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So much has been said about the Bullion Committee, that every one will feel an interest in reading the following list of its Members:—
F. Horner, Esq. H. Thornton, Esq. W. Huskisson, Esq. H. Parrell, Esq. P. Grenfell, Esq. W. Dickinson, Esq. T. Thompson, Esq. J. Sharp, Esq. J. Abercrombie, Esq. Rt. Hon. G. Tierney, Rt. Hon. R. B. Sheridan, Lord Temple, A. Baring, Esq. T. Brand, Esq. Right Hon. C. Long, G. Johnstone, Esq. D. Giddy, Esq. M. Dorens, Esq. W. Manning, Esq. Rt. Hon. S. Perceval, J. L. Foster, Esq.
The mere reading of this list will serve as a complete refutation of the Report being a party work.

R E P O R T,
TOGETHER WITH
MINUTES OF EVIDENCE, AND ACCOUNTS,
FROM THE
SELECT COMMITTEE
ON THE
HIGH PRICE of GOLD BULLION.

Ordered, by The House of Commons, to be printed, 8 June 1810.

THE SELECT COMMITTEE appointed to enquire into the cause of the High Price of GOLD BULLION, and to take into consideration the state of the CIRCULATING MEDIUM, and of the EXCHANGES between Great Britain and Foreign Parts;—and to report the same, with their Observations thereupon, from time to time, to The House;—HAVE, pursuant to the Orders of The House, examined the matters to them referred; and have agreed to the following REPORT:

YOUR Committee proceeded, in the first instance, to ascertain what the price of Gold Bullion had been, as well as the rates of the Foreign Exchanges, for some time past; particularly during the last year.

Your Committee have found that the price of Gold Bullion, which, by the regulations of His Majesty's Mint, is £.3. 17. 10½. per ounce of standard fineness, was, during the years 1806, 1807 and 1808, as high as £.4. in the market. Towards the end of 1808 it began to advance very rapidly, and continued very high during the whole year 1809; the market price of standard Gold in bars fluctuating from £.4. 9. to £.4. 12. per oz. The market price at £.4. 10. is about 15½ per cent. above the Mint price.

Your Committee have found, that during the three first months of the present year, the price of standard Gold in bars remained nearly at the same price as during last year; viz. from £.4. 10. to £.4. 12. per oz. In the course of the months of March and April, the price of standard Gold is quoted but once in Wettenhall's tables; viz. on the 6th of April last, at £.4. 6. which is rather more than 10 per cent. above the Mint price. The last quotations of the price of Gold, which have been given in those tables, are upon the 18th and 22d of May, when Portugal Gold in coin is quoted at £.4. 11. per oz: Portugal Gold coin is about the same fineness as our standard. It is stated in the same tables, that in the month of March last, the price of new Doubloons rose from £.4. 7. to £.4. 9. per oz. Spanish Gold is from 4½ to 4¾ grains better than standard, making about 4s. per oz. difference in value.

It appears by the Evidence, that the price of foreign Gold coin is generally higher than that of bar Gold, on account of the former finding a more ready vent in foreign markets. The difference between Spanish and Portugal Gold in coin and Gold in bars, has of late been about 2s. per ounce. Your Committee have also to state, that there is said to be at present a difference of between 3s. and 4s. per ounce between the price of bar Gold which may be sworn off for exportation as being foreign Gold: and the price of such bar Gold as the Dealer will not venture to swear off; while the former was about £.4. 10. in the market, the latter

REPORT FROM THE SELECT COMMITTEE

latter is said to have been about £. 4. 6. On account of these extrinsic differences, occasioned either by the expence of coinage, or by the obstructions of law, the price of standard Gold in bars, such as may be exported, is that which it is most material to keep generally in view through the present inquiry.

It appeared to Your Committee, that it might be of use, in judging of the cause of this high price of Gold Bullion, to be informed also of the prices of Silver during the same period. The price of standard Silver in His Majesty's Mint is 5s. 2d. per ounce; at this standard price, the value of a Spanish-Dollar is 4s. 4d. or, which comes to the same thing, Spanish Dollars are, at that standard price, worth 4s. 11½d. per ounce. It is stated in Wettenhall's tables, that throughout the year 1809, the price of new Dollars fluctuated from 5s. 5d. to 5s. 7d. per ounce, or from 10 to 13 per cent. above the Mint price of standard Silver. In the course of the last month, new Dollars have been quoted as high as 5s. 8d. per ounce, or more than 15 per cent. above the Mint price.

Your Committee have likewise found, that towards the end of the year 1808, the Exchanges with the Continent became very unfavourable to this Country, and continued still more unfavourable through the whole of 1809, and the three first months of the present year.

Hamburgh, Amsterdam, and Paris, are the principal places with which the Exchanges are established at present. During the last six months of 1809, and the three first months of the present year, the Exchanges on Hamburgh and Amsterdam were depressed as low as from 16 to 20 per cent. below par; and that on Paris still lower. The Exchanges with Portugal have corresponded with the others; but they are complicated by some circumstances which shall be explained separately.

