Head, and I’ll suppose there may be now extant and actually passing (tho’ it’s self-evident that the Bulk of them are kept in a State of Stagnation) in the whole 1. 650000; a Sum, when computed at the Rate of Silver 29 s per Ounce, only equal to 1. 116000 Sterling; which considering the Numbers of the People, improveable Ad- of these Colonies &c. is by all true Ways of Judging but comparatively a very small Sum in Proportion to Demand. Now this being the Case, it must be observed, that commonly before a new Emission at any Time could be obtained, Trade (by Means of so great Scarcity) laboured, Debts were postpon’d &c. and what could be the Consequence upon a sudden Emission, but that People receiving their Debts in a much greater Proportion, and purchasing more Returns, than usual, the Silver and other Returns should remarkably rise; which is what the *Essayer* means by our Province Bills becoming worse? (Surely this must have been the Event, except we had happened at such Times to have more Silver at Market than even the extraordinary Demand; then it could not have risen.) And yet (as I have once and again observed) if there had always been a sufficient Quantity of Bills extant, and People gone more uniformly to Market, Silver by Means of the constant growing Demand would eventually have risen to the same Height, in an equally certain, tho’ slower Manner. Besides, we have sundry Instances wherein Silver has risen even when Bills as to Quantity have been at their lowest Ebb. But the daily Operation of the Market puts the Matter beyond Dispute: For there we find Silver every Day changing its Rate, as all other Commodities do, without any Relation to the Quantity of Bills extant. And to what other Cause can any Man rationally impute the general Change, but to the Operation of the Ballance of Debt against us?

“ Distant Periods, and Periods postpon’d ” — Here and throughout the whole Essay he goes upon the Mistake of comparing the Bills to special promissory Notes; from which they differ as much as a Commodity in Hand does from a Note promising that same Commodity at a distant Time.

The only Thing to be considered with Regard to the *Periods* of the *Bills*, is, whether at any such *Periods* the Quantity extant was greater than the Demand. That it never exceeded, but fell vastly short at all Times, is obvious to the Understanding of every one. Therefore the *Postponings* are mere *circumstantial Facts*; and have never operated to lower the Value of the *Bills*, but otherwise. How strange then is the Complaint in this Case? What Reason have we for it, more than the *Venerians* have to complain, that *effective Payments* have been postponed for many Centuries, when they can every Day in the Market have the Amount of the original *Depositum* in Silver for their *Transfers*, with 20 per Cent. more than the Sum deposited: Especially since our *Bills* are of the same general Nature with their *Transfers*; both equal to Things in the Market at the current Rate; the *Rise* of theirs, and the *Fall* of ours, with Regard to their first *Par*, being wholly owing to *different trading Circumstances*, and to no other Causes whatever? *Postponings* not in the least concerned here, as to either Case.

Page 9. "So much Paper as is current in a Province, so much really is that Province in Debt." — This is a strange Delusion: In what Sense can a Province be said to run in Debt, by necessary Emissions of *Bills*? Are they indebted thereby to other Countries? Or is their capital Stock thereby diminished? No certainly, their landed and trading Interests have been thereby greatly increased in Value: So that it would have been good Husbandry even if they had borrowed upon Interest a Supply of Silver, or *Bills* where they were to be had, equal in Value to their Emissions. The *Funds-Part* are absolutely necessary for the Support of Government, and vastly more convenient for the Payment of Taxes (having no Silver) than *Indian Corn* and other Produce. And for the *Loans-Part*, supposing some People have made a bad Use of their Moneys borrowed, & suffered their mortgaged Lands to go in Payment, is not this common to all other Countries? Bad Husbands will sell or mortgage to their own People, or any other, that will lend them Money: And in such Case it is a publick Advantage, that their Estates should get into better Hands. The *Essayer's* Way of arguing is as odd, as if a Man possessed of 1000 Acres of waste Lands, which bring in nothing, should refuse to mortgage 20 of them, by Means of which he might be enabled to carry on the Settlement of the whole to good Purpose;

Purpose; saying, No, let the Lands lie waste; if I borrow Money upon them, I shall but run in Debt. —

To go on.

Page 14. "We have no Reason to fear Want of a Medium, if the Grievance of publick Paper-Credit were gradually removed: Trade will find its own natural proper Medium, Silver and Gold" &c. — If our Trade were well regulated, it might in a Course of Years get into prosperous Circumstances, and then it would produce Silver to pass as Money. But in order to this, it is indispensably necessary, in the mean time, to have *Bills* (having no other convenient Matter) as the Instrument for carrying on our Commerce, and improving our natural Advantages. And can any Man conceive but that upon the Want of *Bills* we must run into the further Use of *Shop-Notes*, which have an infallible Tendency to increase the Ballance of Debt against us, and to drive away the most valuable Part of the Community, Artificers, Labourers, and even Husbandmen, to other Colonies and Parts, where they have Money of one Sort or other to receive for their Labour? An Attempt of this Kind might in a dozen or a score of Years reduce the Value of the capital Stock of the Province to half its present Worth, when compared with Silver.

Having fully answered the Substance of the *Essay*, I shall now proceed to consider the *Author's* particular Remarks upon my *Observations*.

The first I shall take Notice of, is that Reflection (P. 15) "He introduces these Words, Ballance of Trade, on all Occasions with no true Meaning and Application". The Ballance of Trade is not what I mention'd: Our Case being in Fact a Ballance of Debt, and largely explained. However, as the *Essayer* seems to mean the same Thing by a Ballance of Trade, that I do by a Ballance of Debt, and as the Force of his Objection turns upon that single Case, I shall give his Remarks on it a full Consideration.

