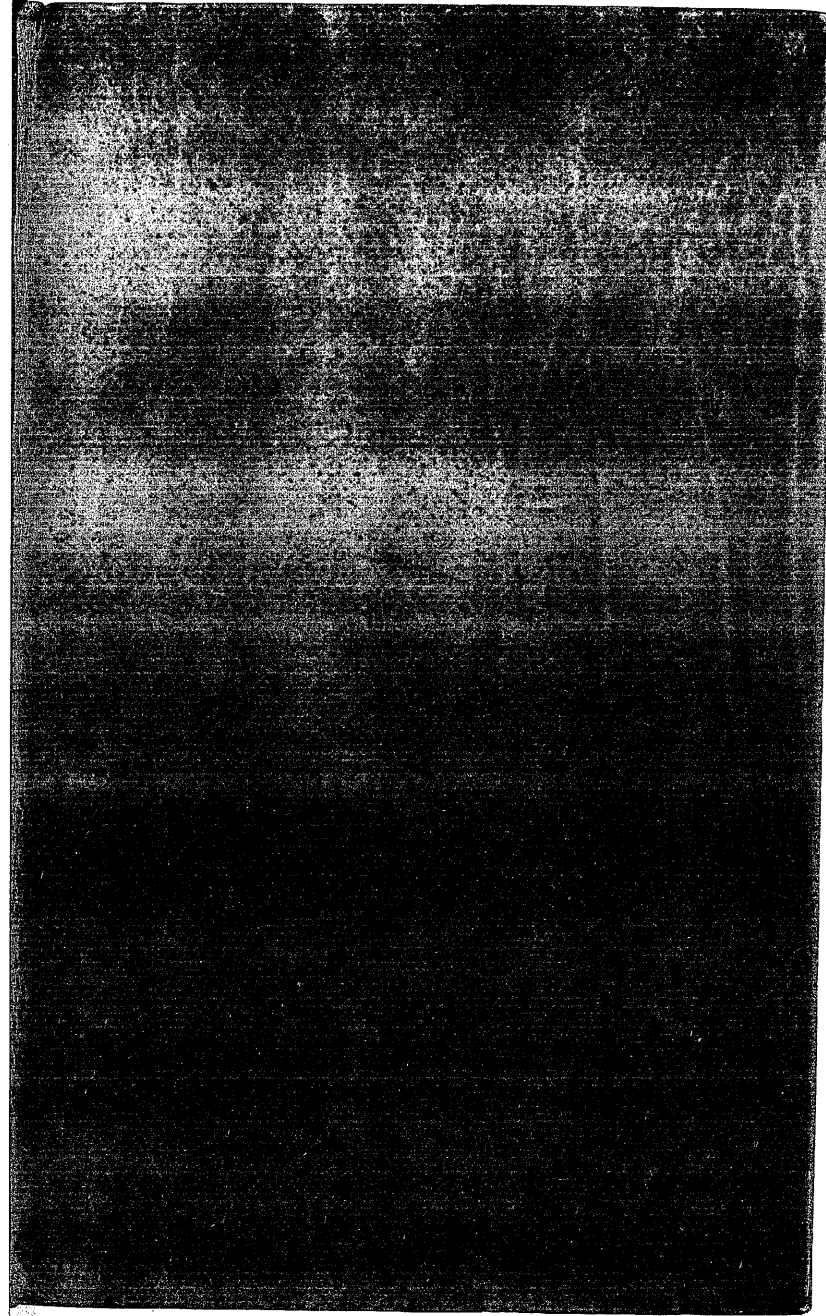


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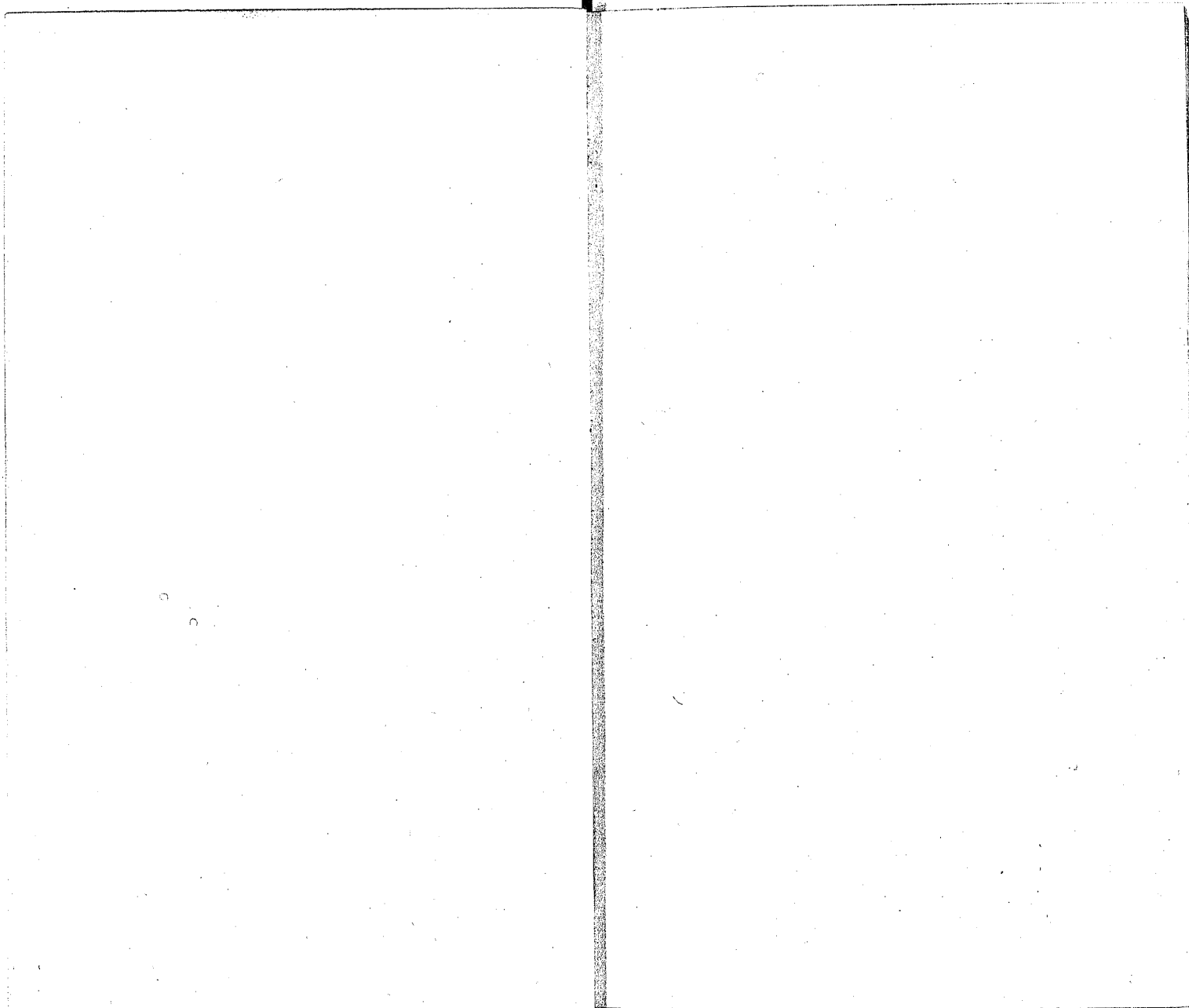
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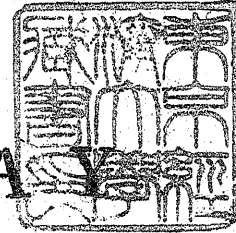
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AN  
E S S A Y



UPON  
MONEY and COINS.

PART I.  
The Theories of COMMERCE,  
MONEY, and EXCHANGES.



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LONDON,

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To the Honourable

RICHARD ARUNDELL, *Esq;*

As a testimony of Esteem for his great  
Worth and Abilities, and as a grateful  
acknowledgement for many Marks of his  
Favour and Regard, during a long course  
of years; this Tract

Is humbly Inscribed and Dedicated, by

His most faithful

and obedient Servant,

THE AUTHOR.

## P R E F A C E.

*THE main part of the following essay, was drawn up many years since for a truly great and good man; one who, if it had pleased God to have continued his life but a little longer, intended, amidst his other great designs for the good of this country, to have made such regulations in regard to our coins, as probably would have obviated all complaints about them for the future. The chief design of this first part, is to unfold the true nature and theory of money: A subject wherein every one is interested, and that in some measure in proportion to his property; and yet, a subject it seems, that very few understand; and concerning which, many, and those too of some note, are under gross mistakes.*

*In order to clear the way, and for the better settling of things upon their first and true principles, it hath been thought necessary to take a general view of wealth and commerce, which is the subject of the first chapter; and the third, concerning exchanges, is not quite foreign to the main design.*

*Some of the points here touched upon, deserved to have been discussed more at large, if the designed brevity of the whole would have permitted. The author is clear as to the goodness of his intention, and hopes that his ill state of health, while these sheets were printing, will be admitted as an apology for such faults as may have happened in the execution.*

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PART

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[ I ]

PART I.  
*The Theories of COMMERCE,*  
*MONEY, and EXCHANGES.*

CHAPTER I.  
*Of the nature and origin of wealth*  
*and commerce.*

I. *Of wealth, what, and wherein it consists.*

I. **T**HE earth abounds with an infinite variety of materials, for the comfortable subsistence of human life: Besides the great diversity of food, vegetable and animal, more than sufficient to satiate the most gluttonous appetite; how admirably are wood, stones, metals, &c. adapted to their various uses! What is there left unprovided, and of what kind is that other material that could have added to human conveniency? But amidst this vast profusion of things, the earth spontaneously produces but few that are ready fitted for our use: Some pains and industry are required on our part, without which,

*Land and labour, the sources of all wealth.*

B our

our condition upon this globe would, perhaps, be the most forlorn and uncomfortable of any of its inhabitants. But of this we have no cause to complain: Labour or bodily exercise, in a certain degree, is not only easy but pleasant to us, conducive to our health, and every way suited to our nature; and we are endued with ample powers for adopting and fitting the materials about us, according to our various exigencies and occasions. Land and labour together are the sources of all wealth; without a competency of land, there would be no subsistence; and but a very poor and uncomfortable one, without labour. So that *wealth* or *riches* consist either in a propriety in land, or in the products of land and labour.

*In wealthy countries, the value of the labour is much greater than that of the land.*

2. The proportional values of land and product, differ very much in different countries; as the soils are respectively more or less fertile, and the inhabitants more or less industrious, and skilful. Without some kind of tillage, much land will be requisite to maintain a few inhabitants; and a small field of wheat will afford nourishment to more people, than a large forest yielding nothing but  
acorns

acorns and wild fruits. The annual produce of labour in *England*, I imagine, is of much greater value than the rent of the land; but their exact proportion to each other, cannot be easily assigned. It is commonly supposed that a farmer, to be enabled to live comfortably, must make three rents of his land; and when we consider the coarseness of those commodities, that are commonly expended in a farmer's house, in comparison of many others consumed by those of more affluent fortunes; the value of labour to that of land, must be with us greater than that of 2 to 1. Wool wrought into cloth is much advanced in its value; thread may be of above 100 times the value of the flax whereof it was made. The value of the materials in \* watches, and innumerable other things made of metals, is but small in comparison of the value of the workmanship. But we must not pursue this notion too far: The numbers employed about these costly things, may not bear a large proportion to those who are either idle, or occupied about tillage, buildings, or other manufacturies; where the raw materials are worth near as much, or sometimes more, than the labour bestowed upon  
B 2 them.

\* The balance spring in a good watch is worth above a million of times the value of the steel.

4            Of MONEY, Part I.

them. The *British merchant* computes the value of labour to that of land in *England* to be as 7 to 2 \*. He supposes the people of *England* to be 7 millions, and each man at a medium to expend 7 pounds each, which makes the whole annual consumption of *England* 49 millions; 45 millions of which he supposes to be our own product, 4 mil-

\* This shews the great value of arts and industry. But their usefulness doth not terminate in the mere value of their productions; their benign influence extends much farther. By furnishing employment, at the same time, both to the mind and body; they tend to improve the understanding, to humanise mankind, and to preserve them from that brutal barbarism, which is ever the attendant of stupid indolence and inactivity. Each individual, by a laudable industry, striving to benefit himself; the whole community share the fruits, and peace and good order is every where maintained.

But here occurs a difficult question; how to employ usefully all that are fit and able to work, and to maintain comfortably such as cannot help themselves? Our indulgent parent hath so ordered things, that it should not be necessary for all to work: Some compute, that the labour of one-fourth of the people is sufficient to maintain the other three-fourths; that one-fourth, as infants, old people, &c. are quite helpless; that one-fourth live upon their lands; whence one-fourth are left for the learned professions, state offices, and for being merchants, shopkeepers, soldiers, &c. Here then are three parts that are mere consumers; and as a country grows in wealth, the candidates for genteel employments may become more numerous in proportion to the rest, perhaps too much so for the land and labour to maintain: And thus, too many expecting a livelihood without labour; murmurs, complaints of the decay of trade, want of money, &c. will be loud. Amongst the lower class, some professions at times will be naturally overstocked: But if there be want of employments upon the whole, there must be some defect in our police; as the produce of *England* is undoubtedly sufficient, to employ and maintain comfortably, a much greater number of inhabitants.

Ch. I. and COINS. 5

lions foreign commodities; and the rents of the lands he makes 14 millions.

II. *Values of things, how estimated.*

3. Things in general are valued, not according to their real uses in supplying the necessities of men; but rather in proportion to the land, labour and skill that are requisite to produce them: It is according to this proportion nearly, that things or commodities are exchanged one for another; and it is by the said scale, that the intrinsic values of most things are chiefly estimated. Water is of great use, and yet ordinarily of little or no value; because in most places, water flows spontaneously in such great plenty, as not to be with-held within the limits of private property; but all may have enough, without other expence than that of bringing or conducting it, when the case so requires. On the other hand, diamonds, being very scarce, have upon that account a great value, though they are but of little use. A quicker or slower demand for a particular commodity, will frequently raise or lower its price, though no alteration hath happened in its intrinsic value or prime cost; men being always ready to take the advantage of

6      *Of MONEY,*      Part I.

one another's fancies, whims or necessities; and the proportion of buyers to sellers, or the demand for any particular commodity in respect to its quantity, will always have an influence on the market. The intrinsic value of a particular commodity may be also enhanced, though its quality is debased; as a bushel of musty grain at one season, may be worth much more, than the like quantity of good grain at another.

*Cheapness, how estimated.*

4. Commodities are called bulky or said to be \* cheap, which bear but a small proportion of value to others of equal bulk; and these are natural products, either growing spontaneously, or requiring no great art and labour in their cultivation; as grain of all sorts, cattle for food or labour, timber and stone for building, fuel, &c. The goodness of Providence having so ordered things, that those main supports of life should abound every where, according to the exigencies of different climates. And of metals, that most useful one, iron, is in our happy clime the cheapest.

*Natural*

\* Things are also said to be cheap or dear, in respect to the prices they bore at some former market.

Ch. I.      *and COINS.*      7

*Natural products, &c. subject to a greater variation in their value, than artificial.*

5. The quantity of corn, &c. produced from the same number of acres, and from the same quantity of labour, being sometimes very different, according to the difference of seasons; grain of all sorts, as also cattle from mortality amongst them, or other casualties, are subject to much greater variations in their values, than artificial products; and a bushel of corn may be worth twice or thrice as much cloth, at one time as at another. Corn must be had; and the farmers will endeavour to make as much of their small stock, as when they had a greater plenty; on the other hand, when the market is full, they must lower their price; till, after reckoning the value of the land, the labour bestowed in raising a bushel of corn, and in fabricating the thing for which it is exchanged, are on both sides nearly equal. Things of a more limited vent, are subject to vary yet more from their usual price, than corn; as apples, hops, &c.

B 4.

*Things*

*Things are the more valued, the farther they are from the place where they were first produced.*

6. Things near the place where they are produced, whether by nature or art, have naturally a less value in proportion to other things, than they have in places more remote; and this in proportion to the risques of all sorts, and expences of carriage. Silver is naturally cheaper in *Mexico* than in *Spain*, and in *Spain* than in the rest of *Europe*. Things that are rare, or for which there is no great demand, are generally dearer than in the above proportion: For, when there are but few dealers in any commodity, they seldom fail to enhance its price, and that sometimes very exorbitantly. One great mystery of trade, is to keep off new adventurers, by concealing its profits; and whilst that may be done, the gains will be large.

III. *The price of labour, the chief standard that regulates the values of all things.*

7. The values of land and labour do, as it were of themselves, mutually settle or adjust one another; and as all things or commodities, are the products of those two; so their

their several values are naturally adjusted by them. But as in most productions, *labour* hath the greatest share; the value of labour is to be reckoned the chief standard that regulates the values of all commodities; and more especially as the value of land is, as it were, already allowed for in the value of labour itself.

Men's various necessities and appetites, oblige them to part with their own commodities, at a rate proportionable to the labour and skill that had been bestowed upon those things, which they want in exchange: If they will not comply with the market, their goods will remain on their hands; and if at first, one trade be more profitable than another, skill as well as labour and risques of all sorts, being taken into the account; more men will enter into that business, and in their outvying will undersell one another, till at length the great profit of it is brought down to a *par* with the rest.

*Some estimate of the value of labour.*

8. It may be reasonably allowed, that a labouring man ought to earn at least, twice as much as will maintain himself in ordinary food and cloathing; that he may be enabled



enabled to breed up children, pay rent for a small dwelling, find himself in necessary utensils, &c. So much at least the labourer must be allowed, that the community may be perpetuated: And as the world goes, there is no likelihood that the lowest kind of labourers will be allowed more than a bare subsistence; if they will not be content with that, there will be others ready to step into their places; and less, as above observed, cannot be given them. And hence the quantity of \* land that goes to maintain a labourer, becomes his hire; and this hire again becomes the value of the land; the expences of manuring and tilling it, being also included. There is a difference in the proportion of the value of an acre of land to a given quantity of labour, all over the world; and this ariseth, not only from the different goodness of the land, but also from the different ways of living of the peasants in different places. For, where labour is very cheap, that is, where the labourers live very poorly, land will be also cheap; as the poor, from their numbers, are the principal consumers of the grosser products of the earth.

\* Lands yielding uncommon products, as mines, &c. are not here considered; the uncommonness of them gives an opportunity to the owners of making more than ordinary profit by such products.

earth. So that every where, I think, the price of land is influenced by the price of labour; that is, by the quality of food and raiment consumed by the labourers; for of some sort, they must have a sufficient quantity: It seems then to be no good policy in the rich to deal too hardly with the poor; besides, that such treatment must needs greatly check arts and industry, discourage matrimony amongst the lower class, and inspire them with thoughts of quitting their homes, in hopes of bettering their state elsewhere. But the benevolence here hinted at, is to be tempered with discretion: The children of the poor should be brought up and inured, as early as may be, to some useful labour; and be taught with due care, the great principles of religion and morality. But all are not agreed that reading and writing, are qualifications necessary for the obtaining of those ends; some think, that these accomplishments are useful only in higher stations; and that to instruct at a public expence the youth of the lower class in reading, writing, &c. is a kind of intrusion upon the class next above them; that these qualifications, instead of being advantageous to the poor who possess them, serve only to render their state more irksome, and to inspire them

with

with notions subversive of society. There must be labourers; and that most useful class of men should be duly cherished and taken care of: But books and pens will not alleviate the weight of the spade, or at all contribute to dry the sweat off the labourer's brow.

*Charitable contributions necessary.*

9. The price of labour being fixed, so that one labourer can earn about twice as much, or something more, than what will maintain himself; if he has several young children, a sickly wife, an aged and helpless parent, or is himself disabled; he will want, and will have a right to ask, the charitable aid of some of his opulent neighbours: It is therefore almost unavoidable, but that some of the lowest class will be destitute of subsistence, who must or ought to be maintained and taken due care of, by public contributions or establishments\*. If a man be single, he will earn as much as the married man; for no regard to a man's circumstances will be had in the price of his labour; and so the single man may feed and clothe himself better than the other; and

\* Great care should be taken that all charitable contributions are duly applied to their proper objects, and are not embezzled or wantonly squandered.

if he is frugal, he will save somewhat against he is married, which little savings may enable him to live more comfortably all the rest of his life.

*Mechanics earn more than labourers, &c.*

10. To bring up a child to a trade, there is not only an expence in fitting him out, and during his apprenticeship, but also a risque of his dying before he is out of his time; from which considerations a mechanic is entitled to better wages than a common labourer: And as any given trade is attended with greater risques of any sort, requires more skill, more trust, more expence in setting up, &c. the artificer will be entitled to still better wages. In like manner, those professions that require genius, great confidence, a liberal education, &c. have a right to be rewarded proportionably. And thus, the prices of labour and services of different sorts, have a considerable difference founded in the nature of them: But the wages of the lower class, wherein is to be included, as well the common artificers as the husbandmen, seems to be the main and ultimate standard that regulates the values of all commodities; and if those wages be regulated by and paid in bullion,

that

that specific bullion will be the true and real money of the country where it is so applied, notwithstanding what else may pass in greater transactions.

*IV. Of trade or commerce.*

11. By the wise appointment of divine Providence, a mutual intercourse and commerce amongst men, is both conducive and necessary to their well being. Every man stands in need of the aid of others; and every country may reap advantages, by exchanging some of its superfluous products, natural or artificial, for those which it wants of foreign growth.

The first employments that a colony of people, newly settled in an uncultivated country, would naturally fall upon, would be to clear, till and sow, or plant the ground with seeds and roots proper for their nourishment; and to provide themselves with some kind of dwellings and garments, to shelter and protect them from the inclemencies of the weather: In order to obtain which, they would soon find themselves under the necessity, and feel the comforts, of associating together, and of establishing a certain mode or form of government. For, all the labour and skill of any one man, or  
of

of any one family unconnected with others, would scarce be able to procure them the common necessaries of food and cloathing; and much less would they be ever able to furnish themselves with those various conveniencies, which we now so plentifully enjoy.

Men are endued with various talents and propensities, which naturally dispose and fit them for different occupations; and are, as above observed, under a necessity of betaking themselves to particular arts and employments, from their inability of otherwise acquiring all the necessaries they want, with ease and comfort\*: This creates a dependence of one man upon another, and naturally unites men into societies. In like manner, as all countries differ more or less, either in the kinds or goodness of their products, natural or artificial; particular men find their advantages, which extend to communities in general, by trading with the remotest nations.

It was the necessities of men that gave birth to the arts, and long experience hath brought many of them to a surprizing degree

\* The mutual conveniencies accruing to individuals, from their betaking themselves to particular occupations, is perhaps the chief cement that connects them together; the main source of commerce, and of large political communities.

gree of perfection. The most curious arts now subsisting are the growth of *Europe*, and chiefly of the last and present age; and herein, our own country hath much to boast of\*.

*Usefulness of distinct trades, farther illustrated.*

12. The advantages accruing to mankind from their betaking themselves severally to different occupations, are very great and obvious :

\* The name of NEWTON, to omit many others of great eminence in different kinds of knowledge, will do honour to this nation, whilst men continue civilized, and preserve the sciences amongst them. We have lately lost a mechanic, whose assistance on many occasions was eagerly courted, even by our vain and rival neighbours; a man well known, and, being known, admired, in all the principal courts, and learned academies of *Europe*. I need not say that I here mean the late GEORGE GRAHAM, whose eminent skill in mechanics, by which he was known to the world, was yet known to his friends to have been but a small part of his merit. We have yet several artists who excel in their respective professions, all that went before them. What Mr. HARRISON hath done about *clocks*, is truly admirable; and *mathematical instruments* were never made so perfect and exact, as they have been and still are by Mr. BIRD: These men stand unrivalled. I have many more very excellent artists in my eye, but I forbear naming any, lest I should do injustice to others who might have an equal share of merit.

Whilst I am celebrating the superior skill of some of our most eminent artists, I am not very wide from my subject: And I wish it was duly considered, by those who ought to consider it, what countenance and encouragement is due to such men; what great benefactors they are to their country, what great reputation and wealth they bring to it, who by their fame and example create emulation in others, and so raise and support a reputation of our artificial products in distant countries.

obvious: For thereby, each becoming expert and skilful in his own particular art; they are enabled to furnish one another with the products of their respective labours, performed in a much better manner, and with much less toil, than any one of them could do of himself\*. And the world now abounds with vastly greater quantities and varieties of artificial products, than could ever have been effected by the utmost efforts of small and unconnected societies. The farmer is the most likely person to be able to subsist of himself; but he would find it very difficult to get even implements for his husbandry, without the aid of the smith and the carpenter; and they again, find it their interest to truck with him for what they want, instead of tilling the ground themselves. In building and furnishing a house, the business

\* When our great load of taxes, reaching down to the meanest artificer, is considered; it would seem that labour is cheaper in *England* than in other countries; that is, that our artificers are more skilful, and produce more and better goods in a given time, than is usually done elsewhere: For, in comparing the price of labour, the mere consumptions or earnings of the labourers, are not alone sufficient; what their labour produces, must be also taken into the account. Without supposing that labour, in effect, is really cheap with us, it would be difficult to account how such large quantities of our artificial products could be vended abroad. But how long this supposed superiority of our workmen, can be able to balance our other disadvantages, deserves seriously to be considered.

business becomes still more complex; and more variety of arts are necessary. And should any one undertake to provide a coat only, by going himself through the various operations of shearing the wool, carding, spinning, weaving, tucking, &c. half the labour and toil in his own particular profession, would not only have equipped him with a better garment, but also procured him other necessaries\*. Besides the great incumbrance of tools, that would be requisite for the finishing of most things from the beginning; it would be next to impossible for any one man, either to find time, or to acquire skill sufficient, for the making of all those tools; he would soon find himself at a loss, and under a necessity of seeking the aid of others.

*Usefulness of dealers.*

13. The usefulness of people betaking and confining themselves to particular arts, is very manifest. And from hence naturally arise employments for another class of men; I mean, dealers of all sorts, from the meanest shop-keeper to the merchant: These, with-  
out

\* Agreeable to this is the old adage, "Jack-of-all-trades will never be rich." And those smattering geniuses who will be meddling in various arts, rather than employ others in their proper callings, are but poor economists; as well as bad neighbours.

out applying themselves to any of the manual arts, are busied in collecting, and afterwards in distributing, the various sorts of products or commodities; and by their arts and industry, the products of the remotest places are collected, as it were, into grand store-houses; where every one may be readily supplied, according to his desires.

The dealers, like the artificers, are subdivided into distinct trades, and so, become mutually serviceable to each other. Without this subdivision, commerce would have been strangely embarrassed; many parts of it must have been totally neglected; and a monopoly here would have like bad effects, as if men tried themselves to make all the things they wanted.

*Usefulness of commerce farther exemplified.*

14. To exemplify the nature of commerce a little more particularly: Amidst the farmers, which we will suppose are dispersed at convenient distances over the whole country, there will be villages of different sizes, dispersed at yet greater distances. In these villages, besides some farmers, and some poor husbandmen; there will be most likely a smith, a carpenter, an alehouse-keeper, perhaps a butcher; if not

a shoe-maker, at least a cobbler, a petty grocer, &c. In larger villages, there will be more of these trades, and some others besides: All these have their food of the neighbouring farmers, and are supported by what they earn of them, and of one another. Their overplus, the farmers carry to the adjacent market-towns; wherein are a greater number, and a greater variety of artificers; more shops, and better sorts of goods; more publicans, and better entertainments, than are in the villages. The several shop-keepers here, fetching many or most of their goods from remote places, in large quantities at a time, can afford to furnish their respective customers at a much cheaper rate, than they could furnish themselves; as they save each of them the trouble, risque, loss of time, and expence of a long journey. These shop-keepers know also, how to procure their goods at the best hand; and they take care to furnish themselves, with whatever is necessary for the consumption of the adjacent country. The farmers, likewise, find it their advantage to dispose of their superfluous cattle, butter, cheese, &c. to drovers and chapmen, that come to meet them at known appointed fairs; and they again, know where to drive and carry, by whole-

wholesale, those commodities to a better market.

The trade of large towns, is again branched out into greater varieties; these not only supplying the lesser towns, as they do the villages, but also affording many curiosities, fit only for the gentry and people of affluent fortunes. In like manner, manufacturers and dealers, find it their interest to seek each other: Knowing before-hand where and how to dispose of his goods; the one, is enabled to pursue and cultivate his art, without that loss of time and interruption, to which he would be otherwise liable; and the other, having in his warehouse various sortments of different goods, bought at the best hand from different manufacturers, furnishes not only the petty shop-keepers or chapmen of his neighbourhood, but also many others in remote places, with all the sorts they want; which would have been endless and too expensive for them to have done, by going themselves for their little quantities to the several manufactories, which might be dispersed at great distances.

Thus, as in the manual arts, it is the interest of each dealer, to confine himself within a certain district; and this, likewise, is of mutual advantage to the whole: By this œconomy, each particular trade becomes better

understood, better cultivated, and carried on easier and cheaper; the whole community is, as it were, thereby linked together in one general commerce; and by a daily intercourse and correspondence, a large country becomes in effect as one great city; greater numbers, creating more employments, and contributing to each other's better subsistence: It being a constant observation, that the poorest living is in thin inhabited countries. Indeed, it is trade that makes countries populous, as well as what procures the inhabitants a comfortable subsistence. Again, by the diligence of the merchant, in investigating and dispersing the products of different countries; all nations become, as it were, connected together in a commercial interest; and all enjoy the benefits of the various productions of different climates.

*Of foreign commerce.*

15. In a nation skilful in arts, and abounding in products for the necessaries of life; the due ordering of its own internal trade, must be its greatest concern: But yet foreign commerce is advantageous, in many respects. By the great and almost inexplicable circuit and labyrinth of trade, the peculiar riches of each respective country, are dispersed

dispersed every where, to the mutual benefit of all mankind; and the whole world becomes, as it were, one community or great trading city; every climate, by the means of commerce, enjoying the peculiar fruits of the rest: By commerce, not only commodities natural and artificial, but the arts themselves are also communicated, improved, and extended; industry promoted, and useful employments found for a greater number of hands. There is perhaps no nation in the world, but what might subsist of itself; most countries abounding with means of sustaining life, suitable to their respective climates; and yet, perhaps, there is no country so fertile, or nation so polite, but what may be greatly benefited by a foreign commerce. In the *West-Indies*, where labour is toilsome, a small degree of it suffices to procure plenty of roots for bread; and a sufficiency of flesh, fish, and fowl, are easily obtained. But the artificial products of *Europe*, are a beneficial exchange for the produce of the cane; and this again is convenient and acceptable to the *Europeans*.

Every nation should have a watchful eye over its foreign commerce; for it might so happen, that a trade which enriches the merchant, might impoverish the public.

That trade is most beneficial, which exports those commodities that are least wanted at home, and upon which most labour hath been bestowed; and which brings in return the reverse sort; that is, simple products, either necessary for immediate consumption, in the form they are imported; or as materials to be wrought into commodities, wanted either for home use or exportation. In few words, that trade is best, which tends most to promote industry at home, by finding employment for most hands; and which furnishes the nation with such foreign commodities, as are either useful and necessary for our defence, or more comfortable subsistence. And that trade is the worst, that exports the least of the product of labour; that furnishes materials for manufacturies in other countries, which afterwards might interfere with some of its own; and which brings home unnecessary commodities, either soon perishable, or of a precarious value. But no nation can in all cases chuse for itself; The immediate disadvantages of some trades are to be overlooked, if in the long run and great circle of commerce, they at last turn out to be beneficial. Natural alliances, and natural

natural rivalships, for such there are, and ever will be, betwixt particular nations, are also subjects of great moment to the statesman, though not to the merchant, in the consideration of a beneficial commerce. And to a maritime country, the increase of shipping and of mariners, is an object of great importance.

I am unwarily entered upon a large field; but my view under this head, being only to give a general idea of the nature and benefit of trade, by sketching out some of the principal lines, I must here proceed no farther: To treat this subject with tolerable accuracy, would be a large, curious and useful undertaking\*.

## V.

\* This would be no less, than the taking a general view of the whole political oeconomy of established communities; it would be shewing how the several parts are necessarily connected, mutually dependent on and subservient to each other, and to the whole; Such a work might be of singular use to the statesman, by pointing out to him, what parts are growing too luxuriant, and what parts want further nourishment and countenance; and perhaps, in the whole system of politics, if the whole doth not ultimately terminate there, no part is of that importance as the preserving of a due order in all things at home.

