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A LETTER  
TO  
Sir WILLIAM PULTENEY, Bart.  
IN CONSEQUENCE OF  
HIS PROPOSAL FOR ESTABLISHING  
A NEW BANK;  
WITH SOME  
REMARKS ON HIS QUOTATIONS.  
FROM  
DR. ADAM SMITH,  
AUTHOR OF THE WEALTH OF NATIONS.

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LONDON:  
PRINTED FOR J. S. JORDAN, NO. 166, FLEET-STREET  
M, DCC, XCVII.

[ PRICE ONE SHILLING. ]

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**ADVERTISEMENT.**

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*ON the 30th of may last a motion was made in the House of Commons, for leave to bring in a Bill for the Establishment of a NEW BANK, for the avowed purpose of increasing the quantity of the Paper Currency.—In order to recommend this measure, the Honorable Mover endeavoured to prove, in the first place, that such a measure would be highly advantageous to one part of the Community; and secondly, that it would not be injurious to the other. With the design of establishing the latter position, he asserted,*  
*and*

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*and attempted to prove, that the increase of the circulation by means of paper has not been the cause of the great rise in the price of provisions. To shew the fallacy of his reasoning, on this head, is the intention with which the following pages are submitted to the public.*

*Note.* The quotations from the Honorable Baronet's speech are taken from Woodfall's Parliamentary Reports.

A LETTER

## L E T T E R

T O

SIR WILLIAM PULTENEY, Bart.

S I R,

I am perfectly of your opinion respecting the importance of the subject of your speech in the House of Commons, on the 30th of May last. It is, indeed, as you observe, "*a matter of extreme importance*." It is a subject which demands the most serious attention, not only of the legislature, but of every individual in the nation. Paper money is undoubtedly a most powerful engine. If it does not produce great evil, it may certainly be made productive of great advantage.—For if one man may multiply his money by paper, or substitute paper in the place of gold, without injuring the other members of the community, so undoubtedly

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may every man. And if that be really the case, we ought not only to have two banks, but as many banks as there are individuals. For it would be cruel and unjust to prevent any man from benefitting himself when it may be done without injury to others.—When, therefore, you made a law to empower the Bank to pay its creditors with paper, in justice you ought to have bestowed the same privilege on every other debtor in the nation. If the Bank is allowed to substitute paper in the room of gold for paying the national creditor, why should not the farmer be permitted to issue paper for paying his rent and tythes; and every other member of the society for paying their tradesmen and taxes?—or, in short, why should there be any taxes? If government can stamp the value of gold, (which it certainly has done), on the paper of the Bank, why does it not issue paper itself, in place of borrowing the paper of others, and then taxing the nation to pay interest for it? The increase of quantity can be no excuse whatever, for if the issuing of one million produces no effect, neither will the issuing of an hundred or a thousand millions. If, however, we are determined

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determined that the Bank only should issue the paper, the conduct of its rulers in not giving us a sufficient quantity is certainly very reprehensible, and surely the most unaccountable that can possibly be imagined; for nothing is more certain than that while their paper circulates they derive the same advantages from it as from a quantity of gold equal to its nominal amount. By giving us more paper, therefore, they would not only (as you have observed,) increase the price of lands, and stocks, and enable government to borrow on better terms, but they would increase the profits of the proprietors in the exact proportion that the additional quantity of paper bore to that already in circulation. If, therefore, from ignorance, or evil intention, they should refuse to promote so many good purposes, they ought certainly to be compelled to do their duty, or others employed who would. If on the contrary it should appear that increasing the circulation by means of paper must necessarily raise the price of provisions;—that every bank-note that is issued acts as a tax upon the nation;—that by substituting paper in the place of gold, men are enabled to reap the fruits of industry