"Ballance of Trade is Cash (Silver and Gold) imported to or exported from a Country, according as the general Exports or Imports of Merchandize exceed one another." This I allow; and every Ounce of Silver imported to or exported from a Country is by Means of a Ballance of Trade for or against them, and this may be taken for a Day, Month or Year &c.

Again, "The Silver and Gold which we export to England, are no Part of the Ballance of Trade against us, being truly as Merchandize only. England exports 2 Million

to Holland and India, as Merchandize, the Ballance of Trade continuing in Favour of England notwithstanding." The Meaning of this is, that a Country may have a particular Ballance against them, with one Country and another, and yet a general one at the same time in their Favour with all the World. But this is not our Case: We have it for us with some Parts of the World; and yet upon the whole we want it in general, with England &c. Every Ounce we export, call it Merchandize, or what you please, goes in the Ballance of Trade; and what we send Home being all together not sufficient, there still rests a Ballance of Debt against us.

Again, "Ballance of Trade is also against a Country, not only when they export their Medium, but also when a Country runs in DEBT, by expending in fine Houses, Apparel &c. that which ought to have purchased Exports: This is Our present Case." Which Observation, if introduced with any true Meaning and Application, must signify that we run more in Debt to England than we are able to pay (a Thing allowed by every Body) and is in Effect the same Definition I gave of the Ballance of Debt against us; differing only in Words. Now, as by this he allows us to be in a State of partial Bankruptcy, or the Demand for Returns in the general greater than the Quantity, must not the Rates of Silver and other Things by necessary Consequence be raised proportionably thereto, as in the Case of N. ? Notwithstanding throughout the whole of his Remarks, he cavils at the plain, natural, and unavoidable Inferences.

He objects to sundry Observations in my Letter. As, Pag. 15. "The sinking Value of our Bills is from and in Proportion to the Ballance of Trade (or Debt) against us." — Pag. 17. "A 20 s. Bill is the natural Pound of New-England." — Ibid. "Silver falling and rising ad infinitum." All his Cavils at such Passages evidently and naturally arise from his not understanding his own Ballance of Trade, by Means of which Silver and Bills must for ever change their Market-Rate, and 20 s. in Bills or Silver be just what the Ballance for or against us makes them.

Pag. 18 He pretends to quote that Passage out of my Letter; "When Goods rise or fall in the Market, the Change must be in the Goods, and not in the Bills." He refers me to no Page, and I find no such Assertion: But the contrary. Obs P. 18. "The Pound-Value (or the Value of 20s. in the Market) is changed in all Goods, as well as in " the

"the Bills: And 20 s. in them are as good as 20 s. in any other Things.

Pag. 16. Bills ought to be emitted from time to time, and postponed till the Quantity exceed the Demand. — A sufficient Quantity of Bills, regulated by an assigned Interest, I did and do contend for. But as to postponing, I said in Substance, that in as much as the Government have taken upon them to supply the Province with Bills, they ought to have kept always a sufficient Quantity out, upon Funds or Loans, to answer the Demands of Trade. As the Bills promise no effective Payments, the postponing can no otherwise be hurtful than by an Excess of the general Quantity extant (which never happened) and in that Case, whether they call in the Funds punctually, and at the same time emit more, or else postpone the Funds already out, it amounts just to the same Thing. In this Case the Funds or Loans are only circumstantial Things, and the calling in (not the postponing) in my humble Opinion is rather the publick Fraud and iniquitous Administration he so frequently complains of. And as the natural Consequences of thus reducing the current Money of the Province, without any other good Matter substituted in its Place, must be long Credit, excessive Usury and Extortion, Idleness, and Intemperance; the Use of other Colony Bills, so as to bring a Ballance of Trade against us, for which both our Silver and Lands must go in Payment to them; the ruinous Practices of Shop-Notes and a Trucking Trade; I say, as these are the plain and unavoidable Consequences of a Scarcity of Money, the reducing the Money of the Province may be said to be virtually establishing those iniquitous Practices by a Law, much more (I'm sure) than the largest Emission of Bills hitherto may be said to have been.

Pag. 23. "The following Clauses (and elsewhere many others) I cannot understand; as, Bills made a fixed Measure of Value, which Silver cannot be. Again, When Silver falls, the Government may fix the Rate of it." — Now is it not plain to the meanest Capacity (and allowed by every Body) that a general Commodity or Money having its own Quantity and Demand always kept equal, must be a perfect Measure of the Value of Things; and likewise that supposing Silver to fall to 20 s. per Ounce, and the Government and common Consent agree that an Ounce of Silver shall be the N. E. nummery (or Money) Pound, what in the World (so long as we have no Ballance against



against us) should hinder it to continue so for ever, as in Europe?