How trades beget and nourish each other, is beautifully described in a book, containing many judicious observations upon that subject, entitled, *A plan of the English commerce*, page 20 to 27. The author, after supposing fifty farmers, each with two hundred pounds stock, settled in a kind of circle of a convenient extent in some uninhabited part of *England*, shews how in a little time a town with various trades, would be naturally built and settled in the  
midst



## V. Of the comparative riches or wealth of nations.

16. The comparative riches and strength of nations, are not to be reckoned from the extent of their dominions, or simply from their numbers of people; but rather from the fertility and aptness of the soil, for furnishing useful and necessary products; from the industry of the inhabitants, and their skilfulness in arts; and besides all this, from their having a well-modelled, and well-administered government: For a good government is itself a most valuable treasure, a main source of riches, and of all temporal blessings. The *Russian* map, takes in a larger extent of country than all *Europe*; and yet that nation till of late, made no great figure upon the stage of the world. I am inclined to think that the territory of *Great Britain*, is more \* valuable, though less extensive, than

midst of them; and how these farmers and their families, which he supposes to consist of 350 persons, would bring to them and find maintenance for at least 1000 persons more. The whole detail is too long for this place, and to abridge would be to maim it. This book was printed for C. Rivington in *St. Paul's Church-yard*, anno 1718.

\* Besides having of our own growth, plenty of all sorts of provisions, materials for buildings, apparel, &c. we have also lead, tin, copper, iron, calamy, coal, culm, allom, copperas, fullers earth, and sundry other minerals; some of which are in a manner the peculiar growth of this country, and very desirable.

than *France*; and the *English* artists upon the whole, take the lead of all the world. The *French* are much more numerous than we are, and perhaps also more skilful in the arts of war; and their government, for sudden enterprises, is \* better framed than ours: But the *English* commonalty are more robust, brave and intrepid when roused; and have from their soil and skill in arts, such great resources and advantages, that if they do but preserve their † constitution entire, maintain a public spirit, with union and concord amongst themselves; they may continue their independency upon other nations, to the latest times. But futurity is not ours: Let us, whilst we are, each in his place, act our parts like men, and all will be well.

The stock of a nation in all sorts of productions, natural and artificial, is to be included in the idea of its riches; and more especially its stock of those things that are necessary for the support of life, and for defence against enemies: For as men are circumstanced, this

last  
desirable abroad: But I do not recollect to have heard, that *France* yields any one natural product wanted by us.

\* This advantage is, in many other respects, much overbalanced by the milder and more temperate frame of our government.

† The freedom of this nation, is the true parent of its grandeur: If ever it becomes enslaved, its august and mighty monarch, will dwindle into an inconsiderable and petty tyrant.

last also is a necessary ingredient. An industrious and skilful nation, having the land well stocked; the houses well furnished; the shops, warehouses, granaries and magazines of all sorts, well filled; may with great propriety be said to be rich: To this estimate, must be also added all the goods in foreign warehouses, that are the property of its merchants. When the riches of a country, are considered under this extensive view; the whole amount of its cash or bullion, cannot make so considerable a part, as people are apt to imagine. We shall consider more particularly hereafter, in what sense, and how far, gold and silver are riches: But we are not to form an idea of the riches of past ages, from the abundance they had of those metals. The *Inca's of Peru* were not the richer, for the immense masses of gold they possessed; and its being so greedily coveted, proved the cause of the loss of their country: Could they have changed their gold into iron, it would have been vastly more serviceable to them; and with it, they might probably have defended their country, against those merciless invaders, that used them so barbarously. We should not yet perhaps, reckon those people so very despicable and poor, because they had but few

of

of the arts amongst them: They were in possession of a goodly country; had plenty of sustenance; of such apparel and buildings, as gave them content: If they had no learning, they yet had good manners, probity, and a regular government; worthy, in many respects, the imitation of the politest *Europeans*. But we, having tasted the sweet fruits of arts, could not part with them, without feeling the utmost reluctance; without being in a high degree sensible of the calamitous distresses of poverty. It is in the product of arts, that riches chiefly consist; and if we reckon by this standard, the present age is probably richer than any of the past; and our own nation is herein, not inferior to any of its neighbours.

*Of sumptuary laws.*

17. The desire of increasing in wealth and riches, is universal; many cry out against luxury, and wish to have it stopped by *sumptuary laws*. But this is a matter of great delicacy, and requires a nice judgment: Such laws, if not well considered, might be productive of effects, contrary to their intention. The curious arts of all sorts, are beneficial to a country; and the discouraging any of them, will, instead of

beget-

begetting riches, bring on poverty. If men had contented themselves with bare necessities, we should have wanted a thousand conveniencies, which we now enjoy; and many of the talents given to us, would have been quite useless, for want of opportunities of exerting them. The word *luxury* hath usually annexed to it, a kind of opprobrious idea; but so far as it encourages the arts, whets the inventions of men, and finds employments for more of our own people; its influence is benign, and beneficial to the whole society. But if luxury, or fashion, tend to discourage the arts and industry at home; to stock the nation too much with costly trifles from abroad, of no real use; or with consumable commodities, not really wanted; thereby, transferring the employments from our own poor, to those of other nations; to nations, it may be, not our friends; luxury then, degenerates into evil, and should be suppressed in time. Vanity, though it ruins many individuals, is yet perhaps beneficial to the community; and the ways of indulging it, should not be too much straightened: Prevent its leading to any intemperances, that may affect either the healths, morals, or industry of the people, and no harm will be done.

VI.

VI. *Industry the source of wealth, and good order that of industry: Public spirit the great fountain of national grandeur, and happiness.*

18. I shall conclude this chapter, with observing again; that labour, skill, and industry, are the true sources of wealth; and the means of distributing it, in a due proportion, among all the members of the body politic. It is not any specific quantity of money, but the due distribution of it, that renders that body healthy and vigorous in all its parts. Idleness is the bane of society; the great source of vice and confusion; the fore-runner of public distress and calamity. Industry produces the contrary effects; and is to be promoted by all possible methods: These are various; they are chiefly good laws, speedily, righteously, and cheaply executed; wise regulations of commerce, as well internal as foreign; good examples; a watchful care in the magistrates, to suppress in the first instances, vice, sloth, and all kinds of immoralities; a due care of the indigent and feeble, that none perish for want, when there is more than sufficient for all; the securing of private property; a due dis-

dain

dain of all chicanery, quibbling and sophistry, more especially, in schools and courts of justice; ability, uprightnes and dispatch in public-offices; the countenancing of probity, of plain dealing, of arts and sciences; and in all cases, an inviolable maintenance of public faith. These, are some of the ways, to breed and cherish a public spirit, among all ranks of people; without which, no nation can be happy; no community can long subsist.

A nation skilful in arts, abounding in products, untainted in its morals; where public spirit prevails, above local and personal interests; and under a wise and righteous government, duly tempered, so as to be secure itself, and all under it secure; a nation, I say, under these circumstances, must needs within itself, be rich, flourishing and happy. But power, grandeur, and influence abroad, depend chiefly on the numbers of industrious inhabitants at home. A limited number, cannot acquire above a limited degree of wealth, or strength: The way to increase both, is to break down the barricadoes of local enfranchisements; to encourage matrimony among the lower class, by giving some privileges to those who have children; finding employments for those who

who are able; and supplying with necessaries, the helpless and indigent. Moreover, if you please, you may invite hither foreign Protestants; by giving the privileges of free denisons, to all that are desirous of incorporating themselves under the banner of our laws, and enjoying the benefits of our happy constitution. But some better regulations should be made with regard to our own poor, before strangers can be induced to come among us.

CHAPTER II.  
Of MONEY, and COINS.

I. Of Barter.

19. **T**HE first commerce amongst men, was undoubtedly carried on by *barter*, or the exchange of one commodity for another; and indeed, this is the true and ultimate end of all commerce, whether foreign or domestic. But as men and arts increased, a mere barter of commodities became inconvenient, and insufficient, in abundance of instances. For it must needs frequently happen, that one man would want goods of another, that wanted none at the present, of those goods which he had to give him in exchange; and therefore to him, these goods would be but of small value; and it might be a tedious and intricate course, before the goods of the first man could be so often bartered, till at length they became exchanged into that particular commodity, which the second wanted. The same inconvenience would attend private bills, or promissory notes; for the *note* could not well be

be discharged, till the man who gave it, met with a customer, that had goods which suited him, to whom the said note had been given. Add to this, that contracts payable in goods were uncertain; for goods even of the same kind, differ in value. One horse is worth more than another horse: Wheat off one field, is better than wheat off another. Cows, horses, swine, &c. wheat, barley, oats, &c. might differ greatly in their value; a great disparity also would frequently happen, between artificial things of the same sort, as one workman excelled another. So that in this state of barter, besides the endless difficulties people were under to suit one another; there was no scale, or measure, by which the proportion of value which goods had to one another, could be ascertained\*.

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II.

\* In a state of barter, there can be but little trade, and few artizans. For want of a ready exchange for their goods, people would look little farther than to get food, and some coarse raiment: The landed men would till only so much land, as sufficed their own families; and to procure them those few rude necessaries, which the country afforded. Hence, without some kind of money, the arts can make no progress; and without the arts, a country cannot flourish or grow populous. Ignorance and idleness will naturally beget trespasses, incroachments, wars and contentions, ever destructive to the growth of people. Does not this account for what we daily see, even amongst nations reckoned polite? And how important is it, that the rulers of the earth should be more liberally educated?

II. MONEY, *what, and whence it arose.*

20. To avoid the great inconveniencies of mere barter, a material or commodity that should be universally accepted in exchange for all other things, was soon agreed upon; and this is what we call \* MONEY. As soon

as  
\* The first step from mere barter to the invention of money, was probably by *pledges* or *deposits*, which the owner was to redeem. And metals being durable, divisible without loss, and easy of carriage; and having from their usefulness a value set upon them, like other things; men coveted to have metals for their pledges, and some one metal, preferable to the rest; and this desire becoming universal, that metal, from being used as a mere pledge, soon became money. Suppose this metal was silver: "He who had more goods than he had occasion for, would chuse to barter them for silver, though he had no use for it; because silver would not decay upon his hands, or be of any expense to him in keeping; and with it he could purchase other goods as he had occasion, in whole or in part, at home or abroad; silver being divisible without loss, and of the same value in different places. *Ex.* If *A* had 100 sheep, and desired to exchange them for horses: *B* had 10 horses, which were equal to, or worth the 100 sheep, and was willing to exchange: But *A* not having present occasion for the horses, rather than be at the expense of keeping them, he would barter his sheep with *C*, who had the value to give in silver, with which he could purchase the horses at the time he had occasion. Or, if *C* had not silver, but was willing to give his bond for the silver, or the horses, payable at the time *A* wanted them: *A* would chuse to take the bond payable in silver, rather than in horses; because silver was certain in quality, and horses differed much. So silver was used as the value in which contracts were made payable." And thus the transitions from *bartering* to *pledging*, and from *pledges* to *money*, were very natural and obvious.

The above extract is taken from an ingenious piece, tho' not free from some grievous mistakes, of the celebrated Mr. *John Law's*, entitled, *Money and trade considered*, printed at London in 1720.

as this invention became established, men reckoned the value of their goods by money; and the terms *prices*, *buying*, and *selling* came in use; a greater or less quantity of money going to the purchase of all things, in proportion to the respective values which before had been set upon them, as well in respect of that commodity now made money, as of one another.

Thus, MONEY is a STANDARD MEASURE, by which the values of all things, are regulated and ascertained; and is it self, at the same time, the VALUE or EQUIVALENT, by which, goods are exchanged, and in which, contracts are made payable. So that money, is not a pledge, to be afterwards redeemed, but is both an equivalent and a measure; being in all contracts, the very thing usually bargained for, as well as the measure of the bargain: Or, if one thing be bartered for another; the measure of the bargain, is usually the quantity of money, which each of the things bartered, are conceived to be worth.

To illustrate this subject farther, let us suppose *silver* to be that commodity, which was fixed upon as money. Silver had before a known value, from its uses as a metal; and being durable, portable, divisible

without loss, and of equal goodness every where, as will be explained hereafter, was found every way convenient for the purpose of money; and having been applied to that use, silver received an additional value to that which it had before, as a mere metal, from the greater demand for it thence arising. As soon as silver was made money, it was used, both as the value in which contracts were made payable, and also as the measure, by which goods were valued; and consequently, of the proportion of value of different goods to one another. Thus, as Mr. *Locke* observes, “the value of lead to wheat, for instance, and of either of them to a certain sort of cloth, is known by the prices of each, or their value in silver or money. As if a yard of cloth be worth or sells for half an ounce of silver, a bushel of wheat for one ounce, and a hundred weight of lead for two ounces; any one presently sees and says, that a bushel of wheat is double the value of a yard of that cloth, and but half the value of an hundred weight of lead.” And according to these proportions, any quantity of the above commodities will exchange, either for money, or for one another. So that, as before observed, money is always the standard

dard that \* measures the values of commodities; and, most commonly, is also what is given for them, or the equivalent with or for which they are purchased.

*How money differs from other measures, and also from commodities.*

21. In the idea of money, the quality of the material is supposed to be unchangeable, and to be universally or every where the same: And therefore, the material being once fixed or agreed upon; all that is to be included in the idea of money, is the quantity only of that material, as in other standard measures, whether of weight or extension: And the only essential difference betwixt them, is this; that money is not only a measure, but also an equivalent, and as such passes from one to another; whilst other

D 4 measures,

\* In like manner, money is used as the measure by which goods to be delivered in different places, are valued. *Ex.* If a piece of wine was to be delivered at *London* by *A*, merchant there, to the order of *B*, vintner at *Brecknock*; and the value to be delivered in butter at *Brecknock*, by *B* to the order of *A*. The wine is not to be valued by the quantity of butter it is worth at *London*, nor the butter by the quantity of wine it is worth at *Brecknock*. The way to know what quantity of butter is equal to the wine, is, by the quantity of money, each is worth at the places where they are to be delivered: Thus, supposing as before, silver to be money; if the piece of wine be worth at *London* 20 ounces of silver, and 20 ounces of silver be worth 24 stones of butter at *Brecknock*; then 24 stones is the quantity of butter to be given there, in return for the wine.

measures, may rest indifferently in the buyer's or seller's, or a third person's hands, it matters not whose they be.

Money also differs from all commodities in this, that, as such, its value is permanent or unalterable; that is, money being the measure of the values of all other things, and that, like all other standard measures, by its quantity only; its own value is to be deemed invariable: And all contracts or engagements, are to be deemed fully discharged and satisfied, by the payment of the specific quantity or sum of money, agreed upon; without having any regard to the value of money, with respect to other things, at the different times of contracting and discharging of debts.

This is a fundamental characteristic of money, without which, it would lose its use as such; nor can money, with any propriety, be considered as being subject to vary in its value, without referring it to something else as a standard; and thereby, departing from its use as money, and making it a mere commodity.

*Of some requisite properties in the material of money.*

22. That money may continue in esteem, and preserve the public estimation, as an equi-

equivalent, and a standard measure; it is necessary that it be made of a material or commodity, which is not too common, not too cheap or bulky, not growing spontaneously, or to be found without a valuable consideration in labour or land; not very subject to be consumed with use, or to be spoiled for the want of use, nor subject to expence in keeping. For money, like other things, whatever pains may be taken to shew, or some may think to the contrary; will soon find a value, in proportion to the labour and skill, that are necessary to acquire it; or in a reciprocal proportion to its plenty. Though we reckon by money; yet labour and skill, are the main \*standards, by which, the values of all or most things are ultimately ascertained; and there will require a greater or less bulk of money, to purchase the very same thing, according as there is a greater or less quantity of money in circulation; that is, according as the material of money is cheaper or dearer, or in greater or lesser plenty.

The use of money is very general, as well as antient; and many poor states, that had scarce any arts or traffic amongst them, had  
yet

\* Art. 7.



yet a sort of money. In some parts of *Africa*, the small shells called by us *couries*, passed as money; and in some other parts of that barbarous continent, *salt*, being very scarce, and therefore much valued, was used as money: In the one place, a certain number of shells; and in the other, a certain measure or weight of salt; going to the purchase of such and such a commodity. But among trading and polite nations, such common materials or commodities, would not do for money; their money must be such as hath an intrinsic value, and thence, an universal esteem among those they traffic with.

A nation secluded from the rest of the world, might indeed, fall upon various methods of supplying the use of money: And we see that some of our plantations, make a shift without any money, properly so called; using only bits of stamped paper, of no real value. But, wherever that material, which passeth as or instead of money, hath no intrinsic value, arising from its usefulness, scarcity, and necessary expence of labour in procuring it; there, private property will be precarious; and so long as that continues to be the case, it will be next to impossible for such people, to arrive

rive at any great degree of power and splendor\*.

*Metals, the fittest materials of money.*

23. For the purpose of universal commerce, metals seem the fittest materials for a standard measure, or *money*; as *copper*, *silver*, or *gold*; they having all the properties above required: They are moreover divisible into minute parts, which parts retain nevertheless an intrinsic value, in proportion to their quantity or weight; because those parts may, without injuring the metal, be again united together into a greater mass. These metals are durable, and also susceptible

\* There is a very wide and essential difference, betwixt money and bills: The one, having an intrinsic value, is in all contracts and dealings, the equivalent, as well as the measure. Bills are nothing, but mere promises or obligations of payment: And even public bills, for such only usually pass as money, have only a local credit, being limited to the territories of the state that issued them; and depending merely upon their faith, those that are in private hands are, to say no worse, subject every day to be debased by the creation of more new bills. For bills, whilst they pass as money, partake so far of its nature, that the more, or for a greater sum, there are of them in currency, the less will be the value of any given bill, or a bill for a given sum.

Some of our plantations, have severely felt the ill effects of those weak, unjust and destructive measures, of increasing the quantities of bills; whilst the *Philadelphians*, by keeping sacredly to a certain number or sum total of bills, have not only preserved their credit amongst themselves; but even extended it, to some of the neighbouring provinces; where, I am informed, a *Philadelphian* bill will fetch more than one of their own, made for the same or a like sum.

susceptible of any form, mark, or impression; and are convertible from money or coins, into utensils of various kinds; and from these, into money again. These properties are what give money, which is generally made of one or other of the above metals, a real and intrinsic value. There is scarce room to imagine, that money, made of a material good for no other purpose, would long continue in esteem, as such; the usefulness and scarcity of the materials, are both considered in the common estimation of money.

*Base metals not fit materials of money.*

24. Again, it is requisite that that metal which is made money, or the standard measure of commerce, should be either of equal goodness every where, according to its quantity or weight; or, that there should be some certain criterion, by which might be ascertained, the true proportional value of any given mass of that metal, when compared with any other given mass of the same metal. Money cannot be a proper or exact measure of the values of other things, if its own value is questionable; for if it could be doubted, whether my ounce of money, be precisely of the same value with  
any

any other person's ounce of money; it would create such a distraction in all kinds of traffic, that would frustrate the very end and design of money.

The *base metals*, as *copper, tin, lead,* and *iron*, have none of them the above quality, or that precise certainty of value, required in money. For, although the artists employed about them, can soon find that this mass of copper, for instance, is better or worse than that other mass, at least for their particular purposes; yet, there is no method of ascertaining, to any exactness, what is their respective pureness; or what is the specific difference betwixt, or what is the true proportional value of, different masses of that metal in respect of one another. And therefore \* *copper*, is not a fit material for money: And the other base metals, are still more unfit; for the like, and other reasons, that are sufficiently obvious. Their great plenty and cheapness, is a farther objection to the making money of any of the baser metals.

III.

\* *Copper* coins with us are properly not money, but a kind of *tokens* passing by way of exchange instead of parts of the smallest pieces of silver coin; and as such, very useful in small home traffic.

III. *Fine silver and fine gold, of equal goodnes every where.*

25. Silver and gold, when pure and un-mixed with base metals, are called *fine*, or *fine silver*, and *fine gold*. And these, called the *precious* and *noble metals*, when thus pure, have every where the same characteristics, and in all respects the same qualities, so far as hath hitherto been discovered; that is, an ounce of any fine silver, is exactly of the same intrinsic worth or value, with an ounce of any other fine silver: And the same of fine gold, with respect to fine gold.

But these precious metals, are seldom found pure, till they are made so by art for particular purposes; and when they are not pure, the metal commixed with them is called *alloy*. This alloy is reckoned of no value; that is, if to an ounce of fine silver be superadded, suppose, an ounce of copper; this addition of copper, though it increases the mass to double the quantity, yet gives that mass no additional value: So that one ounce of fine silver, is of as \* great value

\* A certain proportion of copper will even depreciate the value of the silver mixed with it; if this proportion be so great, as to make the silver not fit for common purposes, without refining.

value as the two ounces of this mixed mass. And the reason of it is, because these metals cannot be again separated, either without a total loss of the copper, or without more cost than profit. In like manner, not only copper, but silver also, is an alloy to gold; and when they are commixed together, the silver is reckoned of no value, unless it be in such proportion to the gold, as to make it worth the refiner's while to separate them\*.

Silver and gold, when alloyed, are said to be of such a fineness, according to the proportion there is of fine silver or fine gold, to the whole mass. Thus, a mass of silver, containing eleven parts of pure or fine silver, and one part of alloy, is said to be  $\frac{11}{12}$  fine; or with us in *England*, eleven ounces fine; because our pound for weighing gold and silver, is subdivided into twelve ounces.

## IV.

\* For the same reason, a proportion even of gold mixed with silver, that is less than a penny weight in a pound Troy, doth not add to the value of the silver, excepting so far as it increases the mass; the gold, in this case, being reckoned only as silver, and not considered as increasing the value of that silver, with which it is mixed. And I am informed, that a penny weight of gold in a pound weight of silver, is the least proportion of gold, that will pay for refining; this being reckoned a profit only, of about one farthing *per ounce*.

IV. *Silver and gold the only proper and fit materials of money.*

26. The degrees of fineness of both silver and gold, are discoverable, by skilful assay-masters, to great exactness; and these metals, being universally of equal goodness, according to their purity, they are proper materials of money. And indeed, they have manifestly a peculiar fitness for that purpose, above any other material hitherto known; and accordingly, these metals only are used as such, by all the polite and trading nations of the world.

## V. Of COINS.

27. As the intrinsic qualities, or degrees of fineness of given masses of silver and gold, are not discoverable without art, trouble and expence; the expediency of coining was soon discovered. The public stamp upon coins, is a voucher and security to every one, that the coins that wear it, are of a certain fineness, and intrinsic value, according to their size or weight: And coins also, being more distributive than bullion, are, upon that account likewise, more convenient for trade, and in the common affairs of life.

*Names*

*Names of coins, and of integral sums of money, taken chiefly from weights.*

28. In antient times, the names of given sums of money, do not seem to have been properly the names of any species of coin, but of different proportions of weights: As the *talent*, *sheckle*, *mina*, *drachma*, &c. and in later times, *pound*, *mark*, &c. The mark is now disused by us; but in several of the neighbouring countries, it is still their integer for weighing metals, and is subdivided into eight ounces. And when the art of coining became established, the coins took their names from certain weights, used in the respective countries; to which weights, the coins at first exactly corresponded. The integral sums of money, were also denominated, from integral weights; as the *livre* in *France*, and the *pound* in *England* and *Scotland*; and so many of the coins as made the *sum* of one pound, or a *money* pound, made also exactly a pound in *weight*. At present, we have only the names *pound* and *penny*, that are common both to money and weights: Antiently, a *skilling* was here the name of a given weight; and 240 pennies made the *sum*, as at present, of one

E pound,

pound, and a pound weight. But now, a silver penny is only the  $\frac{1}{24}$  of a penny-weight Troy; which is a little more, than a third of what a penny weighed at the conquest.

*Of our present weights, and divisions of money.*

29. It is thought that the *livre*, or pound weight, of silver, was instituted as the *money integer*, by CHARLEMAGNE: And this he subdivided into *sols*, and *deniers*, which bore exactly the same proportion to the *pound*, as our *shillings* and *pence*, now do, to our *money pound*, or *pound sterling*. I have not met with any distinct account of the *Saxon* weights; but it is very probable, that the weight called the *pound of the Tower of London*, was the old *Saxon pound*. This pound contained  $11\frac{1}{4}$  ounces Troy; and did not very sensibly differ, from 12 ounces of the weight still used in the money affairs of *Germany*; and there known, by the name of *Colonia* weight. The *Tower weight* continued in use at the mint there, from the conquest till the 18th year of the reign of *Henry VIII*; at which time it was laid aside, and the *Troy weight* introduced in its stead. The *Saxon* or *Tower pound weight*, was divided,

vided, as our *money pound* now is, into *shillings*, *pennies* and *farthings*; and it seems very probable that antiently, the weights answering to these names and subdivisions, were those in common use.

I was obliged to my late learned friend MARTIN FOLKES, Esq; for this account of the *Saxon* weight, &c. long before he published his curious *Table of English silver coins*, where the same is to be met with: A work which none, who are desirous of having an exact history of our coins, should be without; and from which, as a farther illustration of this subject, I beg leave to make the \* following extract.

The

\* Page 1, 2. The Troy weight, *Pondus Trecentale*, from *Troyes* in *Champagne*, is generally supposed to have been introduced here by the *Normans*; but does not seem to have been immediately established. It is most probable that the pound of the *Tower*, or the *monyers pound*, was also the pound in common use before the conquest; and that it continued to be so for a considerable time after, till the Troy pound, perhaps from its greater weight, got the preference by degrees. It is observable, that in the old statute called *Assisa panis & cerevisiæ*, 51 Hen. III. and which it self refers to "older ordinances made in the time of the king's progenitors," the weights of the several quantities of bread, &c. therein mentioned, are not expressed in Troy but in money weights, that is, in pounds, shillings, pennies, and farthings. "When a quarter of wheat is sold for xii d. then waftel breade of a ferthing shall weigh vi li. and xvii s. Breade cocket of a ferthing of the same corne and bultel, shall weigh more than waftel by iii s. Cocket breade made of corne that is of less price, shall weigh more than waftel by vs. A fimmel of a ferthing shall weigh ii s. less than waftel, &c."

*That coins in all or most countries have, at different times, been debased; but the same denominations still continued.*

30. The antient denominations given to money, in the several countries, have been still continued; but the coins which made up the sums so denominated, have been since, at different times, greatly debased or diminished in their value\*. And now coins, are

Our learned author goes on, and brings several more authorities to shew, that the money or *Tower* weights, known also in *France*, were those antiently used in *England*. But I shall trespass no farther upon him here, than in adding the following extract of a *verdict* relating to the coinage of 30th Octob. 18 Hen. VIII, remaining in the Receipt of the Exchequer at *Westminster*, in which are the following words. "And whereas heretofore the merchaunte paid for coynage of every pounce *Towre* of fyne gold, weighing xi oz. quarter Troye, ii s. vi d. Nowe it is determyned by the king's highness, and his said counsell, that the foresaid pounce *Towre*, shall be no more used and occupied, but al maner of golde and sylver shall be wayed by the pounce Troye, which exceedith the pounce *Towre* in weight iii quarters of the oz."

The above citation shews the precise time when the *Tower* or old *Saxon* weight, was laid aside, viz. 30th Octob. 1527; and that the proportion of the *Tower* pound to the Troy pound, was exactly as 15 to 16.

\* Our money pound is at present only  $\frac{10}{12 \cdot 5827}$ , or about one-third, of what it was at the conquest; for then it contained  $11\frac{1}{2}$  ounces of our present Troy weight, and now it is  $\frac{3}{2}$  of a Troy pound. By this rule, the readers of Mr. *Lowndes* and of some other authors, may correct the accounts which he gives of our coins. At the accession of King *James I.* to this throne, the *Scotch* money pound was but equal to the  $\frac{1}{2}$  of ours; and the *French* *livre* is at present, only about half the value of the *Scotch* pound.

are so far from being serviceable as weights, which they once were; that, with us, as well as in the neighbouring countries, the weight of each piece is not readily known; being very different, from any of the weights in common use.

The original standards of coins, having been once impaired; and the same names still remaining, after the substance had been diminished, people did not know where to stop; and they seem to have thought, that coins had their value, some how, from the stamp they bore. And hence, for no better reason can be assigned, sprang those \* adulterations of the coins, and the distractions and complaints consequent thereupon, that are to be met with in the histories of most countries.

#### VI. Standard of monies.

31. Coins being so very convenient, they only, are commonly considered and used, as money; whilst *bullion*, or gold and silver unwrought and unstamped, are reckoned mere commodities. And in all countries, there is established a certain *standard*, both

E 3 as

\* The *English*, to their great honour, have adulterated their coins less than most of their neighbours. A summary account of these adulterations with us, will be given hereafter.

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as to fineness and weight, of the several species of their coins. In *England*, the silver monies are to contain 111 parts of fine silver, and 9 parts alloy; and 62 of those coins called shillings, are to weigh a pound Troy: That is, the pound Troy with us, contains 11 ounces 2 penny-weights of fine silver, and 18 penny-weights of alloy; and of a pound Troy of this standard silver, our money pound called the *pound \* sterling*, contains  $\frac{20}{100}$  parts; or the pound sterling is  $= \frac{20}{100}$  of  $\frac{111}{120}$  of a pound Troy of fine silver. And this standard hath continued with us invariably, ever since the 43d year of the reign of *Queen Elizabeth*.

The standard of our present gold coins, is 11 parts of fine gold, and 1 part of alloy; and 44½ guineas are cut out of a pound Troy; so that a guinea is  $= \frac{1}{44\frac{1}{2}}$  of 11 ounces of fine gold. The fineness of gold is not with us, reckoned by the common weights, but by imaginary ones, called † *carats*: The highest degree of fineness, or pure

\* The silver monies of *England*, are now known by the name of *sterling* or *sterling money*: A name supposed to be derived from some *Netherlanders*, who were formerly here employed in coining money, and then called here *Easterlings*.

† Mr. *Roberts*, in his *map of-commerce*, page 24, 199, takes notice, that at *Venice* they have a real weight called *carat*; whence we had the name *carat*, and also the weight

What they denominated Carats are  $\frac{1}{24}$  of a lb. or 20 grains of weight - by the same amount Vol. 1. P. 25.

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pure gold, is called 24 carats; so that our standard is 22 carats of fine gold, and 2 carats of alloy. The carats are subdivided into 4 parts called *grains*, and these again into quarters; so that a *carat grain*, with respect to the common divisions of a pound Troy, is equivalent to  $2\frac{1}{2}$  penny-weights.

*The standard of money farther explained.*

32. It is carefully to be remembered, that by the *standard of money*, is always meant, the quantity of pure or fine metal contained in a given sum; and not merely the degree of purity or fineness of that metal; but the fineness and gross weight are both included. Thus, the standard of a pound sterling, is 3 oz. 11 dwt.  $14\frac{2}{3}$  grains Troy of fine silver; which is equal to 3 oz. 17 dwt.  $10\frac{2}{3}$  gr. of silver 11 oz. 2 dwt. fine, which is our standard of fineness. The standard of a shilling, is  $73\frac{2}{3}$  grains Troy of fine silver, or  $80\frac{2}{3}$  grains of silver  $\frac{11}{12}$  fine.

E 4 The

so called by jewellers; and that the *Venetians* had this weight from the *Indians* or *Moors*. This author says, that 150 *Venetian* carats, make one ounce Troy; so that one carat is equal to  $3\frac{1}{2}$  grains Troy, which is nearly the weight of the carat used by our jewellers. The late learned and curious *MARTIN FOLKES*, Esq; found by a nice examination when he was at *Venice*, that a *Venetian* carat doth weigh as above, or that 150 of those carats do make pretty exactly one ounce Troy.

The standard of our money, strictly speaking, remains the same, so long as there is the same quantity of pure silver in the respective coins having the old or given denominations; though the coins may be varied, by making them, either of finer silver and lighter, or of coarser silver and heavier. But such deviations from the old method of coining, would be imprudent; as it might create suspicion of some unfair dealings, and would answer no good purpose. On the other hand, the standard may be debased or lowered, either by coining the several species lighter, but of the old fineness; or by retaining the old weights, and making them of coarser silver; or without altering the respective coins, by making a smaller number of them go to the *pound sterling*, which is our *Unit* or money standard. And by debasing the standard, I every where mean, the lessening of the quantity of pure silver in the pound sterling, or in the respective specie which by law is ordained to make up that sum; without regarding the particular manner, in or by which, this may be done.

*Why*

*Why coins and plate have alloy.*

33. As the alloy mixed with silver and gold, is reckoned of no value; it may be asked, why any alloy is put into coins, and plate? The reasons are these: 1. It is seldom or ever, that silver or gold, are found pure in the mines; and the trouble of refining to make them so, would be very great and expensive: And 2. a certain proportion of alloy, renders these metals harder, and fitter for the uses, to which they are commonly applied. The standard of about  $\frac{11}{12}$  fine, is very convenient: For, if it be much coarser, both silver and gold will lose of their colour, beauty, and ductility; and if the standard be much finer; those metals will be too soft for many purposes, and a great expence of refining will be unavoidable.