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without labour;—if, in short, it should appear that the circulating of paper in the place of gold is productive of the very same effect both to those who issue it, and to the society at large, as the circulating an equal quantity of base money so skilfully counterfeited as not to be discovered,—then surely in place of establishing new banks, every bank in the kingdom ought to be instantly suppressed; and a man ought no more to be suffered to circulate paper than to steal or rob upon the highway. That the circulating of bank-notes is productive of the evil effects that have been enumerated, appears to me to have been already sufficiently proved; but it seems you think otherwise. The opinion (though, as you admit, somewhat prevalent) that the increase of paper will increase the price of provisions, you hold to be exceedingly erroneous. On this point, therefore, we are at issue; and as I deem the determination a matter of the last importance, altho' it does not appear to me that you have adduced any arguments in support of *your* opinion which can at all invalidate the reasoning that has been already offered to prove the contrary: in order to obviate every possible objection,

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objection, I shall now endeavour to shew that the truth of what has been advanced by your opponents, may be clearly proved from the very facts which you have admitted.

In the first place then you allow, “that the price of any article depends on the proportion of the quantity to the demand; and that when the demand exceeds the quantity, the rise is much greater on provisions than on any other article, on *account of the necessity every man feels* of an immediate supply.”—Now, Sir, let me ask you—why do we complain of the high price of provisions? Is it not because we are thereby prevented from having so great a quantity as what we could wish? If, therefore, we could increase the quantity of our money, we should endeavour to purchase a greater quantity of provisions. As we should increase the quantity of our money, therefore, we should increase our demand, and consequently raise the price of provisions. But you allow that the quantity of money is increased by bank-notes; therefore it must be evident that circulating of bank-notes must raise the price of provisions.—Now altho' you deny this in words, yet you tacitly admit it. For 2dly, you allow

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low, "that an increase of the coin must have a necessary effect upon the price of provisions."—But similar causes must produce similar effects. If, therefore, an increase of coin affects the price of provisions, so must an increase of bank-notes, for they are essentially the same. All the world knows that gold (as coin,) and bank-notes answer the very same ends, and are applied to exactly the same purposes;—consequently an increase of the latter must produce exactly the same effects as an increase of the former: in fact, this likewise you admit;—for you assert that, increasing the circulation by your proposed bank, would raise the price of stocks. Now the only way in which the price of stocks, or, indeed, the price of any thing, can be raised, is by increasing the quantity of money in the market. But the money brought to the stock-market does not rest there:—the man who sells his stock has no intention of hoarding up its produce;—whatever money he receives for it will be immediately employed either in the purchase of provisions, or commodities of some other kind. Consequently the additional quantity of paper will have the same effect upon every other

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other market that it has upon the stock-market. 3dly, you tell us, "that the price of provisions is now four times greater than it was when America was discovered:"—and you say that "the quantity of gold and silver has only been increased four fold since that time." Now, Sir, granting this statement to be just, there cannot be a stronger proof of the pernicious effects of paper:—for had there been no increase in the quantity of commodities circulated by means of gold and silver, the increase in the quantity of the latter would have exactly accounted for the increase of price in the former. But you well know that the quantity of commodities has been immensely increased since that time. Let us suppose that the quantity has only been doubled: in that case a four-fold increase in the quantity of gold and silver ought only to have doubled the price. But you admit that it is now fourfold what it was; consequently the price of provisions is now double what it would have been merely from the increase in the quantity of gold and silver:—this can only be owing to the increase of the circulation by means of paper; which, if what you have asserted be found-  
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ed in truth, ought to have been the case; for you have told us "that the increase of paper must be proportioned to the increase of coin, and that the increase of coin must have an effect upon the price of provisions." Now let us suppose that the present circulation amounts only to forty millions; if the coin be increased one million, the price ought to be raised one fortieth part; but if with the million of additional coin you circulate two millions of paper, it will be increased one twentieth part. If, therefore, the paper has been increased, as you say it has, in proportion to the coin, it ought to have doubled the price. Thus, Sir, I trust it will be sufficiently obvious, even from the facts that *you* have admitted, that the opinion respecting the effects of paper on the price of provisions is by no means "erroneous," but absolutely founded in truth.—Indeed you do not appear altogether satisfied with your own reasoning on the subject, but seem principally to depend on the Authority of Doctor Adam Smith. Nor are you in this respect by any means singular. All those of your way of thinking have adopted the same mode of supporting their opinion. Instead of shewing  
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any error in the reasoning of their opponents, they content themselves with giving a few desultory quotations from that justly celebrated author;—but this is a mode of deciding the controversy which I cannot admit of;—for although I have the highest esteem for Doctor Smith, I cannot submit to be governed, even by *his* opinion, on a subject that I have had an opportunity of investigating myself. If, however, his general reasoning had militated against what has been advanced, altho' it would have had no more weight with me than what in my apprehension it intrinsically merited, I should certainly have thought myself obliged to have pointed out particularly wherein we differed, and to have assigned special reasons for differing from him: but so far from this being the case he is the very first author on the subject to whom I would have had recourse, had I been disposed to support my opinion by authority:—and, indeed, considering the deference that is generally paid to a celebrated name, that is probably what I ought to have done. But if in this respect I have committed an error, I shall now endeavour to repair it, by proving entirely from principles established or admit-

