

111-28
重複130-4



0000

THOUGHTS
ON
MONEY, CIRCULATION,
AND
PAPER CURRENCY.

EDINBURGH.

Printed by HAMILTON, BALFOUR and NEILL.

M,DCCLVIII.

0011

ADVERTISEMENT.

THE Writer of the *Inquiry into the Origin and Consequences of the Public Debt*, having been assured that he has been quoted in a large book lately published, as Author of two *Essays on Banking and Frugality*, on no better authority than that of a needy Bookseller's reprinting the *Inquiry* along with them; he thinks himself obliged to assure the Public, That he knows nothing of the two *Essays on Banking and Frugality* annexed to his; that he had no hand in them, and is equally ignorant where, and by whom they were written or printed.

He acknowledges, he had self-conceit enough to think it utterly impossible, that any man could be found so thoroughly void of discernment, as to imagine these three Productions could come from the same hand: but, since the event has proved that there may be such men, he has thought it necessary to offer to the Public his sentiments on *Money and Circulation*; which, however little instructing or entertaining, will at least prove, that his opinions on these subjects are extremely different

B

rent

rent from those imputed to him, by such as would ascribe to him the two *Essays on Banking and Frugality*.

He likewise begs leave to assure the Public, That it is not to avoid the imputation of a bad Writer that he appeals to them; that imputation would give him little concern: his real motive is to justify his moral character; since there are opinions asserted in the *Essay on Frugality*, which he holds in detestation.

THOUGHTS

ON

MONEY AND CIRCULATION.

THE Value of things was originally expressed, by setting them against Corn and Cattle: These have undoubtedly the greatest intrinsic value, as they are the most essential to the support of Life, and, next to them, Cloaths and Firing.

In comparison of these, all other things are superfluities, and their value must be partly arbitrary. The intrinsic value of Manufactured Goods, and such as arise from the labour of Men, is determinable by the time employed in working them. If a certain piece of work shall employ a Man two days, it must bear some proportion in its value to the quantity of provisions required to maintain a Man for that time. When the practice of an art is confined to a few hands, it depends on them to put what price they please on their skill; and then, as happens in all monopolies, the Purchaser being at the mercy of the Seller,

the

the only rule for the price, must be the avidity of the one, and the means, passion or necessity of the other.

As Commerce came to extend itself, the inconvenience of Barter made it as necessary to settle some standard to ascertain the relative value of Commodities, as to establish weights and measures, to determine their quantity. Metals could not fail to be found the most proper for that purpose; they are universally useful, and so have an intrinsic value in themselves: As they are the most durable of all substances, they are not liable to fluctuate like perishable commodities, of which there may be plenty this year, and scarcity the next: They take up little compass, and can be divided into the smallest parts, and united again, without diminishing their contents. With these advantages, they were necessarily received as Money, that is, as the measure and standard for determining the value of commodities.

I know no stronger proof of the Infancy of the World, than that Metals were not in use as money in the days of HOMER, at least of the *Trojan* war: We read indeed, that ABRAHAM purchased

his

his father's sepulcher with shekles of Silver, and they were the money of *Egypt* in the days of JOSEPH.

THE rule for settling the reciprocal value of metals and provisions, would be to pay a Man for his labour, the quantity of metal that was purchasable by the Corn he was in use to earn*. The metal was only considered as an equivalent for his former wages, or as a ticket to represent them; and tho' the person who received it, might have no occasion for it as a metal; yet he considered it as a pledge and security for the things it was given in lieu of, with this advantage, that he might, at any time, exchange any part of it, against a proportionable quantity of the things he received it for, or dispose of it otherwise at his option. The conveniencies attending this method of payment soon made it universal; and Barter, and payments in kind, fell into disuse.

Thus metals were received as money, by mutual consent, because of their intrinsic value as commodities: without that intrinsic value, they never could have been admitted as an equivalent for

* It is the custom in many countries at this day, to hire Servants by agreeing for a certain quantity of Corn *per annum*.

