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CONSIDERATIONS

UPON A

PROPOSAL

FOR

Lowering the INTEREST of all
the Redeemable National DEBTS
to *Three per Cent. per Ann.*

AND

Thereby Enabling the *Parliament* to give
immediate Ease to His Majesty's Sub-
jects, by redeeming such *Taxes* as are
most burdensome to the POOR.



L O N D O N :

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CONSIDERATIONS

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FOR

Lowering the INTEREST of all the
Redeemable National DEBTS,
to 3 *per Cent. per Ann.*

S I R,



AVING seen a Proposal,
lately offered to public
Consideration, " For lo-
" wering the Interest of
" all the Redeemable Na-
" tional Debts to 3 *per*
" *Cent. per Ann.* and thereby inabling
" the Parliament to give immediate Ease
" to His Majesty's Subjects, by taking
" off the Taxes which are most burthen-

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" some

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“ some to the Poor, and especially such
“ as affect the Manufacturers, and like-
“ wise for giving Ease to the People of
“ *Great Britain*, by lessening the annual
“ Taxes for the Current Service of the
“ Year.” And having been, for many
Years, convinced, that the great Load
of Debts the Nation groans under, has
been a very heavy Clog upon all Public
Measures. And being firmly persuaded
that, whilst *Great Britain* continues to
labour under a Debt of upwards of
48,000,000 *l.* for which there is an An-
nuity paid of more than 2,000,000 *l.* it
will be impossible for this Nation to have
it in its Power to act with the same Vi-
gour it formerly acted, or it is absolutely
necessary it should act on all Occasions,
I take the Liberty of declaring, in this
public manner, my Approbation of a
Proposal which has none of those Marks
which have too visibly appeared in other
Schemes, of being calculated for a Job,
and only to serve a private Turn.

If, upon an impartial Examination, it
shall be found practicable, and that the
necessary Consequence of its being ren-
dered effectual will be the almost imme-
diate easing the Trader, Manufacturer,
Farmer and Labourer of those Taxes
which bear the hardest upon them, and
are

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are Discouragements to the Improvement
of the Lands, and the Inlargement of
the Trade, Manufactures, Plantations
and Navigation of this Kingdom, and,
in a certain Term of Years, of lessening
the present Taxes on the People of *Great
Britain* of upwards of Two Millions a
Year, by the Reduction of Interest on
some Part, and the Payment of another
Part, of the National Debt, that Person,
whoever he be, must have no Sense of
public Spirit, who can oppose the only
probable Method of making this, as
great and flourishing a Nation as it has
been before; nay, he must have an uncom-
mon Hardness of Heart, who, for a lit-
tle private Lucre of his own, or for any
personal Consideration, shall endeavour
to continue the present Load of Debts
and Taxes upon the Industrious Part of
the People of this Kingdom, and obstruct
a Proposal calculated for public Utility.

I shall now proceed to the Advantages,
the Reasonableness, and the Practicability
of this Proposal, by shewing,

First, That the lower the Rate of In-
terest has been from time to time, the
more beneficial it has been to the King-
dom in general.

Secondly, That the professed End and
Design of the Institution of the Bank of
England

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England was, that both the Public, and private Persons, should be supplied with Money on more easy Terms than before, or that no such Advantages should be made of the Public, or private Mens Necessities, as had been before its Establishment. And,

Thirdly, That the Legislature have always esteemed it just and reasonable, from Time to Time, for the Public to have, and enjoy, the Benefit of redeeming the Debts in their Power to redeem, whether by the paying off such Debts, or by reducing the Annuity of them on certain Considerations, and have proceeded accordingly, with a strict Regard to Parliamentary Faith, from a Desire to ease the Nation of its Debts and Incumbrances, and, in due time, to redeem the heavy Taxes lying upon the People.

First, " That the lower the Rate of Interest has been from Time to Time, the more beneficial to the Kingdom in general." For this I appeal to Experience, which is better than a thousand Arguments, and call upon the most sanguine against the Reduction proposed, to deny that this Nation has not increased in its Trade and Navigation, its Power and Riches, as the Interest of Money has lessened; and whether all Countries

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tries are not Richer or Poorer in proportion to what they pay, or have usually paid, for the Interest of Money.

The Abatement of the Interest of Money is a certain Sign of the Riches of any Nation, and, as the Interest of Money has gradually lowered, the Lands of this Kingdom have, almost generally, risen in the Value, and the Rents advanced by the meliorating the Lands; and *Great Britain* can never equally improve its Lands, increase its Manufactures, and extend its Commerce, or Trade, so cheap as any other Nation, whilst the natural Interest of Money is higher in this Kingdom than any such Country: And there is not any so effectual a Way to bring the Interest of Money so low here as in a neighbouring Country, as the speedy reducing, with the strictest Regard to Parliamentary Faith, the National Debt; nor to preserve and enlarge the Commerce of this Kingdom, as whilst this Reduction is making, proceeding in easing the People of *Great Britain* of the most grievous and burdensome Taxes, such as are Clogs on its Trade, Navigation and Manufactures; and it is a certain Consequence, that whatever doth advance the Value of Lands in Purchase, raises the Rents of Farms, increases the Bulk of
foreign

foreign Trade, multiplies Domestic Artificers, employs the Poor, and increases the Stock of the People, is undoubtedly the Means of procuring Riches and Happiness to a Nation; and that Low Interest is the natural Mother of Frugality, Industry, and Arts, may be proved by the Commonwealth of *Holland*.