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ted by that author, the truth of what I have asserted respecting the effects of an increased circulation.

Doctor Smith has laid it down as an invariable rule that the exchangeable value of gold and silver, or in other words, the nominal value of the commodities for which they are exchanged, will always be as the relative quantities of the gold and silver to that of the commodities. If, therefore, the quantity of gold and silver is increased, or if without increasing the quantity of specie, you can, by means of some other material, make one guinea answer the purpose of two, the price of commodities will necessarily be raised. Now Doctor Smith asserts, that a banker with one thousand guineas in gold can circulate five thousand guineas in paper, upon which the banker makes the same profit as on an equal number of guineas:—"For, says he, the paper answers exactly the same purposes as gold;—the banker gives the notes to the merchant; these the merchant pays away to the manufacturer for goods; the manufacturer to the farmer for materials and provisions; the farmer to their landholders for rent; the landlords re-pay them to the merchant

chant (and farmer,) for the conveniences and luxuries with which they supply them." Hence it is evident that encreasing the quantity of the circulation by paper must have the very same effect as increasing it by gold and silver,—that is to say, it will raise the price of commodities. This truth will likewise appear from various other observations which he has made:—"The market price (he tells us,) of every commodity is regulated by the proportion between the quantity brought to market, and the demand of the purchasers."—"A guinea, (he further observes,) may be considered as a bill for a certain quantity of necessaries upon all the tradesmen of the neighbourhood." If then you encrease the quantity of guineas, you will increase the demand. But the price of the necessaries, he has already asserted, depends upon the demand; therefore, by increasing the number of guineas, you increase the price. Now as he has admitted that a paper guinea answers all the purposes of a golden guinea, it must be obvious, according to the principles established by him, that increasing the circulation by means of paper must necessarily raise the price of provisions.—But on this head he



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has not left us in any doubt respecting his sentiments, for he has fairly acknowledged "that every increase of the currency without a proportionate increase of the quantity of commodities, must necessarily increase the price of the latter.—It may be asked then, why has he recommended the use of paper? This is a point which I shall endeavour to explain.