Your Committee find, that in the course of the month of March last, that is, from the 2d of March to the 3d of April, the Exchanges with the three places above mentioned received a gradual improvement. The Exchange with Hamburgh rose gradually from 29. 4. to 31.; that with Amsterdam from 31. 8. to 33. 5.; that with Paris from 19. 16. to 21. 11. Since the 3d of April last to the present time, they have remained nearly stationary at those rates, the Exchange with Hamburgh, as stated in the tables printed for the use of the merchants, appearing as much against this Country as £. 9. per cent. below par; that with Amsterdam appearing to be more than £. 7. per cent. below par; and that with Paris more than £. 14. per cent. below par.

So extraordinary a rise in the market price of Gold in this Country, coupled with so remarkable a depression of our Exchanges with the Continent, very early, in the judgment of Your Committee, pointed to something in the state of our own domestic currency as the cause of both appearances. But before they adopted that conclusion, which seemed agreeable to all former reasonings and experience, they thought it proper to enquire more particularly into the circumstances connected with each of those two facts; and to hear, from persons of commercial practice and detail, what explanations they had to offer of so unusual a state of things.

With this view, Your Committee called before them several Merchants of extensive dealings and intelligence, and desired to have their opinions, with respect to the cause of the high price of Gold and the low rates of Exchange.

I.

It will be found by the Evidence, that the high price of Gold is ascribed, by most of the Witnesses, entirely to an alledged scarcity of that article, arising out of an unusual demand for it upon the Continent of Europe. This unusual demand for Gold upon the Continent is described by some of them as being chiefly for the use of the French Armies, though increased also by that state of alarm, and failure of confidence, which leads to the practice of hoarding.

Your Committee are of opinion, that, in the sound and natural state of the British currency the foundation of which is Gold, no increased demand for Gold from other parts of the world, however great, or from whatever causes arising, can have the effect of producing here, for a considerable period of time, a material rise in the market price of Gold. But before they proceed to explain the grounds of that general opinion, they wish to state some other reasons which alone would have led

Minutes of Evidence, pp. 55, 56, 101, 121.

ON THE HIGH PRICE OF GOLD BULLION.

led them to doubt whether, in point of fact, such a demand for Gold, as is alledged, has operated in the manner supposed.

If there were an unusual demand for Gold upon the Continent, such as could influence its market price in this Country, it would of course influence also, and indeed in the first instance, its price in the Continental markets; and it was to be expected that those who ascribed the high price here to a great demand abroad, would have been prepared to state that there was a corresponding high price abroad. Your Committee did not find that they grounded their inference upon any such information; and so far as Your Committee have been enabled to ascertain, it does not appear that during the period when the price of Gold Bullion was rising here, as valued in our paper, there was any corresponding rise in the price of Gold Bullion in the market of the Continent, as valued in their respective currencies. Mr. Whitmore, indeed, the late Governor of the Bank, stated, that in his opinion it was the high price abroad which had carried our Gold coin out of this Country; but he did not offer to Your Committee any proof of this high price. Mr. Gressulhe, a Continental Merchant, who appeared to be remarkably well informed in the details of trade, being asked by the Committee, if he could state whether any change had taken place in the price of Gold in any of the foreign markets within the last year? answered, "No very material change that I am aware of." Upon a subsequent day, having had time to refer to the actual prices, he again stated to the Committee, "I beg leave to observe, that there has been no alteration of late in the Mint price of Gold in foreign places, nor have the market prices experienced an advance at all relative to the rise that has taken place in England; one of the papers I have delivered shews the foreign prices reduced into sterling money at the present low rates of Exchange, and the excess above our market price may be considered as about equal to the charges of conveyance." The paper he refers to will be found in the Appendix; and this statement made by Mr. Gressulhe throws great light upon this part of the subject; as it shews that the actual prices of Gold in the foreign markets are just so much lower than its market price here; as the difference of Exchange amounts to. Mr. Gressulhe's paper is confirmed by another, which has been laid before Your Committee. Mr. Abraham Goldsmid has also stated to Your Committee, that, during that part of last year when the market price of Gold here rose so high, its price at Hamburgh did not fluctuate more than from 3 to 4 per cent.

Here Your Committee must observe, that both at Hamburgh and Amsterdam, where the measure of value is not Gold as in this Country, but Silver, an unusual demand for Gold would affect its money price, that is, its price in Silver; and that as it does not appear that there has been any considerable rise in the price of Gold, as valued in Silver, at those places in the last year, the inference is, that there was not any considerable increase in the demand for Gold. That permanent rise in the market-price of Gold above its Mint price, which appears by Mr. Gressulhe's paper to have taken place for several years both at Hamburgh and Amsterdam, may in some degree be ascribed, as Your Committee conceive, to an alteration which has taken place in the relative value of the two precious metals all over the world; concerning which, much curious and satisfactory Evidence will be found in the Appendix, particularly in the documents laid before Your Committee by Mr. Allen. From the same cause, a fall in the relative price of Silver appears to have taken place in this Country for some time before the increase of our paper currency began to operate. Silver having fallen in its relative value to Gold throughout the world, Gold has appeared to rise in price in those markets where Silver is the fixed measure, and Silver has appeared to fall in those where Gold is the fixed measure.