VII. *There can be but one standard of money.*

34. Hitherto, we have considered both silver and gold, as being either of them a fit material to be made, or used as money. But, although there may be good reasons for coining each of them; yet it is very certain, that one only of these metals can be the  
*money,*



*money, or standard measure of commerce, in any country. For the standard measure must be invariable, and keep the same proportion of value, in all its parts: Such is silver with respect to silver, and gold to gold; that is, an ounce of silver is always worth just an ounce of silver; and two ounces of the one or the other of these metals, is just double the value of one ounce of the same. But silver and gold, with respect to one another, are, like other commodities, variable in their value; according as the plenty of either, may be increased or diminished; and an ounce of gold that is worth a given quantity of silver to-day, may be worth more or less silver, a while hence. And therefore it is impossible, that both these metals, can be a standard measure of the values of other things, at the same time; and one of them must be a mere commodity, with respect to the other.*

*Silver the money or standard measure of the greatest part, if not of all Europe.*

35. Silver coin is, and time immemorial hath been, the money of account of the greatest part of the world; and in all countries where it is so, *silver* is truly the *standard*

*measure of commerce; and all other metals, gold as well as lead, are but commodities rateable by silver.*

*In England, accounts are kept or reckoned by the pound sterling; which, as hath been before observed, is a certain quantity of fine silver appointed by law for a standard. It is according to this standard, that the public revenues are established; lands are let; salaries, stipends, and wages settled; and universally, all sorts of contracts both public and private, are made and governed by this standard. And altho' it be supposed, that with us, more payments, or of greater value, are made in gold than in silver coins; yet that doth not alter the standard, whilst the accounts are kept in silver; so long, in all our internal dealings at least, the gold can be only a commodity, supposed to be worth so much silver as it passeth for\*: And the case would be the same, although our silver coins should grow yet scarcer.*

*VIII. Silver the fittest material, hitherto known, for money.*

36. All nations having, for so many ages, made use of silver for the standard measure of

\* This whole matter relating to the standard of our money, shall be farther discussed hereafter.

of the values of other things; that alone, seems to be a sufficient reason for continuing the same standard; and the altering it now, from silver to gold, was the thing it self practicable, would beget great perplexities in all kinds of dealings and accompts. But farther, silver being of a more moderate value than gold, is, \* for that reason, better suited for the purpose of money. For the integer and its several parts, should bear an exact and due proportion of value to each other; and this would be impossible, if they were made of different materials. There must be coins of about the values of shillings, and six-pences; and it would be better, if we had some that were still smaller: Those sorts of coins are the most frequently wanted; and there is no doing without them, or some substitutes in their stead. But these substitutes, being made of a different material from the standard money, are not themselves to be reckoned money; for the using such, would be a deviation from the true use and intent of money;

\* It is also for the same reason, better suited for the making of various sorts of utensils; and money, as hath been before observed, is intrinsically valuable, because, by melting, the material is convertible into something useful. And it may be questioned, whether coins had preserved their value, and been continued as money, if silver and gold had not been applicable to other purposes.

ney; and would subject the people where they passed, to losses and perplexities. A coin of a shilling, or even of half a crown value, would be too small in gold; and therefore at present, gold is much too valuable for a standard of money. And it would be a ridiculous and vain attempt, to make a standard integer of gold, whose parts should be silver; or to make a motly standard, part gold and part silver. These different materials could not long agree in value; and silver being the most common and useful coin, would soon regain its antient place of a *standard measurer*.

Silver, I think, is less subject to variation in its value, than gold. For silver having been distributed in great quantities over all *Europe*, as well in coin as in plate of various sorts; a sudden influx, or efflux of it, by a quicker or slower production of the mines, doth not so soon affect the whole mass. The wages of day-labour, being also usually paid in silver, may be another great reason, of a more even and permanent value of this metal. But without laying much stress, upon the greater variations in the value of gold; which perhaps may be also partly owing, to its being every where in the eyes of the laws a mere commodity;

modity; I think, it is sufficiently evident that silver at present, is a much fitter standard to measure with, than gold.

*Silver a fit standard, though its plenty varies.*

37. It may be here objected, that as the value of silver, like all other commodities, must needs be variable, according as the plenty of it is increased or diminished; silver cannot be a \* fixed standard, like that of mere extension as a yard or a bushel, for mea-

\* Mr. LOCKE well observes, that that grain which is the most constant and general food of any country, as *wheat* in *England*, and *rice* in *Turkey*, is the most likely thing to keep the same proportion to its vent for a long course of time; and therefore the fittest thing to reserve a rent in, which is designed to be constantly the same in all future ages; and the fittest measure whereby to judge of the altered values of things in any long tract of time. For in *England*, and in this part of the world, wheat being the constant and most general food, not altering with the fashion, not growing by chance; but as the farmers sow more or less of it, which they endeavour to proportion, as near as can be guessed, to the consumption; it must needs fall out that it keeps the nearest proportion to its consumption, (which is more studied and designed in this than other commodities) of any thing, if you take it for seven or twenty years together: Though perhaps the plenty or scarcity of one year, caused by the accidents of the season, may very much vary it from the immediately precedent or following. But wheat, or any other grain, cannot serve instead of money; because of its bulkiness, and too quick change of its quantity. For had I a bond to pay me 100 bushels of wheat next year, it might be a fourth part loss or gain to me; too great an inequality, to be ventured in trade: Besides the different goodness of several parcels of wheat in the same year. But money is the best measure of the altered value of things in a few years; because its vent is the same, and its quantity alters but slowly. *Locke's works, vol. II. p. 23, 24.*

measuring the values of other things. It probably cannot; and perhaps silver is now quantity for quantity, of three or four times less value, than it was two or three centuries ago. But yet, silver being durable, well known, esteemed, distributed in considerable quantities over all *Europe*; and its growth, plenty, goodness or intrinsic qualities, not immediately depending upon seasons of weather and other casualties; the alteration of its value hath been, for the most part, gradual; and is not likely hereafter to be very considerable of a sudden, though it may in a long course of time. And therefore, silver, is as good a standard measure or money, as the present state of things will admit of; and very fit and useful to be continued as such.

We are at present but little concerned, with what might be the value of silver in former times; and as little, with what may be its value hereafter. The prices of things will naturally conform to the standard, whilst the alterations in it are slow and gradual, and not forced. But, from the nature of things, the proportion of money to goods, is ever subject to some variations; and all that can be done, to prevent the inconveniencies that might thence arise, is to limit contracts within a moderate term of years:

For,

For, in contracts, quantity only is to be considered; and no regard can be had to the future value of money, without deviating entirely from its use as such, and rendering all contracts uncertain.

IX. *Gold coins should pass as money.*

38. Although silver is the only standard measure of all our contracts; yet gold having every other quality fitting it for money, excepting its being too dear; it may be very fit and useful to coin gold, to ascertain its fineness; and to let these coins pass in lieu of money, at some \* given rate: For gold coins are very convenient, in large payments. But it should not be said or understood, that a *guinea*, for instance, should be always an equivalent for the same quantity of silver. For as gold, like other commodities, must be ever subject to alter in its value, with respect to silver; the price of this dazzling metal can be no otherwise settled, than

\* As there can be but one standard of money, and silver is and ought to be that standard; Mr. *Locke* was, and others are, of the opinion, that gold coins should be left to find their own value, without having any established legal rates. But this is a matter, I think, of too much importance to be entrusted to private judgment; and, if left at large, might subject the nation in general to great impositions, by a combination of the traders in coins. But of this subject, and also of copper coins, more hereafter.

than *pro tempore*. And in all contracts, the price of gold at the time of payment is only to be considered; and not what price it might bear, at the times when the contracts were made.

X. *Of TOKENS, or base coins.*

39. Although silver, bulk for bulk, is now about 26 times cheaper than gold; yet silver is too dear to be coined into specie of the lowest denominations of our money. A silver penny is too small for common use; and yet pence, and their halves, and quarters, enter daily into accounts. To supply the want of very small silver coins, a kind of TOKENS or substitutes have been instituted; these, are now with us, all made of copper, and of two species only, called *half-pence*, and *farthings*; and these are a legal tender in all sums below six-pence, which now is our smallest current silver coin.

The use of copper coins should be strictly confined within the above limit; and therein they are very convenient: But these base coins should never be thrust upon the public in too great abundance; or be made to pass for more than the value of the copper, and the necessary expence of workmanship; otherwise, they will be counterfeited,

feited, notwithstanding any laws to the contrary. And to lessen the call for copper coins, it were to be wished that we had in common currency, either silver three-pences, or silver groats, and two-pences.

XI. *Money finds its own value, according to the whole quantity of it in circulation.*

40. The quantities of all commodities are proportioned, as near as may be, according to the demand or vent for them; and their ultimate prices include the prime cost, and the profits taken by the several dealers, thro' whose hands they pass: If the quantity of any commodity exceeds, or falls short of that proportion, its price will fall or rise accordingly; and sometimes, a change of fashion, or humour, may reduce the price of a particular commodity, almost to nothing. The prices of things in general are proportioned sufficiently near, according to the above rule; or, according to their prime cost to the manufacturer, and the progress they make from him to the consumer. But some things, as above observed, are subject to be reduced by caprice much below this standard; whilst others are raised much above it, by the arts and avarice of monopolizers. And although the silver and gold

gold mines, are in few hands; yet, perhaps, there is nothing whose value is so little in the power of men to regulate, or that keeps so even a pace with the quantity sent to the great market of the world, as bullion. For,

Money, exchanging universally for all commodities, the demand for it is without any limits; it is every where coveted, and never out of fashion: And therefore, on the one side, the whole quantity of money, cannot exceed the whole demand; and on the other side, the whole demand must not exceed, or it must rest satisfied with, the whole quantity. For money, is not like food, cloaths, and other things, that must be proportioned to our bodies.

Therefore, as soon as money becomes properly diffused throughout any community; the value of the sum total of it in circulation, will be equal to the whole quantity of commodities in traffic, in that country: For so much money and goods as lie dormant, or are out of currency and traffic, fall not within the present consideration\*. And so far as gold and silver, make the

\* There is always a great part of the property of mankind, lying dormant, or out of traffic: But as things are continually shifting, and those commodities, and those sums of money, which are out of trade to-day, may be in trade to-

the money of the world; so far, the whole quantity of these metals in circulation, may be said to be equal in value to all the commodities of the world, exchangeable by them: And as the total of the one, is to the total of the other; so will any given part of the one, be to a like part or proportion of the other.

And hence, the value of a given quantity or sum of money, in any country, will be less or more, according as the sum total, or the whole quantity of money in currency, is greater or less, in proportion to the whole of the commodities of that country, exchangeable for money: Or, *the value of a given sum of money will be always, pretty exactly, in a reciprocal proportion to the sum total, or the whole quantity in circulation*; that is, the more money there is in currency, the less will be the value of a given sum in proportion to other things; and *vice versa*. Hence again, it naturally follows, that, *if, in any country, the whole quantity of money in circulation, be either increased, or diminished; the value of a given sum will be accordingly lessened or increased\**;

*The whole quantity of money in circulation, is clearly not equal to the whole quantity of commodities in traffic. For if A gives B a sum of money, it is not immediately put into his hands, but he is obliged to give it to some other person, who is obliged to give it to some other person, &c. &c. till it comes to the hands of the person who is to receive it. But the circulation of a given sum of money would be equal to the value of commodities in traffic, if no barter took place, nor money at all.*

and to-morrow; the prices of things always fundamentally depend upon the above rule; that is, on the proportion of the total of things to the total of money.

\* Thus, if in any country, a given sum *A* be the hundredth part of the total money of that country: If that sum

*and that in proportion, as the said sum becomes thereby, a lesser or a greater part, of the whole stock in currency.*

The above \* proposition, is a very fundamental one as to the property of money; and the doctrine it contains is undoubtedly proved, as far as the nature of the thing will admit of, by universal experience: Nor is there room for any doubt to remain, when it is considered that money, by its very institution, is an exchange for all commodities; and applicable, as money, to no other purpose whatsoever. Money being universally diffused, no one hath the power to command the market, or to settle the prices of things; and every one being desirous to have his share of things, according to his income; all the money, in the long run, will be brought into the great market of the world; and its value, or the prices of things, will naturally be adjusted, notwithstanding any efforts to the contrary, according to the proportions above explained.

F 3 By

sum total be doubled, the value of the sum *A* will be thereby reduced to one half, as being now but a two hundredth part of the whole; and had the sum total been reduced to a half, the value of *A* would have been doubled.

\* From this proposition, all the following ones in this chapter, naturally flow as corollaries; but on the account of their importance, they are treated and illustrated severally.

*It is the constant circulation of money, from person to person, which constitutes the medium of exchange. The Bank of the country is the medium of circulation in the same manner, and whilst it keeps safe it is in effect the same.*

When it is received in payment. We therefore  
 strictly speaking want no more gold & silver  
 in circulation than will be requisite to such  
 part of the requisite money as is wanted to supply  
 by David Hume 70

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as Foreign Trade  
 Smith's Theory  
 40

By way of farther illustration of this  
 subject: Let us suppose that in a certain dis-  
 trict, there is ordinarily consumed a thou-  
 sand bushels of corn a week; and that,  
 (after their money is duly proportioned for  
 the purchasing of all other necessaries, ac-  
 cording to the ways of living of the inha-  
 bitants,) the weekly allotment for the pur-  
 chase of corn, is a thousand ounces of mon-  
 ey: The price of a bushel of corn, at an  
 average of the several markets within this  
 district, will be an ounce of money. Let  
 us suppose again, that within the said dis-  
 trict, the ordinary \* consumption of a la-  
 bouring man, or rather of a poor family,  
 is about the value of a bushel of corn a  
 week; part of which is expended in bread,  
 part in other food, and the remainder is  
 reserved for the purchase of cloaths, fuel,  
 for the payment of rent, &c. Here then,  
 the price of labour will be at the rate of  
 about an ounce of money per week; the  
 lowest kind of labourers having a little less,  
 and the common artificers a little more,  
 than

It is however  
 Money not  
 circulation  
 that produces  
 riches & luxury  
 and if labour  
 is increased  
 funds to the  
 man of state  
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 possibly be the  
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 But whether  
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 an depreciate  
 the Bank note  
 gold coin  
 also in  
 you depreciate  
 or depreciate  
 the value of  
 or depreciate  
 in the same  
 to a greater  
 degree

\* The way of living of the lower class of people, will  
 be naturally best and most comfortable, in the happy re-  
 gions of liberty; where property is duly diffused; where  
 there is a gradual and an easy transition from rank to rank;  
 without that ghastly and fearful void between peers and  
 peasants, betwixt tyrants and slaves, which is ever the ban-  
 eful fruit of arbitrary governments.

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than in the said proportion. And hence,  
 labour becomes naturally settled, in a cer-  
 tain proportion to the whole stock of mon-  
 ey in circulation; and this price again be-  
 comes, as hath been before observed, a nat-  
 ural standard of the values or prices of  
 most commodities.

XII. Laws cannot regulate or alter the value  
 of money.

41. Silver being made money, and there-  
 by becoming, as it were, a commodity uni-  
 versally coveted; wherein every one deals,  
 and to which every one hath a right, ac-  
 cording to his respective share of property:  
 No set of men have it in their power to  
 settle, alter, or in any wise regulate the va-  
 lue of money; nor can laws do any thing  
 in the case, otherwise than as by their in-  
 fluence, they may increase or diminish, the  
 whole quantity in circulation; and so affect  
 the value of a given sum, or the prices of  
 things.

The prices of particular commodities are  
 every day subject to change, from natural  
 causes; and the same may be brought about,  
 by artificial means. But to alter the value  
 of money, would be to alter uniformly and  
 universally, the prices of all commodities;

F 4

But if all these were evened the  
 value of the money would be  
 the same as before. But if  
 the value of the money were  
 altered, the prices of all  
 commodities would be  
 altered in the same  
 proportion.

a thing manifestly out of the reach of laws, and no other way to be accomplished, than by altering the proportion between the sum total of the one, and the sum total of the other; and this, perhaps, is continually done, though gradually and insensibly, by the common course of things.

It is the business of laws to establish rules for coining; that is, to fix a standard, both as to weight and fineness, for coins having certain denominations; and a standard being fixed, it would be difficult to shew, why it should be afterwards deviated from. For, do what you can; coins, as soon as they are out of the mint, are quite free throughout their whole progress, to find their own value, according to the quantity of pure metal they contain; that is, to purchase as much of any thing, as the market-price will allow. And it seems quite a paradoxism to say, which yet I have often heard said, that in any country, money is either too cheap or too dear; or, that its value is in any wise subject to legal restraints or regulations, otherwise than as such regulations might affect the quantity of the whole stock in currency.

*Value*

*Value of bullion not according to the prime cost at the mines.*

42. The value of bullion doth not, like most other things, keep pace with the prime cost, at the mines. If the mines continue working, so that the quantity of bullion is increased beyond the consumption; altho' the expence to the proprietor of the mine continues the same, or even be increased; yet, if the additional quantity of bullion be thrown as money into circulation, and is not hoarded, or worked up into plate, &c. the value of a given part of this bullion will be diminished; and that in proportion, as it is now a less part of the whole, than it was of the old stock in circulation. The owner of the mine, must either take less profit, or proportion his works more adequately to the consumption of his products.

An increase of any commodity beyond the consumption, will, after the same manner, depreciate the value of a given part; but perhaps in no case so uniformly, as in that of bullion or money.

As the profits from the *American* mines, have, more than probably, been continually decreasing, ever since the time of their first discovery; it may be wondered, that they



they have held out so long to yield profit sufficient to tempt the owners to work them. This is to be accounted for, by supposing, what is very natural to suppose, that at first, the profits of these mines, were exorbitantly great: Suppose that the first cargo of bullion, brought from thence into *Europe*, yielded a profit of 100 to 1: If this cargo was sufficient to double the quantity of bullion before in *Europe*, the profits of the next would be reduced to one half, or as 50 to 1; and so on, the value of a given part would be decreased, as the sum total was increased.

But as the navigation to the *East-Indies*, was discovered much about the same time, and a vent was found there for a considerable quantity of bullion; this hath prevented its value from decreasing, in the proportion that the quantity brought into *Europe* hath increased; and sufficient profits may yet arise from those mines, for a considerable time to come. But, although we should suppose those mines to be inexhaustible; yet, if no new vent be found for their products, they must in time be left to rest; that is, as soon as they cease to yield a profit.

XIII. *Money alters its value by slow degrees.*

43. It is very manifest, that many commodities are subject to considerable variations in their prices, from natural causes; as dearth, plenty, &c. and the prices of others, may be enhanced or debased by artificial methods; by taxing them, or by a change of fashion, &c. But money being universally coveted, and its vent in no wise depending upon fashion; its value, in respect of other things, will be, as before observed, in proportion to the whole quantities of the one and the other in the market; that is, in a reciprocal proportion to the whole quantity of money in circulation. If one commodity be cried down, another will arise in its stead; and people will, according to their means, part with their money for such things, and in such proportion too, as they like best, notwithstanding any laws to the contrary. Buyers and sellers must be left free to make their own bargains; and there are natural causes that regulate the market.

But money is less subject to a sudden rise or fall of its value, than other commodities, and is therefore so far the safest treasure

sure for hoarding; because its value is greatly affected by settled establishments of revenues, rents, stipends, &c. and it must have time also to penetrate throughout the whole community. Yet nevertheless, an increase or decrease of money will operate as surely, though by slower and more insensible degrees, as an increase or decrease of any commodity.

*Why the effect of an increase of money, is not more sensibly felt.*

44. As there hath been a great quantity of bullion annually imported from *America*, besides what is furnished by the *European* mines; it may be reasonably concluded, that the quantity of money in *Europe*, hath been increasing for many years; and the present prices of things in general, compared with what they bore a good while ago, very manifestly shews that it hath increased. But if we take a short space, as a year or two, the effects of the increase of money in that time, are not usually perceptible; because the superadded quantity, though in its self a large sum, may yet bear but a small proportion to the whole stock, real or imaginary, in circulation; and it may be in a manner dissipated, before it hath reached to all

forts of commodities. Yet, if there be no obstructions, the effects of an increase or decrease of money, will in time reach to the remotest parts; though, by reason of their slowness or smallness, those effects may not be sensible.

The natural and frequent alterations in the prices of many commodities, arising from their greater plenty or scarcity, in proportion to the demand for them; take off our attention from the share that belongs to money, and render the effects of an increase or decrease of its quantity, the less conspicuous. But yet these effects, in the long run, will not be the less certain: And we may safely repeat here, what hath been before advanced, *viz.*

*Any given sum or quantity of money, will have its value in a certain proportion, as it is a part of the whole stock or quantity in currency; and any increase or diminution of the whole, will in proportion, lessen or increase the value of any given sum.*

*Why the prices of commodities, have not rose in proportion to the increase of money.*

45. It is next to impossible to ascertain, to any exactness, the proportion between what is the present cash of *Europe*, and what

what it was two or three centuries ago; for one of the *Indies*, drains away a great part of the superfluous bullion of the other. Nor will the price of any particular commodity, or of even labour it self, which is perhaps the best standard of all, enable us to make a true estimate. For, the improvements of arts, lessen the values or prices of particular commodities; and the improvements of husbandry, in particular, lessen the prices of corn and cattle; and thence again, the price of labour will be lessened.

From all these considerations, it is natural to suppose that the quantities of goods in *Europe*, have increased, since the discovery of the *Indies*; far beyond the people; and therefore, the value of any given commodity hath lessened, in proportion as the sum total or whole stock of commodities hath been increased. And if all the above circumstances could be accurately ballanced; I make no doubt but it would be found, that the prices of things are agreeable to the rule before laid down; that is, the *value* of any particular commodity, will bear nearly the same proportion to the sum total of commodities, disposed of within a given term; as the said *value* bears to the sum total of money, circulating within that term.

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The totals on both sides, being always equal, or nearly equal, in value; so that either can purchase the other.

But, without considering the increase of commodities; there may be another cause of preventing the value of money from decreasing, in the same proportion that the quantity of bullion brought to *Europe* is increased. If the annual consumption of bullion in *Europe*, both by the *East-India* trade, and by the conversion of it into plate, be equal to what the *American* mines annually supply; the value of money taken abstractedly, or without referring it to commodities, will remain invariable: But if the said consumption be less, or more, than the said produce of the mines; the whole quantity of money will be accordingly increased, or diminished; and the value of a given part or sum, will be lessened, or increased, in that proportion.

It is the real quantity of coins, or of their substitutes, that affects the value of money. And this, together with the improvements of arts and increase of commodities; is the reason, why things in general have not raised in their prices, in proportion to the supposed increase of bullion in *Europe*, during the last 200 years.

XIV.

XIV. *A nation having no foreign commerce, will not stand in need of any specific quantity of money.*

46. In a country having no foreign commerce, any quantity of money will, in a manner, be sufficient for all purposes; and any increase or diminution of the original stock, if it be but gradual and slow, will scarce be attended with any consequences of moment. This, although to many it may seem a paradox, yet clearly follows from what hath been already shewed. But as a farther illustration of this subject:

Let us suppose that many ages ago, a certain nation consisted of half a million of people, and that they had in the whole a million of pounds sterling; and that afterwards the mines or the mint were no farther worked, than to keep the money exactly to the same or the original quantity of a million. We may suppose also, that a regular government, and all the necessary arts, were established amongst them; and likewise that all the money was distributed betwixt them, in due proportion according to their several ranks; so that the hire of a labourer, we will suppose, was ten-pence

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a day. By degrees, they increase in number one tenth; and with the people, all sorts of commodities, naturally increase in proportion: But the whole quantity of money remaining the same, its value increased also one tenth; and nine-pence now going as far as ten-pence would before, the wages of a day-labourer is reduced one penny: But this he doth not feel the want of; and he hath as much plenty of all sorts of necessaries now, as he had formerly.

In process of time, and that before they had any foreign commerce, the people are increased to five millions; and the price of labour, which at first was ten-pence, is now reduced to a penny a day. All this while, there were no complaints of the want of money, though every one's share came to but a tenth part of what his ancestors possessed. On the contrary, by the improvements of the arts they had set out with, and the inventions of many new ones; all ranks of people lived more comfortably, with more ease and affluence than their forefathers had done.

By these improvements of the arts, the whole stock of commodities was increased beyond the increase of the people; and each particular commodity bore less than

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a tenth part of its antient price : More people in proportion could be spared from labour, for particular services and professions ; for in many of the arts, one man could perform now, more than two men could formerly. With the increase of the people, the taxes on each individual grew naturally lighter ; and yet the government grew daily more powerful and splendid : Altho' rents and all other things, sunk in their nominal values ; yet a greater affluence and splendor of living, was every where to be seen. So true it is, that numbers of industrious people, and not money, is what enriches a country.

Had the money increased with the people, that would have made no manner of difference in the values of things with respect to one another ; nor would it have been very material, if the original stock of money had decreased upon their hands ; the only difference which that would have created, would have been in the nominal prices of things with respect to money. Had the money increased faster than the people, suppose 24 times ; the price of labour would have become then 20 shillings a day, and yet the workman would have been no ways benefited by that greatness of wages.

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The case above supposed of the quantity of money remaining invariable, whilst the people increased, is the very same in effect, as if we had supposed the number of people to have continued the same, whilst the original stock of money had continually decreased.

*XV. Any sudden fluctuation of money, would be pernicious.*

47. Money as such, though very useful and necessary in all sorts of traffic, yet scarce falls within the idea of riches \*. Money in its very institution, is professedly of no use, but to measure the value of, and as an exchange for, things that are useful : It is so much coveted, not for its own sake, but for what it will bring ; and it is very manifest, that in a regular and well-established community, a greater or less stock of money doth scarce at all affect its wealth and prosperity †. The greatest effect of money is in its fluctuation, and this if it be sudden will be generally pernicious in its consequences.

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\* Money is here considered in the abstract ; but as it is reducible into bullion, plate, &c. in that sense it is wealth like other commodities.

† This hath been shewed in the preceding, as to a nation having no foreign commerce ; how far such a commerce alters the case, will be considered a little farther on.

If money be a flowing in, some branches of trade will be enlivened, and in reality great numbers of individuals will grow richer; as what they pay in taxes, rents, and for \* natural products, will be less or of less value than before; till you come to the lowest class, who, though their wages are raised, will yet find little or no advantage by this torrent of money. On the other hand, the government will grow weaker, the nobility, and in general all who live upon estates and established stipends, will become poorer; till by an increase of taxes, advancement of rents, &c. things can be re-established. But before this can be accomplished, many and great alterations will naturally happen: The government being thus weakened and distressed, disorders will inevitably arise; as peace and good order cannot be preserved, unless the strength of the government bears a due proportion to that of the governed: The nobility must change their fashion of life, and abate of their antient splendor; new debts will be contracted, increased, lands mortgaged; and before

\* It will be some time before this supposed additional money can penetrate through all the branches of trade, and whilst some traders have exorbitant gains, others will grow poorer, because of their additional expence in many articles; however by degrees all dealers will help themselves, and grow rich at the expence of those who are mere consumers.

before the antient owners have a right understanding of the cause of their distresses, many must part with their estates, and give place to new comers.

And this is a natural consequence of a sudden flux of money; \* the enriching of one part of the community, at the expence of the other; a change of manners amongst all ranks, some perhaps for the better, and some for the worse; until, this tide having spent itself, things are again resettled, tho' perhaps in quite a new form.

On the other hand, if the tide of money is a running out; during this ebb, trade will stagnate, some merchants and shopkeepers will break, some manufactures will be laid aside, many hands will be unemployed, and murmurs and complaints will be heard among all sorts of people concerned in trade. These distresses will continue, till by an abatement of taxes, lowering of rents, of wages, of stipends, &c. a due equilibrium among the different ranks of people is again restored; and then, altho'

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\* How far this may have been the case of some particular country, I do not here consider. But I think it is manifest enough, that an overflow of money in one place, may be the cause of poverty and distresses in another; and that a government may be declining, whilst duties and customs are increasing.

a great part of the money is gone, riches, plenty, and good order, will again abound.

Thus it is manifest, that a sudden fluctuation of money, would be pernicious whilst it lasted, and for some time afterwards\*; and that whether the tide be flowing in or going out. But whilst it glides and circulates smoothly and freely, in its natural course and channels, money is not only a harmless but a beneficial thing; it cherishes and invigorates the whole community, and this equally, whether the stream be large or slender.

XVI. *Ballance of trade, what.*

48. The ultimate ballance of trade is reckoned in money; and it is by this scale that the profits of trade are usually computed. But as money in it self is of no farther use, but merely as a kind of instrument for the circulation of products or commodities; a very beneficial commerce may be carried on between different nations, without any of them having any money to receive at the close of their accounts. Not only the mariners navigating the ships, but  
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\* The effects of the imaginary increase of money in the year 1720, and of the real increase of fictitious money at different periods since, do greatly illustrate and corroborate what hath been here advanced.

also the whole train of artificers employed in the various branches of manufactures, bred and nourished by such a commerce, innumerable brokers, &c. gain all of them a comfortable subsistence: Each country is accommodated, with what it wanted of the products of the other; and the\* merchants on all sides increase in wealth, though at last their accounts are even as to money, or yet though one pays a ballance in money to the other.

If bullion be the sole or chief end of commerce; why are ships sent to any other ports, besides *Cadiz* and *Lisbon*? Silver and gold are in a manner, the peculiar commodities of *Spain* and *Portugal*; and in the usual phrase, these nations must pay a ballance upon their trade to all the world. And yet they, as well as the rest of the world, are gainers by trade; they obtain various necessaries and conveniences, which their bullion could not have procured them, whilst they kept it at home; and so long as they keep working the mines, so long probably they will stand in more need of

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\* That is, each merchant is a gainer, if his returns, after paying all his expences of the voyage, are worth at home more, or will purchase again a greater quantity of goods than he had exported: This overplus is the merchant's profit, without which he would no longer trade.

the aid of foreign commerce, than other nations.

A ballance paid in money, doth not necessarily infer a loss by trade: Suppose that last year, *Great Britain* paid a ballance upon the whole of its foreign trade, of a hundred thousand pounds in specie; but that the national stock of necessaries, in naval stores of various sorts, &c. were increased to double that value: By the usual reckoning, we must have lost the last year, an 100,000 *l.* by our trade; but by mine, we were gainers by it to the net value of that whole sum. But had the above supposed additional stock of foreign commodities, been in wines, brandies, fine linnens, toys, or even jewels, &c. which were to be all consumed at home, I should readily have joined in the common estimation, of our having been losers by our trade. Gold and silver are valuable commodities, because they are neither perishable, nor over bulky; and because the monies of the world are made of these metals, they retain a more even and permanent value, and are more universally coveted than other things. But the *Spaniards* are an instance, that a nation may be injured, weakened and impoverished, by an over-stock of these metals.

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However, any nation having gained upon the whole of its commerce a ballance in bullion, may be truly said to be a gainer for that time of so much as that bullion amounts to; and if it can keep that bullion as a dead stock, either by turning it into plate or by any other method, so as to prevent its getting into trade as money; it may continue to go on increasing in more bullion, which in this case will be a real increase of wealth. For as bullion hath little or no workmanship bestowed upon it, and is every where after it hath once got from the miner's hands, a kind of dead stock, applied to no use like other commodities; a nation that pays ultimately upon its trade a ballance in bullion, is a loser of so much of its dead stock; and a loser also, if its exports maintained fewer of its own inhabitants, than its imports did of those of foreign nations. Let an increased stock of bullion get out again into trade, and it will soon turn the ballance the other way.

XVII. *The quantity of money every where, will naturally find a certain level or proportion.*

49. It is a received opinion, at least with many people, that a certain specific



cific quantity of money, is necessary for the carrying on of foreign commerce; and that any nation not abounding in money, will trade to a great disadvantage with the rest of the world: Were this the case, those nations who have most money, should reap most advantage by trade; and *Spain* and *Portugal* ought to carry the prize from all the world. But if this matter be examined, ever so slightly, it will appear in a different light; and it will appear also, that no trading nation can be long in want of money, or be able to keep above a certain quantity of circulating cash, in proportion to its trade. What is hoarded and kept out of the market, either in cash, bullion, plate or furniture of any sort, is out of the present question.

Suppose that the present stock of circulating cash in *England*, was at once reduced to one half, by each person's losing a moiety of his own share. This would strike a great consternation in all, and be matter of real calamity to many; as the prices of things would not at once abate, in proportion to this great loss of money. But those distresses would not last long: The prices of all commodities, and of labour, would fall by degrees; this cheapness would give them

them a quicker vent in all foreign markets; and all sorts of manufactures would be carried on here brisker than ever; whilst at the same time, and for the same cause, the consumption of foreign commodities with us would be greatly diminished. By the cheapness of labour, *England* becoming the best market for bullion; that is, bullion fetching more labour and commodities here than in other countries, it would naturally be sent hither preferable to other things; and bullion would not cease flowing in upon us, till it became as cheap, that is, in as great plenty here, in proportion to our traffic, as in other places.

This supposed sudden loss of money would at first, as hath been before illustrated, create many disorders: By the sudden change it would cause in the proportion of property, a damp would be thrown upon manufactures, until the price of labour could be duly reduced; and the nation would be under a great disadvantage, in the purchasing of foreign commodities for ready cash. But these disadvantages would not last long; and whilst things were advancing towards their former state, it is probable that people in general, especially the lower class, who are the most numerous, would

would abound more in affluence than at any other period. Labour would be more valuable here, in proportion to commodities; because of the great demand for those commodities, in those countries where money was cheaper, and labour dearer; until at length the equilibrium of money was again restored. Had we supposed the loss of money to have been less, as only, for instance, the tenth part; the consequences thereupon, though less perceptible, would have been, upon the whole, the same in a proportionable degree.