Money was regarded by Dr. Smith merely as a machine in trade.—He had shewn that the less expensive the machinery, the more advantageously trade could be carried on:—upon this principle, therefore, he recommended the use of paper in place of specie; "For if, says he, you can with 250,000l. in cash, circulate 1,000,000l. in paper, you will save exactly 750,000l. which may be applied to increase the capital." The advantages of this plan are certainly very obvious, so far as the interest of one part only of the society are concerned; but when we view it as affecting the interest of the whole society, the case is widely altered. You have justly observed that there is a great difference between *cash* and *wealth*, and so undoubtedly there is between *paper* and *wealth*.—Either  
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cash or paper may be increased to any amount without the least increase in the national wealth.—But the distinction between cash and wealth no longer exists than while we consider the subject in a national point of view. With respect to individuals the terms are synonymous:—the real wealth of the banker is exactly equal to the quantity of his money, or paper for which he receives interest.—In proportion as he increases either, he really increases his wealth; but as the increase of his paper by no means increases the national wealth, the increase of his particular wealth must be at the expence of the nation at large. "The power, says Doctor Smith, acquired by wealth is the power of purchasing a certain command over all the labour, or produce of labour, in the market." The Banker, by increasing his money by means of paper, increases his wealth, and consequently his power over the market.—But as his power is increased, the power of all others who come to the same market must be diminished.—"A man's fortune, he further observes, is greater or less precisely in proportion to the quantity of other men's labour, or, what is the same thing, the produce  
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duce of other men's labour, which it enables him to purchase." The more power another man has over my labour, the less must my own share of the produce be.—Surely then it is the height of injustice to allow one man to increase his power over the labour of another.—But this the banker is allowed to do. By substituting paper in the place of gold he increases his fortune, and consequently his power: nor is it only his own power that he increases; he likewise increases that of others in a much greater degree. "The lender, says Dr. Smith, assigns, as it were, to the borrower his right to a certain portion of the produce of the lands and labour of the society." The banker, therefore, who with one thousand pounds in cash circulates five thousand pounds in paper, not only increases his own power over the produce of the lands and labour of the society equal to the interest, but assigns to another a power equal to the whole additional sum of four thousand pounds. As on the supposition the banker has only one thousand pounds in cash, it must be evident that he has assigned to another four thousand pounds worth of the productions of the society to which he had no title whatever himself:

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self. Yes, but, say you, altho' he had but one thousand pounds in cash, he had four thousand pounds in stock or lands.—Admitting this to be true it does not alter the case in the least; for he would have the interest on his stock, or rent of his land, and that is all to which he is entitled. But the iniquity of this measure will be rendered most obvious by an example;—Let us suppose then, Sir, that you are a man of landed property, you certainly will not pretend to have a right to any part of the produce of the land and labour of the society more than what is equivalent to your rent.—If, therefore, your estate be worth half a million, and your rent equal to 5 per cent. on the capital value, twenty-five thousand pounds worth of the productions of the lands and labour is all to which you can have any just title. But if while you retain this estate you circulate notes to the amount of half a million, you will acquire a share in the productions equal to fifty thousand pounds! Now, Sir, you will not pretend that your paper has added any thing to the riches of the country; consequently the twenty-five thousand pounds added to your income, must be taken from that of somebody else!

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else! You admit that the price of commodities depends on the demand: here then the demand is increased equal to twenty-five thousand pounds, and consequently the price must be raised.—But this would be comparatively a trifle; for the demand would actually be increased equal to the whole amount of the paper issued:—Suppose you had lent it to the dealers in corn or cattle, or indeed to merchants of any other kind, you cannot imagine that they borrowed it with the intention of locking it up; certainly not: the whole sum must ultimately be brought to market, and consequently the price will be raised exactly in the proportion that five hundred thousand pounds bears to the whole circulation.—But the rent which the farmer can afford to pay will depend upon the value of the productions.—Their value will necessarily be increased by the additional demand; consequently you not only double your present income by the issue of the paper, but acquire a power of still further increasing your rent! “Landlords, says Dr. Smith, like all other men, love to reap where they never sowed.”—This, however, would be so flagrant a usurpation, so barefaced a robbery, that

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that I am persuaded, after the matter is once rightly understood, you, nor no other man of principle, would think of attempting it.