With respect to the alledged demand for Gold upon the Continent for the supply of the French Armies, Your Committee must further observe, that, if the wants of the military chest have been latterly much increased, the general supply of Europe with Gold has been augmented by all that quantity which this great commercial Country has spared in consequence of the substitution of another medium of circulation. And Your Committee cannot omit remarking, that though the circumstances which might occasion such an increased demand may recently have existed in greater force than at former periods, yet in the former wars and convulsions of the Continent, they must have existed in such a degree as to produce

Min. p. 121.

Min. p. 69.

Min. p. 99.

Appendix of Accounts: No 56, 57, 58.

Acc. No 59.

Min. p. 91.

Acc. No 21. to 33.

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REPORT FROM THE SELECT COMMITTEE

Min. p. 130. some effect. Sir Francis Baring has very justly referred to the seven years war and to the American war, and remarks, that no want of Bullion was then felt in this Country. And upon referring for a course of years to the tables which are published for the use of the Merchants, such as Lloyd's Lists and Wettenhall's Course of Exchange, Your Committee have found that from the middle of the year 1773, when the reformation of the Gold coin took place, till about the middle of the year 1799, two years after the suspension of the cash payments of the Bank, the market-price of standard Gold in bars remained steadily uniform at the price of £. 3. 17. 6. [being, with the small allowance for loss by detention at the Mint, equal to the Mint price of £. 3. 17. 10½.] with the exception of one year, from May 1783 to May 1784, when it was occasionally £. 3. 18. 0. During the same period it is to be noticed, the price of Portugal Gold coin was occasionally as high as £. 4. 2. 0.; and Your Committee also observe, that it was stated to the Lords' Committee in 1797 by Mr. Abraham Newland, that the Bank had been frequently obliged to buy Gold higher than the Mint price, and upon one particular occasion gave as much for a small quantity, which their agent procured from Portugal, as £. 4. 8. But Your Committee find, that the price of standard Gold in bars was never for any length of time materially above the Mint price, during the whole period of 24 years which elapsed from the reformation of the Gold coin to the suspension of the cash payments of the Bank. The two most remarkable periods prior to the present, when the market price of Gold in this country has exceeded our Mint price, were in the reign of King William, when the Silver coin was very much worn below its standard, and in the early part of His present Majesty's reign, when the Gold coin was very much worn below its standard. In both those periods, the excess of the market price of Gold above its Mint price was found to be owing to the bad state of the currency; and in both instances, the reformation of the currency effectually lowered the market price of Gold to the level of the Mint price. During the whole of the years 1796 and 1797, in which there was such a scarcity of Gold, occasioned by the great demands of the country Bankers in order to increase their deposits, the market price of Gold never rose above the Mint price.

Your Committee have still further to remark upon this point, that the Evidence laid before them has led them to entertain much doubt of the alledged fact, that a scarcity of Gold Bullion has been recently experienced in this country. That Guineas have disappeared from the circulation, there can be no question; but that does not prove a scarcity of Bullion, any more than the high price proves that scarcity. If Gold is rendered dear by any other cause than scarcity, those who cannot purchase it without paying the high price, will be very apt to conclude that it is scarce. A very extensive home dealer who was examined, and who spoke very much of the scarcity of Gold, acknowledged, that he found no difficulty in getting any quantity he wanted, if he was willing to pay the price for it. And it appears to Your Committee, that, though in the course of the last year there have been large exportations of Gold to the Continent, there have been also very considerable importations of it into this Country from South America, chiefly through the West Indies. The changes which have affected Spain and Portugal, combined with our maritime and commercial advantages, would seem to have rendered this country a channel through which the produce of the mines of New Spain and the Brazils pass to the rest of the world. In such a situation, the imports of Bullion and Coin give us the opportunity of first supplying ourselves; and must render this the last of the great markets, in which a scarcity of that article will be felt. This is remarkably illustrated by the fact, that Portugal Gold coin is now sent regularly from this Country to the Cotton Settlements in the Brazils, Pernambuco, and Maranhau, while Dollars are remitted in considerable quantities to this country from Rio Janiero.

It is important also to observe, that the rise in the market price of Silver in this country, which has nearly corresponded to that of the market price of Gold, cannot in any degree be ascribed to a scarcity of Silver. The importations of Silver have of late years been unusually large, while the usual drain for India and China has been stopped.

For all these reasons, Your Committee would be inclined to think, that those who ascribe the high price of Gold to an unusual demand for that article, and a consequent

Report Comm. of Secy, p. 68.