[8]

for other commodities, or as the measure for ascertaining their value.

THE proportion different metals bear to each other being liable to alter, it became expedient to single out one in particular for the universal standard: Silver has obtained that privilege, and is to be considered in a twofold light; *First*, as a Commodity, and metal, applicable to many uses: *Secondly*, as Money, or the measure of commerce.

As a Commodity, its value is in proportion to its use and scarcity.

As Money, it has no intrinsic value in itself; the value is in the things purchaseable by it; and is only a general letter of credit, payable to the bearer for goods to a certain amount, or an universal ticket that gives the owner an option to possess whatever he chuses to a certain extent. In this sense, it is no more than the figure or character that represents the things it can procure.

MOST Nations have some time or other fallen into the mistake, of fancying it possible to confine it to its particular use as money, and, after putting a stamp upon it, have forbid the melting it down or sending it abroad, under the severest penalties,

[9]

forgetting that it owes its being received as money, to its value as a commodity; and if they were to succeed in taking that quality from it, or, which is the same thing, in making it impossible to employ it that way, it would no longer be received as an equivalent for other commodities.

THE same mistake has given occasion to many false schemes for supplying and multiplying its use by artificial means; but all such ever have, and ever will prove abortive, unless so far as they leave an option to receive the full sum in real cash.

Bank Bills, and all Credit, are to Money, what Money is to other Commodities.

THE value of the Bills consist in the power they give of receiving the Money they express, and presuppose the Money to be deposited. The value of Money consists in the power of purchasing Commodities.

It is amazing that every Nation, whose history we are acquainted with, has at different times, and without seeming to have borrowed or taken warning from one another, fallen into the mistake of attempting to increase Money, by augmenting the denomination of it.

As

As Money could only be measured by weight and fineness, it was found necessary to put a public stamp on it; the meaning of which was, to facilitate circulation, by ascertaining both.

In time, people came to mistake the effect for the cause; and, instead of perceiving that it was the substance gave credit to the stamp, they imagined it owed its currency to the stamp alone, and were weak enough to fancy they could multiply it, by clapping a similar stamp, and giving the same name to a less quantity of Silver. This was just as absurd, as it would be in a Man to imagine he could make himself three suits of cloaths out of the materials for two, by breaking off one third from the yard he made use of to measure them.

This experiment must have destroyed all credit, must have given strangers a vast advantage, by buying up goods for less than their value; as it would increase the exchange in their favour in proportion to the augmentation made in the denomination. It must have diminished every Man's income, and robbed every creditor of the part taken away from the former money.

ORIGINALLY,

ORIGINALLY, a Pound Sterling really weighed 12 ounces, and only 20 Shillings, or, which is the same, 60 Groats were coined out of the pound of Silver. It was imagined, that, by coining 30 pieces out of the same quantity of Silver, and still calling them Shillings, and obliging people to receive them as such, the *Specie* might be increased from 20 to 30.—The necessary consequence of this was, that he who had lent 30 Shillings before the augmentation, and had really delivered a quantity of Silver weighing one pound and an half, was now obliged to accept of one pound weight only, in full for his debt; since, by the new regulation, one pound of Silver was supposed to have obtained the privilege of having the effect, one and an half had before.

EVERY man to whom any thing was due, whether Landlord or Creditor, would suffer this injustice, and even the Sovereign himself would feel it in his Revenue.

OBVIOUS as these inconveniencies seem to be, every Nation in *Europe* has in its turn fallen into the error, and one country can only reproach another with the degrees of it. The denomination
C of

of money through all *Europe*, by Pounds, Shillings, and Pence, demonstrates that it passed originally by weight; tho' in *France*, it now takes above 70 Livres or Pounds, to purchase the quantity of Silver that formerly made but one Livre or Pound.—PLINY tells us, that the *Romans* had recourse to this method of endeavouring to augment their *Specie* in the distress of the first Punic war, and repeated it afterwards. It might answer as a momentary expedient among an ignorant people, utterly unacquainted with Trade, for such the *Romans* were at that time; but never was put in practice since, but to the great detriment of the people among whom it was introduced.