The substitution of paper in the place of specie was a measure which certainly never would have been recommended by the Doctor but on the supposition, undoubtedly very ill founded, that the quantity of the currency could not be augmented by it. “A quantity of specie, says he, equal to the nominal amount of the paper put in circulation must be withdrawn and exported.” If we suppose this to have been at one time the case, which it is certainly not at present, we may easily account for what has been stated, supposing it to be a fact, respecting the low price of provisions in Scotland for some time after they began the use of paper.—If the quantity of the currency were not increased, the price would not be raised; and if a part of the money exported had been applied to the purchase of provisions from abroad, the price might have been reduced:—or if the importation of provisions had so far increased the quantity in the country as to balance the increased quantity of the currency, the price might have, for a considerable time, remained stationary;

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stationary ; for while the paper was gradually increasing, the specie would be gradually going out of the country and bringing in provisions :—but as soon as the exportation of the specie ceased, which must have been the case long ago, the price of provisions would immediately begin to rise.—The rise, however, would at first be very slow ; for as the quantity of paper that can be circulated must depend upon its credit, it cannot be very rapidly increased until people are well accustomed to it.—On its first introduction every body is very cautious in accepting paper, and always take care to have it cashed as soon possible after it has been received. This was particularly the case in Scotland, where the paper was brought back so fast upon the bankers that many of them were obliged to stop payment, which must necessarily have greatly retarded the increase of the circulation. All, or any one of those causes might have for a time kept down the price of provisions in Scotland ; therefore, admitting the fact, it by no means proves that the natural effect of increasing the circulation is not such as it has been stated.—But the truth is that Doctor Smith no where asserts that the price of

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of provisions, in general, did not rise in Scotland :—he only speaks of the price of corn, which, although it must be allowed to be a very material article, yet it is but one article of provisions. And here it may not be improper to remark, that most of those who have endeavoured to form comparative views of the conditions of the labouring classes at different periods, have grounded their estimates entirely on the price of corn. But such estimates must be very erroneous ; for if we take into our view all the articles which form the necessaries of life, we shall find that the condition of even the very lowest class of labourers might be very materially altered, without any alteration in the price of corn. The alteration in the condition of the class above them might be much greater ; for not to mention house-rent, firing, soap, shoes, and many other articles of the first necessity, it will be found, that in their expenditure for food only, the value of meat, butter, cheese, milk, &c. bears a very considerable proportion to that of their bread.—And this proportion, which must have been much greater formerly when those articles

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were cheaper than they are at present, will constantly increase as the different classes rise one above another: therefore it is obvious that although paper had not raised the price of corn, still it might have been highly injurious to the society. Indeed it is certain that the price of all the other necessaries of life has risen in a much greater proportion than that of corn. This difference is entirely owing to the facility of importation; by which means the quantity of corn may generally be increased in proportion to the demand:—so that were it not for the corn laws, corn might be kept nearly as cheap with us as it is in Poland;—the only difference of price would arise from the expence of carriage, which is not great. But this is not the case with provisions of any other kind, and other articles of the first necessity; these being all produced in this country must necessarily rise in proportion to the increase of the circulation.

You have asserted, “ that the price of provisions began and continued to rise at the same time in England and in France; and yet in the latter country at that period

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there was no paper currency whatever.”  
 —This, Sir, admitting the statement to be just, would prove nothing; for as all Europe shared in the specie brought from America, the value of money must have been reduced more or less in every country. Therefore, before you can draw any conclusion against the truth of what I have advanced from the rise in the price of provisions in France, you must not only make it appear “ that the price began and continued to rise at the same time,” but that the rise was equally great in both countries.—And even supposing that to have been the case, which it certainly has not, the fact might be accounted for without invalidating the arguments which have been adduced to prove the pernicious effects of paper in this country.—For, in the first place, as there was no paper in England more than in France before the year 1694, the depreciation of money ought to have been the same in both countries until that time. Secondly, although the issuing of paper in England has increased the whole circulation, yet it might have, and undoubtedly has, prevented