Min. p. 52.

Act. Nos. 9 & 10.

ON THE HIGH PRICE OF GOLD BULLION.

consequent scarcity, assume facts as certain of which there is no evidence. But even if these assumptions were proved, to ascribe the high price of Gold in this Country to its scarcity, seems to your Committee to involve a misconception, which they think it important to explain.

In this Country, Gold is itself the measure of all exchangeable value, the scale to which all money prices are referred. It is so, not only by the usage and commercial habits of the country, but likewise by operation of law, ever since the Act of the 14th of His present Majesty [finally rendered perpetual by an Act of the 30th year of the reign] disallowed a legal tender in Silver coin beyond the sum of £. 25. Gold being thus our measure of prices, a commodity is said to be dear or cheap according as more or less Gold is given in exchange for a given quantity of that commodity; but a given quantity of Gold itself will never be exchanged for a greater or a less quantity of Gold of the same standard fineness. At particular times it may be convenient, in exchange for Gold in a particular coin, to give more than an equal quantity of other Gold; but this difference can never exceed a certain small limit: and thus it has happened that the Bank, while liable to pay its notes in specie, has under particular emergencies been put to the necessity of purchasing Gold at a loss, in order to keep up or to repair its stock. But generally speaking, the price of Gold, being itself measured and expressed in Gold, cannot be raised or lowered by an increased or diminished demand for it. An ounce of Gold will exchange for neither more nor less than an ounce of Gold of the same fineness, except so far as an allowance is to be made, if the one ounce is coined or otherwise manufactured and the other is not, for the expence of that coinage or manufacture. An ounce of standard Gold Bullion will not fetch more in our market than £. 3. 17. 10½, unless £. 3. 17. 10½ in our actual currency is equivalent to less than an ounce of Gold. An increase or diminution in the demand for Gold, or what comes to the same thing, a diminution or increase in the general supply of Gold, will, no doubt, have a material effect upon the money prices of all other articles. An increased demand for Gold, and a consequent scarcity of that article, will make it more valuable in proportion to all other articles; the same quantity of Gold will purchase a greater quantity of any other article than it did before: in other words, the real price of Gold, or the quantity of commodities given in exchange for it, will rise, and the money prices of all commodities will fall; the money price of Gold itself will remain unaltered, but the prices of all other commodities will fall. That this is not the present state of things is abundantly manifest; the prices of all commodities have risen, and Gold appears to have risen in its price only in common with them. If this common effect is to be ascribed to one and the same cause, that cause can only be found in the state of the currency of this Country.

Your Committee think it proper to state still more specifically, what appear to them to be the principles which govern the relative prices of Gold in Bullion and Gold in Coin, as well as of Paper circulating in its place and exchangeable for it. They cannot introduce this subject more properly, than by adverting to those simple principles and regulations, on which a coinage issuing from the King's Mint is founded.

The object is, to secure to the people a standard of a determinate value, by affixing a stamp, under the Royal authority, to pieces of Gold, which are thus certified to be of a given weight and fineness. Gold in Bullion is the standard to which the Legislature has intended that the coin should be conformed, and with which it should be identified as much as possible. And if that intention of the Legislature were completely fulfilled, the coined Gold would bear precisely the same price in exchange for all other commodities, as it would have borne had it continued in the shape of Bullion; but it is subject to some small fluctuations.

First, there is some expence incurred in converting Bullion into coin. Those who send Bullion to be coined, and it is allowed to any one to send it, though they are charged with no seignorage, incur a loss of interest by the detention of their Gold in the Mint. This loss may hitherto have amounted to about 1 per cent, but it is to be presumed that the improvements of the system of the new Mint will cause the detention and consequent loss to be much smaller. This 1 per cent has formed the limit, or nearly the limit, to the possible rise of the value of coin above that of Bullion; for to suppose that coin could, through any cause

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REPORT FROM THE SELECT COMMITTEE

cause advance much above this limit, would be to assume that there was a high profit on a transaction, in which there is no risk and every one has an opportunity of engaging.

The two following circumstances conjoined, account for the depression of the Coin below the price of Bullion, and will shew what must have been the limit to its extent before 1797, the period of the suspension of the Cash payments of the Bank of England. First, the Coin, after it had become current, was gradually diminished in weight by use, and therefore if melted would produce a less quantity of Bullion. The average diminution of weight of the present current Gold Coin below that of the same Coin when fresh from the Mint, appears by the Evidence to be nearly $\frac{1}{10}$ per cent. This evil, in more ancient times, was occasionally very great. It was particularly felt in an early period of His present Majesty's reign, and led to the reformation of the Gold Coin in 1773. But it is now carefully guarded against, not only by the legal punishment of every wilful deterioration of the Gold Coin, but also by the regulation of the Statute, that Guineas, of which the full weight when fresh from the Mint is 5 dwts. 0 $\frac{1}{2}$ grains, shall not be a legal tender if worn below 4 dwts. 8 grs. the depreciation thus allowed being at the utmost 1.11 per cent. A still more material cause of depression, is the difficulty under which the holders of Coin have been placed when they wished to convert it into Bullion: The Law of this Country forbids any other Gold Coin than that which has become light to be put into the melting pot, and with a very questionable policy, prohibits the exportation of our Gold Coin, and of any Gold, unless an oath is taken that it has not been produced from the Coin of this realm. It appears by the Evidence, that the difference between the value of Gold Bullion which may be sworn off for exportation, and that of the Gold produced or supposed to be produced from our own Coin, which by Law is convertible only to domestic purposes, amounts at present to between 3s. and 4s. per ounce.