Secondly, "That the profess'd End and Design of the Institution of the Bank of *England* was, that both the Public, and private Persons, should be supplied with Money on more easy Terms, or that no such Advantages should be made of the Public, or private Mens Necessities for the future." The Reasons given for establishing the Bank of *England*, besides this one of lending the Government a Sum of Money for the Liberty of the Trade of Banking were,

I. Because the Public, and private Persons, when in want of Money, would, afterwards, know where to be supplied, and on what Terms.

II. Because there would not be such Advantages to be made of the Publick, or private Mens Necessities for the future.

III. Because the more Credit the Bank had, and the more Money was lodged in it, the more it would lessen the Interest

terest of Money, for want of Occasions to improve it.

IV. Because those who were concerned in the Bank, would not fail to lessen the Interest of Money; for it was their own Interest to do it, or else they could not employ it.

V. Because the Bank would reduce the Interest of Money to Three *per Cent.* in a few Years, without any Law to enforce it, in like manner as it is in all other Countries where Banks were establish'd; whereby the Trade of the Nation would be driven on more equal Terms with the rest of our Neighbours, who had Money at so much lower Rates than we have hitherto had it in *England*.

VI. Because it was the Nature and Property of Banks, and transferable Funds of Interest, to lower and bring down the Interest of Money, which might be said to be the Pulse of any Country; for when that beats high, the Trade and Improvements of that Nation or People must needs be low.

VII. Because it was the happiest Art or Secret of State, that any People could be blest with, to be able to effect the Cure by the Disease; that is, to lower the Interest of Money, by Interest itself.

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VIII. Because the Bank, being to be founded upon a Fund of Interest as well as Money, would not only influence and invigorate our Trade and Improvements at Home, but, with good Management, be of singular Use and Advantage to our Returns in Trade and Exchange with the Commercial World.

These were Reasons given for the establishing this Corporation, and, besides many others given for the Prolongation of their Term, the following Reason was given.

Because it was the only Fund, that ever was settled in *England*, that had lessen'd the Interest of Money : And it was observable, that any Resolution those concerned in the Bank had taken, to be more serviceable to the Publick, or private Mens Occasions, had always given this Corporation a further Reputation, and increas'd its Credit ; and that the more the Bank had served the Interest of the Nation, so much the more they had served their own ; they being under this happy Circumstance, that they could not do Good to themselves, but by doing Good to others.

If the Directors and Proprietors of the Bank of *England*, who, it will appear, have, on former Occasions, manifested their

their Zeal for the Publick Service, by agreeing to furnish Money towards lessening the National Debts and Incumbrances, should, at this Time, refuse to be in any Measure instrumental in reducing the National Debt, and easing the People of their present Taxes ; if they should proceed further, and oppose the rendering effectual any Proposal for that Purpose, I am free to declare, that they do not answer the End of their Institution ; nor do I see that they have really pursued it, in not having hitherto, as I have been informed, discounted Bills of Exchange for any lower Rate of Interest than *4 per Cent. per Ann.* nor Notes of Hand for any lower Rate than *5 per Cent. per Ann.* But this I am far from mentioning with any other Design than recommending them to take an Affair of such great Consequence to the Trading Part of the Nation, and a Matter which will be, probably, highly advantageous to themselves, into their serious Consideration ; and to make this Observation.

That the principal Reason of erecting the Bank of *England*, was the general Service of the Nation, by reducing and keeping low the Rate of Interest, both with Regard to the Publick, and private

Persons ; and therefore there is no Possibility of its continuing a Corporation so long as I wish, that is, for ever, unless its Managers pursue those very wise, wholesome, and publick-spirited Maxims upon which it was first established : And as this Society have, since their Erection, rendered many eminent Services to their Country, as well as the common Cause of *Europe*, by having more than once saved the Nation, by bringing down the Price of Interest, and assisting in its greatest Exigencies ; so it is incumbent upon them to act with the same Candor, Reputation, and Regard to the Publick ; which if they shall shew themselves ready and willing to do, they have, in a manner, a Right to be continued for a Term they themselves shall ask, and to have all the Favour shewn them that it is possible for the Government to shew a Corporation ready to promote the Welfare and Prosperity of the Nation.

Thirdly, “ That the Legislature have
 “ always esteemed it just and reason-
 “ able, from time to time, for the Pub-
 “ lic to have and enjoy the Benefit of
 “ redeeming the Debts in their Power
 “ to redeem, whether by the paying off
 “ such Debts, or by reducing the An-
 “ nuity of them on certain Considera-
 “ tions ;

“ tions ; and have proceeded accord-
 “ ingly, with a strict Regard to Par-
 “ liamentary Faith, from a Desire to
 “ ease the Nation of its Debts and In-
 “ cumbrances, and, in due time, the
 “ heavy Taxes lying upon the People,
 “ will appear by what immediately fol-
 “ lows.”