Let us suppose our former stock of money to be now completely restored to us, and it would not be long before it returned again: If we think to increase this stock much farther, we shall be disappointed; the causes that brought it to a certain level, will prevent its rising much above that level. Where money is grown into great plenty, whatever be the causes of that overplenty; labour, and all sorts of manufactures will grow dear, too dear for foreign markets: And at the same time that the exportation of home-commodities is decreasing, that of bullion for foreign goods will be increasing; till at length the tide of the over-plenty of money hath spent its self;

self; leaving behind it perhaps, too much the marks of profusion, and disorders of various kinds.

In order to illustrate this subject, I have supposed cases that are not likely to happen; the state of things, altho' ever fluctuating, yet change by slow degrees. Riches are comparative things; and one nation's growing or declining in wealth, is to be reckoned either with respect to its former state, or the present state of its neighbours. But the question before us being solely about money, which ever way that is turned, it seems to me evident, that commerce will settle the due proportion of money every where; I mean the proportion in respect to the whole wealth and traffic of any country, and not the proportion between one country and another; for this last will be ever different and ever variable. Every one sees that an increase of his own cash would be an advantage to him, and hence money is universally coveted; but no one sees or considers, that his own peculiar advantage would cease, if every body's cash was increased in the same proportion with his own. Another hath in his eye some beneficial trade, which he could enter into if  
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he had but money\*: It is none of his business to consider, that the trade of the world is limited; that his entering into it, would not extend trade in general. It is the want of vent, and not the want of money, that limits trade; and sometimes also the want of able and skilful workmen removes trade from one province or kingdom into another.

All that hath been here advanced, is well illustrated and corroborated, by the course that manufacturies have taken in our own country. They have been first erected in parts that had but little money in common currency; that is, in places where labour, provisions, and all the necessaries of life were cheap: By degrees they enriched those provinces, till at length provisions of all sorts, and consequently labour, became very dear; too dear to sustain, or to be sustained by those manufacturies any longer. This naturally carried them to other places, where

money  
\* The common trite saying, "that if a merchant had a larger stock, he could afford to sell cheaper," answers it self: If his stock is but small, he should himself consume less. If a rich galleon was to be divided among a certain number of our merchants, this would enable them indeed to buy dearer and to sell cheaper; but this would be detrimental both to their cotemporaries and successors, and I think, in the long run, to their country in general. For so far as it went, it would enhance the price of commodities at home, and lessen their vent at foreign markets.

money was in less plenty: And this will ever be the case, unless part of the increased stock of money is kept out of the common circulation, and is either hoarded or directed into some new channel; without this, not only trade will move to different provinces of the same country, but it will move also into different countries.

XVIII. *Any artificial methods of increasing tale-money, pernicious.*

50. Any artificial methods of increasing the quantity of tale-money in circulation, beyond its natural bounds, will be attended with pernicious consequences; and this effect is perhaps not the least evil of our great national debt. As the values of all things are measured by money, it is, I think, by this time sufficiently manifest, that their prices will be in a certain proportion to the whole quantity of cash in circulation. If this quantity be greater in proportion to the trade of the nation, than in foreign countries; things manufactured at home will become too dear for foreign markets, as is the case of *Spain* and *Portugal*. As we have no mines, trade will keep, as before observed, real money to a proper level; but yet this level may be exceeded by artificial sub-

substitutes, as paper-bills, having no bullion locked up in their stead, and light coins having less value than what they pass for; and by both these methods the nation is injured: By making all things dearer at home, the public is not only defrauded of so much bullion as these substitutes amount to; that is, to the whole amount of the paper above the bullion locked up in its stead; but it also suffers by the loss of the whole deficiency upon the light coins.

Although this subject hath been in effect illustrated before, yet is it of that importance as to deserve to be farther exemplified. Let us suppose that one tenth of the whole stock of circulating cash in this country, and 'tis not material to our argument what the specific sum amounts to, is some way lost or destroyed: If no artificial substitutes be made to intervene; it has been before shewed, that trade will gradually restore this supposed loss of bullion; as, till this be accomplished, bullion will be dearer or fetch more commodities here, than in other countries.

On the other hand, supposing the sum total of money, real and fictitious, now annually circulating in this country, to be 100 millions; 20 millions of which is in cash, and

and the rest in paper credit both public and private: If this paper credit be increased, by the creating of more bills, suppose to the amount of ten millions; one of the following will necessarily be the consequence: Either all our commodities will rise ten *per cent.* in their nominal value, which will render them too dear for foreign markets; or, this addition of paper bills will drain away ten millions of our cash, and so impoverish us in reality to that whole amount; or, the effect most likely will be, partly the one, and partly the other; but which ever it is, the nation will be equally endamaged. May this be ever a caution to statesmen, how they listen to projects that must clog our trade, banish our coin, and in the end bring on a general bankruptcy.

Let us suppose again, that the same quantity of tale or nominal money continues, but that the real substance of the current coin is diminished one tenth. So long as the people pay no regard to this diminution, the prices of things will continue the same as before, and the nation will be a loser of this tenth part of its treasure. For, if the currency of the light coins had been stopped; or, which is the same thing, if they had been restrained from passing otherwise

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than by weight; trade would have furnished the same quantity of tale in heavy money, as there is now of light; as it is manifest that in both cases, the nominal prices of things would be the same; and every one would receive for the same service or commodity, the same number of heavy coins in the one case, as he would of light coins in the other. Foreign exchange may make some difference here; but as the ballance of foreign trade is but small in comparison of fixed establishments at home, the difference upon that account will not be very considerable, till things come towards an extremity.

What hath been said of the national loss by the passing of light coins, will hold the very same, if bills be passed to a greater value than there is bullion in their stead. All private securities also are productive of equal evils, and frequently of more. To close this subject, I would observe here one essential difference there is between bills and light coins. Every one hath a right to call upon the issuer of a bill, to make it good in standard or lawful money. But he that hath light coins in his possession, is liable to bear the whole loss that there may be upon them; he took them in full consideration

tion of a given sum, and if they prove deficient, he hath no body to blame but himself; and he merits the less compassion, as by his unwariness he was a sharer in, and a promoter of, a public evil.

*Hoarding the precious metals, beneficial.*

. 51. Gold and silver, for many reasons, are the fittest materials hitherto known for hoarding: They are durable; convertible without damage into any form; of great value in proportion to their bulk; and being the money of the world, they are the readiest exchange for all things, and what most readily and surely command all kinds of services. In the days of prosperity therefore, it would be prudent to lay up a kind of dead stock of the precious metals, against any emergencies that might happen. This stock must be kept out from the circulating cash; for an increase there, would not answer the end; and indeed an overflow of money in circulation, would spend it self, by draining up the sources that produced it. But people in general will not hoard up cash; all like to display their wealth, and to lay out their superfluities in some costly things. There seems then no method so effectual for the securing of a dead stock of

treasure, in any country, as the encouraging the use of plate; by making it fashionable, preferable to more brittle or more perishable \* commodities. Plate would be a national resource in case of emergency, and not the less so, because the precious metals had not as yet received the shape of coins. But this dead stock, whilst it remained such, would not be without its use; real wealth is ever accompanied with credit, and the influence of credit is frequently of the greatest moment. He that is ready armed, is less liable to be assailed; and silver and gold are keen and destructive weapons.

#### XIX. *Of Banks.*

52. The several banks now subsisting in *Europe*, are of a modern date; but it is not my intention here to meddle either with their histories or particular constitutions. In great trading cities, a public bank that issued no bills without an equivalent in real treasure, whether in cash or bullion it matters

\* I have spoke before in favour of the arts, and I would not here be understood to mean, that any of those whereby some of our own people gain a livelihood, should be discouraged; nor yet that those of narrow circumstances, should aim at having plate: But those of affluent fortunes might save themselves the expence of many superfluities, without affecting labour with us; and these savings laid out in plate would be of more benefit to their country, and to their own posterity.

ters not much, must needs, I think, be very convenient; as therein, merchants and others may safely deposite large sums, and thence again draw their money out at such times, and in such small parcels, as may suit with their several occasions. Such a bank may be also of some support to national credit, as the great sums known to be there locked up, would be ready upon an emergency. Bills of undoubted credit, are of great convenience in large payments, and besides, save the wear of coin. But their extent should be restrained within due bounds: Should they increase much beyond the real stock of bullion that ought to be in their stead, they would prove mischievous two ways; by increasing in effect the quantity of circulating cash beyond its natural level; and by endangering, in a cloudy day, their own credit. But the profits to be made by lending, as I may say, of credit, are temptations too strong to be resisted; and it may be questioned, if any of the banks now subsisting, keep exactly within the above rule, tho' some of them are formed upon the very model here laid down.

*Banks instituted to prevent the abuses from bad coins, and from adulterations in the standards of monies.*

53. The oldest bank now in *Europe*, I think, is that of *Venice*; and the chief, if not all, of the rest, were instituted in the last century, and much upon the same model. The bank of *Amsterdam* was established in 1607; that of *Hamburg* in 1619, and that of *Nuremburgh* in 1621\*.

It appears, that the main if not the sole design of erecting these banks, was for the fixing a kind of an indelible standard of money; and thereby, to secure merchants and others from losses by bad coins, whether base or light; and from the dire effects of adulterating the standards of monies, either at home, or by the neighbouring states. These banks have answered admirably well the ends of their institution; and it were to be wished, that those ends had been more regarded in the establishment of our own. At the times of establishing the above banks, certain known coins of given weights and fineness, then current at certain rates in the respective

\* See more upon this head, in the *Universal Merchant*, a work containing some judicious observations concerning trade.

respective places, were fixed upon as a perpetual standard, which from thenceforward were called BANK MONEY. As the current coins became afterwards diminished, either by legal adulterations at the mints, or by wear, or otherwise, a distinction was made between current and bank money, called AGGIO; and according to the real difference between these two sorts of money, the *aggio* amounted to more or less *per cent.* These wise establishments contributed greatly, towards stopping those baneful measures of adulterating the standards of money, that had been so frequently and so generally practised, in the dark preceding ages. The genius of trade breathes and requires a certain degree of security and freedom; and banks, such as we have been speaking of, can hardly ever take place under arbitrary governments.

*Complaints of the want of money, whence.*

54. The doctrine that we have been inculcating is so contrary to the common notions, that a want of money is a common cry. All the scramble is for money; few think they have enough, and many complain. This probably will be ever the case, nor would setting the mint to work cure

the evil; and perhaps there is no where more want, than where there is most money. The beggar hath no property, nothing to exchange for money; and if he will not work, none would come to his share, if the common stock was ever so much increased; a greater plenty of money would be so far from being advantageous to him, that he would run the greater risk of starving, as bread and provisions of all sorts would then be so much the dearer. The farmer complains, and thinks that if there was more money in the country, his corn and cattle would fetch a better price: They would fetch more money, but not more of any thing else that he wants; and he would not be at all bettered by this higher price, unless so far as a sudden increase of money might ease him in his rent, by lessening the intrinsic value of the specific sum which he had agreed to pay. The same may be said to the merchant, shop-keeper, &c. while all commodities keep the same proportion of value in respect of one another, no one reaps any advantage by the raising of the price in respect of money, of his particular commodity. The complaints of particular persons arise, not from a deficiency of money or counters in circulation; but from their

their own want of property, want of skill, address, or opportunity of getting more money; or perhaps only for want of frugality, in spending more than their income or proper share. Anticipation is the grand source of distress and poverty, and is an evil that takes off much from the use of credit.

There is a limit to the vent and consumption of all sorts of commodities. If, from an uncommon prolific season, or because of a great demand at some late market, or from any other cause, as a new course of trade, &c. more of any specific commodity be produced, than what the usual or necessary consumption requires; the price of it will fall, and some will be left on the owner's hands. Things growing out of fashion will frequently undergo the same fate; and in both cases, the manufacturers and dealers in those commodities will be complaining, the workmen will be turned adrift, and all imputing their losses and disappointments to the want of money in the country. But a greater plenty of money would not mend or better their condition; those who have it, will not be persuaded to purchase more of this or that commodity, than what their own wants, conveniency,

or



or fancy prompt them to; and those who cannot make so much profit in their respective professions as formerly, must either turn themselves some other way, or be content to live more frugally. But all will not be wise in time; emulation in show is a powerful incentive; few can bear the thoughts of retrenching while it is yet time, and many finding themselves upon the decline, will grow desperate and precipitate themselves the faster. In all great towns, bankruptcies will happen, and perhaps nowhere more frequent, than where wealth and money most abound. These evils, if upon the whole they be evils, are what the mines cannot cure, but are rather what have been introduced and fostered by them.

CHAP-

## CHAPTER III.

*Of EXCHANGES.*

AS the accounts of particular persons living in remote places, are frequently liquidated and discharged by *bills of exchange*, without the intervention of money; and this being a subject of importance, and not generally understood, excepting by particular merchants, it may not be amiss in this place to give a brief account of the nature and use of exchanges.

I. *Bills of exchange, what.*

55. It hath been before observed, that the chief end or object of commerce betwixt nations, is a mutual exchange of commodities one with another; and this may be, and frequently is, carried to a great extent without the intervention of money. But nevertheless the accounts are every where kept and stated in money; and it is almost unavoidable, but that in all great trading towns, there will be merchants, some having bullion owing to them in one place, some in another; some or other again that  
are

are indebted to all those places, or to some other place which is indebted to some one of those; and so, by a kind of chain, all trading countries become in some sort accountants with each other.

To avoid the charge, trouble and hazard of transporting bullion backwards and forwards, for the supplying of these different occasions; the method of discharging debts, by *bills of exchange* was introduced. This was an excellent \* invention; these bills being

\* This was the greatest security to merchants both as to their persons and effects, and consequently the greatest encouragement to commerce, and the greatest blow to despotism, of any thing that ever was invented. For, by this sort of correspondence, merchants can imperceptibly convey away their effects when and wherever they please; and this they will never fail doing, if they are in any wise molested or threatened with danger. But at the same time, that this is so beneficial to commerce, and to liberty, both in certain degrees, inestimable blessings; it weakens the attachments, and, as I may say, the allegiances of tradesmen to their mother-country. And I should not, for many reasons, chuse to have my abode where the chief property and the chief rule was in mercantile hands. For, as an alloy to its very great advantages, there is something selfish, ungenerous and illiberal in the nature and views of trade, that tends to debase and sink the mind below its natural state. Somewhat of this must be allowed to be the natural genius and bent of trade. Labourers or working people of all sorts, are quite excluded out of the present consideration; and what is here said is not intended as any reflection upon or disparagement to the other ranks of tradesmen: We live happily in a country, where various classes of men by their daily intercourses do, as it were, humanize, and benefit one the other a thousand ways, and correct those errors and notions, which men confined to a particular sphere, are but too apt to fall into.

ing as subservient in foreign commerce, as coins are in home traffic; for by shifting of debts and credits from one place to another, they so far answer all the purposes of money. Bills drawn betwixt places in the same country, are called *Inland bills*; as those drawn between different countries, are called *Foreign bills of exchange*.

In all countries there are peculiar laws and customs, relating to this business of exchanges, which merchants and others immediately concerned should be well versed in. It is not my design here to meddle with the practical part of this useful commerce, but to explain its theory or principles as briefly as I can. A part of what I here propose is so very well done to my hands in the \* *British Merchant*, that I cannot do better in this place, than giving the following extract from that useful work.

“ Suppose the tenant in *Wiltshire* is to  
 “ pay for rent 100 l. to his landlord in *London*;  
 “ and the *woollen-drapeer* in *London* is  
 “ to pay the like sum to his *clothier* in *Wiltshire*:  
 “ Both these debts may be paid, without  
 “ transmitting one farthing from the  
 “ one place to the other, by bills of exchange,  
 “ or by exchanging one debtor for  
 “ the

\* Vol. III. small edition, p. 97, 98, 99.

“ the other, thus: That is, the tenant  
 “ may receive his landlord’s order to pay  
 “ 100 *l.* to the *clothier* in the country; and  
 “ the *woollen-drapeer* may receive his *clothier*’s  
 “ order to pay the like sum to the landlord  
 “ in town. These two orders are properly  
 “ call’d bills of exchange; the debts are  
 “ exchanged by them, that is, the *woollen-*  
 “ *drapeer* in town, instead of the tenant  
 “ in the country, is become debtor to the  
 “ landlord; and the tenant in the country,  
 “ instead of the *woollen-drapeer* in town, is  
 “ become debtor to the *clothier*: And when  
 “ these orders are comply’d with, the two  
 “ debts between *London* and the country  
 “ are discharged, without sending one shil-  
 “ ling in specie from the one to the other.”

“ In like manner, the warehouse-man  
 “ in *London* is indebted in 100 *l.* for stuffs,  
 “ to the *weaver* in *Norwich*; and the *li-*  
 “ *nen-drapeer* in *Norwich* is indebted in the  
 “ like sum to the *Hamborough* merchant in  
 “ *London*; both these debts may be paid  
 “ by bills of exchange, or by the exchange  
 “ of one debtor for the other, by placing  
 “ one debtor in the other’s stead; that is,  
 “ the warehouse-man may receive the or-  
 “ der of his *weaver*, to pay 100 *l.* to the  
 “ *Hamborough* merchant; and the *linen-*  
 “ *drapeer*

“ *drapeer* may receive the order of the *Ham-*  
 “ *borough* merchant to pay the like sum to  
 “ the *weaver*. These orders are bills of  
 “ exchange; the debtor in one place, is  
 “ changed for the debtor in the other: and  
 “ thus both debts may be paid, without  
 “ sending one single shilling in specie from  
 “ the one city to the other.”

“ If the debts reciprocally due between  
 “ *London* and *Norwich*, are equal; whe-  
 “ ther they are 100 *l.* or 10,000 *l.* they  
 “ may be all discharged in this manner by  
 “ bills of exchange, without sending any  
 “ money in *specie* from the one to the  
 “ other.”

“ But if the debts due from both places  
 “ are not equal, then only the same quan-  
 “ tity of debts on both sides, can be paid  
 “ by bills of exchange. The ballance must  
 “ be sent in money from the city, from  
 “ whence the greatest sums are due. For <sup>Nature of</sup>  
 “ example: If by the trade between *London* <sup>a ballance</sup>  
 “ and *Norwich*, the former owes 10,000 *l.* <sub>in trade.</sub>  
 “ to the latter, and the latter no more than  
 “ 9000 *l.* to the former; it is manifest, that  
 “ only the debts of 9000 *l.* on each side  
 “ can be discharg’d by bills of exchange;  
 “ the ballance of 1000 *l.* must be sent ei-  
 “ ther from *London* or some other place in-  
 “ debted

“ debted to *London*, to even the account  
“ between both the cities.”

The occasion of the exchange rising to one side or the other.

“ Let us suppose then, that to send and  
“ insure 1000 *l.* in specie to *Norwich*, would  
“ cost 5 *l.* or 10 *s.* per *Cent.* which of the  
“ debtors in *London* would be willing to  
“ be at this charge? It is natural to believe  
“ that every one will endeavour to shift it  
“ off from himself, that every one will en-  
“ deavour to pay his money by a bill of  
“ exchange; it is natural to believe that  
“ every one, rather than stand the cost and  
“ hazard of sending 100 *l.* in specie, would  
“ pay 100 *l.* 5 *s.* in *London* for a debtor in  
“ *Norwich*, upon condition that the *Nor-*  
“ *wich* debtor should pay 100 *l.* for him  
“ in that city. By which means the *Nor-*  
“ *wich* debtor would pay his debt of 100 *l.*  
“ in *London* with less than that sum, while  
“ the *London* debtor would be obliged to  
“ give more than that sum for the pay-  
“ ment of 100 *l.* in *Norwich*. And if such  
“ for years together were the course of ex-  
“ change between *London* and *Norwich*,  
“ there could be no question to which of  
“ the two cities a sum must be sent in specie  
“ to pay the ballance; that city undoubtedly  
“ pays the ballance that gives more than  
“ the par, that undoubtedly receives the  
“ ballance

“ ballance that gives less than the par for  
“ the bills of exchange. The course of  
“ exchange in this case would sufficiently  
“ decide, that the ballance of trade is on  
“ the side of that city that procures bills of  
“ exchange upon the most easy terms.”

Course of exchange decides the ballance of trade.

*Foreign exchanges further explained.*

56. The above example taken between two *English* towns, explains the theory of exchanges very distinctly. And from hence it may be easily conceived, how the business of exchange may be carried on between any number of foreign towns. As, suppose that *London* is indebted to *Paris* in a sum of 100,000 ounces; *Paris* in a like sum to *Hamborough*; *Hamborough* in the same sum to *Leghorn*; *Leghorn* to *Amsterdam*; *Amsterdam* in the like sum to *London*. All these several debts may be cancelled and discharged by *bills of exchange*, without the transportation of one ounce of bullion or one penny of money. For instance, *London* discharges its debt at *Paris*, by a bill drawn upon *Amsterdam*; *Amsterdam* pays this bill by another drawn upon *Leghorn*; *Leghorn* again draws upon *Hamborough*; and lastly, by this rotation the debt from *Paris* to *Hamborough* becomes likewise dis-  
I charged;

charged; and all the above named towns respectively are cleared of all accounts with each other. And the several debts above supposed being equal, the debts of the respective places will be discharged with the exchange at *par*, or without loss or gain to either. But as all the above towns may have mutual accounts, each with all the rest, and with many others; the real practice of exchange branches out into an immense labyrinth, not easily unfolded without much experience and application.

II. PAR of exchange, what.

57. The exchange is said to be at *par* or even, between two places, when a given sum paid in the one, will purchase a bill for the like or a sum of the same intrinsic value, to be received in the other. To avoid all ambiguity, the several accounts in the preceding article were stated in ounces. But as all countries keep and state their accounts in their own money, and most places have peculiar coins of their own; this makes it necessary that merchants, who are citizens of the world in a stricter sense than any other, should know exactly the true proportional values of the monies of all countries in respect of one another; that is, how much fine silver,  
or

or fine gold, if the accompts are kept in gold, are contained in the respective standards or monies of the several countries to or with which they traffic. These proportions being known and stated, the monies of the world are thereby in effect reduced to one common standard; and it may be readily seen, how much of the money of one country is an equivalent to, or contains an equal quantity of silver with, a given sum in another country.

The equality of silver, expressed by different denominations of coins, constitutes what is usually called the *par of exchange* betwixt any two countries. In stating this *par*, some particular specie or sum of the money in one country, is usually made the *unit* or *integer*, which always remains fixed and unalterable; and the proportion or equality is expressed in specie of a smaller value of the other country; and it is in these specie that the price is expressed as the exchange varies: As if the exchange betwixt *London* and *Paris* be reckoned in *pence* and *écus*, and a *French ecu* contains as much silver as there is in  $29\frac{1}{4}$  *pence sterling*; then the *ecu* is the *unit*, and  $29\frac{1}{4}$  is the *par* of exchange betwixt *London* and *Paris*. In the mercantile language of exchange, that

country wherein the unit is established, as in the above instance *Paris* in respect of *London*, is said to give the *certain* for the *uncertain*; as *London* again gives to *Paris* the *uncertain* for the *certain*. *London* gives the *certain* for the *uncertain*, that is, the *pound sterling* for their *schillings*, to *Holland*, *Flanders* and *Hamborough*; and to *France*, *Spain*, *Portugal* and *Italy*, *London* gives an *uncertain* number of pence, as the exchange governs, for a certain sum in their money.

Those who are not accustomed to this business, are apt to be in doubt whether the exchange rising, for instance, be in our favour or against us. This doubt may be always cleared by this short rule: The higher the exchange between any two countries is, the more it is in favour of that wherein the unit or invariable sum is established; and the lower, the more in its disfavour. Thus, the higher is the exchange betwixt *London* and *Amsterdam*; the more is it in favour of *London*, as then the more *Dutch* schillings are given for the pound sterling. On the contrary, the higher is the exchange between *London* and *Paris*, the more is it against *London*, as then the *French* *ecu* exchanges for a greater number of pence sterling.

III.

III. *The true par of the exchange between different countries, difficult to be ascertained.*

58. Those who have made the proper experiments, find that most of the foreign mints are very inaccurate; and this makes it difficult to ascertain what are the precise values in respect of one another, of the legal monies of different countries; and this is all that is usually aimed at by the calculators of the *par of exchanges*. But this knowledge, if it could be obtained with ever so much precision, would be of very little service to the merchant, as the state of the coins in most places now stands. What the merchant must regard, is, the amount in bullion of what he usually receives in consideration of a given sum of money.

If the ballance due from any country, be usually remitted in coins, and those coins be wore or otherwise diminished below the legal standard; this will make a seeming difference in the true *par*, and the exchange in appearance will be against that country when it is really even.

If in any country, gold be over-rated with respect to silver, this will naturally drain away its silver coin, and gold coins will

will become most current in large payments: In this case, the merchant will make gold his standard, and rate the exchange accordingly. This will create a difference from the nominal par of the exchange, which will be more or less, according as gold is more or less over-rated; and with this cause of over-rating gold, the lightness of the coins both gold and silver will also co-operate, in proportion to the quantities of them exported; from both which causes the difference between the true and nominal par may be very considerable.

These observations may serve to dispel the gloomy apprehensions which some are apt to entertain, from the course of exchange in general appearing so much against *England*; and they also plainly shew that the course of exchange betwixt different countries, is not so critical and exact a rule for measuring the ballance of trade, as is commonly imagined; since it is hardly possible to ascertain what is the *true par*. But the exportation of bullion, is a certain sign of the exchange being really in favour of that country to which it is sent; and the variations in the exchanges, point also the variations in the ballance of trade; though, in general, the rate of the exchange at a particular

particular time, is scarce sufficient for determining on which side the ballance then turns.

#### IV. *Course of exchange, what.*

59. The price at a certain time and place, of bills of exchange for given sums drawn upon another place, is called the *course of exchange* between those two places at that time; and this is frequently different from the *PAR*, and more or less than an equivalent in fine silver or fine gold is to be paid in one place, for a given sum to be received in the other. Thus, supposing the par of exchange betwixt *London* and *Paris* to be 29½ pence sterling for a *French* ecu; it might happen at one time that a bill upon *Paris* might be purchased at *London*, at the rate of 28 pence for an ecu; and that at another time no bill could be had under 30½ or 31 pence.

As the ballance of accounts between the several trading nations of the world, must be continually varying, and frequently shifting to different sides; so the course of exchange will be ever fluctuating, and it will be more advantageous to make remittances through certain channels at one time, and by different ways at another. But as it

would be difficult for the gross body of merchants to unravel these intricate clues, and to find out and supply each other's wants and conveniences; particular persons apply themselves to this business, and *drawing* and *remitting* by bills of exchange is it self a distinct trade. The *remitter*\* or trader in bills of exchange, must have a real stock or credit in the several places with which he corresponds; for bills, strictly speaking, pay no debts; they only transfer credit from one place to another; and whenever the demand for bills to one place, are greater than the remitters can answer by their credit or stock in other places, they must then transport as much bullion as will satisfy their correspondents. But the principal skill of a remitter consists in finding where and when bullion will fetch most, or where credit or bills are to be had cheapest, and where and when to transfer this credit to most advantage. For bills of exchange being substitutes for bullion, are themselves as much a commodity as bullion, or any thing else; and the dealers in them make their profits in the very same way

\* Dealers in bills of exchange are in general terms usually called *remitters*: But with respect to a particular transaction, he who sells a bill, to be paid by his correspondent in another place, is called the *drawer*; and he who buys the said bill, and sends it abroad to have the value received by a fourth person, is called the *remitter*.

way that other merchants do, by observing the advantages of different markets.

V. *Price of bullion how influenced.*

60. A demand for bills upon a particular place, raises their prices, as in other cases; and when these prices have got up to a certain degree above par, the price of bullion will be also advanced above the standard of the country. For, dearness of bills causes a demand for bullion to be exported, and in proportion of the demand to the stock in the market, the price of bullion will be raised. To take advantages when and wherever they offer, is the object and business of commerce. Again, by transporting of bullion the price of bills will be lowered; that again will gradually lower the price of bullion, until the prices of each are again brought to a par. The price of bills may be reduced below par; but bullion can never be lower than the established standard, the mint being always open to receive it at the standard or mint price.

VI. *National interest, how influenced by the course of exchange.*

61. It seems, upon the first view of the thing, that a country which oweth a balance to another, must pay a præmium upon all

*But Gold  
may be  
nominal  
lower than  
the established  
standard by  
dissipation  
of things  
to which  
Gold always  
is equalled  
to bear an  
all*



all the bills that pass between them. As, supposing that in the accounts betwixt *England* and *Holland*, we owe the *Dutch* an 100,000 ounces, and that they owe us 90,000 ounces; and supposing also that this ballance of 10,000 ounces which we owe to them, brings the exchange against us one *per cent.* It seems, I say, as if we must pay this one *per cent.* not merely upon the ballance of 10,000, but upon the whole 100,000; and on the other hand, that we shall receive short from them one *per cent.* upon the whole 90,000 which they owed us; that is, that we must pay the *Dutch* 101,000, whilst they will discharge their debt to us with 89,100; so that our whole loss, upon the above suppositions, amounts to 1,900. This at first view seems to be the exact state of the case; but upon examining this matter a little closer, I think, it will appear that the loss to *England* by the exchange, is ordinarily no more than what falls upon the ballance of 10,000. Suppose the whole account at *London* to stand betwixt two persons, both *Englishmen*; *B* at *London* oweth *D* at *Amsterdam* an 100,000; *C* another *Dutchman* at *Amsterdam* oweth *A* at *London* 90,000. *B* pays to *A* 91,000 for for a bill upon *C*

to

to pay *D* 90,000; by this transaction the 90,000 *Dutch* debt at *London* is quite cleared, and what *B* lost was gained by *A*. If the affair had been transacted at *Amsterdam*, the gain would have fallen to the share of the debtor *C*, and the loss on the creditor *D*; for *C* with 89,100 would have purchased of *D* a bill for 90,000 upon *B*. But although affairs of this kind are always transacted between several persons, yet at last it comes to the same thing; and the whole gains, so far as bills will reach in liquidating the accounts, falls to the creditors on one side of the water, and to the debtors on the other. In the case above supposed, if some of the *Dutch* creditors reside at *London*, or some of the *English* creditors at *Amsterdam*, this will turn the scale to the prejudice of *England*. These observations plainly shew, that any calculations of national profit or loss from the course of exchange, must needs be very precarious. Yet is it almost certain that by these transactions, that country will sustain some loss against which the exchange bears; and there is no other way of bringing the ballance even, but by the exportation of goods or bullion.

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VII.

VII. *The course of exchange influenced by various causes.*

62. A demand for bills upon a particular place, may proceed from various causes; but these are chiefly reducible to the balance of trade upon the whole, or between particular places. Bullion, like other commodities, traverses through different climes, and is ever of least value where it most abounds. *Spain* and *Portugal* being the chief sources from whence this commodity is drawn to the rest of *Europe*, it is there cheapest and their chief staple; and hence, in the usual phrase, the balance of trade and the course of exchange will be every where against them. This is natural, and is no more to their prejudice, than it would be to the *English* to have the balance against them, if the money of *Europe* was tin; as would then be the case, because we have the most considerable mines of that metal. In like manner, and for the same cause, it is natural that the balance of trade, and with it the course of exchange, between the more southern and the northern parts of *Europe*, should be in favour of the latter; and this in general is the matter of fact.

The

The business of exchange between *England* and *Germany*, and the northern countries, is chiefly transacted at *London* and *Amsterdam*. The course of exchange then between us and *Holland*, indicates how the state of accounts stands between us and all those countries in general, but not in respect of any one in particular. The balance of our trade to *Holland* may be greatly in our favour, and yet the exchange to *Amsterdam* be generally against us; both which are supposed to be matters of fact. Our debt to foreigners operates in the same manner as a balance of trade against us, to the whole amount of the dividends owing to them; and the same is true as to all foreign subsidies. If those dividends paid to foreigners contribute to enlarge our manufactures and exports, our loss is thereby alleviated; but if they do not, that is, if our commerce remains in *statu quo*, we are losers to their whole amount, and that equally whether their produce is exported in goods or bullion; if they are sent in goods, they prevent so much bullion from coming to us. This is an affecting consideration, and the sources of this country must be prodigious great to be enabled to sustain so great

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a burden. But let us not be too secure, and neglect a matter of so much importance.