Acc. No 20.

The two circumstances which have now been mentioned have unquestionably constituted, in the judgment of Your Committee, the whole cause of that depression of the value of the Gold Coin of this Country in exchange for commodities, below the value of Bullion in exchange for commodities, which has occasionally arisen or could arise at those times when the Bank paid in specie, and Gold was consequently obtainable in the quantity that was desired, and the limit fixed, by those two circumstances conjoined, to this excess of the market price of Gold above the Mint price, was therefore a limit of about 5 $\frac{1}{2}$ per cent. The chief part of this depression is to be ascribed to that ancient but doubtful policy of this Country, which, by attempting to confine the Coin within the Kingdom, has served, in the same manner as permanent restrictions on the export of other articles, to place it under a disadvantage, and to give to it a less value in the market than the same article would have if subject to no such prohibition.

The truth of these observations on the causes and limits of the ordinary difference between the market and Mint price of Gold, may be illustrated by a reference to the mode, explained in the Evidence, of securing a fixed standard of value for the great commercial payments of Hamburg. The payments in the ordinary transactions of life are made in a currency composed of the coins of the several surrounding States; but Silver is the standard there resorted to in the great commercial payments, as Gold is in England. No difference analogous to that which occurs in this Country, between the Mint and market price of Gold, can ever arise at Hamburg with regard to Silver, because provision is made that none of the three causes above specified, [the expense of coinage, the depreciation by wear, or the obstruction to exportation] shall have any operation. The large payments of Hamburg are effected in Bank money, which consists of actual Silver of a given fineness, lodged in the Hamburg Bank by the merchants of the place, who thereupon have a proportionate credit in the Bank books, which they transfer according to their occasions. The Silver being assayed and weighed with scarcely any loss of time, the first mentioned cause of fluctuation in the relative value of the current medium compared with Bullion is avoided. Certain masses of it being then certified (without any stamp being affixed on the metal) to be of a given quantity and fineness, the value is transferred from individual to individual by the medium merely of the Bank books, and thus the

ON THE HIGH PRICE OF GOLD BULLION.

wearing of the Coin being prevented, one cause of depreciation is removed. A free right is also given to withdraw, melt, and export it; and thus the other and principal source of the occasional fall of the value of the current medium of payment, below that of the Bullion which it is intended to represent, is also effectually prevented.

In this manner at Hamburg, Silver is not only the measure of all exchangeable value, but it is rendered an invariable measure, except in so far as the relative value of Silver itself varies with the varying supply of that precious metal from the mines. In the same manner the usage, and at last the law, which made Gold Coin the usual and at last the only legal tender in large payments here, rendered that metal our measure of value: and from the period of the reformation of the Gold Coin down to the suspension of the Bank payments in specie in 1797, Gold Coin was not a very variable measure of value; being subject only to that variation in the relative value of Gold Bullion which depends upon its supply from the mines, together with that limited variation which, as above described, might take place between the market and the Mint price of Gold Coin.

The highest amount of the depression of the Coin which can take place when the Bank pays in Gold, has just been stated to be about 5 $\frac{1}{2}$ per cent. and accordingly it will be found, that in all the periods preceding 1797, the difference between what is called the Mint price and market price of Gold never exceeded that limit.

Since the suspension of Cash payments in 1797, however, it is certain, that, even if Gold is still our measure of value and standard of prices, it has been exposed to a new cause of variation, from the possible excess of that paper which is not convertible into Gold at will; and the limit of this new variation is as indefinite as the excess to which that paper may be issued. It may indeed be doubted, whether, since the new system of Bank of England payments has been fully established, Gold has in truth continued to be our measure of value; and whether we have any other standard of prices than that circulating medium, issued primarily by the Bank of England and in a secondary manner by the country Banks, the variations of which in relative value may be as indefinite as the possible excess of that circulating medium. But whether our present measure of value, and standard of prices, be this paper currency thus variable in its relative value, or continues still to be Gold, but Gold rendered more variable than it was before in consequence of being interchangeable for a paper currency which is not at will convertible into Gold, it is, in either case, most desirable for the public that our circulating medium should again be conformed, as speedily as circumstances will permit, to its real and legal standard, Gold Bullion.