But to take in the Substance of all that he says with Regard to the Bills being depreciated, I must take Notice of one Passage more, Pag. 15. "If we find that in all the Colonies where is no Paper-Credit, the Value of their summary Denominations [ or the Rate of Silver ] continues the same, and where Paper-Currencies have prevailed, their Denominations have appreciated [ or Silver risen ] hand in hand with their repeated Emissions, ought we to have recourse to any other Conceit ( as Balance of Trade ) for the Cause, but only to the Operation of these Bills?" — The Fact is, he himself owns, as I do, that Silver rose in the Plantations even before the Plantation-Act; we differ only as to the Cause: And it is notorious that it has also risen since that Act in many of them, and still continues so to do; that is, By Reason of their general Scarcity of Money, they are obliged to take light Pieces, both Silver & Gold, which is as much raising the computative Value of their Coins, as if the Government did it by their Province-Acts. And as to those that are in the Use of Bills, we have a fresh Instance, to the contrary of what he says, in the last New-York Emission of l. 48000 in Bills ( Silver about 9 s. per Ounce ) which was not only very irregular as to the Method, being put in Circulation all at once, and as to the Quantity double the whole Sum they had then extant in Bills, but also by comparing the whole Quantity & Demand in our four Colonies with that of New-York, might be thought an excessive large Emission: Yet no remarkable Change followed. I have heard of Silver being sold as high there before that Emission, as since: And Exchange has only risen from 165 to 170 l. the highest (for l. 100 Sterling) after two Years Trial; the Reason, because they had Silver enough to answer all Demands for Returns, and so no Balance of Debt against them: Which makes a vast Difference between their Case and ours. We are assured of a Balance of Trade against us by the Demand we every Day see for Silver in Returns to the Mother-Country: And by the general Deficiency we are equally sure of a Balance of Debt against us. To no other Cause can we rationally ascribe the Variation of the Rate of Silver among us, but to the greater or smaller Operation of this Balance of Debt, as the Demand and the Quantity of Silver in the Market bear a Proportion to one another greater or less: From hence we may as certainly conclude that the Balance

Balance of Debt for or against us will for ever affect the Price of Silver in this Province, as that 3 and 2 make 5.

Page 21. He is an inexorable Enemy to Silver, because it has been and may be greatly depreciated by the Excess of its Quantity. — This is intirely wrong: For changeable tho' it be, yet I all along aimed at the proper Means of introducing it, and expressly gave it its due Praise. For Instance, I say (Obs. Page 22.) Trade is the only Means of introducing Silver and Gold, the general Treasure of the World &c. — I might on this Occasion fairly retort upon him, and say at least with equal Truth and Reason, He is an inexorable Enemy to Province-Bills. — But I forbear. And shall close with this single Remark:

That in many Cases it's very plain he does not understand the Operation of Quantity and Demand, and therefore one of the most unfit to write Essays upon Money.



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POST



## POSTSCRIPT.

WHILE the foregoing was in the Press, the Publick has been offered *A Discourse concerning the Currencies* &c. I presume by the Author of the *Essay*, and upon the same Plan, but I think with no great Improvements in Point of Reasoning. Now altho' I have in my *Inquiry* fully obviated and answered every Thing of Moment he has advanced in Opposition to our *Bills*; yet it may be needful for the sake of the *Unwary*, and others led by a delusive Prospect of *Gain*, who easily take up with any specious Appearances of arguing from *Fact* and *Experience*, to make some Remarks on this Piece also.

I observe, he still entertains a wrong Notion of the Nature of our *Bills*, and in the whole Tenor of his Discourse puts them upon the Footing of common *promissory Notes*, and even *such* as have no solid *Fund*, payable at distant and uncertain (postpon'd) *Periods*, and also without any Allowance of *Interest* for Forbearance: From which sort of *Notes*, it is self-evident, they differ in all these Regards; as having the best *Fund*, *viz.* common Consent, by which they are made equivalent to all Things at all Times bought and sold in the *New-England Markets*; and thus are virtually paid off every Day; and also may be every Day let at an high *Interest*, either on Condition to receive *Silver* at a fixed Rate as in *Europe*, or to receive the same sort of *Bills* as he lent, which he pleases. — From the same Mistake also our Author calls them, as usual, “*Base Paper-Currency, fallacious Cash, chimerical ill-founded Medium* &c.”

He seems also still utterly unacquainted with the Operations of Quantity and Demand; constantly complains of frequent and large *Emissions of Bills, enormous publick Loans* &c. and yet allows (Page 26, 27.) that the Value of the whole *Bills* and *Silver Cash* extant in the 4 *New-England Colonies*, *A. 1713*, was equal to 657000 Ounces of *Silver*; *A. 1718*, to but 500000 Ounces; and now *A. 1739*, the *Bills* extant only equivalent to 434000 Ounces of

### Remarks on a Discourse concerning the Currencies. 65

of *Silver*, or about two thirds of the Value in current *Cash* at this Day to what there was then. Now as I suppose, every one will allow that we may require at least three times more Money in Value to negotiate our Affairs now, than at that Time; so according to all rational Ways of judging, we ought now to have three times more *Bills* in Value, than we then had: More especially since the *Quantity* did not then exceed the *Demand* (but probably was less) as may be known by the then Rate of *Interest*. Not that I propose the above Method as a certain Way of judging in this Case; no, the Rate of *Interest* is the unerring Rule. And if we had a proper *Bank-Circulation*, much less Money would answer the End in that Way, than in any other.

As to the *Ballance of Debt*, the great Matter in Controversy, he introduces it in effect, Page 34 (and other Places) by Way of Objection, “It is not repeated large Emissions of a base Paper-Currency, but the Imports exceeding the Exports, that occasions *Silver* to be ship'd off in *Ballance*; therefore we are not to expect a *Silver-Currency*, supposing all *Bills* cancelled” &c. Under this Head he virtually owns my *Ballance of Debt*, by his Concession, that our Imports exceed our Exports, and proposes very justly the proper Remedy (Page 35.) *Let us then lessen our Imports by Frugality, and add to our Exports by Industry* &c. — But at the same time he imputes the Cause to the *Bills*, as giving the *Merchant Opportunity to ship off the Silver, which Necessity would otherways have obliged him to keep as Cash*. — A strange Way of arguing! Was it ever known in any Country, where they had only a common *Ballance of Trade* against them, much more where they had an actual *Ballance of Debt* against them, as we have, but that *Silver* was ship'd off in Payments? Does not the Exigence of the Case necessarily and inevitably infer it? And is it not so in many of our Colonies, that have had no *Bills*? What a very trifle of *Silver* and *Gold* (and that exceeding light too, or else they would probably have none) have they in Proportion to their *Trade*, which may be negotiated chiefly by their *Produce*, which ours cannot? What a hard Case would he reduce the Merchants to! *Necessity* (says he) would have obliged them, were there no *Bills*, to keep their *Silver as Cash*: And yet *Necessity* too obliges them to ship it off as *Merchandise*, to pay their Debts at home. — Thus he does but trifle with the Objection, he proposes