VIII. *Bullion is not exported till the exchange is at a certain limit from par.*

63. Merchants always prefer bills of exchange, whilst they are to be had at moderate rates, before bullion or cash, which with them is the same thing; and bullion is never transported from one place to another, till the exchange is at a certain distance from *par*; and this distance is again limited by the expence of transporting bullion, wherein is included, besides the freight, commission and insurance. And hence, the whole fluctuation in the course of exchange is very different between different places. Betwixt *London* and *Paris*, the exchange must vary about  $\frac{3}{4}$  per cent. from *par*, before bullion, at least in any quantity, will be sent from either side. The freight of bullion from *London* to *Calais* is about  $\frac{1}{4}$  per cent. from thence to *Paris* about  $\frac{1}{8}$ , insurance in the whole to *Paris* about  $\frac{3}{8}$ , which make altogether  $\frac{3}{4}$  per cent.; and so much at least the exchange must be against us, before any bullion will be sent from *London* to *Paris*; and it must be as much in our favour,

your, before any bullion will be brought hither from thence. By this reckoning, the exchange betwixt *London* and *Paris* may vary  $1\frac{1}{2}$  per cent. before gold or silver will move towards either side. To *Amsterdam*, the expence of transporting bullion from *London*, is less than to *Paris*; to some other places, this expence is greater, and accordingly the exchange varies less or more between different countries; because, as hath been before observed, the transportation of bullion keeps the course of exchange within a certain limit.

Bills are frequently drawn, and bullion carried, between two places that are even in their accounts, to pay debts in a third place. If the exchange betwixt *Calais* and *Paris* be against *Calais*, and it be at *par* directly between *Calais*, *London* and *Paris*; a merchant at *Calais* will pay his debts at *Paris* by a bill upon *London*: And if the exchange betwixt him and *Paris*, and betwixt *London* and *Paris* will permit, our *Calais* merchant will purchase a *London* bill by sending gold thither, instead of sending it directly to *Paris*. It is in finding and taking the advantages of the several markets, that the mystery of this traffic by exchange doth principally consist.

This

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This short account may suffice to explain the general theory of exchanges; a theory curious in it self, and the practical part is extremely useful for the purposes of foreign commerce. But to meddle with that, doth not fall within the compass of my design.

*The End of the FIRST PART.*

A N  
E S S A Y

U P O N  
M O N E Y and C O I N S.

P A R T II.

WHEREIN IS SHEWED,

That the ESTABLISHED STANDARD of  
MONEY should not be *violated*  
or *altered*, under any pretence  
whatsoever.



L O N D O N,

Printed: Sold by G. HAWKINS at *Milton's*  
*Head*, by the *Middle Temple-Gate*, in *Fleet-street*.

M. DCC. LVIII.

TO THE RIGHT HONOURABLE

HENRY BILSON LEGGE,

One of the LORDS of the TREASURY,  
CHANCELLOR and Under-Treasurer of  
the EXCHEQUER, and one of the Lords  
of His MAJESTY'S Most Honourable  
PRIVY-COUNCIL.

*S I R,*

**T**HE subject of the following sheets, peculiarly requires and deserves the protection of an able and honest patron; for, important as it is to the public welfare, few men perfectly understand it, and too many have industriously perplexed it, some perhaps, for private views of their own.

The free access which your friendship hath allowed me, hath given me many opportunities

*The Dedication.*

tunities of observing the close application you are always ready to give to every subject, in which the interest of your country is concerned; and of admiring the happy talent you possess of explaining those which are of the most intricate nature, with the greatest clearness, strength, and precision.

Permit me therefore, Sir, to inscribe the following tract to you, as a token of the affection I bear to your private as well as of the respect I pay to your public character.

*I am,*

*S I R,*

*Your most faithful*

*and obedient servant,*

THE AUTHOR:

T H E

P R E F A C E.

**I**N the preceding part of this essay, I have endeavoured to explain the theory and nature of money, in such a manner, as to leave no room for any doubts or difficulties concerning it. But notwithstanding all my care, I do not expect universal approbation: Such are the infinite diversities and warpings of the human mind; and such are the inadvertencies, perversenesses and prejudices of many, that unanimity in any one point is hardly to be expected. And unfortunately, money is a subject wherein men in general have given themselves the least trouble of enquiry; and yet a subject upon which they think themselves best qualified and best entitled to decide: A subject

ject upon which, more jejune, incoherent and dangerous positions have been held, and more glaring absurdities advanced, than, perhaps, upon any other whatsoever. But truth is mighty; and to as many as can think freely for themselves, and have considered what I have already laid before them, I hope that what is here offered will appear evident and incontestible.

The design of this second part is a very arduous and important one: It is to defend and preserve every man's right and property; to preserve un sullied the national faith, honour and credit; to preserve a reign hitherto distinguished by equal laws and equal administration of justice, from a blot that would remain to all posterity: To vindicate and defend all these, I say, from an assassination in the dark, by a debasement of the long established standard of property. Some of our opponents  
in

in this question, no doubt, mean well; and persist in their errors for want of understanding the subject, and that perhaps too, only from their not having duly considered it. Others, it is to be feared, seek only their own private gain; in competition with which, it is not to be expected that with such men, either the dishonour or distresses of their country, should have much weight.

Towards the close of the last century, this country swarmed with projectors, who were for debasing the standard of money. These were fully answered, if they would have taken an answer, by the great Mr. LOCKE, as to the point then in debate. The very ill state of our coin at that time, might mislead many well meaning people into wrong notions, as to the means of redressing that great evil, which the nation then labour'd under: But, after what was then  
said

said and done, to have the same false doctrine maintained and propagated at this day, is truly matter of astonishment.

Mr. *Locke* seems to have been called to this work, before he had considered the subject at large; and although he was perfectly right as to the main point then in debate; yet it must be owned that his tracts upon this subject, though voluminous, if considered as a system of the theory of money, are very deficient and imperfect, if not in some places bordering upon mistakes. It is with much reluctance, but it is with a very honest design, that I say thus much to the disparagement of this truly eminent author: It is to guard the reader against trusting too far to a guide, that would scarce be able to conduct him clear of many obstacles that might fall in his way.

I have endeavoured to supply this defect, to remove all those difficulties which seem to have misled people upon this delicate, complex, and important subject, and to frame the whole structure upon self-evident principles. It should not be here concealed that we have on our side of the question, some of the most distinguished names that this or any other country hath produced: No less than the great Lord BURLEIGH, Lord HALIFAX, Lord SOMMERS, Sir THOMAS ROWE, Mr. LOCKE, Sir ISAAC NEWTON, MARTIN FOLKES, Esq; &c. Some of these are quoted, in their own words, in the first ensuing chapter; and it is but fair and equitable, that those who will not or cannot think for themselves, should pay a due regard to such venerable and great authorities.



[ x ]

Before I conclude, I ought in justice to acquaint the reader, that this tract was not undertaken from any apprehension, that our government now hath or is likely to have any design of altering our standard; it is rather with a view to the quiet of those in power from the importunities of wrong-headed politicians, as well as to the safety of the whole from the intrigues of wily projectors.

THE

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[ I ]

P A R T II.

CHAPTER I.

*A summary account of all the alterations that have been made in our standard of money, from the Norman conquest to the present time, with the opinions of some very eminent men upon those kinds of measures.*

**T**HAT the reader may comprehend at one view, the several adulterations that have been made in our money standard, ever since the Norman conquest; I have inserted the following table, computed to my hand by the late learned MARTIN FOLKES, Esq; and printed in his curious *Table of English silver coins*, &c. page 142; to which I have added the proportion which, in our coins, fine gold bore to fine silver, at the respective times therein specified, fine silver being reckoned unity or 1.

B A T A-

I. A TABLE shewing at one view, the several adulterations that have been made in the standard of our money, from the Norman conquest to this time.

Years of the kings reign, and A. D.	Fineness of the silver.	Weight of 20 sh. intale.		Value in present money.			Proportion.	Fine gold to fine silver.			
		oz. dwts.	oz. dwts. gr.	l.	s.	d.					
Conquest	1066	11	2	11	* 5	2	18	1 $\frac{1}{2}$	2.906	} No gold.	
28 Edw. I.	1300			11	2	5	2	17	5		2.871
18 Edw. III.	1344			10	3		2	12	5 $\frac{1}{2}$	2.622	12.583
20 ditto	1346			10			2	11	8	2.583	11.571
27 ditto	1353			9			2	6	6	2.325	11.158
13 Hen. IV.	1412			7	10		1	18	9	1.937	
4 Edw. IV.	1464			6			1	11		1.55	10.331
18 Hen. VIII.	1527			5	6	16	1	7	6 $\frac{1}{2}$	1.378	11.267
34 ditto	1543	10		5			1	3	3 $\frac{1}{2}$	1.163	10.435
36 ditto	1545	6		5			13	11	3 $\frac{1}{2}$	0.698	6.818
37 ditto	1546	4		5			9	9	3 $\frac{1}{2}$	0.466	5.
3 Edw. VI.	1549	6		3	6	16	9	3	3 $\frac{1}{2}$	0.466	5.151
5 ditto	1551	3		3	6	16	4	7	3 $\frac{1}{2}$	0.232	2.011
6 ditto	1552	11	1	4			1	0	6 $\frac{1}{2}$	1.028	11.05
1 Mary	1553	11		4			1	0	5 $\frac{1}{2}$	1.024	11.05
2 Eliz.	1560	11	2	4			1	0	8	1.033	11.1
43 ditto	1601	11	2	3	17	10	1			1.	10.905

Observations on the foregoing TABLE.

2. From the above table, it appears that the standard of money remained unaltered here, for the space of 234 years after the con-

\* N. B. The Saxon or Tower pound, which was then the common weight, and continued to be the money weight till the 18th year of Henry VIII. was but 11 oz. 5 dwt troy; so that 20 shillings in tale was then exactly a pound in weight.

quest; during which period, a pound in money was also a pound in weight. After the old standard had been once broke upon, it was again and again curtailed; however, they observed some measure, and the old standard of fineness was preserved, till the 34 Hen. VIII. This king afterwards reduced the standard to less than one third of what it had been for 63 years, before he began to tamper with it; and in the fifth year of the reign of his son young king Edward, the money standard was reduced to less than one fourth of what it is at present; and they were so extravagant as to raise up silver at the mint to about half the value of gold. What were the immediate effects of those wild measures, historians have not been particular in informing us; but they must needs have been calamitous in a thousand respects: That the evils were very grievous, may be conjectured from the bold step taken the very next year, of increasing at once the standard betwixt four and five times: A measure so extraordinary, that it must have been attended with infinite disorders, if the people in their dealings, during that short dark period of debasing the money, had not endeavoured to have kept to the standard, as it was in the preceding times. Besides the

4      *Of MONEY, Part II.*

unavoidable evil of hoarding, or transporting of the old coins at under rates, and more especially the gold ones, to the very great loss of the nation; it appears by the following proclamation, that the people either refused to bring their goods to market, or not to sell them but at very high rates.

“ 3. \* In 1550, *Sept. 22.* A proclamation was set forth, by the which it was commanded, 1. That no kind of victual, no wax, tallow, candles, nor no such thing should be carried over, except to *Calais*, putting in sureties to go thither. 2. That no man should buy or sell the self-same things again, except broakers, who should not have more than ten quarters of grain at once. 3. That all parties should divide themselves into hundreds, rapes, and wapentakes, to look in their quarters what superfluous corn were in every barn, and appoint it to be sold at a reasonable price. Also that one of them must be in every market to see the corn brought. Furthermore, whoever shipped over any thing aforesaid, to the parts beyond sea, or *Scotland*, after  
“ eight

\* *FOLKE's table of English silver coins*, page 35. We are much obliged to this learned author for the great pains he took in gathering many curious anecdotes relating to this subject.

Ch. I.      *and COINS.*      5

“ eight days following the publication of  
“ the proclamation, should forfeit his ship,  
“ and the ware therein, half to the lord of  
“ the franchise, and half to the finder  
“ thereof; who so bought to sell again after  
“ the day aforesaid, should forfeit all his  
“ goods, farms, and leases, to the use, one  
“ half of the finder, the other of the king;  
“ who so brought not in corn to market as  
“ he was appointed, should forfeit 10 l.  
“ except the purveyors took it up, or it  
“ were sold to his neighbours.” *King's Journal.*

“ It further appears also, by the king's *Edw. VI.*  
“ journal, that on the 19th of *October, 1550,* <sup>1551.</sup>  
“ prices had been set of all kind of grains,  
“ butter, cheese, and poultry ware, by a pro-  
“ clamation;” and that, on the 20th of the  
“ following *November,* “ there had been let-  
“ ters sent down to the gentlemen of every  
“ shire, for the observation of the last pro-  
“ clamation concerning corn, because there  
“ came none to the markets, commanding  
“ them to punish the offenders:” But that  
“ upon letters written back by the same,  
“ the second proclamation had been abo-  
“ lished, on the 29th of the same month.”

6      *Of MONEY, Part II.*

To these authorities collected by this learned gentleman, I beg leave to add some of his sentiments upon this subject, in his \* own words.

“ 4. All ways had before this been tried, and all means had been found ineffectual, for the keeping up the value, and supporting the currency of the base money:—” “ † It was now found by experience that gold and silver had, by the common consent of all people throughout the civilized parts of the world, acquired certain real and proper values: and that in such a nation as this, not destitute even then of all commerce with strangers, it was impossible that the arbitrary value set upon pieces of base metal could, for any considerable time, supply the want of the silver that used to be contained in the pieces of the same denominations. Whatever names were given to those pieces of base metal, or by whatever authority their imaginary value was supported; the people would either not bring their provisions at all to the markets, to exchange them for such money, or would there sell them at much higher rates

\* FOLKES'S *table of English silver coins*, p. 35.

† *Ibid.* p. 36.

Ch. I.      *and COINS.*      7

“ rates than before: as the nominal sums they received for their goods, would not now purchase them the same conveniencies elsewhere, as the same nominal sums of better money had formerly done. It was therefore judged absolutely necessary to reform and to amend the coin; the affair was very seriously considered, and the work was undertaken and carried on, with so much diligence and vigour, that within a few months a reformation of the money was brought about, truly memorable, and no less remarkable than the former abuses of it had been: for the new pieces that were coined before the end of this year 1551, were of more than four times the value of those of the same denominations, that had been coined in the former months of the same. †”

B 4      5. The

† In p. 30, 31. of the above work, are two remarkable passages relating to this subject, extracted out of two sermons preached before the king, by the truly excellent bishop LATIMER, in *March* 1549. In the first he says, “ We have now a pretty little shilling; indeed a very pretty one. I have but one I think in my purse, and the last day I had put it away almost for an old groat, and so I trust some will take them. The fineness of the silver I cannot see: but therein is printed a fine sentence, *Timor Domini fons vitæ vel sapientiæ.*” In the next sermon, he says, “ Thus they burdened me ever with sedition. And wor ye what? I chanced in my last sermon to speak a merry word of the new shilling, to refresh my auditory; how I was like

8      *Of MONEY, Part II.*

5. The mischiefs occasioned by these base coins could not be fully subdued till queen *Elizabeth's* time; and the conquering of that monster, as she called it, was deemed by that illustrious queen, as one of the most glorious acts of her reign. Queen *Mary* settled the standard at 11 oz. fine, and 60 shillings were cut out of the pound troy. Queen *Elizabeth*, in her second year brought the standard into its antient fineness of 11 oz.

"like to put away my new shilling for an old groat.  
 " I was therein noted to speak seditiously.—I have now  
 " gotten one fellowe more, a companion of sedition, and  
 " wot you who is my fellowe? *Esay* the prophet. I spake  
 " but of a little prettie shilling, but he speaketh to *Jerusalem*  
 " after another sort, and was so bold as to meddle with  
 " their coynes. Thou proud, thou haughty city of *Jerusa-*  
 " *salem: Argentum tuum versum est in scoriã*, thy silver is  
 " turned into, what? into testions? *scoriã*, into dross.  
 " Ah seditious wretch, what had he to do with the mint?  
 " Why should he not have left that matter to some master  
 " of policy to reprove? thy silver is dross, it is not  
 " fine, it is counterfeit, thy silver is turned; thou hadst  
 " good silver. What pertained that unto *Esay*? marry he  
 " espied a piece of divinity in that policy, he threatneth  
 " them God's vengeance for it. He went to the root of the  
 " matter, which was covetousness; he espied two points in  
 " it, that either it came of covetousness, which became  
 " him to reprove: or else that it tended to the hurt of poore  
 " people; for the naughtiness of the silver was the occasion  
 " of dearth of all things in the realm. He imputeth it to  
 " them as a crime. He may be called a master of sedition  
 " indeed. Was not this a seditious fellow; to tell them this  
 " even to their faces?" I have cited these passages at  
 large, because they not only shew in the clearest manner,  
 this good bishop's own sentiments of the pernicious conse-  
 quence of the base money then current, but what most pro-  
 bably was also the common notions and talk at that time.

Ch. 1.      *and COINS.*      9

oz. 2 dwts. and cut as before, just 60 shillings out of the pound troy. But in the 43d year of her reign, the standard was debased once more, by cutting the said pound into 62 shillings.

6. The above last alteration remains yet to be regretted, as now none of our coins are aliquot or even parts of our weights. For about 50 years before, whilst the pound weight troy of silver, was cut into 60 shillings; the money pound being exactly 4 ounces, the crown-piece was one ounce, the shilling 4dwts. and the penny 8 grains. Had this standard been continued, every one would have readily known, how much silver each piece of money ought to contain; and would naturally have led people to compare coins with weights, which probably would have produced long ago, some of the regulations now so much wanted in regard to money, and which would have saved this nation from great loss and perplexity. It were to be wished also, that our silver and gold coins were of the same fineness one with another; for then their respective values might have been the easier compared. This would now have been the case, if the silver standard of 11 oz. fine had been continued, as it was set-  
 tled

tled by queen *Mary*. But these things cannot now be remedied, without risquing a much greater inconvenience; as it is dangerous to meddle in any wise with the standard of money.

It is no wonder if amidst the various schemes for supplying the necessities of king *Charles I.* that also of debasing the coin should be taken into consideration: But the ministry seem to have been fully convinced of the vanity of such projects, by a \* speech made at the council table in *July 1640* by Sir *Thomas Rowe*, of which I have made the following extract.

“ My LORDS,

“ 7. Since it hath pleased this honourable table, to command, amongst others, my poor opinion concerning this weighty proposition of money; I must humbly crave pardon, if with that freedom that becometh my duty to my good and gracious master, and my obedience to your great commands, I deliver it so.”

“ I con-

\* This speech is printed in *Rushworth's* collections for *July 1640*; it is also printed among some posthumous pieces of Sir *Robert Cotton's*, as if made by him at the same place on *Sept. 2, 1626*. I believe there is a mistake as to this last date, which foever of these two renowned knights was the real author.

“ I conceive this intended project of enfeebling the coin, will intrench very far, both into the honour, justice, and profit of the king.”— “ *Vopiscus* saith, the steps by which the (*Roman*) state descended were visible most by the general alteration of their coins: And there is no surer symptoms of consumption in state, than the corruption of money.— When *Henry VIII.* had gained as much of power and glory abroad, of love and obedience at home, as ever any; he suffered shipwreck of all upon this rock.— To avoid the trouble of permutation, coins were devised as a rule and measure of merchandize and manufactories; which if mutable, no man can tell either what he hath, or what he oweth; no contract can be certain, and so all commerce both publick and private is destroyed; and men again enforced to permutation with things not subject to will and fraud.

“ The regulating of coin hath been left to the care of princes, who have ever been presumed to be the fathers of the commonwealth; upon their honours they are debtors and warranties of justice to the subject, in that behalf. They  
“ can-



“ cannot, saith *Bodin*, alter the price of monies to the prejudice of the subjects, without incurring the reproach of *faux monnoyeurs*. And therefore stories term *Philip le Bell*, for using it, *falsificateur de moneta*. *Integritas debet queri ubi vultus noster imprimatur*, said *Theodoret* the *Gotbe* to his mint-master, *Quidnam erit tutum si in nostra peccetur effigē?* Princes must not suffer their faces to warrant falsehood.—And I must with infinite comfort acknowledge, the care and justice now of my good master, and your lordships wisdoms, that would not upon the information of some few officers of the mint, before a free and careful debate, put in execution this project; which I much (under your honours favour) suspect, would have taken away the tenth part of every man’s due debt or rent already reserved throughout the realm, not sparing the king; which would have been little less than a species of that which the *Roman* stories call *tabula novæ*, from whence very often seditions have sprung.

“ In this last part, which is the disprofit that the enfeebling the coin will bring both to his majesty, and to the common-  
 “ wealth;

“ wealth; I must distinguish the monies of gold and silver, as they are bullion and commodities, and as they are measures: The one, the † extrinsic quality, which is at the king’s pleasure, as all other measures to name; the other, the intrinsic quality of pure metal, which is in the merchant to value; As their measure shall be either lessened or enlarged, so is the quantity of the commodity that is to be exchanged. If then the king shall cut his shilling or pound in money less then it was before, a less proportion of such commodities as shall be exchanged for it, must be received: It must then of force follow, that all things of necessity, as victuals, apparel, and the rest, as well as those of pleasure, must be enhanced. If then all men shall receive in their shillings and pounds, a less proportion of silver and gold than they did before this projected alteration; and pay for what  
 “ they

† The terms *extrinsic*, *intrinsic*, and *real* qualities or values, are frequently to be met with in writers about coins. But in general these are vague expressions: *intrinsic* and *real* qualities, seem to be synonymous terms; and by *extrinsic* quality or value is meant I suppose, above, the rate or seignorage paid at the mint for coinage. For coins made *gratis*, or at the expence of the public, can have no extrinsic value above mere bullion.

“ they buy at a rate enhanced, it must cast  
 “ upon all a double loss.

“ What the king will suffer by it in the  
 “ rents of his lands, is demonstrated enough  
 “ by the alteration since the 18th of  
 “ *Edward III*, when all the revenues of the  
 “ crown came into the receipts, *pondere*  
 “ & *numero*, after five groats the ounce ;  
 “ which since that time, by the several  
 “ changes of the standard is come to five  
 “ shillings, whereby the king hath lost  
 “ two third parts of his just revenues.

“ In his customs, the book of rates be-  
 “ ing regulated by pounds and shillings, his  
 “ majesty must lose alike ; and so in all,  
 “ and whatsoever monies that after this he  
 “ shall receive : The profits by this change  
 “ in coinage, cannot be much, nor per-  
 “ manent, the loss lasting.—And as his  
 “ majesty shall undergo all this loss here-  
 “ after in all his receipts, so shall he no  
 “ less in all his disbursements. The wages  
 “ of his soldiers must be rateably advanced,  
 “ as the money is decreased. This  
 “ *Edward III*, as appeareth by the accounts  
 “ of the wardrobe and exchequer, and all  
 “ the kings after him were enforced to do,  
 “ as oft as they lessened the standard of

“ their monies. What shall be bought for  
 “ his majesty's service, must in like man-  
 “ ner be enhanced on him. And as his  
 “ majesty hath the greatest of receipts and  
 “ issues, so must he of necessity taste of  
 “ the most loss by this device.

“ It will destroy or discourage a great  
 “ proportion of the trade in *England*, and  
 “ so impair his majesty's customs ; for  
 “ that part (being not the least) that pas-  
 “ seth upon trust and credit will be over-  
 “ thrown : For all men being doubtful of  
 “ diminution hereby of their personal estates,  
 “ will call in their monies already out, and  
 “ no man will part with that which is ly-  
 “ ing by him, upon such apparent loss as  
 “ this must bring. What damage may be-  
 “ fall the state by such a sudden stand of  
 “ trade, is submitted to consideration. The  
 “ monies both of gold and silver, formerly  
 “ coined and abroad, being richer than those  
 “ intended, will be transported ; which I  
 “ conceive to be none of the least induce-  
 “ ments that hath drawn so many gold-  
 “ smiths to side in this project, that they  
 “ may be thereby factors for the strangers,  
 “ who by the lowness of minting (being but  
 “ 2 s. the pound weight of silver, and 4 s.  
 “ for

“ for gold ; whereas with us, the one is  
 “ 2 s. 6 d. and the other 5 s.) may make  
 “ that profit beyond sea they cannot here,  
 “ and so his majesty’s mint be unset on  
 “ work. And as his majesty shall lose ap-  
 “ parently in the alteration of monies, a  
 “ fourteenth in all the silver, and a twenty-  
 “ fifth part in all the gold he after shall re-  
 “ ceive ; so shall the nobility, gentry, and all  
 “ others, in all their former settled rents,  
 “ annuities, pensions, and loans of money.  
 “ The like will fall upon the labourers and  
 “ workmen in their statute wages : And as  
 “ their receipts are lessened hereby ; so are  
 “ their issues increased, either by improv-  
 “ ing all prices, or disfurnishing the mar-  
 “ ket, which must necessarily follow. For  
 “ if in the 5 *Edward VI.* 3 *Mary,* and 4  
 “ *Elizabeth,* as appeareth by their procla-  
 “ mations, a rumour only of an alteration  
 “ caused these effects, and they punished  
 “ the authors of such reports with imprison-  
 “ ment and pillory ; it cannot be doubted,  
 “ but the projecting a change must be of far  
 “ more consequence and danger to the state ;  
 “ and it is to be wished that the actors and  
 “ the authors of such disturbances in the  
 “ commonwealth at all times hereafter,  
 “ might

“ might undergo a punishment proportion-  
 “ able—Experience hath taught us, that  
 “ the enfeebling of coin is but a shift for a  
 “ while, as drink to one in a dropfy, to  
 “ make him swell the more : But the state  
 “ was never thoroughly cured, as we saw  
 “ in *Henry the VIIIth’s* time, and the late  
 “ queen, until the coin was made up again.  
 “ I cannot then but conclude, my honour-  
 “ able lords, that if the proportion of gold  
 “ and silver to each other be wrought to  
 “ that parity, by the advice of artists, that  
 “ neither may be too rich for the other ; that  
 “ the mintage may be reduced to some pro-  
 “ portion of neighbour parts ; and the  
 “ issue of our native commodities may be  
 “ brought to over-balance the entrance of  
 “ the foreign, we need not seek any shift, but  
 “ shall again see our trade to flourish, the  
 “ mint, as the pulse of the commonwealth,  
 “ again to beat, and our materials, by in-  
 “ dustry, to be mines of gold and silver to  
 “ us ; and the honour, justice and profit of  
 “ his majesty (which we all wish and work  
 “ for) supported.”

8. The above excellent speech is so clear and full to the point, as to need no remarks.

C

It

It shews that the nature of money, however it came to be so much mistaken since, was formerly well understood; and by a passage in it, and in the † report of a committee appointed by the privy-council to examine into the project of debasing the coin, we learn that the said project came from some officers of the mint, with whom were also joined certain goldsmiths or money-mongers: And to facilitate the scheme, it appears, that these gentlemen did not scruple to make allegations that were false in point of fact. It will be shewed hereafter, why mint-masters have an interest in promoting any alteration in the standard of money: And although nothing that hath been here or elsewhere said, is intended as a reflection upon any persons of the present age, as I do not think that they deserve such a censure; yet it may serve as a standing caution to those in power, not to trust too far to the opinions or glosses of those, who may be interested in deceiving them.

The report above referred to, is too long to be here inserted at full length; but the following extract, being part of the result of

† This report is printed in the forecited works of Sir Robert Cotton's.

of the consultation then held at court, and drawn up with great strength and conciseness, I could not well omit.

9. “ Gold and silver have a two-fold estimation: In the *extrinsic*, as they are monies, they are the prince's measures given to his people; and this is a prerogative of kings. In the *intrinsic* they are commodities, valuing each other according to the plenty or scarcity; and so all other commodities by them; and that is the sole power of trade.

“ The measures in a kingdom ought to be constant: It is the justice and honour of the king: For if they be altered, all men at that instant are deceived in their precedent contracts, either for lands or money, and the king most of all: For no man knoweth then, either what he hath, or what he oweth.

“ This made lord treasurer *Burleigh*, in 1573, when some projectors had set on foot a matter of this nature, to tell them that they were worthy to suffer death, for attempting to put so great a dishonour on the queen, and detriment and discontent upon the people. For, to alter this public measure, is to leave all the markets

“ of the kingdom unfurnished ; and what  
 “ will be the mischief, the proclamations  
 “ of 5 *Edward VI.* 3 *Mary,* and 4 *Eli-*  
 “ *zabeth,* will manifest ; when but a ru-  
 “ mour of the like, produced that effect so  
 “ far, that besides the faith of the princes  
 “ to the contrary delivered in their edicts,  
 “ they were enforced to cause the magi-  
 “ strates in every shire respectively, to con-  
 “ strain the people to furnish the markets  
 “ to prevent a mutiny. To make this mea-  
 “ sure then, at this time short, is to raise  
 “ all prices, or to turn the money or mea-  
 “ sure now current into disuse or bullion :  
 “ For who will part with any, while it is  
 “ richer by seven in the hundred in the  
 “ mass, than the new monies ; and yet of  
 “ no more value in the market ?

“ Hence of necessity, it must follow,  
 “ that there will not in a long time be suf-  
 “ ficient minted of the new to drive the  
 “ exchange of the kingdom, and so all  
 “ trade at one instant at a stand ; and in the  
 “ mean time the markets unfurnished ;  
 “ which how it may concern the quiet of  
 “ the state, is worthy care.

“ And thus far as money is a *measure.*  
 “ Now as it is a *commodity,* it is respected  
 “ and

“ and valued by the intrinsic quality ; and  
 “ first the one metal to the other.

“ All commodities are prized by plenty  
 “ or scarcity, the one by the other : If  
 “ then we desire our silver to buy gold, as  
 “ it lately hath done, we must let it be the  
 “ cheaper, and less in proportion valued ;  
 “ and so contrary : For one equivalent pro-  
 “ portion in both, will bring in neither.  
 “ We see the proof thereof by the unusual  
 “ quantity of *gold* brought lately to the  
 “ mint by reason of the price ; for we rate  
 “ it above all other countries, and gold  
 “ may be bought too dear. To furnish  
 “ then this way the mint with both, is al-  
 “ together impossible.

“ And at this time it was apparently  
 “ proved, both by the best *artists,* and  
 “ *merchants* best acquainted with the *ex-*  
 “ *change,* in both the examples of the mint-  
 “ masters, in the *rix-dollar* and *real of*  
 “ *eight,* that silver here is of equal value,  
 “ and gold above, with the foreign parts  
 “ in the intrinsic ; and that the *fallacy*  
 “ presented to the *lords* by the *mint-masters,*  
 “ is only in the *nomination* or extrinsic  
 “ quality.”

“ But if we desire both, it is not raising  
 “ of the value that doth it; but the *balan-*  
 “ *cing of trade*: For buy we in more than  
 “ we sell of other *commodities*, be the mo-  
 “ ney never so high prized, we must part  
 “ with it to make the disproportion even:  
 “ If we sell more than we buy, the con-  
 “ trary will *follow*.”

“ And this is plain in *Spain's* necessities:  
 “ For should that king advance to a double  
 “ rate his *real of eight*, yet needing, by  
 “ reason of the barrenness of his country,  
 “ more of foreign wares than he can coun-  
 “ tervail by exchange with his own, he must  
 “ part with his money, and gaineth no  
 “ more by enhancing his coin, but that he  
 “ payeth a higher price for the commodi-  
 “ ties he buyeth; if his work of raising be  
 “ his own. But if we shall make improve-  
 “ ment of *gold and silver*, being the staple  
 “ *commodity* of his state; we then, advan-  
 “ cing the price of his, abase to him our  
 “ own commodities.”

“ To shape this kingdom to the fashion  
 “ of the *Netherlanders*, were to frame a royal  
 “ *monarch* by a society of merchants. Their  
 “ country is a continual fair, and so the  
 “ price of money must rise and fall to fit  
 “ their

“ their occasions. We see this by raising  
 “ the *exchange* at *Franckford*, and other  
 “ places at the usual times of their marts.”

“ The frequent and daily change in the  
 “ low countries of their monies, is no such  
 “ injustice to any there as it would be here.  
 “ For, being all either mechanics or mer-  
 “ chants, they can rate accordingly their  
 “ labours or their wares, whether it be coin  
 “ or other merchandize, to the present con-  
 “ dition of their own money in exchange.”

“ And our *English* merchants, to whose  
 “ profession it properly belongs, do so, ac-  
 “ cording to the just intrinsic value of their  
 “ foreign coin, in all barter of commodi-  
 “ ties, or exchange, except at usance;  
 “ which we, that are ruled and tied by the  
 “ extrinsic measure of monies, in all our  
 “ constant reckonings and annual bargains  
 “ at home, cannot do.”

“ And for us then to raise our coin at  
 “ this time to equal their proportions, were  
 “ but to render ourselves to a perpetual in-  
 “ certainty: for they will raise upon us  
 “ daily then again; which we of course  
 “ should follow, else receive no profit by  
 “ this present change; we then destroy the

"policy, justice, honour, and tranquillity of  
our state at home for ever."

I shall conclude this chapter with shewing:

10. *The several ways by which the standard of money might be debased.*

<sup>31 &</sup>  
<sup>32. L.</sup> What the standard of money is, hath been already fully<sup>a</sup> explained: But to prevent mistakes, I shall here recapitulate the several ways by which this standard may be *debased, lowered, or curtailed*; for all these words here are synonymous, and with these, the phrase *raising the money*, hath also the same signification.