If the Gold Coin of the Country were at any time to become very much worn and lessened in weight, or if it should suffer a debasement of its standard, it is evident that there would be a proportionable rise of the market price of Gold Bullion above its Mint price: for the Mint price is the sum in coin, which is equivalent in intrinsic value to a given quantity, an ounce for example, of the metal in Bullion; and if the intrinsic value of that sum of Coin be lessened, it is equivalent to a less quantity of Bullion than before. The same rise of the market price of Gold above its Mint price will take place, if the local currency of this particular Country, being no longer convertible into Gold, should at any time be issued to excess. That excess cannot be exported to other countries; and, not being convertible into specie, it is not necessarily returned upon those who issued it; it remains in the channel of circulation, and is gradually absorbed by increasing the prices of all commodities. An increase in the quantity of the local currency of a particular country, will raise prices in that country exactly in the same manner as an increase in the general supply of precious metals raises prices all over the world. By means of the increase of quantity, the value of a given portion of that circulating medium, in exchange for other commodities, is lowered; in other words, the money prices of all other commodities are raised; and that of Bullion with the rest. In this manner, an excess of the local currency of a particular country will occasion a rise of the market price of Gold above its Mint price. It is no less evident, that, in the event of the prices of commodities being raised in one country by an augmentation of its circulating medium, while no similar augmentation in the circulating medium of a neighbouring country has led to a similar rise of prices, the currencies of those two countries will

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30

M. Planchon Dec 23-25-1866

8 REPORT FROM THE SELECT COMMITTEE

will no longer continue to bear the same relative value to each other as before. The intrinsic value of a given portion of the one currency, being lessened, while that of the other remains unaltered, the Exchange will be computed between those two countries to the disadvantage of the former.

In this manner, a general rise of all prices, a rise in the market price of Gold, and a fall of the Foreign Exchanges, will be the effect of an excessive quantity of circulating medium in a country which has adopted a currency, not exportable to other countries, or not convertible at will into a Coin which is exportable.

II.

Your Committee are thus led to the next head of their inquiry; the present state of the Exchanges between this Country and the Continent. And here, as under the former head, Your Committee will first state the opinions which they have received from practical men, respecting the causes of the present state of the Exchange.

Min. p. 65. Mr. Gressfulle, a general merchant, trading chiefly to the Continent, ascribed the fall of Exchange between London and Hamburgh, near 18 per cent. below par, in the year 1809, "altogether to the commercial situation of this Country with the Continent; to the circumstance of the imports, and payments of Subsidies, &c. having very much exceeded the exports." He stated, however, that he formed his judgment of the balance of trade in a great measure from the state of the Exchange itself, though it was corroborated by what fell under his observation. He insisted particularly on the large imports from the Baltic, and the wines and brandies brought from France, in return for which no merchandize had been exported from this Country. He observed on the other hand, that the export of Colonial produce to the Continent had increased in the last year compared with former years; and that during the last year there was an excess, to a considerable amount, of the exports of colonial produce and British manufactures to Holland above the imports from thence, but not nearly equal, he thought, to the excess of imports from other parts of the world, judging from the state of the Exchange as well as from what fell generally under his observation. He afterwards explained, that it was not strictly the balance of trade, but the balance of payments, being unfavourable to this Country, which he assigned as the principal cause of the rate of Exchange; observing also, that the balance of payments for the year may be against us, while the general exports exceed the imports. He gave it as his opinion, that the cause of the present state of Exchange was entirely commercial, with the addition of the foreign expenditure of Government; and that an excess of imports above exports would account for the rates of Exchange continuing so high as 16 per cent. against this Country, for a permanent period of time.

It will be found in the Evidence, that several other Witnesses agree in substance with Mr. Gressfulle, in this explanation of the unfavourable state of the Exchange; particularly Mr. Chambers and Mr. Coningham.

Min. p. 131. Sir Francis Baring stated to the Committee, that he considered the two great circumstances which affect the Exchange in its present unfavourable state, to be the restrictions upon trade with the Continent; and the increased circulation of this Country in paper as productive of the scarcity of Bullion. And he instanced, as examples of a contrary state of things, the seven years war, and the American war, in which there were the same remittances to make to the Continent for naval and military expenditure, yet no want of Bullion was ever felt.

Min. pp. 73. The Committee likewise examined a very eminent Continental Merchant, whose evidence will be found to contain a variety of valuable information. Min. pp. 75. 82. 85. That Gentleman states, that the Exchange cannot fall in any country in Europe at the present time, if computed in coin of a definitive value, or in something convertible into such coin, lower than the extent of the charge of transporting it, together with an adequate profit in proportion to the risk attending such transmission. Min. p. 75. He conceives, that such fall of our Exchange as has exceeded that extent in the last 15 months, must certainly be referred to the circumstance of our paper currency, not being convertible into specie; and that if that paper had been convertible, and Guineas had been in general circulation, an unfavourable balance of trade could hardly have caused to great a fall in the Exchange as to the extent

ON THE HIGH PRICE OF GOLD BULLION.

of 7 or 6 per cent. He explains his opinion upon the subject more specifically in the following Answers, which are extracted from different parts of his Evidence.