to answer: and he overlooks the natural obvious Consequence of Imports exceeding Exports, viz. the Rise of the Rate of Silver and other Things: A Consequence, that in such a State of Affairs is unavoidable. And therefore how staple soever our exportable Commodities are in the trading World, whether we have Bills extant or not; yet the same Cause just mentioned, if continued, will undoubtedly produce the same Effect, viz. the Rise of the Rate of Silver *ad infinitum*; as the contrary Cause will the Fall of it: And as we are now circumstanced it is next to impossible, to regulate our Trade, or carry it on to any good Purpose, without a Sufficiency of Bill-Money.

The grand Point, which he labours throughout the whole Discourse, is to prove by several Facts & political Experiences relating to Paper Currencies, that (as in Page 24.) the repeated and large Emissions of Paper Money, are the Cause of the frequent Rise of the Price of Silver and Exchange; further, that the Emissions and Cancellings of Bills, have governed them both, and raised, lower'd, and fixed them, as the Course of the Moon does the Tides, plain to a kind of Demonstration, from the following Instances in New England. — "After Silver had rose (A. 1706) to 8 s. per Ounce, it continued (till 1714) at that Rate, while Paper-Emissions did not exceed a due Proportion to the current Silver". Here in the same Breath he flatly contradicts his own Assertions: For he allows (Pag. 26) that A. 1713, the Bills extant in all the N. E. Colonies were in Value (only to be regarded) equal to 438000 Ounces of Silver, which is a trifle more than the Value of those now extant, and never exceeded but A. 1718, and that only by 62000 Ounces; and A. 1731, by 32000 Ounces of Silver: Besides that even in that short Period (from 1706 to 1714) there were not only large Emissions of Bills, but (Page 10) a Number of Postponings, and yet after all no Change in the Rate of Silver; the Reason he gives, is, because there was a due Proportion of Concomitant Silver passing with the Bills. And what else is this, but to acknowledge the Ballance of Debt (allowed by all) and in effect to say, that from A. 1706 to 1714, we had Silver, either as Money or as Merchandize, sufficient to answer all Demands for Exportation, and therefore it did not rise; but that afterwards becoming less than the Demand, it rose proportionably, and continues so doing to this Day; the infallible Phases of Emissions &c. not all influential

in the Case! — Or in more general Terms, that from the first Settlement of New-England, by Means of their own Trade, and in a good Measure by the Help of providential Supplies (in which their Trade was not concerned) as Silver and other Effects imported by Means of Wrecks, Pirates and Privateers, Settlers &c. these Colonies were enabled so far to keep their Credit with the Mother-Country, that the Rate of Silver was only changed from 5 s. 2 d. to 8 s. per Ounce, till the Year 1714. But that after the War most of those Supplies fail'd, and our produce by Degrees fell exceedingly in the foreign Markets, and finally for Want of a Sufficiency of Bills in Proportion to Demand, we were forced into the Use of Shop-Notes to serve in lieu of Cash, and so into an excessive Importation of European Goods, which enhanced the Ballance against us, till Silver A. 1739, was raised to 29 s. per Ounce.

N. B. As to our Author's Assertion relating to the concomitant Silver, viz. 219000 Ounces, A. 1713 (mentioned Page 26.) I am apt to think it is but ill founded: For the Government in all their Acts respecting Bills, make high Complaints of the extreme Scarcity of Silver, and expressly say (A. 1712) that all the Silver was ship'd off in Payment of Debts to Great-Britain, and that the Trade in general had been carried on from 1705, to that Time by Means of the Bills: So that the Quantity then in the Market, could be at most but comparatively small, and used only as Merchandize; not as Cash in Circulation concomitant with the Bills.

In the same Paragraph he proceeds to say; "A. 1714 we emitted &c." Here follow seven Emissions in Massachusetts, Rhode-Island, and Connecticut, according to which the Bills were depreciated (*Pari passu*) till A. 1739. One of them one Year, others 3, 4, 5, 6 Years distant from each other. At one Period Silver rose 1 s. 2 d per Ounce; at others 2, 3 & 6 s. without any Relation to the Quantity of the Emissions, or the Demand for them. Now the Application of these Facts, supposing his Account of them to be right, I take to be meer Delirium. The Connecticut and Rhode-Island Emissions were never taken notice of as influential in the Case, till A. 1733: The Reasons for doing it then, are well known. Besides in his Account of that Year's Emissions he leaves out one historical Fact, very material, I mean, the Merchants-Notes, value above 1,000000, and which may with more Justice be charged with

with being the whole Cause of the late extraordinary Rise of Silver, than all the other Emissions: For it is a known and remarkable Fact, that *Silver* rose *within about nine Months time*, that Year, from 21 s. 6 d. to 27 s. which was to a very trifle the Value of those Notes, when reduced by nine Months Discount. Not that I would be tho't wholly to exclude the natural Operation of *Trade* out of the Case: But the Observation I have made, may help to supply a Defect in the Author's History and Argument, and ought to have Weight with such as impute the Rise of Silver to the meer Operation of the *Bills*. — As to the last *Rhode Island* Emission in 1738, Silver did not actually rise till the latter End of *May* 1739, and the Cause of its rising was evidently the great Number of Payments in *Silver* and *Gold* at the annual Collection of the *Impost*, Money &c.