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vented the quantity of specie in the country from being so great as what it otherwise would have been. Therefore by issuing paper in England the quantity of money in France may have been increased; this there is every reason to believe has really been the case; although the whole quantity of the Circulation has not been so great, yet there has always been greater quantity of specie in proportion in France than in England. Thirdly, there might have been a greater increase in the quantity of commodities circulated by money in England than in France, and in that case, although the increase in the circulation, and consequently the depreciations had been greater in England than it otherwise would have been, yet it might not have been greater than what it was in France. Hence it must be obvious that although no paper had ever been issued in France, and although the depreciation of money had been the same in both countries, it would by no means prove that paper had not reduced the value of money in England. But in the first place, so far from

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from no paper having been issued in France, at the time of the Mississippi business there was probably a greater quantity circulated in that country than ever was at any one time in this. And although the quantity was afterwards greatly reduced yet there has always been paper of some kind circulating there ever since; and after the conclusion of the last war they absolutely began to establish banks and to circulate paper nearly on the same footing as we did. Secondly, it is by no means the fact that the depreciation of money, except during the time the *assignats* were in circulation, has been so great in that country as in this; all the world knows that living was always a great deal dearer in England than in France; and at this moment the price of provisions and the other necessaries of life in that country is little more than the one half of what it is in *this* country.

Some people have imagined that the increase of the circulation by paper has been favourable to the labourer, as by that means the demand for labour is supposed to have been increased. Had that really been the case.—Had the heavy tax levied on the society  
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at large by the issuing of bank notes been distributed among the productive class of labourers, whatever inconveniences the other members of the community might have felt they would have had no right to complain, at least the writer of these pages would have been the last, to have found fault with the system. But this neither has been, nor ever can be the case. For in the first place, the banker would never issue paper but for his own advantage, consequently of the tax that is levied he must have a principal share.—Secondly, the merchant who borrows the paper, does it only with a view to profit, therefore he too must have a considerable share.—And lastly, if the labourer has any share it can only be from that part of the increase which is applied to increase production. But by far the greater part of the increase is employed in buying and selling. Consequently whatever trifling advantages he might have had from the advance of wages will be more than overbalanced by the advance in the price of commodities. But it is needless to argue this point which has been already clearly decided by experience. Whoever will take the trouble to compare  
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the rate of wages and price of provisions thirty years ago, with what they are at present, will find that although wages have been raised, they will not purchase now nearly the same quantity of necessaries, that they would have purchased at that time.—This will ever be the case. Whatever improvements may take place in the society, the situation of the labourer, unless the legislature should think proper to take him under its particular protection, must always be growing worse. For (as it has been justly observed by the man who you say will persuade the present generation, and govern the next,) “In all old countries rent and profit eat up wages, and the two superior orders of people oppress the inferior one.”

It has been asserted that increasing what is very improperly termed the circulating capital, that is to say the currency of the country, would reduce the profits on stock, and consequently the price of commodities. But this is certainly a very great mistake; for there is a great difference between increasing the capital and increasing the money by which it is circulated. It is true that the man who issues paper really increases his particular  
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capital, but the whole capital of the country remains unaltered. " Any increase, (says " Doctor Smith,) in the quantity of silver, " (or currency,) while that of the com- " modities circulated by it remains the same, " could have no other effect than to diminish " the value of the currency.—The capital " of the country would remain the same, " though a greater number of pieces would " be requisite for conveying any equal por- " tion of it from one hand to another.— " The profit of stock would be the same " both nominally and really. For the whole " capital of the country being the same, the " competition between different capitals " would be the same.—They would trade " with the same advantages and disadvan- " tages. The same proportion therefore be- " tween profit and capital would remain " unaltered." Hence it is evident that the circulation of paper can in no wise reduce, but must necessarily enhance the price of commodities.

But it has been asserted, that the price of some manufactures have absolutely been reduced. Granting the statement to be just, the reduction can never be ascribed to the increase

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increase of the circulation; but may be easily accounted for from other causes. If for example the improvements in machinery, by facilitating production should have increased the quantity of manufactures in the same, or in a greater proportion than what the circulation has been increased, the price ought either to have been reduced, or to have remained stationary. Now it is very well known that the improvements in machinery within these thirty years have been very great, and there is every reason to believe that the quantity of productions has been greatly increased since that time. But notwithstanding such has been the case, although the prices may be somewhat lower than they were at the beginning of the period, yet from the best information that I have been able to obtain, I am persuaded that there is hardly any one article that is not higher now than what it was fifteen years ago. But, however the case may be with manufactures, although the improvements in agriculture have been likewise very great, the price of provisions has been nearly doubled.