Min. p. 78. "To what causes do you ascribe the present unfavourable course of Exchange?" — The first great depreciation took place when the French got possession of the North of Germany, and passed severe penal decrees against a communication with this Country; at the same time that a sequestration was laid upon all English goods and property, whilst the payments for English account were still to be made, and the reimbursements to be taken on this Country; many more bills were in consequence to be sold than could be taken by persons requiring to make payments in England. The communication by letters being also very difficult and uncertain, middle men were not to be found, as in usual times, to purchase and send such bills to England for returns; whilst no suit at law could be instituted in the Courts of Justice there against any person who chose to resist payment of a returned bill, or to dispute the charges of re-exchange. Whilst those causes depressed the Exchange, payments due to England only came round at distant periods; the Exchange once lowered by those circumstances, and Bullion being withheld in England to make up those occasional differences, the operations between this Country and the Continent have continued at a low rate, as it is only matter of opinion what rate a pound sterling is there to be valued at, not being able to obtain what it is meant to represent.

Min. p. 79. "The Exchange against England fluctuating from 15 to 20 per cent. how much of that loss may be ascribed to the effect of the measures taken by the enemy in the North of Germany, and the interruption of intercourse which has been the result, and how much to the effect of the Bank of England paper not being convertible into cash, to which you have ascribed a part of that depreciation?" — I ascribe the whole of the depreciation to have taken place originally in consequence of the measures of the enemy, and its not having recovered to the circumstance of the paper of England not being exchangeable for cash.

Min. p. 82. "Since the conduct of the enemy which you have described, what other causes have continued to operate on the Continent to lower the course of Exchange?" — Very considerable shipments from the Baltic, which were drawn for and the bills negotiated immediately on the shipments taking place, without consulting the interest of the Proprietors in this country much, by deferring such a negotiation till a demand should take place for such bills: The continued difficulty and uncertainty in carrying on the correspondence between this Country and the Continent: The curtailed number of houses to be found on the Continent willing to undertake such operations, either by accepting bills for English account drawn from the various parts where shipments take place, or by accepting bills drawn from this Country, either against property shipped, or on a speculative idea that the Exchange either ought or is likely to rise: The length of time that is required before goods can be converted into cash, from the circuitous routes they are obliged to take: The very large sums of money paid to foreign Ship Owners, which in some instances, such as on the article of Hemp, has amounted to nearly its prime cost in Russia: The want of middle men who as formerly used to employ great capitals in Exchange operations, who, from the increased difficulties and dangers to which such operations are now subject, are at present rarely to be met with, to make combined exchange operations, which tend to anticipate probable ultimate results."

The preceding Answers, and the rest of this Gentleman's Evidence, all involve this principle, expressed more or less distinctly, that Bullion is the true regulator both of the value of a local currency and of the rate of Foreign Exchanges; and that the free convertibility of paper currency into the precious metals, and the free exportation of those metals, place a limit to the fall of Exchange, and not only check the Exchanges from falling below that limit, but recover them by restoring the balance.

Your Committee need not particularly point out in what respects these opinions, received from persons of practical detail, are vague and unsatisfactory, and in what respects they are contradictory of one another; considerable assistance however may be derived from the information which the evidence of these persons affords, in explaining the true causes of the present state of the Exchanges.