His Instances in the next Paragraph (*Page 25*) in *New-England* &c. are strong Evidences for what I have alledg'd: For if *Returns in Shipping, Whale-Oyl, &c.* be large, and bear a good Price abroad, has not that a direct Tendency to lower the Prices of *Silver* &c.? As on the contrary, the Demand for *Silver* to supply *Agencies*, or other political Occasions, has it not the same Tendency to raise *Silver*? The whole of this is in some Degree the natural Operation of the *Balance of Debt*.

He instances in the Case of *Barbados*, to put his Assertion out of Dispute; which I have already consider'd, and in Fact it has no Relation at all to the Case.

The utmost that can be said on this Head, is, that upon some new Emissions in this Province *Silver* rose in *Boston* a small Matter, and the plain Cause (for which I appeal to Men in Trade) was the preceeding great Scarcity of *Bills*, by Means of which *Debts* due here and *Returns* to the Mother-Country were greatly postpon'd, so that on the new Emission People were generally put in Cash, the sudden Demand for *Returns* greater than usual, and the Market proportionably affected.

The unerring Evidence in the Case, is the *Merchants* and *Goldsmiths* Books, to which I appeal: and doubt not but they will shew, that *Silver* has been every Day in a changeable State, without Regard to Emissions of *Bills*.

I might here recapitulate something of what I said on this Head in the foregoing Inquiry, viz. That the *Bills* are established upon the Footing of a general Commodity or Money, and cannot be changed any otherways than they

they are; that there has been no Change in them for the worse by Means of a Change in their natural Proportion to other Things, or the Excess of their Quantity above the Demand; but they have undergone a forced Change, in common with other Things, viz. in the Way of rating them. That the *Bills* are virtually, and may actually be put upon the Foot of the Transfers of *Venice*, and *Amsterdam* & have operated the same Way; different trading Circumstances alone making the Odds; all which Observations carry Demonstration along with them.

It is well known, that dealing in *Silver* has been a Business among us, and that frequently it has been raised by that Means; also that *Silver* has risen remarkably in the Spring and Fall, on Account of the largest Remittances being made at those Times.

To conclude this Head, I must observe, that some have said in Conversation that they could raise *Silver* from time to time, if they pleased. This is what ought, I know, to be mention'd with Caution, but is a melancholy Truth. Such a Thing, trading Men are appriz'd, might be done, and that whether the *Bills* be gradually sunk, or there be none extant: I say, none at all, because when *Bills* grow a little Scarcer, they will then become a private Property, and *Silver* be sold in the trucking Way as other Things are, and he that wanted to monopolize it, would have at least a good Chance to sell it for such Commodities as would purchase *Silver* again: And whence comes the unhappy Affair, but from the *Balance of Debt*, by Means of which our Imports of *Silver* are small, and the Demand frequently greater in Proportion? And by no Means from the Operation of the *Bills*. But to proceed —

The long and formidable Account he has given of the depreciating of *Bills*, upon Emissions, in those other Colonies, that are in the Use of them, as it may possibly have a bad Effect to bias some of his Readers, I shall therefore take some Notice of it. But a cursory View will suffice to evidence that nothing remarkable has happen'd as to the Rise of *Silver*, excepting in *South-Carolina* and *New-England*: And in this Case, I shall not follow him through his political Remarks on their Emissions, Postponings, Cancellings &c. Having already given (as I think) the most conclusive Proofs, that the general Cause of the Rise of *Silver*, was the Operation of the *Balance of Debt*, in them all; and he having offer'd little or nothing either to prove that the *Bills* were the Cause of it, or to shew

shew how they could operate to produce the Effect he imputes to them.

In New-York, New-Jerseys and the two Pennsylvania Governments, Pistoles (the greatest Article of their current Species) of 4 dwt. 6 gr. pass for about 28 s. and in Antigua, St. Christophers, Montserrat, Nevis & the Virgin Islands (which never had any Bills) Pistoles of but 4 dwt. pass too for 28 s. — So that the former, taking all their Species together, I reckon have the Advantage of the latter.

Maryland is intirely out of the Question; their Bills being on the Foot of promissory Notes; and the Difference of the Rate of Silver there may justly be called a Discount for prompt Payment.

North-Carolina, — As to this Government I agree with our Author, that they have no great Fund (Vent) for Bills of Credit, those formerly emitted were disregarded by the People, ill-contrived, and much counterfeited: So that their Trade has all along been in the Way of Barter and their Imports and Exports raised upon each other in Denomination, without the Influence of Bills; their naval Stores sold on the Footing of their common Trucking-Trade, and their best Exports (as Tallow, Deer-Skins, Wax &c.) bartered on the Footing of Virginia-Money, Silver at 6 s. 8 d. per Ounce.

Thus it appears that there are but two remarkable Instances, among all the Colonies that are in the Use of Bills such as ours, viz. South-Carolina, and the New-England Colonies, whose Bills all pass in common: And it may not be amiss particularly to take some Notice of the Causes of the Rise of Silver in South-Carolina; having already said enough upon the Case of New-England.