After acknowledging the immense increase in the price of provisions, you tell us, " that  
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strictly speaking, it is not true that provisions are dearer, but that gold and silver are diminished in value." You might as well say, if stocks were to rise ten per cent by to-morrow, that stocks had not become dearer, but that money had grown cheaper! This is at best making a distinction where there is no real difference. A distinction which in the present case can answer no purpose whatever; for it is the depreciating of money, (owing to the great increase in the quantity by means of bank notes,) of which I complain. But you are pleased to say, "that the only real difference created by this depreciation is, that people have more trouble in counting the pieces over." This is certainly the case with those whose number of pieces is increased in proportion to the diminution in the value. But is that the case with the great majority of the society? You must know that it neither is, nor can be. Were you to-morrow to issue from your proposed bank one million, or one hundred millions in notes, it would make no addition whatever to the number of pieces that constitute my income, but it would most certainly reduce the value of them.

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Whoever will read with attention, "The enquiry into the causes of the wealth of Nations," or even the extracts that have been given from the work, must be convinced that if the author had foreseen that the circulation would have been increased by the issuing of paper, he never would have recommended such a measure. But from observing the consequences of an attempt to increase it too rapidly, he was led to believe that it could not be at all increased by paper. However, it is well known that it was for this very purpose that bank notes were first issued. Nor does any one attempt to deny the fact. You admit that the Bank of England did increase the circulation; and it is with the avowed intention of still further increasing it, that the indemnity bill was passed, and that you have proposed the establishment of a new bank. It is in that point of view therefore that I have considered the subject; and I trust it has been made sufficiently obvious, upon this supposition, that according to the principles admitted by Doctor Smith, the issue of bank notes must necessarily have increased the price of provisions. This was

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what I intended to prove. And here, therefore I ought to conclude, could I for a moment suppose that in defending the paper system, you had been actuated by motives similar to those which dictated the Corn Laws. "The Bounty, (says Doctor Smith,) on the exportation of corn was an expedient to raise it artificially to the high price at which it was frequently sold in the times of Charles the first and second!" To men under the influence of such unworthy motives, it would be in vain to look for justice. But that I hope and trust is by no means the case with you. No! I am persuaded that it is from mistake, and not from a wish to raise the price of provisions, and consequently the rent of land, that you have defended the use of bank notes. Let me, therefore, intreat you to reconsider the subject. You will find on enquiry, that all the most respectable authors who have treated of the currency have been of one opinion. Locke, Hume, Postlethwaite, &c. &c. are all agreed that an increase of the currency from whatever cause must

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must necessarily increase the price of provisions and other necessaries. But if, after mature consideration, you should still retain your present sentiments, I request that you would either take the trouble to point out the errors in the reasoning of your opponents; or maintain your own system, not by assertions or desultory quotation, but by a connected chain of reasoning. TRUTH is the only object I am in search of. Convince me that paper money has not produced the evils which I have ascribed to it; and I will be as sanguine in defending, as I have hitherto been in opposing it. For if it does not produce great evil, it assuredly produces some good. There are certainly great numbers enriched by it. And it is both my duty and inclination to enrich others, if I may do it without injury to myself or the other members of the community. But I believe in the present case that is impossible. "The affluence, (as Doctor Smith) justly observes, of the few always supposes the indigence of the many." Whatever enriches one part of the society without increasing the whole amount of

of the riches must necessarily impoverish the other. Indeed nothing appears more surprising, than that ever it could have been supposed that a man could double or increase his own fortune *merely by writing his name upon a piece of paper* without robbing the other members of the community.

**THE END.**