The Bank did, in the 7th Year of the Reign of Queen *Anne*, on Consideration of an Inlargement of their Term for Twenty two Years, reduce the Interest of the Debt, then owing them by the Publick, from 8 to 6 *per Cent. per Ann.*

They did also, in the 3d of his late Majesty, accept an Annuity of 88,751 *l.* 7 *s.* 10 $\frac{1}{2}$. in lieu of 106,501 *l.* 13 *s.* 6 *d.* for 1,775,027 *l.* 17 *s.* 10 *d.* and the Reason given for it in the Act of Parliament is, *Because the common Rate of Interest was very much lessened under his Majesty's most auspicious Govern- ment.*

In the said Act of the 3d of his late Majesty, it is declared, *That the Governor and Company of the Bank are also willing to advance for and towards discharging or lessening the National Debts and Incumbrances, any further Sum or Sums of Money, not exceeding 2,500,000 *l.* And the Reason given for the*
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borrowing this Money is, *Because the Commons, in Parliament assembled, are desirous to ease the present Burthen of National Debts and Incumbrances, and, in due Time, the heavy Taxes lying upon the Kingdom.*

It is declared in an Act of the 3d of his late Majesty, *That the Governor and Company of Merchants of Great Britain trading to the South Seas, are willing and contented, in Regard the common Rate of Interest is very much lessened under his Majesty's most auspicious Government, to accept an Annuity of 500,000 l. in lieu of 600,000 l. for the 10,000,000 l. owing them by the Publick. And the Reason given in the Preamble is, Because the Commons in Parliament assembled, are desirous to ease the present Burden of Debts and Incumbrances, and, in due Time, the heavy Taxes lying upon this Kingdom.*

It is further declared in the said Act, *That the said Governor and Company, to manifest their Zeal for the publick Service, by furnishing Money towards lessening the said National Debts and Incumbrances, did propose to advance any further Sum or Sums of Money, not exceeding 2,000,000 l. And the Preamble to the enacting Clause runs in these*

Words :

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Words : *Now his Majesty's most dutiful and loyal Subjects, the Commons of Great Britain in Parliament assembled, in further Prosecution of their Desires to have the National Debts and Incumbrances lessened, do humbly beseech, &c.*

It is recited in another Act of the 3d of his late Majesty, *That, since the making the several Acts therein above recited, the common Rate of Interest for Money was very much lessened, so that it became just and reasonable for the Public to have and enjoy the Benefit of Redeeming, &c. The Consequence of this Act was the reducing 9,000,000 l. from 6, and a higher Interest, to 5 per Cent. per Annum.*

The Preamble of the Act of the 6th of his late Majesty runs in these Words : *Now your Majesty's most Dutiful and Loyal Subjects, the Commons of Great Britain in Parliament assembled, being desirous to have the said Public Debts and Incumbrances lessened as fast as conveniently may be, with regard to Justice and the common Faith, &c. The Consequence of the Act was, the reducing, from and after the 24th of June, 1727, upwards of 37,000,000 l. of the Public Debt, from 5, and a higher Rate of Interest, to 4 per Cent. per Ann.*

The

The Bank, in the 11th of his late Majesty, accepted an Annuity of 71,001 *l.* 2 *s.* 3 *d.* $\frac{1}{4}$. in lieu of 88,751 *l.* 7 *s.* 10 *d.* $\frac{1}{2}$. for 1,775,027 *l.* 17 *s.* 10 *d.* $\frac{1}{2}$. and an Annuity of 80,000 *l.* in lieu of 100,000 *l.* for 2,000,000 *l.* and the Reason given is, Because the Commons of *Great Britain*, in Parliament assembled, are desirous to have the Public Debts and Incumbrances lessen'd and discharg'd, as fast as conveniently may be, with regard to Justice and the Publick Faith.

Having thus shewn these Points, I shall proceed to answer such Objections as I have at any time met with against the reducing of the Interest of the Public Debts redeemable by Parliament, from 4 to 3 *per Cent. per Ann.* tho', I conceive, I might very well spare myself the Trouble of doing this, considering the many solemn Declarations which have been made, and the several Steps which have been taken by the Legislature for easing the Nation of its Debts and Incumbrances, as well as the heavy Taxes lying on the People of *Great Britain*. And that it is declared in an Act of the 3d of his late Majesty, *That the common Rate of Interest for Money being much lessened, it became just and reasonable*

sonable for the Public to have and enjoy the Benefit of redeeming, &c.

It is objected, " That any further
" Reduction of the Interest on the
" Whole, or any Part of the Public
" Debts to any lower Rate than 4 *per*
" *Cent. per Ann.* will be attended with
" many ill Consequences to the Nation."

It is conceived those Persons that make this Objection, have never given themselves leave to consider this Point impartially: For tho' it may be for the Interest of a few Individuals, who may be Proprietors, to receive a greater Annuity, it must certainly be for the Interest of this Kingdom in general to pay a less; since it will necessarily follow, not only that Money will be more plenty among the Labourers, Farmers, Manufacturers, and Traders, where it is certain of doing Good; but that the People in general will be eased of great Part of their present Taxations, and particularly, such as bear hardest on the Manufacturer, the Farmer, and the Labourer, and are Discouragements to the Trade and Manufactures, the Plantations and Navigation of *Great Britain*.

But, in recommending the reducing the Interest of any Part of the Public Debts,

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lower than the Annuity now paid by the Public, I desire to be understood, that I am not for lowering the National or legal Interest; for such a Step would, I conceive, intirely prevent the reducing of Interest in the Manner I have long wished to see it, since it is only lowering the Interest of some Part of the Public Securities, paying off the other Part, as soon as possible, and easing the Nation of great Part of its present Taxes, that will reduce the natural Rate of the Interest of Money, and give us the Opportunity of extending our Trade both Abroad and at Home: And tho' it may happen, that more People entering into, or greater Stocks being employed in Trade, may prejudice the Business, or lessen the Profits, of many particular Persons, yet it must be an Advantage to the Nation in general, which I could inforce by the strongest Reasons. But this is a Point that must be so obvious to almost all Men who have made any Observations on the Rise and Greatness of this, and all other Trading Countries, that I am persuaded there is not any manner of Occasion.