I never could learn that frequent and large Emissions of Bills were any Cause of the Rise of Silver in South-Carolina; but have often heard, about the Year 1733, that they were so very scarce that no less than 20 per Cent Interest was given for them, and the People in great Distress and Confusion, till in Part relieved by a Set of compassionate publick-spirited Gentlemen, who circulated their own Notes in the Way of a Bank, tho' not without great Opposition, and Attempts of divers Kinds to defeat their charitable Intentions. But the Causes generally allowed are these — (1.) Large Importations of Negroes; (2.) The great Fall of the Value of their Produce: Either of which were sufficient to have brought about those bad Effects. And (3.) Considerable Remittances Home by private

private Persons, for the Purchase of Estates, and as a Depositum in the Stocks. Lastly, A considerable (both necessary and superfluous) Importation of Materials, Cloathing &c. from the Mother-Country; together with chargeable Negotiations, Travels, foreign Education &c. all which belong to their general Account of Trade. And yet under all these Inconveniencies, South-Carolina taken in a complex View, has been one of the most flourishing Settlements, their capital Stock increased in Value to a prodigious Degree; and this in a great Measure owing to the Bills of Credit. The same might justly be affirmed of this Province, till such unaccountable Notions, as those of our Author, so detrimental to the Common-Wealth, were received and industriously propagated among us.

There's little else remarkable in his Piece, but what I have already obviated. His supposed Mischiefs arising from a large Paper-Currency, his Arguments (as he says) current among the Populace, together with his Proposals for rectifying our Currency, his abusive Reflections &c. are all but the native Consequence of his bad Politicks, and Ignorance in the Subject he writes upon, sufficiently obvious to any judicious & impartial Reader. — Therefore I shall only take notice of a few Passages, and conclude.

Page 26. "Large repeated Emissions of Bills are no Addition to the Medium of Trade". Here he again contradicts his own Assertion, that in 1713 there was one half more in Value of Money, passing then, than what there is now, and yet we may require three times more in Value now in Proportion to Demand. It is the Quantity of Money in Value, not in Denomination, that we must regard; and every private Man, as well as every Community of People, requires a certain Proportion (in Value) of Money to carry on their Affairs. Supposing then, that Great Britain required 20 Million in Silver at 5 s. 2 d. per Ounce, and Silver raised from time to time by ReCoinage, Proclamations, or a Ballance of Debt, to 29 s. per Ounce, must they not in that Case have 112 Million in Silver, new Money, or the same Sum in Bills of Credit? And would there be in that Case one superfluous Shilling, whether of Silver or Bills?

Page 27. "People who never can have any other Claim to Money, but by Fraud, the Idle, Extravagant &c. call out loudest for a Paper-Medium". This is an unjustifiable Reflection: For in Fact, every Body knows, that the Labourers and

and *Tradesmen*, who (as he well observes) are the *Hands which feed the Belly of the Common-Wealth*, have been oppressed to a crying Degree, for Want of honest and punctual *Money-Pay*. The industrious *fair Traders* have suffered greatly, by having their just Debts long postponed, by being forc'd to take Goods at great Disadvantage in lieu of Money, and often to lose their Debts by *Insolencies: Widows and Orphans*, and even the *Clergy* many of them, have suffered much by the distressing Scarcity of Money: All these have a good Right to desire a reasonable Currency. And the *real Estates in Boston*, and the Province in general, have of later Years been reduced incredibly in their Value, by the Operation of the same Cause. As for the *Shopkeepers*, they have least Reason to complain, and some of them fairly own that a *Trucking-Trade* is best for them. All Men that have indisputable *Security* to give, are intitled to Money; and all Countries endeavour they should have it at as low an *Interest* as possible. We are perhaps the only Country, that ever dreamt of *reforming* their Trade by a *Scarcity of Money*, when a *Sufficiency* of it must be acknowledged the best Means of *Industry* and (in our Case) of *Frugality* too. — Others besides our Author have suggested, That *those who have no Right to it, are the Men who call out for it most*. But can it be supposed that *such* will have any *lent* them? Are not the *Arts* of lending Money as well known here, and as much *refined* among us of late, as any where? So that there is no Danger from that Quarter, even tho' we had a *Sufficiency of Bills*.

Page 29. "*Long Credit is not one of the least of the bad Effects of Paper-Money. Ibid. With ready Money, Business goes on brisk and easy*". — Can any Man rationally ascribe *long Credit* to any other Cause, but *Scarcity of Money*? Does not the Rate of *Interest* and the length of *Credit* depend upon the *Quantity* of Money in Proportion to *Demand*, as the Shadow upon the Body? The Practice of *Holland* and *England*, and all other Countries that have *low Interest*, sufficiently demonstrates this. Their *Discounts* or *Abatements* for prompt Payment are but trifling, to what they are here. Indeed some particular Commodities are so abundant in Proportion to *Demand*, that if Money were never so plenty, the Seller might be glad to part with them on long Credit. Therefore the one and only *Remedy* in our Case, is a *sufficient Currency*, and the

the Advantages upon that Account would be vastly great, and in particular to the Mother-Country.

Page 35. "*The goodly Appearance we make in fine Houses, Equipage and Dress, is owing to Paper*". This and many other Speeches said to be made by the *Populace*, are dragg'd in to gloss his Cause, both in the Essay and Discourse. I affirm he is the first Person that pretends to Reason and Modesty, that ever I knew set the Matter in the Light he has done. His *Vulgar great and small*, the noble and ignoble, even the extravagant themselves, complain of our surprizing Excess in those Particulars, own the Cause, and the Necessity of a Reformation. However, all must confess, the goodly Appearance of the Province in necessary Supplies and Accommodations for Life, Trade, Fishery, and the vast additional Value of our real Estates, &c. are (next to a kind Providence) owing to our Bills.