*First*, By altering the denominations of the coins, without making any alteration at the mint, or in the coins themselves; as suppose nine-pence, or as much silver as there is now in nine-pence, should be called a shilling; then a shilling would be called sixteen-pence, and so proportionably of all the other coins; and three crown pieces, or fifteen of our present shillings, would be called a pound sterling, which is our money integer. The same loss would descend down to the penny, and by this reckoning, the real penny must be called  $1\frac{1}{4}$  penny.

Of

Or the alteration may be made at the mint, by either of the following methods.

*Secondly*, By continuing the same names and the same weights to the coins, but making them baser, or with less silver and more alloy.

*Thirdly*, By preserving the same fineness of the metal, but making the coins smaller or lighter.

Lastly, the two last methods, or all the three methods, might be compounded together.

And here it may not be amiss to repeat again, that, by debasing the standard of money, I every where mean, the lessening of the quantity of pure silver in our *money integer* or *pound sterling*, or in the respective specie which by law is ordained to make up that sum, without regarding the particular manner, in or by which, this may be done.

Each of the preceding schemes for debasing the standard, have had their abettors. The first of these was Mr. *Lowndes's* plan, and it must be owned that this is by far the least mischievous of them all; for by this means a recoinage is avoided, and all the old coins are continued to be useful under

new

new names : but this is so glaringly foolish at first sight, that our modern projectors do not think it would afford them any countenance.

Those who are for debasing the metal without lessening the weights of the coins, say, that this would preserve the coin from wear : but this is saying either too much, or what is false ; for were it true, the argument would bring us down to mere copper : But those who have been curious enough to make the experiment, know, that fine silver and fine gold, are less liable to wear than when alloyed.

The greatest number of the enemies to our standard, are to be ranged under the head of clippers, and perhaps this profitable trade is not quite out of their view ; they are for reducing the coins to a less size, without altering the fineness of the metal ; and with a grave air they shamelessly tell us, that this is not altering the standard of money.

## CHAPTER II.

*The established standard of money  
should not be violated or altered,  
under any pretence whatsoever.*

THE several citations in the foregoing chapter, are so full and direct to the point before us, that, one would almost think, the whole argument might be safely rested upon them. But notwithstanding all that hath been hitherto said, the subject is still misunderstood by many ; and it must be confessed, that some points want to be better explained, than they have as yet been. For the better clearing it of all difficulties, I have in this chapter discussed the whole argument, independently of what hath been said by others ; and however that might be deemed to derogate from my own merit, I am the better pleased, the oftner I find myself in the company of those eminent authors already quoted. I have aimed throughout at brevity ; but the many attacks I had to encounter with, however frivolous they truly are, have unavoidably drawn this chapter into some length.



I. *Standards of all sorts of measures, necessary; and in the establishment of these, it is indifferent what are the specific quantities or measures taken.*

II. In all regular governments or communities, it is very necessary to have certain *standard measures* established, both as to weight and extension; that so by these, the true proportion between things as to quantity, may be ascertained, and all dealings regulated with ease and certainty; and it is very obvious, that a standard of money is not less necessary, than the others. Without these standards, most bargains would be vague and indeterminate; and a door would be left open for abuses, mistrusts, endless strifes and controversies.

It would have been of great conveniency in reckonings, if all nations having mutual intercourses and commerce together, had happened to have fixed and agreed upon the same standard measures; but in all other respects, this matter is quite indifferent: Nor can it be said, with any kind of propriety, that the standard measures of any one country, are either better or worse than those

those of another; those measures being either longer or shorter, heavier or lighter, in one place than they are in another, creating no manner of difference, when their respective quantities and proportions to each other are once known. The *Flemish* ell and the *English* yard, though differing considerably in lengths, are yet as good standard measures, one as the other. In like manner, coins bearing the same names, being made either finer or heavier in one mint than they are in another, create no manner of difference in the case; because these coins are every where rated accordingly. Every nation compares the measures of all other countries with its own standards; and no advantage can ensue, by departing from those already established.

12. This may suffice as a full answer to those, who are for debasing our standard, because say they it is too good. If our crown piece is finer and heavier than a *Spanish* dollar, doth it not proportionably fetch more? or if it doth not, is there not some other cause to be assigned for the disparity, besides the quantity of metal in each? These gentlemen might as well say that our yard is too long, and should be curtailed; and

and assign as a reason for it, if they please, because our consumption of cloth hath increased, since that standard was made and placed in the exchequer: Or, that our bushel should be lessened, because some past year our crops of grain fell short. Of a piece with these, when thoroughly sifted, will appear most of the reasons that have been given for debasing the standard of money.

*II. Established standards should be inviolably kept, and more especially that of money.*

13. The standard measures of a country being once established and known, any deviations from these afterwards could answer no good purpose; but, on the contrary, they must needs be attended with mischievous consequences; they would disturb the arithmetic of the country, confound settled ideas, create perplexities in dealings, and subject the ignorant and unwary to frauds and abuses.

But of all standard measures in any country, that of money is the most important, and what should be most sacredly kept, from any violation or alteration whatsoever. The yard, the bushel, the pound, &c. are applied only to particular commodities; and should

should they be altered, the people would soon learn to accommodate themselves in their bargains to the new measures; and it is but rare, that these have any retrospect to preceding contracts. But money, is not only an universal measure of the values of all things; but is also at the same time, the equivalent as well as the measure, in all contracts, foreign as well as domestic.

The laws have ordained, that coins having certain denominations, well known to every body, should contain certain assigned quantities of pure or fine silver. This makes our standard of money; and the public faith is guaranty, that the mint shall faithfully and strictly adhere to this standard. It is according to this standard, and under this solemn guaranty, that all our establishments are fixed; all our contracts, public and private, foreign and domestic, are made and regulated.

Is it not self-evident then, that no alteration can be made in the standard of money, without an opprobrious breach of the public faith with all the world; without infringement of private property; without falsifying of all precedent contracts; without the risque at least of producing infinite disorders, distrusts and panics amongst ourselves; as all men would become thereby dubious

and infecure as to what might farther be done hereafter ; without creating suspensions abroad, that there is some canker in the state ; without giving such a shock to our credit, as might not afterwards be easily repaired ? These wild and unjustifiable measures, have ever been and ever will be considered, as a kind of public declaration of some inward debility and decay ; and the discredit occasioned thereby, has ever proved injurious to those who used them. All payments abroad are regulated by the *course of exchange*, and that is founded upon the intrinsic values, and not on the mere names of coins. But having once broke the public faith, and curtailed the settled and long established measure of property ; foreigners will make ample allowance for what we may do of this kind hereafter ; and however we may cheat and rob one another, they will not only secure themselves, but make an advantage of our discredit, by bringing the exchange against us beyond the *par*. If we think to avert this evil by transporting our coin, our having debased it will avail us nothing.

III.

*Why our laws are not more explicit in specifying the quantities of silver that ought to be contained in given sums of money.*

14. As it is a matter of that very great importance, to keep up inviolably the standard of money ; it may be asked, how comes it that our laws are so silent in that respect, as not to declare explicitly what that standard is, or what quantities of pure silver ought to be contained in given sums of money ; but rest satisfied, as it were, with annexing their sanctions to mere names only ?

But the case is not so : For, although our statute-books are silent, the indentures of the mint are very express upon this head ; and the forming of these indentures, hath been always considered as part of the royal prerogative. But it may be said with truth, that this is a part of the prerogative that never was, and never can be, exerted to the altering of the standard, but with infinite detriment to the crown itself, as well as to the subject. In former times, the coins agreed exactly in quantities with the common weights of the country, and had the same names with them ; as pounds, shillings, and pence, were the names of the

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com-

common weights, as well as those of specific coins and sums of money: At those times, the bare names of coins and of given sums of money, did manifestly specify or define the precise quantity of silver which they ought to contain; and then every one could readily judge for himself, without the assistance of a law-book, and prevent any fraud or imposition. But although, by the strange pranks that were afterwards played in the dark succeeding ages with money, this business is now become somewhat more obscure; yet it is to be understood, that our laws now mean, as well as formerly, that sums of money under certain names, shall contain certain specific quantities of silver; otherwise their sanctions are merely verbal, and in a matter of such great importance, we are left in effect without any security or law at all: But whatever those of the long robe might determine upon the matter, the common sense of mankind hath determined in our favour; and the long respite we have had, of above a century and a half, from any abuses in the standard of our money, hath given us a kind of prescriptive right, at least, to the having of that standard kept unaltered.

There

There can be no scheme so weak or wicked, but there will be private men who will have, or fancy they have, an interest in pushing it on; and when that is the case, we have too often seen all considerations of public faith and private justice, sacrificed to the idol of private advantage. But any debasement, however small, of the standard of money, is such an outrage against common sense, as well as common honesty, and such a manifest violation of property; that it may be wondered how men having large possessions, and more especially ministers of state, could ever be brought to concur in measures so pernicious and destructive to themselves, to the public revenues, and to the public faith and credit. But although the ignorance of former times, fell into the snares of wily projectors; it is to be hoped that in this enlightened age, we are secure from being deceived into a scheme, that would be attended with such infinite mischiefs: And indeed in a reign remarkably distinguished by equal laws, and an equal distribution of them; we need no other security against this enormous measure, than the bare shewing the enormity and injustice of it.

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III.

III. *The effects of debasing the standard of money more particularly explained, and who they are that would be the principal sufferers by such a scheme.*

15. *Trade requires an indelible standard of money, and will bear no part of the loss by an adulteration of the coins.*

\* 53. I. What hath been before<sup>a</sup> observed about the invention of what they call *bank-money*, in some of the neighbouring states, shews very plainly, the folly and vanity, to give it no harsher names, of adulterating coins; it shews that trade requires, and will have in effect, an indelible standard of money; it shews that, do what you can, trade will shift the burden off itself. And as in those places where *bank-money* is established, in contradistinction to the current coin, the *aggio* always rises whenever these coins are debased; so with us, where, (because the standard having continued uniformly the same, almost as long as we have been a trading nation,) no such distinction hath yet obtained; if you alter the standard, the tradesman will accordingly alter his reckoning, and raise the nominal prices of his goods; or perhaps this wild measure would intro-

introduce amongst us, that awkward but necessary contrivance of *bank-money*; that is, a distinction in dealings betwixt the old standard and the new; and so this scheme would be defeated, though not without laying hardships on many, and creating general disorders and confusion. Or, if you should suppose that our tradesmen are so short-sighted, and such bad accountants, as not immediately to see that 20, for example, is less than 21, foreign trade will soon open their eyes; they will find that all sorts of commodities will cost, at least, as much as they did before; that is, they will be sold according to the old standard, or for so much more according to the new reckoning, as the standard had been debased. The course of exchanges would immediately set this matter even; the exchange will go yet farther, and take advantage of the discredit, which ever accompanies these awkward and ill conditioned schemes.

“ But granting all this, say you, all men  
“ are not foreign dealers, and those trades-  
“ men who do not buy from abroad, will  
“ have no pretence for raising their commo-  
“ dities.”

In answer to this, I say, that all men are in some degree consumers of foreign com-

modities; and every one that hath the staff in his own hand will defend himself, though he will give no further indulgence to his neighbour, than what the law secures to him. All tradesmen are in some sort connected, and have mutual dealings and dependencies one upon another; and foreign commodities enter deeply into all branches of commerce. The necessary advancement in the nominal prices of so great a part of our commodities, will naturally affect the nominal prices of all the rest; and were there no other reason for it, tradesmen of all sorts would endeavour to keep up to the same proportion, one as the other: And all sorts of goods being thus once nominally raised, it would be difficult afterwards to bring them down to their old nominal prices, though the cause that raised them be removed. But all the stock in hand must be sold at the former price, that is, nominally at a higher, according as the standard hath been debased; and goods even of our own manufacturing could not be replaced, without paying nominally for them more than formerly. For, the farmer finding all sorts of goods he buys in the shops, advanced upon him; he will also, though perhaps not immediately, raise

the prices of his corn, butter, cheese, &c. and so the price of labour, and thence the prices of all goods manufactured at home, as well as those bought from abroad, must be nominally raised, at least, proportionably to the debasement of the standard.

Thus, I think, it is in a manner self-evident, that a debasement of money, would be so far from laying any hold on tradesmen, that it would rather turn to their private advantage; and therefore, in this debate, they are properly to be considered as being not very impartial advocates: Yet the unavoidable discredit and convulsions attending such a measure, would prove injurious to trade in general, as well as to the nation many ways. Let us next see who would be mostly affected, and how, by the scheme before us.

*Debasing the standard of money, would prove very injurious to the government.*

16. If the money-standard be curtailed, suppose one twentieth part, and this by many projectors would be reckoned a moderate alteration; the king from thenceforward, would lose a twentieth part of his whole revenue. "Granted, says our pro-

jector; but this will be no loss to the crown, because its disbursements will be also diminished a twentieth part." Not so, say I: It is very evident, and I think absolutely undeniable from what hath been above shewed, that all foreign stores will cost, at the least, as much as they did before, that is, they will cost nominally one twentieth part more; and not only these, but likewise all sorts of goods furnished by our own tradesmen. There will be then a deficiency of, at the least, one twentieth, in a very considerable part of the public disbursements.

How far those who receive salaries and stipends from the crown, might be compelled to submit to this reduction, or how far a reduction would in that case affect the community, I do not take upon me to determine. But whilst many would be crushed by this indiscriminate scheme, it is to be feared too many others would make it a handle for enlarging that dark, gnawing tax upon their country, called by the delusive name of \*perquisites; a tax, as well from its enormous bulk, as from its indirect, occult, and undermining operations, though

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\* By perquisites, I do not here mean known and settled fees.

less perceived, perhaps infinitely more grievous to the public, than the whole list of salaries in the court-calendar.

But admitting that persons in civil offices, might bear to have their salaries or stipends reduced; what would you do with those upon the military establishment, both landmen and seamen? Is not their pay, officers as well as private men, scanty enough already? Or, could the officers quietly submit to this reduction of their pay, and be kept from clamour by good words instead of realities; what would you do with the common soldier and sailor? Would you render their state more abject and miserable than it now is, was it in your power? But instead of their tamely submitting to these hardships, you would put upon them; would you not run the risque of provoking a general mutiny? And how is all this disorder to be rectified? No otherwise, than by raising nominally all taxes *5 per cent.* and so raising murmurs, which though groundless, would yet be loud. Try what methods you will to deceive them, every one will see and understand that 19 is less than 20; and your scheme, after creating an universal disturbance throughout the land, will, as to the effect you proposed by it, vanish into smoke.

*De-*

*Debasing the standard of money would invalidate all preceding contracts; and yet, by its affecting credit, might prove injurious to debtors, and all in distressed circumstances.*

17. As our laws do not directly specify the quantities of silver that ought to be contained in certain coins and sums of money, but annex their functions, as it were, to the names only of coins; should our coins be legally debased, all contracts whatsoever now subsisting among us, would be so far vacated or annulled, as this debasement amounted to; every creditor would lose in that proportion of his just right, and every man of property might be greatly injured, before he could have it in his power to right himself. Supposing, as before, the adulteration in the coin to be one twentieth part; the lawyers would stand to it, that 19 shillings, or so much silver as used to be contained in 19 shillings, would be a full discharge for a debt of a pound sterling; and so proportionably of all debts whatsoever.

There are a thousand cases, wherein creditors should shew compassion to their distressed debtors, and take such compositions from

from them, as they are enabled to make. But to make a kind of an universal composition for debts, without any distinction of cases, is the ready way to the destruction of all credit; and such a law, instead of being advantageous to those whom it would seem to favour, might prove the very means of their utter ruin: Their being disengaged from a part of their debt, would be but a poor consolation in the distresses they would be likely to be thrown into, by their exasperated creditors.

*By debasing the standard of money, the greatest loss would fall upon those who live on their own established properties.*

18. It hath been already shewed, that, should the standard of money be altered, tradesmen of all sorts would help themselves; and they would probably ward off some of the inconveniencies they would otherwise be subject unto, by continuing to reckon in the old money, which it is likely they would call *old sterling*. The deficiency to the government must be made good, by a nominal increase of taxes; otherwise, some of the wheels must stand still. But all men who live upon their own estates, or upon established stipends; that is, all men who are not



not some how concerned in trade, would have no way of helping themselves, but would be obliged to submit to the whole loss, which the law in this case would throw upon them. At the same time, that taxes, wages, and commodities of all sorts were raised, at least, in proportion to the debasement of the coin; rents, interest of money, &c. would be paid short of the original contracts; that is, they would be paid and legally discharged in the new money. The landlord could not help himself, till the leases were expired; and the monied man would be a loser for ever, as he would be † defrauded in both his principal and interest.

Labourers and workmen of all sorts, would at first be defrauded in their wages; but this would not last long; necessity would soon teach them to right themselves; and those that threw them under this necessity, would be answerable for all the tumults and convulsions, which it might occasion.

*Some*

† And yet some have been daring enough to use this very fraud, as an argument for committing it: But of this more hereafter.

*Some of the evils above enumerated, might and ought be provided against; but many of them would remain irremediable, otherwise than by time, the great leveller of all things.*

19. Some of the above evils might indeed, and undoubtedly should, be provided against, by enacting that all preceding contracts, settlements and establishments whatsoever, shall remain good; that is, that they shall be all satisfied according to the old standard. But this would be enacting two laws destructive of one another, at the same time; creating new accounts to no sort of purpose, and involving all classes of people in needless perplexities. And however this last act might repair our honour; I am afraid the two acts together, would not give a very advantageous idea of our wisdom. Whilst we were repairing one breach, and the nations around staring at our folly, there would be a thousand inlets left for abuses; whilst the crafty evaded the laws, and made their advantage of the confusion occasioned by them; the ignorant and unwary would be defrauded and distressed, and many of them utterly ruined: Nor would it be in the

the power of this healing act to allay, in a long time, the inevitable distrusts, discredit, murmurs and complaints, raised by the other.

*Debasing the standard of money, will occasion culling, and transporting of the old coins at an undervalue.*

20. Trade is quick fought, and no restraint of law can hinder its pursuit of gain, wherever the game stands fair; and herein the uncircumcised are just as good marksmen, as the sons of circumcision. In the present case, a temptation will be laid, and accordingly a new trade will be opened, for culling, and transporting all the good old coins, perhaps to purchase others coined abroad in imitation of our new standard. Of the profits made by this new commerce, foreigners will have some share, at our manifest expence: In this respect, trade is very generous, and readily divides some of its spoils on all sides. But you will say, this evil may be prevented by opening the mint, and purchasing there all the old coins at their full value. And so you will save the nation harmless, at the moderate expence of a general recoinage: A wonderful expedient

dient truly! But after the mint hath engrossed all the old coins, and whilst it is coining the new; how will the internal traffic of the country be carried on? And will not the distresses of the people, and the uncertainties you have thrown them into, by your new standard, be an invitation to foreigners to coin and import upon you, even worse coins than you are a making at your own mint. I am weary of the subject; and it would be an endless pursuit to go through all the inconveniencies, that would attend this rueful project of debasing the standard of money.

*IV. Causes of debasing the standard of money, enquired into.*

21. The mischiefs occasioned by debasing the standard of money, being so glaring and so great; it may be asked, how was it possible that such a scheme should be ever entered into, and who could have an interest in bringing it about?

In dark times, weak princes and weak counsellors, for such in this respect they were, might promise themselves mighty advantages from this device: They might think to impose upon the understanding of  
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the subject, and by this trick lengthen out the ready cash in the exchequer. But they did not, it seems, foresee, that this could be only the sport of a day; that the whole revenue would for the future be defrauded; that the deficiency could not be made good without new imposts, which would create murmurs, discontents, and perhaps insurrections, amongst the people, &c. &c.

But I do not know how to think that these schemes really sprang from court, however the courtiers might be bubbled into them. There were others, whose prospect of gain by such a scheme was much clearer and better founded, and whose influence and credit in these matters, are usually very great; as bankers, scriveners, and all sorts of money-jobbers. For by debasing the standard of money, they were not only enabled to cheat all their creditors; but also furnished with opportunities of making large gains, by taking advantages of the fears and ignorance of the many; buying up the old coins at an undervalue, and culling and transporting or sending into the mint all the heaviest of them.

But nobody had so clear and so great an interest in those mischievous projects, as the mint-

mint-masters; and it is to be suspected, that, by their credit and influence, they had the greatest hand in bringing about the several adulterations, that, time after time, have been made in coins: They had an interest in keeping the mint constantly at work; and nothing could perpetuate this gainful trade so effectually, as adulterating the standard of money; this, in effect, reduced all the old coins into mere bullion, and created an absolute necessity of a re-coinage: By virtue of their places, these gentlemen were supposed to be the most competent judges, and the most to be relied upon in those matters. If, besides theirs, the opinions of the money-mongers were asked, supposing they staid to be asked, they would be sure to join with the mint; and the seignorage formerly paid to the crown for coinage, would be used as a soothing argument for facilitating the project. By way of auxiliaries, there are at all times troops of writers ready to be entertained, and ready to blow and propagate any scheme they are set upon. When we consider these circumstances, need we wonder if in former times, princes and their ministers have been over-reached in this

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business, to their own very great loss and disgrace?

V. *The various pretences for debasing the standard of money, stated.*

22. I imagine I have, in the preceding, detected the causes of the several adulterations that have been made in our coins; but the real motives for this baneful measure, were cloaked under various pretences; and all that I have ever heard or read in its support, I shall under this head lay down before the reader, and afterwards endeavour to answer all these assertions or pretences, severally.

1. I have often heard it asserted, and that by men who thought themselves very wise and knowing in these matters, that our standard of money was too good, and should be debased. This ridiculous assertion hath been answered<sup>b</sup> already; and nothing like  
<sup>b</sup> 11, 12 & 13. II. an argument can be urged in its support, but what will fall under some one of the following heads.

2. Increasing the coinage, and also increasing the quantity of tale-money, by giving the old names to smaller pieces of silver;  
 are

are both urged as arguments for debasing the standard of money.

3. The keeping our coin from being melted or exported; also the examples of former times and of foreign states; are all brought as arguments for the same purpose.

4. The lightness of our coins from long wear, &c. is urged as an argument for altering the course of the mint, so as to make the new coins no better than the old in common currency.

5. It is said that debasing the coin, provided it be done gradually, a little at a time, would not be perceived, and therefore no injury to any body.

6. Some confine the standard to the fineness only of the metal; and if that be but preserved, you may clip or diminish the coins as you please.

These are all common-place thread-bare arguments, ready upon all occasions; and founded only upon this supposition, that as good money may be coined at the stamp-office, as at the mint: But our modern projectors have found out new arguments, and, as they think, very formidable ones.

7. Some say that gold is our standard as much as silver; and therefore that no argu-

ment can be used as to the one, but will hold equally with respect to the other.

8. Others go yet farther; and say that gold only is our standard; that you may debase silver coins as you please, and treat them as mere tokens, without giving any one a right to complain. This is making short work of it indeed, and with one stroke demolishing our poor old standard: And in support of this it is said, that gold is the standard of merchants; and therefore is, or ought to be, the national standard.

There is an obvious necessity of bringing the rates of gold and silver coins, to a juster proportion to each other, than they bear at present; and as something should be speedily done, it is said in favour of gold,

9. That, as we have greater plenty of gold coins, and of far greater value than we have of silver; should we lower the price of gold, we should undervalue our own treasure; therefore say they curtail the silver standard.

10. Some more modest than the rest, are for debasing some of our coins only, as shillings and six-pences: And leaving the crowns and half-crowns upon their present footing; they think that would be sufficient  
to

to secure them, from the odium of having debased the standard.

*Lastly*, As we are a nation indebted to foreigners; should we lower the price of gold, we should pay our foreign creditors more than we borrowed from them; therefore we should debase the silver, &c.

This is very artfully put, and hath really in it more of argument, than all the preceding put together. But the whole weight of that argument, lies upon a fraud couched under it; a fraud that could not well be avowed, and yet would be glaring and obvious to all the world.

Before I enter upon the merits of these several pretences, for debasing the standard of our money; I shall endeavour to remove an obstacle out of the way, which, I believe, hath proved a stumbling block to many well meaning people.

VI. *Why coin and bullion of the same metal and fineness, are not always of the same value, or will not exchange in equal quantities one for the other.*

23. Silver and gold with us, are measured by the ounce troy; and the legal rate of an ounce of either of these metals in coin, is

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called the *mint price*; that is, silver being the standard, and the coinage with us being free; the number of pence that an ounce troy of standard silver is cut into, is called, though perhaps improperly, the mint price of silver; and the number of pounds, shillings and pence, with such a fraction as may happen, that falls to the share of the ounce troy of gold, according to the legal rates of guineas, is called the mint-price of gold. Thus, because 62 shillings are cut out of a pound troy of silver; 62 pence, or 5 s. 2 d. is said to be the *mint price of silver*: And 44½ guineas being, by the indentures of the mint, cut out of a pound troy of gold, and guineas now passing at the rate of 21 shillings; this makes the present *mint price of gold* with us, to be 3 l. 17 s. 10½ the ounce. In both cases, the fineness is understood to be according to the established standard; viz. the silver to be 11 oz. 2 dwts fine, and the gold 11 oz. or 22 car. fine.

If the importers of bullion into the mint, pay a certain rate for the coinage, as in other countries; the rate which they pay is to be deducted from the mint-price above stated, and the residue is then the mint-price. *Ex. gr.* If the importers of bullion

bullion into the mint paid, suppose, two-pence an ounce for coining silver; the mint price of silver bullion, would be then five shillings an ounce; and at this rate it would frequently be in our market, if no other cause interfered.

*Bullion can never be lower, but may frequently be higher, than mint price.*

24. Whether the coinage be free or otherwise, if the mint be always \* ready to make its returns in coin; neither silver nor gold bullion, can fall in our market below mint price; for the mint is always open to receive them both, at those respective rates: But one or both these metals, may be frequently higher than mint price.

1. If the bullion is exportable by law, and the coin is not, without some penalty; this, whenever we want to make any considerable remittances abroad, may somewhat advance the price of bullion; and that in proportion to the demand for, or scarcity of, bullion. But the advanced price of bullion,

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lion,

\* This is a necessary condition; for a delay here might oblige the merchant to sell his bullion at an undervalue, to those who could better stay to have it coined.

lion, on account of the mere inexportability of coins, I think, must be very inconsiderable; as coins may be reduced into bullion, at a small risk of discovery, and at a small expence. For, the demand for bullion upon this account, is chiefly in great towns, where the melting-pot is always at work; and it is very easy to conceal the contents, from the knowledge of any servant or by-stander.

2. Although both coins and bullion were legally exportable; yet the market price of bullion, might be frequently above the mint price. For, the remitter might not have by him, or be able readily to procure, a sufficient quantity of \* weighty coins to answer his present purpose; in that case, he will not scruple giving some advanced price for bullion; and he will be reimbursed with profit, by those who want his bills upon that place, to which the bullion is to be sent †: Or, if he himself be the debtor abroad, he may find it cheaper to give an advanced price for bullion, than the purchasing of bills of exchange. But upon the present supposition also, of coin being exportable;

\* For all coins in foreign dominions are mere bullion, and treated as such.

† See more upon this head, in the first part of this Essay, chap. III.

portable; the advanced price of bullion cannot be considerable or permanent, unless there be some other cause co-operating.

3. If the coins pass by tale, and are by wear or otherwise become sensibly lighter than their just standard, at their first coming out of the mint; this, when there is a demand for exportation, will naturally raise bullion above mint price. But the difference between coin and bullion upon this account, cannot exceed the average of the whole deficiency upon the coins; and it will fall something short of that average, because the heaviest coins will be first sent abroad; and by being sent, keep down the price of bullion: And when the demand for exportation is satisfied, bullion will again fall to mint-price.

4. If the current coins are heavy, or pass by weight, and the merchants or importers of bullion into the mint, pay a certain rate for coinage, as the case is in all other countries; bullion at times, will fall as much below coin, as this rate amounts to; that is, a given quantity of bullion, might be purchased for so much less quantity of coin, as the coinage of that bullion would cost at the mint.

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These different causes may concur, to vary a little the price of bullion; and to raise it, sometimes more and sometimes less, above mint-price, as exigencies vary; whilst it can never be lower than that price: But the effects of these causes are only temporary, and never very considerable.

5. The arrival of plate fleets from *America*, and the departure or fitting out of fleets for the *East-Indies*; have, perhaps, greater influence upon the market price of bullion, than all the preceding causes put together: But because those incidents upon the arrival and departure of the said ships, are irregular, and usually of short continuance; no great stress need be laid upon them in this place.

Some of the causes, above enumerated, of the disparity between coin and bullion, occurred to Mr. *Locke*; but, having missed of the principal cause for his purpose, which here comes next to be considered; he brought himself under some embarrassments, by laying a greater stress upon the others, than they were able to support.

VII.

VII. *If gold and silver coins are not rated in due proportion to each other, as they are at a medium in the neighbouring countries; that metal in bullion, which is lowest rated, will raise and keep constantly above mint-price, till that cause be removed.*

25. It hath been shewed in the preceding, that coin and bullion will not always exchange in equal quantities one for the other, although we had only one sort of coins, as silver, for instance, in currency; and the case would not be very different, though we had both silver and gold coins, if the legal rates of these were established in a due proportion, as they are at a medium in the neighbouring countries. For, bullion being a commodity, its price will fluctuate a little, so as sometimes to be above coin; and it hath been shewed, that it can never be lower than mint price. But the difference upon the above accounts, can only be at particular times, and then not very considerable.

Silver bullion in England hath been for above half a century past, constantly higher than mint price, excepting only at a very few intervals of a short continuance. This

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hath



hath been chiefly, and in a manner wholly, owing to gold being higher rated at our mint in proportion to silver, than it is in other countries: For, the causes considered in the preceding, affect equally both gold and silver; and their influence upon both, may be deduced from the share they have had upon gold. For, gold only coming into our mint, the deviations of gold bullion from mint-price, shew, accurately enough, the effects of the several concurring causes before-mentioned, upon the price of bullion both gold and silver; and they shew also, that these effects are but small, and usually of no long continuance.

To illustrate the case before us: Let us suppose that in *England*, gold coins are rated \* five *per cent.* higher in proportion to silver; or if you would rather consider it so, that silver coins are rated so much lower in proportion to gold, than in the neighbouring countries. This supposed disparity of five *per cent.* is three-pence upon a crown-piece, and about a shilling upon a guinea; that is, gold coins with us are rated a shilling in the pound sterling too high;

\* I do not take upon me, in this place, to state how much it is that we over-rate gold; the exact proportion between gold and silver, not affecting the present argument.

high; or, which is the same thing, silver coins are rated a shilling in the pound sterling too low, in respect to guineas. But the law reaching only to coins, and bullion being free; the market will adjust the disproportion which the law had made; and either, silver bullion will rise above coin, or gold bullion will fall below the rate of guineas; till, as above-said, the legal disproportion between gold and silver is adjusted. But no bullion can fall below the rate of coin, whatever that rate be; the mint being always ready to exchange coin for bullion, at the legal or mint-price. Therefore the difference, in the present case of silver being lowest rated, will fall entirely upon the silver; that is, whilst the mint becomes a standard for the price of gold bullion, silver will rise in our market the above supposed difference of five *per cent.* or to about 65 pence the ounce, or to five shillings and three-pence, for as much silver as there is in a crown-piece. For, the merchant will always make that metal his standard, which is highest valued at the mint; and, in the present case, he will not part with his silver at a less rate in proportion to gold, than it will fetch him in other countries.

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Both gold and silver in the eye of commerce, are commodities; and that equally, whether they be in the shape of coins or bullion; and the market prices of both with respect to one another, will be nearly the same every where, without regarding the mint prices in different places. Gold, as above instanced, being highest rated with us, will be brought here in great plenty; especially, whilst any heavy silver coins are to be had in exchange for it: But no silver can be brought in here, or worked into plate, till the market price of it hath rose, so as to make it equally profitable to import either silver bullion or gold; and silver being excluded from our mint, by the higher valuation there of gold, no more silver can stay here, than what is wrought into plate. For, a guinea fetching here as much of any thing, as can be purchased for 21 shillings; and in *Holland*, suppose, fetching no more than may be purchased with 20 of the same shillings; a merchant here will not part with a silver ingot, at a less rate than that of a guinea for 20 shillings: If the refiner or silversmith will not give him at that rate; he will send his ingot to *Holland*, and there purchase with it, either gold, a bill of exchange, or some other commodity,

modity, that will fetch him here as much as the money he had asked for the said ingot; all charges being paid, which are pretty nearly equal, for the transportation of both gold and silver.

Trade is too quick-sighted to be over-reached by laws; and gold and silver bullion are too universally known and coveted, to suffer any disparity in respect of one another: The *European* markets are never glutted with either, and they will fetch proportionably every where. Gold then being over-rated at our mint, silver bullion will get up as much above coin, as this over-rate amounts to; and, in like manner, should gold coins be undervalued, gold bullion would rise as silver had done before. These metals have every where a reference one to the other; and without this, the terms higher or lower rated, could have had no place.

VIII. *Difference betwixt money and mere bullion, farther illustrated.*

26. Foreign commerce, as hath been before observed, treats gold and silver as commodities, both alike; and they are subject to fluctuate in their value, not only with respect

respect to one another, but also with respect to all other commodities, according to their greater plenty or scarcity. But nevertheless, in all home establishments and transactions whatsoever, one of these metals is money, or a standard measure of the values of all other things; and this standard cannot be altered, without incurring all the mischiefs before enumerated.