THIS traffic with Money, has been more practised in *France* than in any other country, particularly in the latter part of the reign of *Lewis XIV.* and during the minority of the present King.—It was commonly said of the first of these Monarchs that when he had money to pay, he called it up, and when he had money to receive, he called it down; but as both methods are destructive to the Subject, they could never be for the interest of
the

the King. The misfortunes of the latter part of that Prince's reign, may be easily accounted for from that very practice; and it will be found, on due inquiry, that the falling off of Allies and the loss of battles, was the effect, and not the cause of the miserable condition *France* was reduced to, by the ruin which the alterations in the coin, brought on its Finances*.

AN augmentation of the denomination of Money, is just such a mean fraud in Government, as deceit in weights and measures is in trade, and must alike end in the ruin and disgrace of those who attempt it.

WHEN an augmentation has once taken place, 'tis in vain to think of remedying it by calling the money down again; 'tis what cannot be done without a new injustice; for the Debtor in that case suffers as much as the Creditor did before. The only remedy is, time and patience, joined to an assurance that the denomination shall never
be

* PETER the Great, Czar of *Muscovy*, fell into the same mistake, and, notwithstanding the mighty things he did for his country in other respects, he left it drained of money, and his revenue reduced to less than half of what he found it.—I think from 4,000,000 Rubles at 6 Shillings per Ruble, to 10,000,000 at 2 s. per Ruble.

be altered for the future. Every wise Government will leave the denomination of money as they found it, and will be persuaded that it is with Money as with Religion, where there is no tampering without confounding every thing.

IN *England* no alterations have been made in the coin since Queen ELIZABETH's time; and as that subject seems to have been thoroughly understood here ever since that period, it is hard to conceive, how our Plantations, and even the kingdom of *Ireland*, have been suffered to deceive themselves, by augmenting the denomination of their money, unless it has been with a political intent, to keep them poor, and by that means to excite industry, and secure dependency.

THE inconveniency of Barter gave occasion to the invention of Money, and the difficulty of transporting money from one country to another made way for Bills of Exchange.—In the course of Trade, it would often happen, that the same Merchant would have money to pay to one Man and to receive from another in the same foreign country: This would naturally lead him to propose to pay the one by the other; and when he had

had nothing due to himself; he would look out for an acquaintance that had; by this expedient both parties would save the expence and risk of sending their money from the one country to the other. But as Trade can never be so entirely on a *par*, but there must be a balance; whatever country the balance is due to, will have the Exchange in its favour, *i. e.* some allowance will be made on account of the risk and trouble of sending the balance abroad in *Specie*:—That allowance can never exceed the expence and risk of the transportation of it.—If all Nations had agreed to stick to the original method of denominating their money by the quantity of pure Silver it contained, nothing could be so simple as Exchange; but the different alterations every Nation has made in fineness, and denomination, have made it a Science to determine the proportion the coin of one country bears to that of another; but the whole of that Science must consist in the knowledge of the quantity of Silver each coin contains; for in Exchange between Nation and Nation, Money will ever be considered as bullion; nothing will be thought of but the quantity

quantity of Silver it consists of, nor will the smallest regard be had, by the foreign Merchant, to the denomination may be put on coin in a particular country.

THIS method of settling accompts by Bills of Exchange, makes money go a far greater length, than if payments were actually to be made in *Specie*, and so far is a real increase of it. If *Portugal* takes goods to the value of 1,000,000 from *England*, and if *England* takes to the amount of 500,000 from *Portugal*, it would take 1,500,000 to make the payments; but by means of Bills of Exchange, only the balance 500,000 is necessary in money: The bills have the effect of twice that sum, and make the money go thrice as far as it could have done without them.—The real benefit received by Bills of Exchange, pointed out Banks, and Paper-Currency: By means of these, money is increased in proportion to their credit; but credit is founded on the certainty of receiving payment, and presupposes the money, or money's-worth deposited some where, and of course must always bear a proportion to the funds to answer it.—Even the apprehension of alterations

alterations in denomination, utterly extinguish credit, since they make it uncertain what quantity of Silver is to be received for a Bill. Such methods then, instead of increasing, must restrain and confine the use and circulation of money to its weight as bullion, and must deprive it of all the benefit it might receive from credit.