It is also objected, "That so much
" as the Interest of the publick Securi-
" ties, redcemable by Parliament, shall
" be

" be reduced, so much less will the
" Proprietors have to expend; which
" will be sensibly felt, especially in the
" Cities of *London* and *Westminster*,
" where, 'tis supposed, most Part of the
" Proprietors constantly reside." I am
far from thinking that the greatest Part
of the Money, annually paid by the
Government for Interest, is all expend-
ed. On the contrary, I have the strong-
est Reason to believe, that the greatest
Part of the Interest Money is paid
to Persons, who are so far from spend-
ing the Whole, that they do not
spend (taking them in an Avarage) one
Third, or one Fourth, of their Income:
and whoever hath observ'd any Thing,
must have observ'd, that immediately
after the making any Dividends, our
Stocks have constantly risen, which is a
clear Proof of what I have advanced,
were this Matter not easily to be de-
monstrated by the Books of the three
great Societies, including the Annui-
tants. But admitting this was really the
true State of the Case, will those Persons,
who have any Regard for their Country,
and wish its increasing in Riches and
Greatness, assign this as a Reason for the
Nation to continue the Payment of an
extraordinary Interest on the Whole, or

any Part of the Public Debt, whenever it may have it in its Power, with a strict regard to Parliamentary Faith, of paying a Less? By the same Way of Reasoning, Great Salaries, to a much greater Number of Civil and Military Officers than We have already, and Pensions to other Persons, than have them at present, would be a Benefit to the Public, since all those Persons would, generally, expend them in *London* and *Westminster*.

Those who make this Objection, must never have given themselves leave to consider from whom the Money is rais'd that pays the Annuities to the Public Creditors; nor that, if the People in general did not pay so great Taxes, they would, probably, be most of them in a Condition to expend more than the Amount of the Taxes they may severally pay.

But because it has been advanced,
 “ That the Public may probably lose as
 “ much, or more, in their Revenues
 “ arising from different Commodities
 “ consumed among us, as may be saved
 “ by the Reduction of our Interest; or
 “ the Proprietors of Land may probably
 “ at least find themselves obliged to furnish
 “ from their Revenues, those Supplies for the Service of the Govern-
 “ ment, which have been hitherto furnished
 “ nish'd

“ nish'd by our Expences: And that if
 “ it be possible that this Diminution of
 “ our Expences should proceed further, in
 “ reducing the Price of Labour, and,
 “ from thence, of our necessary Provi-
 “ sions, and the Produce of our Lands,
 “ the Proprietors of those Estates must,
 “ in their Turn, suffer, from the Reduc-
 “ tion of their annual Revenues.” I shall
 enforce what I have already said, in con-
 sidering these Objections, by observing,

That the Consequence may as probably, nay, most certainly will, fall advantageously on the other Hand, by the Frugality of any Number of Persons, arising from a further Reduction; since the Number of Persons who can be any Losers in their annual Income thereby, bear no manner of Proportion to the Mass of People of *Great Britain*, who will be increased, and generally bettered in their Fortunes, and manner of Living, by a Reduction of Interest of the whole, or any Part of the Publick Debts, since the natural Consequence of the lowering of either publick or private Interest, as Experience has shewn at all Times, has been the enlarging the Trade and Business, and increasing the Hands of this Kingdom. But, supposing it produces such a general Frugality, which it is not
 likely

likely it will, as that less of our own Product and Foreign Commodities be consumed among us ; yet, if it does not occasion the Decrease of our Exportations, it will not be any real Loss to the Nation. But to argue, that a Reduction of Interest on the whole, or any Part of the Publick Debts, by natural Means, or by a plenty of Money, will lessen the Revenues arising from different Commodities consumed among us, is to argue contrary to the Experience of what has happened, in all Ages, in all Trading Countries. The Reduction in the Price of Labour would be an Advantage on our Exportation, from whence the great Benefit to the Real and Personal Estates arises ; but to suppose this, is to make a Supposition contrary to Fact, or the Nature and Experience of Things ; since, in all Countries where the Interest of Money is low, the Price of Labour is high, and the Necessaries of Life dear ; and in Countries where the Interest of Money is high, the Price of Labour is low, and the Necessaries of Life cheap ; and this shews it is not possible for a Reduction of the Interest on the whole, or any Part of the Public Debts, to have any of the Consequences imagined.

But

But it is conceived, those who have made these Objections, have had in their Head Mr. *Locke's* Reasoning against reducing by Law, (as was proposed by Sir *Josiah Child*, and others) Interest of Money, as it then stood, from 6 to 4 *per Cent.* whereas the reducing of Interest by a Law, and the reducing the Interest of the National Debts, are very different Things, and deserve very different Considerations ; and whoever will attend to the Reasoning of Mr. *Locke*, will find, that however he may be against the Reducing the Interest of Money by a Law, until it had found its own Value, that he gives strong Hints that it must be contrary to the general Interest of the Nation, to have the Funds carrying any larger Annuity than the legal Rate of Money : And he exclaims against the Money being brought out of the Country, where it would be otherwise usefully and advantageously employ'd. And observes, " That Gamesters deserve to be restrain'd, since, in order to play, they keep great Sums of Money by them which lies dead. For, says he, tho' Gamester's Money shifts Masters oftener than any, and is tumbled up and down with every Cast of the Dye, yet, as to the
" Public

“ Public, it lies perfectly still, and no
 “ more of it comes into Trade, than
 “ they spend in eating and wearing.”