As bullion occurs much more than coin, in the transactions of merchants; some of them have been induced from thence to think, that the price of bullion is what governs and measures, the values of all other things. But, from what hath been already delivered, it is very manifest, that the price of bullion is governed as well as measured, by coin or the established standard of money; and not suffered to deviate much, from that standard. With merchants indeed, any commodity they deal in, may be said indifferently to be a standard for all the rest, as well as gold or silver; for they consider all things, as they will purchase more or less of each the other, in this place or in that; and coins, which with the rest of the world is money, is with them thrown into the general hotch-potch, and no otherwise distinguished

guished from other commodities, but from the proportion that certain quantities of one or the other, will fetch of the rest; and they join with us rather in language than in idea, as to the use of coins. No wonder then, if these gentlemen treat the standard of money so slightly, and so disdainfully, as some of them do. But although we are all agreed, that gold and silver, like all other things, have their values increased or depreciated, according as they grow scarcer or in greater plenty; and that the coins made of them, do, in this sense, share the same fate with the bullion: Yet coins as such, or as money, escape the fluctuations of markets; and the standard coins, which are the measures of all contracts, are to be considered as having their value remaining permanent and unalterable; the above slow alteration brought about by time in the value of money, being not to be admitted into consideration, in the temporary dealings of men with one another.

Having thus explained, as clearly as I could, the several causes of the different prices of coin and bullion; the essential differences there is between them; and also the effect which the over-rating of gold hath upon silver bullion: Let us now proceed to

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consider, the several pretences that are urged for debasing the standard of money.

*IX. Coinages should in no wise be forced.*

27. The keeping of the mint perpetually at work, seems to be the main drift of all the common maxims about coins; and the feeding of this office, is professedly urged as one of the reasons, for debasing the standard of money: And it must be owned indeed, that nothing could be more effectual for the compassing of that end. But this is proposing one evil, as a reason for committing another. The evils attending a general re-coinage, which this scheme would inevitably bring about, are many and great; but without entering into a detail of these evils at present; let it here suffice, to examine into the merits of that notion, which is very generally entertained, that coinages are by all means to be encouraged.

In one sense, coining is a neutral, harmless, and indifferent act; for if it be left free, it neither enriches nor impoverishes the nation, one single penny; the coins just pay for the bullion whereof they were made, and the profits to the mint are spent amongst ourselves. But it deserves well to be

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considered, that coining is nevertheless an act of very great importance: That a very great trust is thereby lodged in the mint; that it requires very great care, and great skill too, in those intrusted, to keep exactly to the standard; that a small deviation from it upon each piece, would soon amount to a large sum; that coins are universal pledges; and that the credit of nations is greatly concerned, in the exactness and faithfulness of their mints. When these things are considered, will it follow that coinages are to be promoted unnecessarily? That coins once faithfully made of their due fineness, are to be melted into the unattested state of bullion, for no other purpose than to be recoined again?

*Purchasing bullion at an advanced rate for coining, a very weak and insignificant measure.*

28. Besides debasing the standard, another expedient hath been hit upon for feeding the mint; and that is, the purchasing of bullion at an advanced price for coining, or the giving more *per* ounce for the bullion, than it would be afterwards worth in coin. But although this measure is very harmless, as to any consequence attending it, excepting to those immediately con-

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cerned;

cerned; yet it cannot be reckoned a very wise one. For, whatever be the cause that prevents bullion from coming into the mint; whilst that cause subsists, and coining will not remove it, the new coins will be melted into bullion again, and again coined; and so round in a circle, as long as a *premium* to the importer of bullion into the mint, is continued. And after all this expence, and all the expectation raised from it, no new coins will be to be seen; the same cause that created a scarcity before, will carry all these away; and nothing will be left, but the gains that had been made at the mint.

After what hath been said here, and in the preceding; it might be asked, of what use then is the mint? To which I answer, that a mint, rightly established, is a very useful, necessary, and important office; an office, that those at the head of our finances should have due cognizance of, as being answerable to the public, that its operations are faithfully performed. The natural waste and dissipation of coins, require frequent supplies: This, trade naturally and abundantly furnishes; and this vent for its bullion, when other markets do not invite, is also of very great advantage to trade; it prevents a stagnation and uncertainty, in a  
very

very considerable branch of commerce. No mint can be kept constantly at work, unless coining becomes a kind of manufactory for foreign commerce; which is not the case here, nor could it be, without very great loss to us, upon our present mint establishment. But the mint, if left free to its own natural course, cannot fail of keeping up the national coins to their due quantity; what it does more, may be truly said to be labour lost; and would prove mischievous, if trade did not step in and sweep away the superfluous coin.

What hath been here said, regards coining in general; without respecting the disparagements, which either silver or gold coins may lie under in particular, at the mint; and it may serve as a full answer to those, who are for promoting coinages, by forced and unnatural methods.

*X. Curtailing the standard will not lengthen out the coin; but, on the contrary, will occasion a greater scarcity in common currency.*

29. Some say, that if the standard of money was curtailed, the quantity of money in sale would be thereby proportionably in-

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creased; which they think would be a notable benefit to the country: As if the standard was curtailed a tenth part, we should immediately have a tenth part more money, than we had the moment before. According to this maxim, we have a very short and easy method of becoming rich; for if it holds in any one proportion, as here a tenth part, it will hold in any other; and whilst we are about it, why not take off a good piece, and leave only suppose one hundredth part behind? By this expedient, with one million of the old money, we could not only pay off all our old debts; but have enough left for carrying on the war, at least for a year or two longer; and all this, without raising one penny of taxes upon the subject. A very fine device truly!

§ 30. I. I have already<sup>b</sup> shewed that all artificial methods of increasing tale-money, are, so far as they extend, pernicious. But the scheme before us, will not reach the end proposed by it: If the method be by calling a shilling, suppose, thirteen pence; although this would be attended with the mischiefs before enumerated; yet, in the common traffic of the country, a shilling, notwithstanding the law, would be called a shilling still; and fetch and go, just at the same rate as it did before. If you

you give us new coins debased according to the new standard, this will rather make the matter worse. All things will advance in their nominal prices, at least, proportionably to the debasement made in the standard: This is a point wherein the understandings of men, cannot be imposed upon by mere sounds; so that were all the old coins new minted, they would go not one jot the farther, than they would before this alteration. But, from the alarms, fears, and suspicions, which this woeful project would naturally raise in the minds of the people; many of the coins would be hoarded, and many transported: So that the mint would be left gaping with little to do, and the country distressed for want of coin. All this, I think, upon even a slight view of the case, must needs appear very evident; but I do not wish to see it confirmed, by so pernicious an experiment.

XI. *Debasing the standard, would not prevent coins from being melted, or exported.*

§ 30. There are many well-meaning people, who think it the interest of their country, to keep the national coins from going abroad; and that this end might be accomplished, by debasing the standard of money.

money. I shall not at present enter into the merits of this conceit of keeping our cash at home ; nor inquire what influence such a scheme, if it could be effected, would have upon our commerce and credit ; but I think that a very slight reflection is sufficient to convince any one, that the means proposed would not answer the end. An adulteration of our coin cannot remove or affect any one of those causes, whatever those may be, that bring foreign demands upon us for money : These demands must be satisfied, to the full weight of fine silver or fine gold. Foreigners will not be imposed upon by names, or by false measures ; if our coins are adulterated, by being made either baser or lighter, they must have more of them ; and probably even somewhat more than their due, from the unavoidable discredit attending any debasement of money. Foreign coins are every where treated as mere bullion ; and should we debase ours, as much pure silver or pure gold, at least, would be carried abroad in these new coins, as now goeth in those of the present standard. Our own coins indeed, because of the free coinage, are in effect even at home, as much bullion as whilst they were in the mass ; and the

the stamp of itself, is too weak to save them from the melting pot.

If the proportion between gold and silver coins, was brought and kept to a just par ; this would prevent either of these coins from being melted or exported, preferable to the other ; but it would not lessen the exportation upon the whole, excepting so far as coins made of one of these metals, as silver for instance, might be sent abroad to purchase gold for coining. This is an evil we have laboured under, and the remedy is obvious, without meddling with the standard of money.

*XII. Foreign states debasing their coins, is not a reason for the debasing of ours.*

31. Some people are so fond of the project of tampering with the standard of money, that any thing will serve them as a plea for that purpose ; and, I think, nothing can well be poorer than the following, which yet I have heard urged with some vehemence, *viz.* “ that certain foreign “ states having debased their coins, we “ should therefore debase ours.” This empty plea, for it cannot be called an argument, hath been spoken to, in the preceding chap.

\* chapter. It might, in truth, as well be said, that we ought to change our language, as change our standard; the plea here brought for the one, being equally conclusive for the other.

¶ 41. I. It hath been before \* shewed, that it is out of the power of laws directly, either to augment or diminish the values of coins in general, otherwise than as by their oblique influence, they may increase or diminish the whole quantity of them in circulation. But states may set a higher value upon one sort of coins, in proportion to others, than is done by their neighbours; as we have done by gold coins in respect to silver: The consequence of which, always hath been, and always will be, the draining away of the coins that are undervalued. States may, if they please, go yet farther, and set a higher value upon some specie of coins, than they do upon others made of the same metal; and the consequence will be as before, the draining away of those that are least valued, and leaving them always poorer upon the whole; for the coins that are undervalued, will always go away at some undervalue. But of this more hereafter.

There

\* Page 22, 23.

There are, perhaps, no greater instances of human weakness, than the various and contradictory measures that have been pursued, almost all the world over, about coins. And even, in the same country, opposite measures have been taken, without any difference of circumstance to occasion them: But, an opinion it seems prevailed, that, since one method had not the desired effect, the contrary must needs succeed; and this again failing, some new course was again taken, and so on. The effects of all the various tamperings that have been made with coins, have ever proved, and ever will prove, that no alteration can be made in the standard of money, but what will be injurious many ways to those who make it; and it may be presumed, that no argument can be brought for that wild measure, either from what hath been done here or elsewhere, but what will conclude strongly on the other side of the question.

XIII. *The lightness of our coins, not a reason for altering the standard.*

32. It is well known that a great part of our current coins, what by long wear, and what by fraudulent practices, are become much lighter than the legal standard.

Soms



Some argue from hence, "that the stand-  
ard itself should be lessened accordingly ;  
" and say, that this would be doing no in-  
jury to individuals, if the new coins be  
made no worse, than the generality of  
those that are now in common currency."

This is an old plea, and which in any  
other case but that of money, would appear  
sufficiently ridiculous to every body : To  
diminish the standard upon this motive,  
would be such a vague pursuit as could  
have no end ; and what would, in effect,  
leave us without any standard. If this ar-  
gument had been admitted ; our standard,  
and our coins, would ere now have been  
in a manner annihilated ; and in trying to  
follow after them, the price of a shoulder  
of mutton would now be reckoned at as  
many millions, as would pay off the whole  
national debt in our present coin.

But this scheme, upon the plan proposed,  
is in fact impracticable : What particular  
piece or bag of light coins, is to be taken  
for the new standard ? And when this is  
fixed upon, what is to be done with the  
other coins, that are either heavier or lighter  
than these ? Are the weighty coins to  
be clipped, and the light ones to be new  
minted to the new standard ? Who does

not see the absurdity and evil consequences  
of such a scheme ? Should the measures in  
common use, some by wear and some by  
fraudulent diminutions, become many of  
them less than the standards at the exche-  
quer ; and it were proposed to diminish  
those standards accordingly ; would not such  
proposal be manifestly very ridiculous ? And  
are not the cases nearly parallel of money,  
and other measures ? Or, doth not what dif-  
ference there is, turn entirely on the side of  
the money standard, as money is both an  
equivalent and a measure ?

*The effects of diminishing coins by law, and  
what they suffer in private hands, very  
different. Currency by tale, regards chiefly  
the standard, or original value at the mint.*

33. The consequences of what the coins  
suffer in private hands, are widely different  
from those that would follow their debase-  
ment by legal authority. In the one case,  
every man's right is left unviolated ; for  
he may refuse coins unlawfully diminished,  
if he pleases ; and he hath no body to  
blame but himself, if he doth not : And  
as for those coins that are become light  
by long wear ; so long as all sorts of coins,  
light and heavy, continue indiscriminately

to exchange one for the other; the damage from the lightness of coins, doth not, as yet, fall upon individuals. But should the coins be debased by authority, every man's property would be invaded; all sorts of goods would rise, at least, to the new standard; and all the evil consequences before enumerated, would inevitably follow.

It is to be observed, that in the currency of coins by tale, no regard at all is had to their lightness, or deficiencies arising from mere wear; but all pass, as if they were of their due standard or full weight, as they first came out of the mint. All fixed establishments, being really made and governed by the legal standard; have a great influence, especially that of the public revenue, in keeping up the current values of coins towards that standard, notwithstanding their diminutions by long wear. And although foreign commerce contributes its share, towards bringing the current values of coins, nearer to the real value; yet, as the coins that go abroad, and they only are to be considered in the present argument, bear but a small proportion to those passing in all our internal transactions; their effect in  
account-

accounting for the lightness of our coins, must needs be very inconsiderable.

The above observations cut off at once all pretences for debasing the standard, from the lightness of the current coins; since that lightness, is in no wise considered, in any of our internal dealings with one another. Currency by tale refers only to the legal standard, as currency by weight doth to the coins themselves; and there is this farther notable difference between them; that by the one, the coins are perpetually kept up to the real standard, or so as to pass only for their real value; whilst by the other, the deficiency upon the coins is so much dead loss to the public; which loss must, sooner or later, reach to individuals, however they may ward it off for the present.

To conclude this head, let us put a case the most favourable possible to our opponents in the present argument: Suppose that all our coins were equally deficient in value, according to their respective current rates, as one twentieth part; and it were to be declared by legal authority, that the coins, as they now stand, are of the due standard. This declaration, would cut off one twentieth part of every man's property, though all contracts would continue to be

discharged and paid, in the very same coins that they were, before this new declaration. The plea of not having debased the standard, below the value of the actual coins in common currency, would be no justification of this measure; and with respect to the alienation of property, this proceeding would have the very same effect, as if all the current coins were now of their full weight, according to the present standard, and were called in to be diminished one twentieth part; whether by clipping, or new minting, would alter not the case.

XIV. *Any infringement of the standard of money, however small, would be proportionably injurious.*

34. There are some who readily allow, that a great debasement of the standard at once, would be very injurious; "and yet  
" insist, that if you do it gently, a little at  
" a time, no harm will be done; they say,  
" such a gentle touch would not be per-  
" ceived, and therefore none would com-  
" plain."

Strange indeed! You say it would be injurious to debase the standard much at once, and yet that it would be no injury to do

do the same thing at several times. But strange as this logic may seem to be, it must be owned to be very ingenuous, and to afford perhaps as good an argument for the purpose, as any we have yet met with: It fairly owns that debasing the standard would be a fraud; and only aims at shewing how you might commit this fraud without being perceived. It would be in vain to argue with these gentlemen upon moral principles; but here we can answer them upon their own: The law must be promulged, before such a project could be executed; and by that previous notice, the whole design would be frustrated.

XV. *All the species of coins made of the same metal, should be rated in a just proportion to each other.*

35. There are some who readily agree, that the debasing of all our coins would be attended with evil consequences; and yet think, that " these evils might be averted,  
" and the standard sufficiently secured, by  
" the largest specie of our coins only, as  
" crowns and half-crowns; whilst the lower  
" specie, as six-pences and shillings might  
" be debased; and the debasing of these  
" they think would be advantageous, as it  
" would

“ would be a means of preventing their  
 “ exportation, and of keeping them en-  
 “ tirely at home for our own circulation.”

I shall say nothing here to the notion of keeping our coins from being \*exported; and it hath been shewed <sup>a</sup> elsewhere, that there cannot be a want of coins for home circulation, unless † substitutes be placed in their stead: In that case, indeed, there may be frequently a want of coins for the circulating of the substitutes; and the only effectual way of curing the evil, is by gradually destroying those substitutes. Remove the cause, and the effect will cease. But the notion of having two sorts of coin, one passing for more than it is worth, or at a greater rate than the other, is a most dangerous one; and could it be brought to effect, would not only be injurious according to the proportion of value, which the sum total of these base coins may bear to all the rest; but also be attended with another fatal consequence peculiar to itself; the draining us of all our good specie. The mint at

\* This notion, which is a very general one, I fancy was first broached and propagated by the bankers; they might think, if the quantity of circulating cash could be increased, it would be brought the faster into their shops, and be suffered to stay there the longer before it was again recalled.

† Gold, copper, or paper-money, may either jointly or separately, be the means of draining away silver coins.

at the *Tower*, would soon be eased of its labour of making these base coins; and not only private hands amongst ourselves, would have a share in this beneficial trade; but foreigners also would not let slip so fair an occasion of minting, and importing upon us these base coins, so long as we had any good ones to give them in exchange. For example, if you were to coin shillings, having in them only nine penny-worth of silver; so long as a crown-piece could be had for five of these base shillings, you might be sure that plenty of them would be coined, both at *Birmingham* and abroad. This consequence is natural; and every nation ought to guard carefully, that all its several specie of coins, be rated in their due and just proportion; otherwise, those that are highest rated, must needs in time drain and swallow up all the rest.

But it is not probable that such a scheme, if it was attempted, could with us be brought to effect; and yet it might be attended with such perplexities in all dealings and contracts, both home and foreign, as for a long time back we have been free from in this country: It is most likely, that in all future contracts, it would be distinguished in what sort of money the contracts were made, and

the bargains regulated accordingly; for it is to be hoped that all preceding contracts, would be left to be satisfied in the old money: Or, the people would take and pass the new coins for their real worth; and in either case, the whole scheme would be frustrated. As supposing the new six-pence should be worth the old groat; the people would either reckon in the different proportions of two and three in all their dealings, according as they contracted in old or new money: Or, to avoid this perplexity, they would call the new six-pence, a groat; and fifteen of them would as currently exchange for a crown-piece, as ten old ones do at present.

*XVI. Silver only, and not gold, is the standard of our money; and not the less so, because gold coins have a fixed rate by law.*

<sup>b 34, 35, 36, & 37.</sup> 36. It hath been before<sup>b</sup> shewed, that there can be but one standard of money; that in these parts of the world, silver is, and time immemorial hath been, the money standard; and that it is the fittest material, hitherto known, for a standard.

We never heard till lately, a word mentioned of gold being the standard of money:

ney: Former projectors saw the absurdity of calling any thing the standard, besides that by which all the accounts of the country were kept, and all contracts measured. But their successors are grown desperate; and such is their fondness for gold, that any thing will serve them as a plea both for debasing silver, and for making gold the standard; at least, they would have it bear a share jointly with silver: And, for this, gold coins having a stated price by law, they think is a sufficient argument. However this fact, at first sight, might mislead some people; yet, it is very certain, that the argument built upon it, is overthrown by the very words of the law itself. Is not a declaration that a guinea shall pass for twenty-one shillings, a plain reference to shillings, as a standard measure of the value of a guinea? But, it cannot be said, on the other side, that a guinea is a measure of the value of shillings; it is impossible that any whole, should be made up of the parts of a material different from itself. The laws, the language of the country, the common consent, and common sense of all men, have unanimously concurred in making silver our only standard. Every body knows that pounds, shillings, and pence, denote certain

tain specific quantities of pure silver; and whilst all contracts whatsoever are measured by these, it would be a strange perversion of language, to call any thing else the standard. My receiving a certain number of guineas, in consideration for a certain sum, or number of pounds sterling, doth not make gold money, or a standard; any more than if I had received to the same value in lead, wheat, cloth, &c. would these commodities have thereby become money. Gold being coined, alters not the case; the coining only ascertains the quantity of metal, contained in the several pieces, at their utterance out of the mint; and we have proper measures at hand, for determining the quantities of other commodities. There is a necessity of coining gold to ascertain its fineness; otherwise, it would be a commodity too precarious to be meddled with in common dealings; a difference of fineness imperceptible to the eye, making a very great one in the real value.

But you will say, that gold coins, excepting the difference of colour, and of some other properties of the metals, have as much the appearance of money as silver coins: Granted; and so have copper coins  
too;

too; and so might pewter ones, &c. but this is nothing to the purpose; it is not the mint, but the laws, and the universal concurrence of mankind, that make money. You will say again, that the laws oblige me to take gold, as, or instead of money; whereas, I am at liberty to refuse any other commodity, that may be offered me instead of money. True; and I have before shewed \* the propriety and conveniency <sup>e 38. I.</sup> of ordaining that gold coins, should pass at certain rates, *pro tempore*, as or instead of money? But still, this doth not make gold money: These rates are not to be fixed arbitrarily, but are to be regulated by the price which gold then bears, in respect to silver as a standard; and these rates are, and always have been, considered as being subject to this rule; and so to be altered again and again, whenever the case may so require. Under this limitation, it is very convenient, that gold coins should pass as or instead of money, but not as being themselves money, or the standard measure of the values of all other things. It is a fundamental characteristic of money, that, as a measure, it continues invariable; that is, that a payment in the standard coins, of any specific  
G 4 sum

sum or quantity of money agreed upon, is, whenever made, a full discharge of that contract; without regarding at all, how silver may have varied in its value with respect to commodities in general, by an increase or decrease of its quantity. But gold coins are to be considered in another view: Payments in them, may not be by quantity for quantity; it is by the rates only, which gold coins bear in respect to silver as a standard, at the time of payment, that contracts are discharged; and not according to the rates, which these coins might have, at the time when the contracts were made. In this view only, gold coins are to be considered; and, in this view, they are upon a footing with any other commodity; though less liable to a sudden and great change in their value, than most other things.

Much of the difficulty upon this subject hath arose, from the not attending to the difference between money and commodity; and again, by confounding with the standard the lightness of the coins passing by tale, and making every coin, as it were, to be itself a standard. But this is bringing into the argument, what the common sense and common practice of men, never thought of. The nature and condition of tale money

ney hath been already <sup>a</sup> explained; and, <sup>a</sup> 33. II. I think, it is sufficiently manifest, that all contracts and the prices of commodities, are measured by the standard, and not by the intrinsic value of coins, in countries where they pass by tale: Nor, where they both pass promiscuously, is there any difference in regard to payments made either in gold or silver coins; in all cases, the silver standard is alike the measure referred to. I do not here enter into the merits of passing coins by tale; I have only aimed at shewing what it is that constitutes tale-money. But gold coins, although they passed only by weight, would so far partake of the nature of tale money, as not to have the prices of things, &c. regulated by their rates or intrinsic value; but only, as above observed, by the established silver standard.

*XVII. Gold being made the standard by merchants, doth not make gold to be the national standard.*

37. It hath been before <sup>b</sup> observed, that <sup>b</sup> 58. I. merchants will reckon by that metal which is most common in large payments; all coins are with them, in effect, mere bullion; they have no regard to names, or local

cal institutions; the real quantity of pure silver or pure gold, which they give and take in exchange for other commodities, is what they reckon by. And it is very manifest, by the course of exchange between us and all the world, that gold here is the standard of merchants; and this for them is most profitable, because gold here goes farthest in the purchase of our commodities; but with what loss to the nation, doth not fall within our present consideration.

But the transactions of \* merchants, do not make a standard for the rest of the world; and indeed, as hath been before observed, they have in effect no money, as they do not consider it in the same light that others do; coins with them being mere merchandize, as much as cloth, iron, or any other commodity. And therefore no considerations from the practices of merchants, or from the course of exchanges, have absolutely any thing to do in the present debate. In all countries, the business of settling the standard of money, is purely

\* I consider merchants here and elsewhere, solely as foreign dealers, without regarding their private transactions with shop-keepers, &c. in the places where they dwell; in this last light, they are upon the same footing with all other private dealers.

a national concern, which the rest of the world have nothing to do with; and merchants, as such, are of no country. If you alter the standard, whatever effect it may have among yourselves, the course of exchange will set the matter even as to the rest of the world. If you lower the price of gold, the exchange in appearance will turn proportionably in your favour; if you debase your silver standard, it will go seemingly against you, to the full amount of this debasement: That is, in both cases, the exchange will really set the matter even; and therefore, as above observed, the consideration of exchanges hath nothing to do in the present argument.

The great inland commerce or business of this country, is chiefly carried on, scarce as it is, by silver. Labourers, handy-craftsmen, and manufacturers of all sorts, are paid their day wages in silver: What they receive is palpably, and manifestly their standard; and as labour is the main foundation of all riches, what goes to pay the price of it, will be the real standard of the nation, even though laws were enacted to the contrary. Laws, though they may, and perhaps too often do, perplex, yet they can-  
not



not eradicate settled ideas. Workmen of all sorts here, have fixed ideas annexed to shillings; they do not know, perhaps, the precise quantity of silver which they ought to contain; yet they know that there is an old established law, that hath settled this matter: Whilst this law is not abrogated or tampered with, they think themselves safe; they are content with their usual wages, without scrutinizing into the precise quantity of silver in the respective coins; whilst the same laws subsist, they expect these coins will fetch them as much necessaries as usual, and they look no farther. You may raise or lower the price of guineas, as the case may require, without affecting the price of labour; and therefore without affecting the price of any home commodity, in the first instance.

It hath been observed before, and the thing is sufficiently manifest, that the ideas of silver are annexed to pounds and shillings; and no law can transfer those ideas to gold, or to any thing else. The farmer understands that he hath contracted to pay a certain number of pounds sterling for rent: This rent may be satisfied or discharged with gold, barley, horses, &c. these commodities respectively, being supposed at  
the

the time to be worth so much silver, or so many pounds and shillings, as they reckon for. And what reason is there for fixing the idea of standard, to any one of these commodities, preferably to the rest? The same reasoning may be extended to all other things; for all things may, and often do, answer the purpose of money; but yet this doth not make commodities to be money, nor money a commodity. The rent is equally discharged with gold or barley, according to the respective rates, which certain quantities of these commodities have at the time of payment. Nor does the more uniform and certain quality of the one, make any difference in the present argument; it preserves indeed the price of a given quantity, at a more equable rate; but it is subject nevertheless to have that price altered, as the great market of the world may govern; and for such an alteration, no one can have just cause to complain: But the case is very different with respect to silver.

Thus, I think, it is very manifest that silver, and only silver, is the standard of the country, of all contracts and establishments there, whatever may be the standard at the *Royal-Exchange*: And, I think, that it would be impossible at present, to transfer the  
standard

standard from silver to gold. Enact what laws you please; what measures and pays the price of labour, will be ultimately the real standard of the nation; and gold is at present too dear for the payment of day wages, and for the purchase of small necessaries. Enough hath been said before, to shew the iniquity of altering the standard of money; and, I think, that enough also hath been said, to shew the vanity and folly of such an attempt. But to instance again, only in the case of labour: If shillings be debased, suppose a fifth, or any other given part, either by changing their usual rate of 12 pence, or the  $\frac{1}{5}$  of a pound sterling, or by putting less silver in them; the workman will soon understand, that he must have the part lopped off made good to him, by increasing his nominal wages. This matter is so obvious, that he cannot be imposed upon, and the very attempt of doing it, might be attended with fatal consequences.

XVIII.

XVIII. *Lowering the price of gold would be of no loss to the nation; and the lowering it directly, by lessening its rate per ounce or per guinea, would be of less loss to individuals, than if the same was done indirectly, by debasing the standard, or lessening the quantity of silver in the pound sterling.*

38. It is, in effect, agreed on all sides, that the price of gold should be reduced; but for debasing the standard, or as they call it, raising the value of silver, it is said: "That as our stock is chiefly in gold, should we depreciate or lessen the rates of guineas, it would be undervaluing our own treasure, and bringing a great loss both upon the nation and upon individuals; but, as we have a scarcity of silver coins, the debasing of these would be so little felt, as not to be worth regarding."

We have already met with many pretences for debasing the standard; which, upon examination, appeared sufficiently weak and frivolous: But amongst them all, I think, there is not one quite so vague and ridiculous, as this before us. Let us suppose that the reduction, wanted to be made in

the rate of a guinea, is one shilling; for it is nothing to the argument, what the precise quantity really is; and that will come to be considered in another place. You say, that if the rate of a guinea be reduced one shilling, there would be a loss of the one and twentieth part, upon all the guineas in the nation; but that there would be no loss at all upon guineas, if they were ordered to pass for twenty one shillings, having in them no more silver, than there is at present in twenty shillings. Strange, very strange indeed, that there should be such magic in the word shilling; and in the number twenty-one, as to make the same thing, only calling it by different names, have such different effects! It is scarce necessary to take any farther notice of such a mere jingle of words; but out of tenderness to these young logicians, but more out of regard to those who may be deceived by them, if any such there can be; I shall endeavour to shew, that our scheme is more favourable to them, than their own.

1. It is self-evident, that the nation would not lose one farthing upon all the gold it exported, by a reduction of the mint price of gold. For this reduction, would not in the least debase the intrinsic quality of the

gold; and every guinea that went into foreign parts, would fetch there as much afterwards, as it doth at present; unless, perhaps, there is now a trade abroad for purchasing guineas, and re-exporting them to us again; and, if there be such a trade, it is much to our disadvantage.

2. Let us suppose, that the reduction is made, by calling twenty of our present shillings, by the name of twenty-one shillings; or, which is the same thing, by a new coinage wherein twenty-one pieces, called shillings, are cut out of the same quantity of silver, as before used to be put into twenty shillings. Here, it is self-evident, that every one will lose a shilling upon a guinea; and that his loss will be in the same proportion, upon all the silver coins which he hath to receive. For, it hath been shewed, that the prices of all things at home, are regulated by the silver standard; and therefore they would soon raise against us, in proportion as that standard had been debased; unless you think, that sounding the words *twenty-one* in their ears, would lull men asleep, and deprive them of their understanding. By this scheme then, the one and twentieth part of all their cash, gold as well as silver, would be taken away

from, and irrecoverably lost to, every body; and this loss would fall, not only upon the present stock in hand, but also upon all that they had to receive for the future, in consideration of any contracts already made.

3. Let us suppose, that the rate of a guinea is, without using any other indirect means, directly reduced to twenty \* shillings. Here then, whilst his property in general is left † unviolated, both now and in future; the only loss any one can sustain, is upon his present stock in hand of guineas, and this loss cannot exceed one shilling upon each. But, it is not improbable, that by the falling of commodities, there might be some abatement of this loss: For, by the concessions of those who abett the contrary measure, they making gold to be the standard of merchants, foreign exchanges will alter in our favour, proportionably to our reduction upon gold; and with the exchanges, it is likely, the prices

\* The conceit of a late writer, of reducing the price of guineas by a general recoinage of them into a larger size, and his arguments drawn from the inconveniencies that would thence arise, require no answer.

† It hath been clearly shewed in divers parts of this essay, that the rates of gold coins are, from their very institution, subject to alteration; and the making of this alteration as often as the case may require, is in all respects just, prudent, and necessary.

prices of all foreign commodities, would in some degree likewise alter, which would also cause an abatement in the prices of our own.

It is difficult to state to any exactness, what influence foreign exchanges or the dealings of merchants, have upon the prices of goods in general; that is, how far our high valuation of gold, and so the mercantile trade, may clash with the legal standard, in measuring the values of contracts and of commodities: I admit, that this may have some effect; but, I think, for the reasons which have been already given, that this effect is very inconsiderable.

But to bring this whole debate, as far as it any way relates to our present subject, to a short issue: If it be admitted that contracts, and the prices of all things, are governed wholly by the established silver standard; then, it is manifest, that if you alter that standard, the prices of all things will raise, at least, in that proportion: On the other hand, if you insist that gold is the standard; then, I say, that if you lower its price, and that will be equally done by either of the preceding methods, the prices of all things will fall proportionably. But

whether gold hath any share jointly with silver, in settling and measuring the prices of things; or, whether gold takes all upon itself; it is as clear as the day, that, according to which method is taken in adjusting the present disproportion between the legal rates of gold and silver, there will follow a difference, at least, in the prices of things in general, to the full amount of that disproportion: And, it is as clear, that our method of reducing them, would be by much the most favourable to the present possessors of guineas, as well as a security to them of their full property for the future; which, by the other method, would be invaded and taken from them, to the whole amount of the reduction or debasement of the standard. But is there need of balancing, so exactly, the immediate profits and loss, between these two different methods, of reducing the price of gold? The one, all the world knows, is fair, equitable, and perfectly agreeable to public faith; whilst the other, would be reproachful, unjust, and a thousand ways injurious, both to the state and to individuals. The case of men as they are mere debtors and creditors, hath been already considered; and so far as they are equally so, it hath nothing to do with the present

present argument; and we shall have again occasion to speak more to this point a little farther on. In its proper place, the cases of bankers, and public receivers, shall be duly considered.