WHETHER we had the hint of Banks from the *Chinese* or not, it is impossible to doubt that the industry and avarice of later ages, would have found out so obvious a method of securing money against Thieves, and other accidents, of extending its use, and of facilitating payments, tho' MARCO PAOLO, who is said to have brought the secret into *Europe*, had never gone to *Cathay*.

THE benefit of National Banks to great trading countries is apparent; but whether they are of use in particular countries, which have the balance against them, has been justly disputed. If a private Man have an industrious turn, and opportunities of laying out money to advantage, the greater his credit, the sooner will he grow rich; if, on the other hand, his disposition or situation exposes him to exceed his income, by giving

giving him credit, you only hasten his ruin. If the cash in a particular province does not exceed L. 200,000 and the balance against it is L. 10,000 a year; if, by establishing a Bank, you triple the circulation of that L. 200,000, probably the balance against such a country, will be tripled at the same time, and must be sent away in cash.

MANKIND have a constant tendency to mistake words for things; the word *Money*, in its original and proper sense, is only a relative term to express the value of Commodities, as much as a Tun, a Pound, or a Yard, are made use of, to denote their quantity; but, like a statue in a Popish Church, it is constantly mistaken by the Vulgar, and has that worship bestowed on it, which is only due to the Saint it was meant to represent. It is in the numbers of people, the gains of that people, of which the profits of the lands are to be considered as a branch, that the wealth of a nation consists; and therefore a country may be rich, without much *Specie*, and poor tho' abounding with Gold and Silver.

In the inventory of the wealth of a Nation, the ready money is only to be considered as bul-

lion,

lion, and a commodity: Money in the sense of *Specie*, or Cash, is often a symptom, and consequence of wealth; but it is not necessarily so, and is as uncertain a proof of the riches of a Nation, as the ready money in the pocket of a private Man is of his.—A certain quantity of ready money is necessary to carry on circulation; more than that, is of little use.—Sir WILLIAM PETTY justly compares Money to the Fat of the Body; a certain degree of which is necessary to lubricate the fibres, but too much of it becomes a burden and magazine for diseases.

ADMITTING then, that Paper Credit multiplies money, and more than a certain quantity of money is unnecessary, neither of which propositions can well be denied; how can Paper Credit be of advantage?

Both propositions are in a great measure true, and yet the invention of Paper Credit is immensely beneficial.

1st, Because it makes a more convenient instrument of Barter than Cash, is more transportable and expeditious, and is more secure, which is all in all in Commerce and great transactions. To

D

illustrate

illustrate this, let us suppose a particular Nation to explode the use of it altogether, to admit of no payments but in ready money; and every man bound to keep his own Cash; the inconveniency attending dealing with such a Nation would exclude them from many branches of profitable Commerce; and their money would insensibly melt away; for money is a bulky commodity, neither transportable in great quantities, nor easily measurable, and liable to adulterations, and fraud. By means of payments in Paper, there is little occasion to pay more than the balance due to foreigners in *Specie*; and of course they facilitate commerce, as much as the rules of Arithmetic a-bridge accompts, or Algebra, calculations in Geometry.

2dly, MONEY, it is true, is only a relative term, and Riches are not really money, but money's-worth; yet money, in its turn, may be supposed to contain the things purchasable by it; and as the effect of the plenty of it, is to diminish its interest, the country that has the most of it, has an immense advantage, and can undersell every country where interest is high*.

* *Vid.* CHILD on Trade.