It is likewise objected, “ That the re-
 “ ducing to 3 *per Cent.* the Whole, or
 “ any Part of the Public Debts now run-
 “ ing at 4 *per Cent.* or a higher Interest,
 “ will induce Foreigners to call their
 “ Money out of the Kingdom, probably
 “ to the Overthrow of all Paper-Credit,
 “ consequently put a Stop to almost all
 “ Business foreign and domestic, confi-
 “ dering the small Quantity of Gold and
 “ Silver Coin now remaining in the
 “ Kingdom, in proportion to Paper-Cur-
 “ rency.” It is conceived, the reducing
 the Interest of the Whole, or any Part
 of the National Debt to 3 *per Cent.* will
 not be attended with any of the Conse-
 quences apprehended, or any the least
 ill Consequence to the Nation.

First, as to Foreigners; The conti-
 nuing to pay them so large an Interest as
 4 *per Cent.* on all, and more on some of
 the Public Securities, is the Occasion of
 their carrying such great Sums of Money
 annually out of the Kingdom, besides
 giving them an Opportunity (and no
 doubt some of them make use of it) of
 selling out what did not cost them 100 *l.*
 at the highest Price which Stocks have
 bore

bore for many Years past. But suppo-
 sing a Reduction of 3 *per Cent.* on the
 whole, or any Part of the public Debts,
 was to happen, and should occasion the
 Fall of the Stocks, from the present
 nominal Value, to its original or real
 Value, it does not follow that Foreigners
 will call their Money out of the King-
 dom, unless it can be shewn, that when
 they call it out, both these Things are
 certain; First, That they can have an
 Opportunity of employing it at all; and
 Secondly, That by their employing it in
 their own Countries, they can make an
 equal Rate of Interest of their Money,
 as they could do by letting it remain here,
 and that with the same certain Ease and
 Security. As it is conceived, it is not
 possible for the most zealous Stickler
 against the reducing the whole, or any
 Part of the Interest of the National
 Debt to 3 *per Cent.* when the Govern-
 ment may have the Means in its Hands,
 to maintain or shew these two Points,
 by Facts which are incontestable, and
 may be depended on; since, in *Hol-*
land, they have such a Plenty of Mo-
 ney already, that on Bullion, or coined
 Silver, on Jewels, and Things not pe-
 rishable, they lend at 1, or 1½ *per Cent.*
 and on Goods and Merchandizes, Ships

or Vessels, 2, or $2\frac{1}{2}$ *per Cent.* and, in other Places, hardly any Traffic by Loans of Money, because no dealing this Way with certain Security to the Lender. But admitting, tho' not granting, that Foreigners, upon the proposing to make, or the actual making a Reduction to 3 *per Cent.* of the Interest of the whole, or any Part of the public redeemable Debts, should give Orders for selling out their Stocks, it can never be the Occasion of overthrowing our Paper Credit, nor occasion any manner of Stop to almost all, or hardly any Part of our Foreign and Domestic Business, unless Paper-Credit be something more than it appears truly and really to be. For, however some Persons may imagine, the public Stocks are not, nor cannot, in any manner of Sense, be esteemed Paper-Credit; nor can any Thing be esteemed truly and really Paper-Credit, but Exchequer Bills, Bank Bills, Bills of Exchange, and Notes of Hand, which are negotiable between Man and Man, and which carry an Assurance of Money, and for which Money may be had at all Times, or when they are due, without any Premium or Discount. Therefore it follows, that, as the Government cannot be re-

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quired to pay the public Debts at the Pleasure of its Creditors, as the Owners may require the Payment of Exchequer Bills, Bank Bills, Goldsmiths Notes, &c. that the falling of the Stocks will not, really, have any more Influence in the overthrowing Paper-Credit, than the rising of them, nor even so much; since the falling of them will necessarily preserve to us our Gold and Silver, the Foundation of our Paper-Credit; whereas the raising of them gives Foreigners an Opportunity to take it from us, by carrying out of this Kingdom much greater Sums of Money than they brought in; besides receiving a larger Interest for their Money, whilst it continued here.

But, over and above these Observations, it may be necessary to observe further,

First, That it is not possible, in the Nature of Things, to imagine that Foreigners will, One and all at the same Time, give Direction for selling their Stocks, and ordering the Money out of the Kingdom.

But Secondly, If this was possible to imagine, they could not have an Opportunity of calling out their Money, but with very great Disadvantages.

Thirdly, The bringing so great a Sum of the public Debts to Market, at any one Time, as four or five Millions, or, as some Persons think, eight or ten Millions, must certainly bring them down to Par, or much lower, because of the great Number of Sellers, in proportion to Buyers.

But Fourthly, Supposing they could make Sale of their Stock, so great a Sum of Money wanted to be remitted abroad, must necessarily occasion the Exchange to be in the Disfavour of such Foreigners; and not only raise the Price of Bullion, both Gold and Silver, but also our Product and Manufactures, our Plantation and *East India* Goods.