*XIX. The nation being in debt to foreigners, is not a reason for altering the standard.*

39. I am now come in the last place, to consider a pretence for debasing the standard of money, on which much stress is laid by some persons, *viz.*

“As we are a nation indebted to foreigners, have great plenty of gold coins, and no silver coins but what are much below the standard; should we lower gold, we should undervalue our own treasure, and pay our foreign creditors more than we received from them; and no injustice would be done, should we make gold the standard, and raise the silver.”

In this argument, many different things are artfully blended together, that the main design of cheating our foreign creditors might appear the less conspicuous, and the less shocking. All the above various pretences have already, in effect, been fully answered; but because of the importance

of the subject, I shall here speak again to some of these points.

1. If the intention be simply to transfer the standard from silver to gold, why are the silver coins to be altered? Doth not the altering of them, equally alter the size of the standard, commit equally the same injustice with respect to property, whether you call the new standard by the name of gold, or by the name of silver? And hath all the pother made about gold being a standard, any other aim or design, than to deceive us by a mere jingle of words? Or, is it possible, that any can be so hoodwinked as to believe themselves, that gold either is or ever can be the standard, whilst it continues to be so dear, and whilst all men do and continue to reckon by silver?

2. It is a fact too notorious, that we have no silver coins left, but what are wore much below the standard; and that even these are at length grown so scarce, as to call aloud for a speedy supply. But one part of the argument grafted upon this misfortune, *viz.* "that by lowering directly the price of gold, we should undervalue our own treasure," hath been fully answered in the preceding; and there it hath been also shewed, that the lowering of gold directly or openly, would  
be

be easier or less detrimental to individuals, than the doing it, as it were covertly, and clandestinely, by debasing the silver standard; and enough hath been already<sup>a</sup> said, to shew<sup>11 to 20.</sup> the vanity, injustice, and enormity of such a measure. Those also, who would persuade us that in reality and practice, gold is our standard, because with us more payments, or to a much greater value, are made in gold than in silver coins; have been likewise, I think, fully<sup>b</sup> answered. And I might go yet farther, and insist, that although our silver coins were grown yet scarcer, or were even annihilated; as long as silver continued to be plenty in the rest of the world, and as long as we continued our old method of reckoning in pounds sterling; those old abolished coins would continue still to be our standard; and their substitutes, whether they be gold, copper, or whatever else, would have their value according to that proportion, which given quantities of them bore to the quantity of silver formerly put into those old coins, into whose places they had succeeded. Nothing could be really the standard, but that which all men called the standard; and there could be no other way of estimating the value of the substitute, than by the value of the thing to which it was  
H 4 referred,

36, 37.  
II.

referred. Settled ideas, annexed to the names of known things, are not to be eradicated; or even altered, whilst the things themselves continue unaltered. If circumstances did so require, which is not the case at present, nor likely to be so in ages yet to come, the standard of money might be transferred, from silver to some other material; but, to make this transfer complete and effectual, it would be necessary to lay aside the old names used in reckonings and accounts, and to substitute new ones in their stead: To transfer the standard of money from one material to another, was the thing itself proper and requisite, is not so easy to be accomplished, as some late projectors seem to imagine. But to proceed.

*Former transactions have no relation to the present value of money.*

21 I. 40. It hath been before<sup>a</sup> shewed, that money is a standard measure by its quantity only, without regarding in the least the fluctuating value of its material with respect to other things. This restriction to quantity only, is essential to the nature and very being of money, as without which it would lose its place as such, and dwindle  
into

into mere commodity: How could that be called money, the value or price of which was fluctuating; and at all markets, and in all contracts to be bargained for, like other commodities? But should we admit money to be a commodity; those who would infer from thence, that the standard of money should be debased, are very unlucky in the choice of their argument, for it proves directly against them; as it is notorious that in *Europe*, both gold and silver have been gradually, and, I might say, continually sinking in their value for a long time past, from the continual increase of their quantity: And upon this principle, the standard of money should be enlarged, and not curtailed; and all creditors, both public and private, would have an undoubted right to demand back a greater quantity, than they had lent. But how could the several claims be adjusted, according to the different times of the respective loans? What infinite contests, distractions and confusions, must needs follow any departure from the true nature and use of money?

It hath been also abundantly proved, both in this and the preceding part of this essay, that silver only and not gold, is, and time immemorial hath been, the measure of all  
our

our contracts: And therefore the inference in the preceding, *viz.* "As we have great plenty of gold coins, should we lower the price of gold we should undervalue our own treasure, and pay our foreign creditors more than we received from them;" this inference, I say, is fallacious, and nothing to the purpose. But before I proceed any farther, I cannot help taking notice of the artifice used, in making the application to our *foreign* creditors only: How could this distinction be supported in practice; and if it could, where would be the justice of it, and what would become of the public faith? Was not that faith given, or which is the same thing, understood to be given, to all sorts of creditors indiscriminately, that they should be paid again by the same scale that the loans were measured with? And was this scale anything else than sterling money, or our present silver standard?

That assertion, that lowering the price of gold would be undervaluing our own treasure, hath been before sufficiently answered: And almost every part of this whole chapter, is a full answer to the application above made to our public creditors; and indeed, creditors of all sorts would be  
the

the greatest of sufferers by a debasement of money, as their losses would be irretrievable and past all redemption. But to speak more particularly to the point before us: Admitting, what is hardly to be admitted, that all our loans have been made in gold coins; and that these coins at the several times of borrowing, were, as at present they manifestly are, over-rated: This over-rating of gold was undoubtedly prejudicial to us; and this prejudice we shall continue to sustain, till the cause is removed. But this hath nothing to do in the present debate: The scale by which we borrowed, was silver; and it must have been understood, that we engaged to pay by the same scale, whenever the day of payment came. The due proportion of value of gold to silver, or the just rates which gold coins ought then to have, was not considered by either side; nothing was regarded but the current rates, at which on the one side they were given, and on the other taken, in full consideration of certain specific quantities of silver; which silver, was on both sides understood to be, and for ever to continue to be, the true and only measure of the contracts.

Again, our loans were made for present use; and the money, in the same specie, and  
at



at the same rates, as we received it; was, soon after the borrowing, dispersed into other channels, for such things, services, and considerations, as were then deemed an equivalent. And by these dispersions, the public escap'd the immediate loss from receiving gold at too high a rate. But in truth, our over-rating gold, is a consideration to be referred wholly elsewhere; and from which, nothing can be fairly drawn that may affect the present argument.

Every true patriot wishes to see our public debt reduced; and grievous as the burden at present is, there is great room to hope, that the time is not far off, when our expences may be lessened, and our debts gradually discharged, in a manner that shall be consistent with the faith, honour and renown of the nation; and of this we need not despair, if the wise, just, and solid maxims of our present administrators, will be imitated and followed by their successors. But whatever may be the fate of future times, and whatever the exigencies of affairs may require; it is to be wished that that aukward, clandestine, and most direful method of cancelling debts, by debasing the standard of money, will be the last that shall be thought

thought of; as that method would make a havock alike of all property, and create universal panics and distrusts, not easily to be afterwards repaired.

*XX. Of debasing, or raising the nominal values of, coins in general.*

41. We have now gone through the several pretences, that have been urged for debasing the standard of money; and they were chiefly founded upon the disproportion between the rates of gold and silver coins with us, in respect to what they bear at a medium, in the neighbouring countries: But there are some so extravagant, and so lost to all common sense, who not content with debasing the standard coins only, would have us debase both gold and silver at the same time; and they are so precise as to tell us, to a grain, how much per ounce they would debase both the one and the other: But as these grave computists, do not offer us any reasons in support of their notion; mine is, that they be left to themselves to compute on, as they please.

By the proclamations, &c. cited in the preceding chapter, the mischiefs that had been occasioned here by adulterating the

coins in some former reigns, appear very manifest. Besides the infinite confusion, distrusts, and panics, created by those measures throughout the realm; they were ineffectual as to the end proposed by them: The people would part neither with their old money, nor their goods, according to the new standard; and having lost their old scale, were forced upon the primitive method of trucking one commodity against another. *France* affords us a more recent instance, of the bad effects of these measures; these are plainly set forth by an ingenious *French* author, in a book entitled, *Political reflections upon the finances and commerce of France* \*. This piece enters necessarily too much into a detail of those bad effects, to have any part of it inserted here; it fully answers and confutes, by plain and undeniable matters of fact, another *French* piece, wrote professedly in justification of the adulterations, that had been made at different times in the *French* coins.

But notwithstanding that both experience and the reason of the thing, are so evidently and strongly on our side, against all tamperings

\* This piece is translated into *English*, and was printed for *A. Miller* in the *Strand*, anno 1739.

ings with money; yet, is there but little prospect of quite silencing the contrary doctrine. I was not a little surprised to see it insinuated, in \* a work containing many excellent observations relative to trade, that the prosperity of *France*, was greatly owing to the pranks that had been played with coins, by *Lewis XIV.* I do not know whether I should have taken notice of the above passages, if the same doctrine was not now again revived, and delivered in much plainer terms by *Mr. Postlethwayt*, in his late work entitled, *Britain's commercial interest explained and improved*, vol. II. page 354. I have no doubt of this laborious gentleman's good intention; but as the doctrine insinuated in the passage referred to, is so directly contrary to all that I have been inculcating, it would be unfair not to lay it before the reader, at full length.

“ LABOUR in *France* is but 3 *d.* per day  
 “ of 14 hours, or from five to seven o'clock,  
 “ in the cheapest countries, and about 7 *d.*  
 “ half-penny in the dearest: in manufac-  
 “ tures, at but half the price as in *England.*  
 “ Sailors wages a-board the *French* navy, but  
 from

\* *British Merchant*, vol. I. p. 6, 7, 10, 16, 17. Small Edition.

“ from 8 to 12s. per month ; whereas in Eng-  
 “ land, a sailor has 20s. per month a-board  
 “ king’s ships. Must not this render their  
 “ commodities exceeding cheap in compa-  
 “ rison to ours at foreign markets ?

“ AND here it may be observed, that  
 “ this cheapness of labour, provisions, and  
 “ commodities, was, at first brought about  
 “ by the sole artifice of the enhancement of  
 “ their money from 27 livres, to 50 livres  
 “ the mark of eight ounces of silver troy-  
 “ weight ; and this has been done since the  
 “ beginning of the confederate war in 1702.  
 “ It is true, this caused great convulsions in  
 “ the kingdom at first, but in the issue, it  
 “ has been the instrument by which they  
 “ have sapped the foundations of our trade ;  
 “ and, if a remedy be not applied, this arti-  
 “ fice of the French will worm out British  
 “ manufactures by gentle degrees in every  
 “ market in the world : and that no less in  
 “ time of war than peace, by virtue of neu-  
 “ tral powers carrying on their trade for  
 “ them ; which they cannot do to such ad-  
 “ vantage by British commodities, by reason  
 “ of their greater dearness.

“ By this artifice they have rendered their  
 “ labour so cheap, that they reap a plenti-  
 “ ful harvest in every country, *where they*  
 “ pay

“ pay but the same customs as the English,  
 “ whilst the English merchant is obliged  
 “ to wait for the gleanings of the market,  
 “ after the Frenchman has finished his  
 “ sales.

“ THE project of the enhancement of  
 “ money, has given an undue preference  
 “ in France to money, above land and  
 “ commodities : but where lies the disad-  
 “ vantage at present, if the gentleman re-  
 “ ceives but a hundred pound weight of  
 “ silver for his lands, where he used to re-  
 “ ceive two hundred pound, if, at the same  
 “ time, he can purchase as many commo-  
 “ dities with a hundred pound, as before  
 “ the enhancement he could with two ? It  
 “ is certain it would only affect his foreign  
 “ consumption. By this scheme the French  
 “ have restrained the bulk of the people to  
 “ the consumption of their own manufac-  
 “ tures, and commodities, and have pro-  
 “ digiously extended their commerce, by  
 “ underselling all nations. This has enabled  
 “ their islands to send home sugars, indico,  
 “ &c. so cheap, as to rival us in all the  
 “ European markets, and in the Levant :  
 “ and all this they do, though their manu-  
 “ factures pay six times as much in taxes  
 “ on the necessaries of life as they do in  
 “ England.

" DUROT says, the price of bread, corn,  
 " and provisions, is no greater now than in  
 " 1683; though in this last year the mark  
 " of silver was but 27 livres\*, and now  
 " 50 are coined out of it. This circum-  
 " stance, as observed, has rendered their  
 " commodities so cheap, that they under-  
 " sell us, and engross all the markets in  
 " the world from our merchants. It is  
 " likewise this enhancement of their coin,  
 " and the consequent cheapness of their  
 " commodities, which has enabled our  
 " smugglers to carry on such an advan-  
 " tageous trade with them. If but 20 *l.*  
 " 5 *s.* were now coined out of their mark  
 " of silver of eight ounces troy weight,  
 " which was the case in the year, 1660,  
 " the French would not be able to sell a  
 " gallon of brandy under 5 *s.* sterling;  
 " which now they can sell for 2 *s.*; nor a  
 " pound of tea under 7 *s.* 6 *d.* sterling;  
 " which they now sell for 3 shillings; nor  
 " a yard of silk damask under 12 *s.* 6 *d.*  
 " which they now sell for 5 shillings; nor  
 " a yard of cloth under 15 *s.* which they  
 " now sell for 6 shillings, abating only in  
 " the manufactures, the difference made in  
 " the

" \* When the mark was at 20 livres about 1660, labour  
 " was dearer in France than in England."

" the price of those manufactures, with re-  
 " gard to the raw-materials, which cost  
 " both French and English men much the  
 " same, though the raw silk comes to them  
 " cheaper from the Turkey-traders; and  
 " their wool used in their fine woollen  
 " stuffs dearer from our smugglers than  
 " to us." A little farther on Mr. *P.* seems  
 to lament our case, because, " Our consti-  
 " tution and public faith will not admit us  
 " to play such tricks with our money as the  
 " French have done."

The whole of this gloomy tedious tale,  
 is so marvelous and visionary; that were it  
 not so gravely and circumstantially told, one  
 could scarce have believed the author to be  
 really in earnest. It would be needless here  
 to enter into particulars; but from the  
 whole, I think, it clearly follows, that if  
 the case was as it is above stated, our con-  
 dition would be, as Mr. *P.* seems to dread,  
 a most deplorable one indeed. We should  
 be every hour at the mercy of our enemies,  
 as by the simple artifice only of splitting their  
 coins into halves, they might, as by a magic  
 wand, at once double their force against us;  
 and if that would not be sufficient to crush  
 and utterly destroy us, they need but keep  
 splitting on, till at length their coin be anni-  
 hilated,

hilated, and by that simple expedient, obtain that univerfal dominion, which it is laid they have been fo long in queft of.

But from their adherence to the fame ftandard of money, for fo many years back, it feems that the *French* have quite another notion of this bufinefs; it feems as if they had opened their eyes at laft, and feen, from woeful experience, the folly and mischief of debafing the ftandard of money; and whatever reception this debafing doctrine may meet with at *London*, it is very probable that at *Paris*, it would be treated with that contempt and indignation, which it fo well deferves. Mr. *P.* laments nothing fo much as the greatnefs of day-wages in *England*; but there feems to be no other natural remedy for this evil, than a general poverty; and we have politicians, that, could they but once get at the helm, would foon bring this about; and perhaps the debafing of money would be as effectual for the purpofe, as any one fcheme that could be thought of. But from the poor, tattered and ftarved condition in general, of the commonalty of *France*, it feems very evident that there, the lownefs of wages, of fouldiers pay, &c. is forced and not natural. De-  
 spotic power can do this; can draw to it-  
 felf

felt what fhare it pleafes of every one's property, and fpread mifery and despair throughout the whole extent of its dreary dominion. But may *Britons* for ever keep out the horrid monfter; and maintain unblemifhed, from age to age, that happy conftitution, fo juftly admired and envied by the nations round them.

**XXI.** *The feveral fpecies of coins made of the fame metal, fhould be all of the fame finenefs.*

42. There are fome well meaning perfons, who allow all the preceding arguments againft debafing the ftandard, their full force; and yet propofe the coining of fmall fpecies of money of a bafier alloy than the prefent ftandard, but having in them the fame quantity of fine filver that the law now directs. This expedient, they think, would be a means of preferving thofe coins from wear, and from being melted or exported.

As to the wear, it is not clear that this fcheme would anfwer the end: For, as the bulk and weight of the pieces would be both increafed, their wear muft alfo proportionably increafe; befides, this compofition would be more liable to wear than

purser metal, as it would be more brittle and less tenacious. But this consideration is too minute, in comparison of the many inconveniences, that might attend any deviation from the common standard. As to the increase of bulk, I do not see any conveniency worthy of such an alteration, that could arise from thence. There was a time, when the largest piece of coin in this country, was no bigger than our present silver three-pence; and they had silver farthings, or the quarters of these: And were our three-penny pieces now current, I do not apprehend there would be any complaints of their want of bulk.

There may be a better and a neater scheme than this is, for preserving coins from the melting-pot; but I do not chuse to enter into that consideration at present. There is an inconvenience in having too great a variety of coins; and without manifest necessity, no alterations should be made in the course of the mint, lest any suspicions of some unfair dealings should be raised amongst the people.

The base coins here spoke of, would probably be the last that would be exported; as the silver in them, by being commixed with so much copper, would really be lessened  
in

in its value; and the public would not only sustain this loss, but it would also lose the whole value of the additional copper. But in the present case, either the people would refuse taking these new coins at the mint rates, and make distinctions between them and other coins, as hath been before observed; or, if they passed current, a door would be immediately opened for false coining. For, when the standard of fineness is much baser than ours is at present, different degrees of deviations from it, are not conspicuous to the eye; and the precise fineness cannot be so well ascertained, even by skilful assay-masters. By this scheme of coining base money, besides furnishing opportunities to counterfeiters amongst ourselves; we should lay a temptation in the way of foreigners, to commit the same frauds.

Mr. RICE VAUGHAN in his discourse \* of *coin and coinage* chap. VI. hath so well handled this subject of base money, that I cannot help making the following extract from this ingenious author. He says, the pretences for making base coins, were these following, p. 45.

I 4

" *First,*

\* This was published in the year 1675, and contains many useful observations relative to this subject.

“ *First*, that there was no intention  
 “ thereby to raise the price or diminish the  
 “ weight of *silver*, but that this money  
 “ should be as good in intrinſical value, as  
 “ in the money of purer ſilver, ſave only a  
 “ ſmall charge laid upon it for the coinage :  
 “ then that by coining ſmall pieces of a pen-  
 “ ny, two-pence, or three-pence, or there-  
 “ abouts ; the pieces, by the mixtion ſhould  
 “ have a greater bulk, and ſo be preſerved  
 “ from loſs, which muſt needs frequently  
 “ happen by reaſon of the ſmallneſs of the  
 “ pieces, if they were made of pure ſilver,  
 “ ſo likewise they ſhould be preſerved from  
 “ wearing : and again, that the goldſmith  
 “ ſhould by this means be kept from melt-  
 “ ing them, and the ſtranger from export-  
 “ ing them, becauſe the charge of refining  
 “ them and drawing the pure ſilver out  
 “ of them, would far exceed the profit.

“ Theſe are the pretences by which baſe  
 “ money was firſt introduced, but if they  
 “ be weighed againſt the inconveniences,  
 “ which have followed upon it, it will be  
 “ found one of the moſt miſchievous in-  
 “ ventions that ever was found in mat-  
 “ ters of money. I could hardly reſolve  
 “ with myſelf to inſert this chapter in this  
 “ diſcourſe, becauſe having mine aim only  
 “ at

“ at the good of this ſtate, it ſeemed un-  
 “ neceſſary to treat of this ſubject, ſince we  
 “ have no baſe money in England ; but  
 “ when I conſider, that in ſome unhappy  
 “ ſeaſon heretofore we have had baſe mo-  
 “ ney ; and that it is not impoſſible but that  
 “ the like projects may again be received, I  
 “ determined not only to treat, but to go  
 “ through with it all at once, and not in-  
 “ terrupt this diſcourſe any more with that  
 “ ſubject.—The firſt inconvenience then  
 “ of the great mixture of metals, is the  
 “ falſifying of them ; for both in reaſon it  
 “ is too true, that by this mixture both the  
 “ colour, ſound, weight, and the other  
 “ more hidden qualities of the different  
 “ metals, are ſo confounded as the falſity  
 “ cannot be diſcovered, but with extream  
 “ difficulty : and by experience it is veri-  
 “ fied, that in all thoſe countries where  
 “ baſe money hath courſe, the greateſt part  
 “ of it is not coined by the ſtate, but either  
 “ counterfeited by the natives, or brought  
 “ in by ſeveral ſtrangers.

“ *Secondly*, it is true that the *baſe money*  
 “ was firſt coined in *France* of an intrin-  
 “ ſical value almoſt equal to that of purer  
 “ metals ; and ſo it continues to this day,  
 “ for ſo much of it as is coined by ordi-  
 “ nance

“ nance of the state, (the greatest part being falsified :) But in most other countries (as namely in Spain) the state itself, to raise a tribute on the people, hath extremely falsified the intrinsecal value ; by which means both the state hath for gain, coins much more than there is occasion to use, and there is incomparably much more counterfeited by others, so as the mischief doth hourly multiply.

“ *Thirdly*, the values of money are continually raised from time to time, which is no new device (as is already more particularly declared) the *base money* must then in proportion be likewise raised, which cannot be done by increasing the value of the particular pieces ; for, being of so small price, the fractions would be irreconcilable ; so as there is no other way left to raise the base money, but by coining new, of a weaker intrinsecal value. I would then gladly know what becomes of all the old *base money* ; either it is melted down by the *Bullioners*, which is the name in French of those, who by culling and trying of coins, make their profit to melt them ; or it is transported by strangers, so as in effect the use of *base money* doth bring that inconvenience,  
“ the

“ the avoiding whereof was made one of the chiefest pretences for coinage of it.

“ *Fourthly*, it is truly observed, that in all those countries where *base money* is current, there the price of gold and silver is daily raised by the people, not only without the ordinance of the state, but contrary to, and in despite of all prohibitions to the contrary, which draws with it extream disorders and mischiefs ; so it is in the *Low Countries*, so it is in *France*, so in *Germany*, and in *Spain* ; although the ordinance for the value of the gold and silver, may securely be maintained by this help, that no foreign coin is there current ; yet when you come to change black money for silver or gold, you shall there find how the people raise the price to you of the purer money. But in *England* and *Muscovia*, where no *base money* is in use, there the people never raise the price of gold and silver (except by ordinance of the state it be directed,) neither doth experience only try this conclusion, but reason also ; for the people, when they see the money of base and uncertain mixture, do disesteem it, and in comparison thereof do esteem the money of purer gold and silver above the proportion, and so do  
“ raise



“ raise the price of it; and this esteem is  
 “ not merely out of opinion, for that really,  
 “ that piece of base money which hath as  
 “ much fine silver as a penny, is notwith-  
 “ standing not worth a penny, because the  
 “ mixture makes that you can’t extract this  
 “ penny in pure metal without loss and  
 “ charge: And if the people do hold this  
 “ base esteem of this mixture, which hath  
 “ in it the intrinical value for which it is  
 “ current; how much more base esteem  
 “ must they hold of that mixture, which  
 “ they know hath not near in it that intrin-  
 “ sical value, for which it is current, and  
 “ how much more must they needs raise  
 “ the silver? And certainly *base money*,  
 “ when either it is at first coined much in  
 “ the intrinical value, under the extrinfi-  
 “ cal, or is by degrees brought unto it,  
 “ and long so continued, doth in the end  
 “ breed either *insurrections* among the peo-  
 “ ple, or rejections of it; whereof the ex-  
 “ amples of *insurrections* are very frequent,  
 “ and therefore I will forbear to instance in  
 “ them. But cannot omit one example of  
 “ *rejection*, because it is so fresh in memory,  
 “ which was in *Ireland*, in the end of the  
 “ reign of Queen *Elizabeth*; which coun-  
 “ try although it was newly vindicated from  
 “ rebel-

“ rebellion, and did patiently endure all the  
 “ imperious directions which a late fresh  
 “ victory did bring with it; yet as soon as the  
 “ exchanges of base moneys sent thither did  
 “ cease in England, it was instantly rejected  
 “ there, and would not pass current for so  
 “ much as in the true intrinical value it was  
 “ worth, but was bought up at under-rates  
 “ by such as made profit by melting it.  
 “ *Fifthly*, the dishonour that accompa-  
 “ nies base money is of a more important  
 “ inconvenience than all the rest; for what  
 “ can be more dishonourable than to have  
 “ the image of the prince, or the mark of  
 “ the public attestation impressed upon false  
 “ and counterfeited stuff? And if there be  
 “ gain made of it, it is a manifest breach of  
 “ the publick faith.—As for the remedies  
 “ of this inconvenience of *base money*, I do  
 “ leave those countries to struggle with them  
 “ that are afflicted with it; for us in Eng-  
 “ land the remedy is plain and easy, which  
 “ is mainly and constantly to keep it out.”

I have now gone through all the argu-  
 ments, or rather pretences, that I have met  
 with, for debasing the standard of money.  
 The combating of so many vulgar errors  
 and prejudices, as I had to encounter with,  
 was

was to me a task sufficiently irksome and disagreeable; but if my honest endeavours towards removing those pernicious mistakes, should be attended with success, I shall think my labour well bestowed. The subject certainly deserves the nicest discussion; and in the handling of it, I have been the more particular, as it seems to be a matter of no small moment, that people in general should understand the true nature of money: This would keep them upon their guard against any bad projects that might be offered; and dispose them readily to receive any such regulations about coins, as would be for the public and their own benefit; for in truth, and it were to be wished more people understood it, these two interests are inseparable.

*POST.*

*P O S T S C R I P T.*

OF STANDARD MEASURES.

**T**HE utility and necessity of having standard measures, are very evident; and at the first establishing of these, it is quite indifferent what are the specific quantities assumed: The first round pebble, and the first strait stick that came to hand, would make as good standard measures, the one of a pound, and the other of a yard, suppose, as any that could be fixed upon. But I do not know whether it hath been duly attended to, that all standard measures, whether of weight or extension, must, in the nature of things, be *units*; that is, a standard properly so called, must be one determinate individual thing. The parts and multiples of this standard, wherever made by art, can only be considered as approximations to the truth, or to those parts and multiples, which they are supposed to represent; and these will be more or less accurate, according to the skill and care of the artists employed in making them. Those artificial parts and multiples of the true standard, when made with due care, might be kept in proper places

places as standards, for the comparing of others with them. But the true original standard, to which these *artificial* parts and multiples are referred, must be, as above observed, one individual thing, not subject to doubts and scruples, arising from human inaccuracies in the forming of it. Upon this principle, there can be in the exchequer but one standard weight; suppose this to be the *Troy-pound*; then the ounces, and their multiples there to be met with, are to be deemed only as artificial approximations to the just weights, intended by them respectively; and this may be deemed sufficient for all common purposes. A law then should declare explicitly, what piece, or pieces taken conjunctly, of metal now in the exchequer, is the real standard weight of the kingdom. \* No more than this is necessary to make the standard unit we have been speaking of; and if we have no such thing, it is a reproach to this enlightened age.

It is a pity that we have two sorts of weights, *Troy* and *Avoirdupois*; but one of these

\* The standard should be one clean piece of metal, kept under the locks of some of the principal officers of state; and, I think, it should not be accessible to any one, without their personal presence, if not of a certain number of other privy-counsellors. All the use that there need be made of this standard, would be for the adjusting of duplicates or representatives of it, which might be kept in the several offices, as those

these being made the standard, and I think for many reasons that that should be the *pound troy*; it may be sufficient, after comparing the weights we have of each together, to declare in parts not less than grains, what proportion a pound of the one bears to the other made the standard. The law, by only naming the different parts of each, and declaring the proportions which they severally bear to the whole, will settle their quantities exactly, without leaving or creating those doubts that the inaccuracies of human art are liable to.

In like manner, if a *yard* be our standard of extension; this should be a clean straight metalline rod, with its ends smooth and of a proper figure; or that extension laid betwixt two points upon a rod of a greater length. This rod being for conveniency divided as accurately as can be into parts; the feet and inches there expressed, are to be deemed nevertheless only as artificial approximations to the true standard. The longitudinal standard, as here the yard,

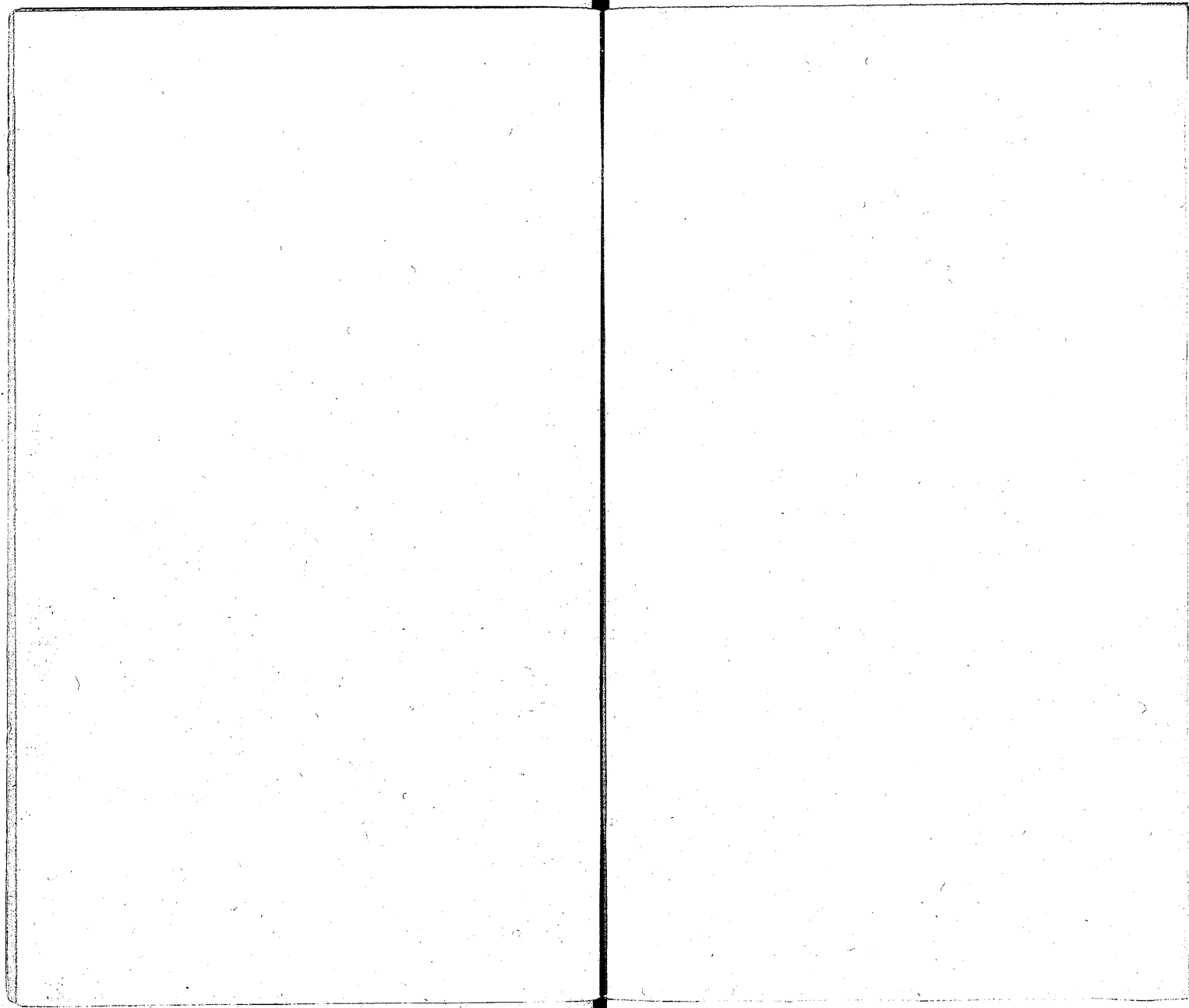
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those things called standards are at present. These, being adjusted with due care and exactness, together with their artificial parts and multiples, the law might declare to be sufficiently exact, or near to the true standard, for common use. And to these all persons might have recourse at such proper seasons as the law should direct, upon paying of very moderate fees.

must be the real and only standard of all other measures, whether superficial or solid. Suppose a *gallon* is our standard measure of capacity; if we would avoid difficulties and absurdities, the way of making this standard is, by declaring how many cubic inches make a gallon, and not by appointing a certain vessel to be that measure; but it might be declared with propriety enough, that such a vessel is sufficiently near to the true gallon. It would be a greater absurdity still to say, that such a vessel, as a bushel for instance, shall contain or measure so much, and also weigh so much of any thing. For weights, and measures of extension, are utterly incomparable. But it would be no absurdity to call a certain weight of corn, for instance, by the name of bushel, provided that at the same time all reference to measure be excluded.

These observations about standard weights and measures, may perhaps be deemed foreign to our subject, but they are of consequence, and I could not expect a fitter opportunity of offering them to the public.

*The End of the SECOND PART.*




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- 本は大切に扱いましう
- 返却は遅れないように致しましう
- 本の配列を乱さないように致しましう
- 切取、無断持出は悪いことす

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