3dly,

3dly, THE trite maxim, That money makes money, is true in a Nation as well as in a private Man; it enables a people to add to their real, permanent and natural wealth: There must be more employment where there is more circulation, and of consequence more people: Harbours open, public ways extend, rivers are made navigable, lands cultivated, drained, and manured, and a country made capable of maintaining many times its original number of people. This nobody will dispute to be real wealth, tho' it may be said, that the money which was the occasion of bringing it about, was only imaginary.

It is a condition annexed to every thing here below, That the *abuse* of it does mischief in a greater degree, than the *good use* of it can be of benefit. This is the case of money; and as it tends to effeminacy and corruption of manners, it still makes way for MACHIAVEL's wheel. But this is beyond my subject.

It is a common opinion, that things grow dear in proportion to the increase of money*.

This

* What contributes to mislead people into an opinion of the cheapness of commodities in former times, is the difference

This opinion is contradicted by experience, and is founded on false principles. Real and artificial money have increased at least twenty fold since the days of Queen ELIZABETH, and yet it will be found, on inquiry, that most untaxed things have remained at the price they bore at that time.

THE prices of things can never increase, unless when the demand exceeds the quantity to supply

ference in the denomination of money.—A Goldsmith would now pay L. 3. 3 s. for the identical pieces of silver that constituted a pound in the days of EDWARD III. Sir HARRY SPELMAN has explained this, in his *Dialogue of Coin*; and tho' he wrote late in Queen ELIZABETH's time, he asserts, there had been no great alteration in the prices of things, from the earliest times, to these in which he wrote. It appears by FLEETWOOD's Table of the prices of Corn from the year 1646 to 1707, that the mean price of Wheat was L. 2, 10 s. per Quarter, and of Malt L. 1, 7 s. 7 d. during that period; which is 20 per cent above the mean prices since that time. Mr. HUME says, in his History of JAMES I's. Reign, that a cargo of manufactures would cost more then, than at present. There are Acts of Parliament in HENRY VII's. time, fixing the rates of Commodities. Scarlet-cloth was limited to 26 s. per yard, plain-cloth to 18 s.; the wages of Tradesmen, such as a Bricklayer, Mason, Taylor, were regulated at 10 d. our present money.

supply it. Was there never so much money in the market, if there are more Sellers than Buyers, prices must fall. Supposing plenty of money was to have a tendency to make things dear in the country that enjoyed that plenty, while commerce prevails, the price of transportable goods must depend on the foreign market.—And even if we suppose a country quite shut up from foreign commerce, like *Japan*, the prices must still depend on the consumption and the means of supplying it*. Plenty of money may make some delicacies and superfluities dearer, because as it enables more individuals to aspire to them, it may increase the demand for them; but that can only be the case with such productions as cannot be increased by art. Game, Fish, and such like, may rise to an immoderate pitch; 'tis possible that even Poultry and Butchers meat may alter their proportion to Corn; but where the industry of men is concerned, that will soon exert itself in proportion

* In the case of famine in a Town besieged or cut off from all communication from without, necessaries would grow dear in proportion to the plenty of money in the place. I can think of no other situation where this would be the rule.

tion to the demand.—The plenty of provisions, and of course the price of such commodities as have connection with that plenty, depends on Agriculture, not on Money; for as the poor do not aim at wealth, and only want daily bread, the price of their labour will not depend on plenty of money, but of provisions, and the price of provisions will be partly regulated by the foreign market. Scarcity of money, on the contrary, tends to make most things dear; for where there is little money, Agriculture will be neglected, and Stock will not be raised: Most improvements being attended with expence, they will not be attempted; there will be no provision made against a scarcity from want of granaries, and from not being able to lie out of one's money; and the means of procuring a supply from abroad will be wanting.

If things were to increase in their price in proportion to the increase of money, such increase would be attended with many inconveniencies, and no advantage.