He frequently expresses a compassionate Concern for *Posterity*, lest they should be overburthened with *Taxes*, and tempted to *Mutiny*. Not considering, that the *Funds* ever since the Year 1712 have been kept out, chiefly to fulfil the *Engagements* the Government then virtually took upon themselves to supply the Province with *Bills*, to serve as *Money*, and that in this Regard, there never ought to be more called in than what is absolutely necessary to defray the Charges of the *current Year*, which is no Inconvenience; nor that the Government might emit still upon *Loans*, for the Bulk of the running *Cash*, and upon *Funds* only for the Service of the Government, which might be punctually call'd in without the Hazard he mentions. Neither does he consider the vast *Damage* the rising Generation have already sustained in the *depreciating* of their *real Estates* by Means of the *Scarcity of Money*: For I suppose they will not fetch so much Money upon Sale now (additional Improvements necessarily excepted) as when Silver was at 20s. per Ounce. Nor finally that they are upon the Brink of being further reduced by the same Causes, and *Posterity* in Danger of being under the Necessity of paying their Debts, contracted when Silver was at 20 to 29 s per Ounce, not under the Rate of Silver at 6 s. 10 d. per Ounce.

Page 39. He hints at several *Schemes*. The 1st is *palliative*, to prevent our *Currency's* growing worse by bringing it to a *Standard* &c. All Men are now and have been all along left to their absolute Liberty to make *Contracts* according to the current Rate of *Silver* every Day, and the

Law has always supported them in so doing; which is more equitable than a Settlement of once in 6 or 12 Months as propos'd. Some few have taken that Method in their Loans (others have gone beyond it) and that it has not been the general Practice, is by no Means the Fault of the Government, nor of the Borrower, but chiefly the *Lenders*, who instead of taking their Bonds at a fixed Rate of *Silver*, and 6 (or more) per Cent. Interest, have taken them conditioned to pay in *Bills*, from an avowed Expectation of the *Fall* of *Silver*, as an additional Profit. — Some such Act of Government however I am not against. Only I'm persuaded, it could never take full Effect under our present unhappy Circumstances, nor have the least Tendency to fix the Rate of *Silver* in the Market: For *Silver*, whether sold for *Bills* or exchanged in Barter, will always be rated according to the Course of Trade, at 20, 40 or any greater or lesser Number of Shillings per Ounce, variable till our Trade takes a new and more favourable Turn.

The Sum of what he says as to *Bills* emitted on a *Silver Bottom*, may be collected from Pages 43, 44, viz. "That however well regulated they might be as to *Periods* and *Discounts*, yet such Notes could never answer the Ends of a *Currency*; Nay in that Regard would be worse than common *Bills*, in Case there be any bad concomitant *Currency*, as *Rhode-Island Bills* &c. or unless a *Discount* be forced on those Emissions at least for the future." — I have already been large on this Subject, and made it appear, that no Scheme for emitting *Bills* on a *Silver Fund*, and distant Period, whether publick or private, bearing more or less or no Interest, can effectually circulate as *Money* in our present Condition, and this whether we have other concomitant *Bills* or not: And the Way to put this Affair to the Test may be this; Let the Government give a Sanction to those Gentlemen's Scheme of a private Bank (which I agree with him is on some Accounts better than publick Emissions) who are for a *Silver Bottom*, allowing them to emit *Bills* in any reasonable Shape, with this *Proviso*, That they shall undertake at all Times to lend them out on such Security as the Bank of *England* would gladly accept of, at an assigned moderate Interest, and further at all Times to supply the Trade with *Silver* at 29 s. per Ounce, or *Bills* of Exchange to *London* at — per Cent. as Returns to the Mother Country, and no other Place whatever. — Now if they will enter into and execute any such reasonable Engagements, they may attain to fix the Rate of *Silver*; otherwise not. As

As to a *Discount* on *Rhode-Island Bills* &c. there's no doubt, common Consent might effect that, or might even destroy their Credit in this Province, by refusing them any Acceptance at all; But then it must be consider'd, the same might at least as easily be done on their Side by Way of Reprisal: And probably we should be no great Gainers. — Neither of these are likely to happen at present.

Page 42. "Land Banks: The famous Mr. Law" &c. Here he begins with a strange Excursion to attack that Gentleman's moral Character, doubtless with a View to prejudice the Reader against a *Land Bank*. But it's enough to my present Purpose, that he is allowed by very good Judges, to have wrote judiciously on *Money* and *Trade*, and concurring in his general Principles with the great Mr. *Lock*. Our Author here would palm an Absurdity upon Mr. *Law*, insinuating that in a Passage quoted from him, he meant, that *Land* (simply consider'd) could be negotiated as effective *Money* in the Market, and makes this wonderful Observation upon it, back'd with Reasons, viz. *It's ridiculous to imagine that it can serve as a Medium for foreign Commerce; because it cannot be ship'd off* &c. Whereas Mr. *Law* through the whole Tenor of his Discourse only says, that *Land* is the best Security or Fund for a Bank (losing none of it's other Uses at the same Time) which Fund may be negotiated by *Bills* or *Transfers*. In all Countries even a common *Mortgage* may be used in some Measure as *Money*, being reducible to *Silver* or any other Commodity, for domestick or foreign Occasions. The Bank of *Scotland* (one of the best in the World of it's Bigness) is founded on *Land Security*; and when it has happened to be shut up on some very extraordinary Occasions (as Anno 1715) yet their *Bills* have nevertheless passed current, chiefly from the Reputation of its Security.

I have already observed, that we in *New-England* have not one Material that can be negotiated, as *Silver* is, in the Way of a *Bank*; and all that I understand by *Land Security* is only a Security to the Possessor, that the *Bills* emitted by the Bank shall have ready Acceptance at all Times by the *Bankers* themselves; to which if common Consent be added (for without that no *Bills* nor Commodity would answer the End of *Money*) such *Bills* would be upon as good a Bottom as any at all.