These Observations shew, that not any ill Consequences can possibly attend the Nation, as are apprehended, with Respect to our Paper-Credit, or the carrying away our Gold and Silver Coin, should Foreigners, generally, sell out their Stocks, and order the Produce of them into their own Countries, at one and the same Time; and, as they do this, they likewise in a manner demonstrate, that this Step will never be, generally, taken by Foreigners at one and the same Time; or, at least, that their first Orders for selling, and remitting them

them the Produce, will not be comply'd with, without second and new Orders from them; since, however it may be agreeable to sell out at the Price Stocks might be at when they gave their Direction, it will not be judged so to them, when they are fallen to Par, or a considerable deal lower; because the selling out at the fallen Price, will be a greater Loss to them, than the Reduction of their Interest to *3 per Cent.* can possibly be; without regarding the Loss which will naturally befall them at such Time, by the Remittance of the Produce that their Stocks may sell for, and the Uncertainty of imploying their Money at all, or at so good an Interest, with equal Security, in their own Countries.

It is further objected, " That when-
 " ever the Government shall come to
 " want Money, the reducing the In-
 " terest of the whole or any Part of the
 " National Debt, tho' it be not compul-
 " satory, but only with the voluntary
 " Consent of the Proprietors, will not
 " give the Publick an Opportunity to
 " borrow it on better Terms than con-
 " tinuing the Publick Debts at *4 per*
 " *Cent.* and if any such Reduction should
 " be made, the borrowing great Sums of
 " Money by the Government would ne-
 " cessarily

“ necessarily lower the Nominal Value of
 “ the Debts, only having 3 *per Cent.*
 “ when a greater Annuity is given.” —
 If this should happen, the Publick would
 not pay any greater Annuity, after such
 Reduction for the Debts so reduc'd;
 but why this would necessarily happen,
 I cannot see, unless very great Sums of
 Money shall be wanted to be rais'd upon
 remote Funds, and very large Interest
 given for the same.

But supposing it should so happen, that
 the Government should be oblig'd to pay
 a greater Interest than 3 *per Cent.* for
 what Money it may borrow afterwards,
 this is far from being an Objection to be
 made at present, on the Part of the Go-
 vernment, whatsoever it may be on the
 Part of its present Creditors. It is not
 an Objection on the Part of the Govern-
 ment, because it is certain, that by a Re-
 duction of the Interest of the whole or
 any Part of the Public Debts, from 4 to
 3 *per Cent.* the Nation will save a very
 great Sum of Money annually by Interest;
 and it is uncertain, whether this Rate of
 Interest will be higher, was this to hap-
 pen, or were the Government under a
 Necessity to borrow Money on remote
 Funds: And it is conceiv'd the Public
 Creditors cannot make this Objection,
 not

not only because they are not forced by
 the Proposal, either to lend or continue
 their Money at 3 *per Cent.* but because
 we have been assured, “ That it is a
 “ Contest among the Creditors of the
 “ Public, which of them shall be last in
 “ the Course of Payment.” And also
 inform'd, “ That the paying off any of
 “ the Creditors in the first place, would
 “ greatly reduce the nominal Value of
 “ the one, and advance the nominal
 “ Value of the other.” But it is certain,
 the lowering the whole or any Part of
 the Public Debts to 3 *per Cent.* before
 the Government shall be under any Necessi-
 ty to borrow much greater Sums of
 Money, within the Year, for the cur-
 rent Service of the Year, will be so far
 from raising the Interest of Money on
 the Government, that it will necessarily
 give the Publick an Opportunity to bor-
 row it at a less Rate of Interest than if
 the Debts are continued at 4 *per Cent.*
 Therefore it is incumbent upon those
 who make this Objection, to shew, by
 Facts, and the Experience of Times past,
 that the lowering of the Interest of the
 Public Debts, at any one Point of Time,
 has been the Occasion of raising it at
 any other.

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It is conceiv'd, the foregoing Observations, in Answer to the several Objections, will give full and intire Satisfaction, that not any possible Inconveniency can attend the Nation, by a Reduction of the whole or any Part of the Public Debts from 4 to 3 *per Cent.* But if, notwithstanding these Observations, the Objections shall be judged to stand unimpeach'd, it must be acknowledg'd very false Politicks to have reduced the Interest of the National Debt at any former Time. But as it is certain, that every Reduction of the Interest of the Public Debts hath hitherto rais'd the nominal Value of them, because of the more certain Payment of their Annuity, and Repayment of their Principal, so for the very same Reasons it may be concluded this will happen upon any further Reduction; and is visibly seen in the Price of the Stocks and Annuities, the Premiums on Bonds, &c. at this Time.

These are the most material Objections that I have ever heard made to the reducing of the Interest of the whole or any Part of the Public Debts lower than 4 *per Cent.* which Objections, I flatter myself, will be found not to have any Foundation, or any Reasons for their Support, when truly and impartially consider'd