The price of commodities, proves their plenty or scarcity in proportion to the demand for them,
not

not that of money: The price of money is the interest it bears, and the interest of money, like the price of other things, ought to rise and fall in proportion to the demand and plenty; not that *that is* always and necessarily the case; for as the rich are few in number, and have great opportunities of joining in confederacy, and monopolizing, they require a Sir *Josiah Child*, or a *Barnard*, to restrain them, so as the Public may receive some benefit from the plenty of their commodity.

DEARNESS of Living, and dearness of Commodities, are extremely different. People of a certain Rank must live according to their Station, and must be determined in that, by the example of others, and the custom of the place.

MANY places are cheap to live in where commodities are dear and scarce; in others, Living is dear, tho' every particular thing is cheap: 'Tis dearer living at *Paris* than at *Amsterdam*, tho' most things are dearer in the latter than the former; because one must dress, and keep an equipage to be well received at *Paris*, but a man would not recommend himself by doing so at *Amsterdam*: So far plenty of money, by giving a
taste

taste for superfluities, increases the expence of living, but does not the price of commodities.

'Tis from not viewing things in this light, that people are apt to consider barren and remote countries as cheap. If men were to wear the same apparel, and to aim at the same things and way of living, they would find the North of *Scotland* dearer than the City of *London*.

THE inundation of Money that poured itself into *Europe*, on the first discovery of the *West-Indies*, could not fail to raise the price of every thing. It was sudden and accidental. It found us in a state of indolence and sloth, and without even the basis of that industry and commerce that constitutes the balance, and keeps down the market. It was some time before the plenty of money could have its operation. It could not in a moment form Artificers, and Commodities to bestow it on. Things then were scarce in proportion to the demand, and could not fail to rise in their prices. The high price every thing bore, set numberless hands to work, and soon brought down the market; and tho' the Mines of *America* have continued to bleed, the industry,

industry, and increase of commodities they have excited here, has kept pace with them, and the prices have rather diminished than increased from the beginning of the last century.

WHERE there is little industry and commerce, the markets must be liable to fluctuate; a country in that state must depend intirely on the favourableness of Seasons for its subsistence. Thus we read in the accounts of former times, of Corn and Cattle being excessively cheap at particular periods, and extravagantly dear soon after; at present, that commerce is grown universal, the whole World avails itself of the plenty of a particular country, and of its scarcity too, by sending their superfluity to the country that has occasion for it. Thus such inequalities as we read of formerly, can never happen in the present state of things.

THE effect of increase of money on the price of commodities, is necessarily this; such things as are multiplied by art alone, become excessively cheap. This is the case with manufactured goods of all sorts; things that depend on nature alone for their production, grow unmeasurably dear, and increase in their price as a country grows
E richer,

[28]

richer, and the number of individuals who can aspire to them, augment; this is the case with some species of Fish, of Game, &c. in *London*; Truffles in *France*, and Ginseng in *China*.

THERE are commodities that participate of both nature and art; of this sort are Pond Fish, Poultry, and even Butchers meat; these can be multiplied by art: but as they are not of a nature to be supplied from abroad like Corn, they are more liable to rise in their prices from an increase of money, and that in proportion as art or nature prevails in their production.

It must be allowed, the wages of Day-labourers and Tradesmen has increased within these 60 years, that is, one pays more to a Bricklayer, Mason, and Carpenter, &c. than formerly; but that increase rather confirms than weakens my proposition. The increase is chiefly to be imputed to the taxes, imposed from the public necessities, on all sorts of people. A Day-labourer has not so much money to bestow on himself as in the time of HENRY VII.: He must live, and subsist his family; he cannot drink his beer so cheap as he did; his shoes, fire, light, soap, candles, salt, &c. must

[29]

must pay, and, after deducting all these, it will be found he works at least as cheap as in HENRY VII's time.

'TIS as unreasonable to ascribe the increase in the wages of Day-labourers, to the increase of money, as it would be to assert, that it is owing to that increase, that we pay dearer for a News paper, or an advertisement than before the taxes on them took place.