Page 44. "If the Scheme for emitting Company-Notes to be paid after fifteen Years" &c. — It is to a Degree surprizing to find our Author patronizing a Scheme for Bills promising Silver at 20 s. per Ounce, at so long a Period, and without Interest, after he had been (in the Paragraph immediately before) inveighing against the *Merchants-Notes*, as a *Snares* to many, tho' upon a much better Foot than the Bills upon this Scheme; and after he had been condemning the *Maryland Bills*, and above all after he had through his whole Discourse declared in the strongest Terms against all such Bills; more particularly mentioning the Case of *Barbadoes* twice, and yet their Emission was no Ways to be compared to this now projected, being only liable to a Discount of 1. 41 upon 1. 141, whereas these now proposed ought not to be received any otherwise than 1. 238 in Bills for 1. 100 in Silver at 20 s. per Ounce prompt Payment, or in other Words, these Bills promising on the Face of them 100 Ounces of Silver, only equal to 42 Ounces on the Day of their first Emission. There were no *concomitant bad Bills* (as he calls them) in *Barbadoes*, nor *Maryland*; the Discounts were owing wholly to their distant Periods and short Allowances of Interest or Premium. And whatever he may propose and inculcate upon these Gentlemen as to their forcing a Discount on *Rhode-Island Bills*, or periodically raising the Value of their own Bills, *i. e.* bringing them by certain Degrees in an arbitrary Manner up to their Promise of Silver 20 s. per Ounce, I am persuaded it will have no Influence at all to lower the natural Rate of Silver in the Market, will be hurtful to Trade, and unavoidably will open a Door for great Oppression to Debtors of all Sorts, who shall unhappily by their Contracts be made liable to pay in these Bills, and so will become a *Snares* indeed to the People, as he often insinuates *Banks* in general will certainly prove. — I spare all Reflections here upon the Gentlemen so zealous for a *Silver-Fund*, as to the *Views* they may have, tho' our Author is very satyrical upon those who desire a *Land-Bank*, in his Reflection Page 42. which perhaps might be retorted; but I take no Pleasure in such kind of Censures; and shall return to his *Discourse* touching a Projection upon another Foot.

Page 42. "A Credit or Bank of Produce and Manufacture" &c. To pass over his indecent and unjust Censure upon the Country in general, and keeping to the Point, I shall observe, that although this Bank, I apprehend, is not

not yet so well regulated, as it might be, yet I am persuaded the chief Managers are willing and desirous to remove all Objections, and to make all reasonable Alterations. I am not without Hopes therefore, it may turn out a seasonable Relief for our present distressing Circumstances.

Their *Design* is highly laudable, and I have no Reason to doubt they they have an *honest View* to the publick Good: Their *Foundation*, Land-Security, vastly preferable to any other: The *Subscribers* numerous, and principally Men of clear real Estate.

The general Promise of their *Bill*, viz. "to receive this Twenty Shilling Bill as so much Money in all Payments," is unexceptionable. Only I am of Opinion, that the Limitation to *lawful Money* might better be left out; it appearing to me utterly impracticable under the present unhappy Circumstances of our Trade, to negotiate the Bill in an exact Conformity to such *special Promise* (and so far it's liable to the same Objection as Bills upon a Silver-Bottom) for after all it will pass only equal to the current Rate of Silver, and other Things in the Market.

The allowing their Undertakers to pay Principal and Interest in *Produce* at certain regulated Prices, may have a Tendency to promote Industry, and so far be of the Nature of a Bounty. —

As to the Majority of the *Directors*, and the Majority of the *Partners*, being obliged to act in *Concurrence* in some Particulars of the Management, which our Author exclaims so much against, where is the prodigious *Inconsistency* of it? any more than in the several Branches of our Legislature having a Negative upon each other in the Management of the publick Funds and Loans &c. The *Directors* are to be first chosen, and future Vacancies supply'd by the Majority of the whole Society; also to be under Oath, and give Security: And I cannot conceive then how it can hurt the Possessor of the Bill, but rather think it may be a Benefit to him: However, that might easily be altered, if it should be thought requisite. — The whole Company are obliged to receive the Bill in all their Dealings: But the grand Point, as to general Currency, will be *common Consent*, without which no Bills can circulate.

Upon the whole, as this Scheme is built upon the best and only good Foundation we have, and has already met with some considerable Encouragement from Men of Judgment,



Judgment, of Integrity, and sufficient Estates, I think it would be more generous in our Author, and others, who profess themselves Friends to the Province, to make experiment of what may be effected on the Foot of this Projection, than to raise Cavils at it without advancing a better.

He has offered every Thing to perplex the Affair, and distress the Province, and nothing for it's Relief but what is either impracticable, or has a ruinous Tendency, by leaving us to the miserable Shifts of a Trucking-Trade, or Shop-Notes, which no Country of so large a trading Interest as this can long subsist under.

The Gentleman often shakes his Rod over us by threatening us with a Parliamentary Inquiry; but I have such an Opinion of the Wisdom and Justice of the Parliament of Great Britain, that I am in no Apprehension of any Severities from Home. It appears they are not insensible of the absolute Necessity this Province is in of having Bills, to pass as Money under our present Circumstances; since Silver will always be ship'd off, and none of it be kept here, till we have a Balance of Trade in our Favour.

To conclude,

Our Author makes a Random-Charge, that many will think unhappily recoils on himself (Page 45) "Some audaciously question the Power — Others impudently impeach the Integrity of the Majority of our Legislature" &c. This would naturally lead me to take some Notice of his own numerous and gross Reflections upon the civil Administration, more particularly level'd at the democrattick Part of our Constitution (as he calls it) or our House of Representatives; But they must be sufficiently obvious to his Readers, nor need any Comments to aggravate them; and having no Pertinence to the Business in Hand, I shall wave all Consideration of them.

F I N I S.