sider'd by Persons divesting themselves of Passion, Prejudice, or Self-Interest, when the present State and Circumstances of this Nation shall be compar'd with that of some other Countries, and what must be the necessary Consequences of our paying an annual Interest of a very great Sum of Money to Foreigners residing out of the Kingdom, unless it be certain that we are Gainers an equal or a greater Sum of Money, on the Balance of our general Traffick with Foreign Nations, the contrary of which is pretty clearly shewn by Mr. *Joshua Gee*, in his Treatise on Trade and Navigation; and an eminent Merchant, and Member of the House of Commons, has given us Reason to apprehend this to be our Case with *Portugal*, where it has been generally understood the greatest Balance had for many Years, arose in our Favour. Therefore I conceive the most speedy Steps should be taken to regain to the Nation that general Balance of Trade, which it is certain we had not many Years ago, if it be really our Misfortune to have lost it, even tho' it be obtain'd by restraining us in our Luxury, and this should necessarily occasion the Decrease of the Sinking Fund, the Increase of which, over and above the Savings by
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the Reduction of the Interest of so great Part of the Debt from 6 *per Cent.* and higher, in the Year 1717, and from 5 to 4 *per Cent.* at June 1727, is, I fear, more owing to the great Importation of Foreign Commodities, only to be consumed by ourselves, than to the natural Consequence of Trade, proceeding from an Increase of the Exportation of our Product, Manufactures, Plantation, and *East India Goods.*

But notwithstanding the greatest Part of the Increase of the Produce of the Sinking Fund, is mostly owing to the Reduction of Interest thereupon, it may not be improper to observe,

That as the Savings by the Reduction has been so much Money added to the Produce of the Sinking Fund, appropriated to the Discharge of the Principal of the National Debt incurred before the Year 1716, it has constantly given the Creditors of the Government a general Certainty, not only that they shall be constantly paid their Annuity, which there have been Deficiencies in formerly, and which were made good by the Justice of Parliament, but also an Assurance, that their principal Debt would be repaid them sooner or later, provided we remained in Peace, and were at all times

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as we had hitherto been, a Match for any of our Neighbours, which we must necessarily continue to be from the Nature of our Government, and the Genius of the People, unless we neglect preserving to Ourselves a Balance of Trade, by encouraging the Increase of the Exports of our Product and Manufactures, Plantation and *East-India Goods*, to answer the Bullion we send annually to *India*, the Expence of our Nobility and Gentry in foreign Countries, and the Importation of Commodities not expended in working our Manufactures, but only consumed by ourselves, and chiefly serving for Luxury.

If then many happy Consequences have attended the Nation in general, as well as the Proprietors of the Public Debts in particular, by the Reduction of Interest already, I do not possibly conceive any Reasons can be assigned against our proceeding further, provided the Plenty, or natural Interest of Money will warrant it, which it seems very clearly to do by the Prices of almost all the Stocks and other Public Securities in *Exchange-Alley*, regard being had to the principal Sum every Proprietor would only receive, were the Government in a Condition to pay them off; and there-

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fore I am encouraged to insist the more upon the Necessity of our taking Measures, during this Time of Tranquillity, for the reducing of the Whole, or some Part of the present redeemable Debts, which the Nature and Circumstances of Things seem to admit, to *3 per Cent. per Ann.* and for gradually paying off the rest; because it is an undeniable Fact, that, tho' the Public does not pay so great an annual Interest now, as it did in the Year 1717, yet the Nation is indebted as many Millions as it was at that Time, or when the first Reduction of Interest was made, and had there not been any Reduction already, or had not the Legislature declared in the Act of the 3d of his late Majesty, *That the common Rate of Interest being lessened, it became just and reasonable for the Public to have and enjoy the Benefit of redeeming, &c.* I should be equally confirm'd in the Reasonableness of it, and of its being just and equitable in the Legislature to proceed, at this Time, in the Reduction of the Whole, or a certain Part of the redeemable Debts from *4 to 3 per Cent.* and in making Provision for easing the People of the most burthensome Taxes, such as are Discouragements to the Improvement of the Lands,

Lands, and to the Inlarging of the Trade and Manufactures, the Plantations and Navigation of *Great-Britain*; and I am firmly persuaded, however great the Clamor may be at this Time, against the Proposal which has been publish'd, the Creditors of the greatest Part of the redeemable Debts, or such a Part of them as it may be necessary to have reduced, there being many Reasons to reserve some to be almost constantly paying off with the Produce of the Sinking Fund, will readily come into a Reduction of their present Annuity from 4 to 3, provided they have a Term of 14 Years or more, before which they shall not be paid either the Whole, or any Part of their Debt, and that the same Measures are taken for the rendering this Proposal effectual, as were taken in the Year 1717, in the Reduction then made, when it is to be observed, Money was far from being so plenty as it is now, and the Publick, without that Help from the Sinking Fund it has now, and which, since the Year 1727, was upwards of 1,400,000 *l.* one Year, and by help of which, had the Produce of the Sinking Fund been wholly apply'd to the Payment of the Debts contracted before 1716, and no Part of it taken for the current

current Service of the Year, or for Payment of either Interest or Principal of Debts borrowed since *Lady-Day* 1728, or had no Money been borrow'd upon it since that Period, the Sinking Fund might have paid off of the Debt contracted before the Year 1716, five Millions more than there has been paid off, and the Nation had not been so much in Debt as it is by upwards of 12,000,000 *l.* for the Sinking Fund has paid off, or has had taken from it, or borrowed upon it, what was once Part of it, upwards of 20,000,000 *l.* but the Debt of the Nation has not been lessened since *Lady-Day* 1728, any greater Sum than 1,695,027 *l.* 17 *s.* 10 *d.* there having been paid off 8,495,027 *l.* 17 *s.* 10 *d.* and borrowed 6,800,000 *l.*

I forbear troubling myself, or you, Sir, with saying any Thing in particular of the Proposal now under Public Consideration, more than that I intirely approve the Reduction of the Interest of the redeemable Debts; and am very sure the Honourable Person, whose Proposal it is, is able to maintain, support, and defend every Part of it, and am persuaded, however great the Clamor may have been, or is, upon the Occasion, it will be so far from deterring him from a Pursuit of his Intention; in promoting
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the Interest of the People in general, that it will excite him the more to endeavour the bringing to pass so great a Good to the Landholder, Trader, and Manufacturer of *Great Britain*; since by a Reduction of one Moiety of the redeemable Debts, from 4 to 3 *per Cent.* and paying the other, the Taxes to be rais'd on the People, will, at the End of fourteen Years, or sooner, be less by above two Millions a Year, than they are at this Time.