ANOTHER circumstance that must contribute to raise the wages of Labourers, is the immense and sudden resort to the city of *London*: The demand for labour there, must make those employed in it scarce, and from the principle, That nothing can raise the market, but the increase of the demand in proportion to the thing wanted, there is likely to be more Labour than Labourers, in a City that does not supply itself with people; and as the enticement of higher wages must tempt away people from the country, there must be a necessity to raise the prices there in some proportion.

AFTER all that has been said, the general principle, That lowness of wages gives an advantage

[30]

tage in point of Trade and Manufacture, may be disputed, and is not always true.

It will be found, that in the places where the greatest Manufactures are carried on, the wages of Labourers are very high, particularly in *Holland*, the cities of *London*, and *Paris*. The reason is, That the best hands will always go where they can earn the highest wages; and there is no difference in wages, not even betwixt the dearest and cheapest places, equal to the difference in skill and address: Thus none but the worst Artificers are left in the Country, while the best crowd to the town; and there is nothing more different than the wages of the Labourer, and the cheapness of Labour.—Many branches of labour can be performed by the Great, as cheap in and about *London*, where the wages are 2s. a-day, as in the Country where they do not exceed one. But as this is a new subject, and would lead me into a long discussion, I only hint it.

ON the whole, if the wages of Labourers are increased, it is not to be accounted for as an immediate consequence of the increase of money, further than as money enables a greater number
of

[31]

of people to employ Labourers, it increases the demand for Labour; and if we take it in that light, it must increase the number of People; for Men will always multiply up to the means of supporting them.—Another proof that plenty of money does not necessarily increase the price of Labour, is from what happens in the *East-Indies*, and in *China*: Money has been constantly flowing into those countries, from the earliest times; and yet Labour is no where so cheap. This I do not build upon, sensible of our ignorance of the Police, and Public œconomy of those countries.

It may be objected, that if vast numbers of mines should be discovered, Silver would grow common as Lead and Iron, and of course would become equally contemptible. It would require immense plenty to make it universally common, and while it remained scarce in any considerable part of the Trading World, it would be of value every where; and if we suppose Agriculture and Necessaries to increase in proportion, there is no reason why the plenty of Silver should make things dearer, since their plenty would have an equal tendency to make Silver dear with respect

spect to them ; but as it was partly owing to the scarcity of Silver, that it was received as the measure of commerce, there can be no doubt, that if it was to become too plentiful, it would have the fate of Brads amongst the *Romans*, would cease to be considered as the measure of commerce, and would give way to something more commodious, that conveniency would point out.

THEY are highly mistaken who would confound the Public Debts with Paper Currency; one might with equal propriety consider Mortgages on private estates as such.

FRANCE owes an enormous debt, and yet admits of no Paper Currency, and 'tis even a question if their Government is capable of it.

By Paper Currency can only be meant, such Bank or Bankers Bills, as carry along with them a certainty that the money they express is actually deposited, and can be received on demand. Wherever there is the smallest doubt or difficulty of receiving payment, they will not be accepted of as money. This cannot be said of the Public Debts, which are liable to fluctuate, and where

no

no man can make a demand of his money ; but if he wants to convert them into Cash, he must look out for a purchaser. On the contrary nothing threatens our Paper Currency so much, as the increase of the Public Debt. The Dividends drawn by Foreigners diminish the quantity of *Specie*, and there must ever be a proportion between that and the Paper it gives currency to.— Any national distress that was to occasion a diminution of the funds engaged for the payment of the interest of these debts, would occasion Runs on Banks, and hurt their Credit ; most money'd Men depend on the punctual payment of the dividend of Stocks, for the return of money to answer their engagements : If that should fail, an universal stoppage of payment would be the consequence.

If we can suppose such an alarm as to create an apprehension of the loss of the Capital, Foreigners would take the first hint to sell out, and would drain the Banks of all their *Specie*.

THE most can be said of the Public Debts, is, that they are money's-worth ; they cannot with any propriety be called *Money*.

F I N I S.

0007

[The page contains extremely faint, illegible text, likely bleed-through from the reverse side.]