The greatest Encomiums have been given those that have proposed any Measures for discharging the National Debt, or for making Provision, by the Sinking Fund, for that Purpose: And it has been esteemed of so considerable Advantage, not only to raise Money for the Supplies of the Year, at a much lower Interest than before, but that Part of the Debt should be reduced from an Interest of 5 to 3 *per Cent.* and put into a Course of being soon discharged, that it was mentioned by his late Majesty in his Speech to his Parliament. And therefore I am in some Admiration at the Clamor that has been made, on the Occasion of this Proposal, which has brought into my Mind the following Passage of a late very eminent Writer,
when

greatest Part of the Public Debts, from 4 to 3 *per Cent. per Ann.* and the paying off, annually, Part of what shall not be reduced, by the Plenty of Money which will necessarily be then to be employed, more than is now, in the improving of the Lands, and in carrying on the Foreign and Domestic Business of this Kingdom; it being only from the Discharge of our Debts, the paying less Taxes, or more Money coming in from our Balance of Trade, whereby it can ever possible be increased for these Services, and, at the same Time, to have observed, that however plenty Money may seem in this City, from the Price of Stocks, and other public Securities, there is a very great Want of Money or Credit amongst great Numbers of Traders and Dealers of almost all Denominations throughout this Kingdom; and especially in the Manufacturing Countries, as well as in the Kingdom of *Ireland*, and the *British* Plantations in *America*; and that the only Means of giving Life to these People, or to these Places or Countries, is to lose no time in taking such Measures that they may have Money, or Credit, on easy Terms, whereby the Hands in all His Majesty's Dominions,

minions, now unemploy'd, may be set to Work in such manner, as to be really beneficial to the Nation, by occasioning the greater Export of a greater Quantity of our own Manufactures, and by the producing in this Kingdom, as well as in the Kingdom of *Ireland*, and in our Plantations, those Species of Manufactures and Commodities which we take in so great Quantities every Year from foreign Countries, and pay for almost wholly with ready Money, and that the Nobility and Gentry, who are chiefly the Proprietors of the Real Estates of *Great-Britain*, would make themselves ample Amends, were they to give a Land-Tax, which would raise more than one fifth Part of the National Debt now owing, to obtain, if it was not in their Power otherwise to do it, with the strictest Regard to Public Faith, to reduce a Moiety, or thereabouts, to 3 *per Cent.* and pay off the rest, which is demonstrable may be done in less than Fourteen Years, and thereby the Taxes raised on the People of *Great-Britain* lessened by above two Millions to what they are at this Time, and that, whenever the Nation shall, for the Preservation of its Trade or

F 2 Plantations,

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Plantations, its Religion or Liberty be obliged to enter into a War with any of its Neighbours, it will be easy to raise the Supplies necessary for the Public Service within the Year. For not only the Government is better able to help itself, and knows better its own Interest and Strength as to Money Matters, than it did in any former Time, but the Nobility and Gentry of *Great Britain* are generally of Opinion with Mr. *Locke*, who says, " That Taxes, however contrived, and out of whose Hands soever immediately taken, do, in a Country where the Great Fund is in Land, for the most Part terminate upon Land. Whatsoever the People is chiefly maintained by, that the Government supports itself on ; nay, perhaps, it will be found, that Taxes which seem least to affect Land, will most surely, of all others, fall the Rents." This would deserve well to be considered in the raising of Taxes, lest the Neglect of it bring upon the Country Gentlemen an Evil which they will be sure quickly to feel, but not be able very quickly to remedy ; for Rents, once fallen, are not easily raised again. A Tax laid upon Land seems hard to the

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the Landholder, because it is so much Money going visibly out of his Pocket ; and therefore, as an Ease to himself, the Landholder is always forward to lay it upon Commodities : But, if he will thoroughly consider it, and examine the Effects, he will find he buys this seeming Ease at a very dear Rate ; and tho' he pays not this Tax immediately out of his own Pocket, yet his Purse will find it by a greater Want of Money there, at the End of the Year, than that comes to, with lessening his Rents to boot ; which is a settled and lasting Evil that will stick upon him beyond the present Joyment.

If it has been proved that the Parliament has a Right to redeem the National Taxes, if it has been proved that there is no Injustice done the Public Creditors, by reducing the Interest on our Debts, that it is the only Expedient that can be found out to ease the Poor, and to recover and inlarge our Commerce, and yet that it must not be put into Execution, because it is inconsistent with the private Interest of a Few, who, I will be bold to say, are not One in Ten thousand of the whole People, we must never expect to see any public Good

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Good done to this Nation ; for there
is no public Distress but will bring a
Profit to some, nor no public Benefit but
will occasion some Loss to others.

I am,

S I R,

Mar. 26.

Your humble Servant.

F I N I S.