Your Committee conceive that there is no point of trade, considered politically, which is better settled, than the subject of Foreign Exchanges. The Par of Exchange between two Countries is that sum of the currency of either of the two; which, in point of intrinsic value, is precisely equal to a given sum of the currency of the other; that is, contains precisely an equal weight of Gold or Silver of the same fineness. If 25 livres of France contained precisely an equal quantity of pure Silver with twenty shillings sterling, 25 would be said to be the Par of Exchange between London and Paris. If one country uses Gold for its principal measure of value, and another uses Silver, the par between those countries cannot be estimated for any particular period, without taking into account the relative value of Gold and Silver at that particular period; and as the relative value of the two precious metals is subject to fluctuation, the Par of Exchange between two such countries is not strictly a fixed point, but fluctuates within certain limits. An illustration of this will be found in the Evidence, in the calculation of the Par between London and Hamburgh, which is estimated to be $34\frac{1}{3}$ Flemish shillings for a pound sterling. That rate of exchange, which is produced at any particular period by a balance of trade or payments between the two countries, and by a consequent disproportion between the supply and the demand of bills drawn by the one upon the other, is a departure on one side or the other from the real and fixed Par. But this real Par will be altered if any change takes place in the currency of one of the two countries, whether that change consists in the wear or debasement of a metallic currency below its standard, or in the discredit of a forced paper currency, or in the excess of a paper currency not convertible into specie; a fall having taken place in the intrinsic value of a given portion of one currency, that portion will no longer be equal to the same portion as before of the other currency. But though the real Par of the currencies is thus altered, the dealers, having little or no occasion to refer to the par, continue to reckon their course of Exchanges from the former denomination of the par; and in this state of things a distinction is necessary to be made between the real and computed course of Exchange. The computed course of Exchange, as expressed in the tables used by the Merchants, will then include, not only the real difference of exchange arising from the state of trade, but likewise the difference between the original par and the new par. Those two sums may happen to be added together in the calculation, or they may happen to be set against each other. If the country, whose currency has been depreciated in comparison with the other, has the balance of trade also against it, the computed rate of exchange will appear to be still more unfavourable than the real difference of exchange will be found to be; and if that same country has the balance of trade in its favour, the computed rate of exchange will appear to be much less favourable than the real difference of exchange will be found to be. Before the new coinage of our Silver in King William's time, the exchange between England and Holland, computed in the usual manner according to the standard of their respective mints, was 25 per cent. against England; but the value of the current coin of England was more than 25 per cent. below the standard value; so that if that of Holland was at its full standard, the real exchange was in fact in favour of England. It may happen in the same manner, that the two parts of the calculation may be both opposite and equal, the real exchange in favour of the Country by trade being equal to the nominal exchange against it by the state of its currency; in that case, the computed exchange will be at par, while the real exchange is in fact in favour of that country. Again, the currencies of both the countries which trade together may have undergone an alteration, and that either in an equal degree, or unequally; in such a case, the question of the real state of the exchange between them becomes a little more complicated, but it is to be resolved exactly upon the same principle. Without going out of the bounds of the present inquiry, this may be well illustrated by the present state of the Exchange of London with Portugal, as quoted in the tables for the 18th of May last. The Exchange of London on Lisbon appears to be $67\frac{1}{2}$; $67\frac{1}{2}$ d. sterling for a mil ree is the old established par of exchange between the two countries; and $67\frac{1}{2}$ accordingly is still said to be the par. But by the evidence of Mr. Lym, it appears, that, in Portugal, all payments are now by law made one-half in hard money, and one-half in Government paper; and that this paper is depreciated at a discount of 27 per cent. Upon all payments made in Portugal, therefore, there is a discount or loss of $13\frac{1}{2}$ per cent.; and the exchange at $67\frac{1}{2}$, though nominally at par, is in truth $13\frac{1}{2}$ per cent. against this Country.

Min. p. 73.

Min. p. 59.

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If the exchange were really at par, it would be quoted at 56 $\frac{1}{2}$, or apparently 134 per cent. in favour of London, as compared with the old par which was fixed before the depreciation of the Portuguese medium of payments. Whether, this 134 per cent. which stands against this Country by the present Exchange on Lisbon, is a real difference of Exchange, occasioned by the course of trade and by the remittances to Portugal on account of Government, or a nominal and apparent Exchange occasioned by something in the state of our own currency, or is partly real and partly nominal, may perhaps be determined by what Your Committee have yet to state.

It appears to Your Committee to have been long settled and understood as a principle, that the difference of Exchange resulting from the state of trade and payments between two countries is limited by the expense of conveying and returning the precious metals from one country to the other; at least, that it cannot for any considerable length of time exceed that limit. The real difference of Exchange, resulting from the state of trade and payments, never can fall lower than the amount of such expense of carriage, including the Insurance. The truth of this position is so plain, and it is so uniformly agreed to by all the practical authorities, both commercial and political, that Your Committee will assume it as indisputable.

It occurred however to Your Committee, that the amount of that charge, and premium of insurance might be increased above what it has been in ordinary periods even of war, by the peculiar circumstances which at present obstruct the commercial intercourse between this Country and the Continent of Europe; and that as such an increase would place so much lower than usual the limit to which our Exchanges might fall, an explanation might thereby be furnished of their present unusual fall. Your Committee accordingly directed their enquiries to this point.

It was stated to Your Committee, by the Merchant who has been already mentioned as being intimately acquainted with the trade between this Country and the Continent, that the present expense of transporting Gold from London to Hamburgh, independent of the premium of Insurance, is from 1 $\frac{1}{2}$ to 2 per cent.; that the risk is very variable from day to day, so that there is no fixed premium, but he conceived the average risk, for the fifteen months preceding the time when he spoke, to have been about 4 per cent.; making the whole cost of sending Gold from London to Hamburgh for those fifteen months, at such average of the risk, from 5 $\frac{1}{2}$ to 6 per cent.—Mr. Abraham Goldsmid stated, that in the last five or six months of the year 1809, the expense of sending Gold to Holland varied exceedingly, from 4 to 7 per cent. for all charges, covering the risk as well as the costs of transportation. By the Evidence which was taken before the Committees upon the Bank affairs in 1797, it appears that the cost of sending specie from London to Hamburgh in that time of war, including all charges as well as an average insurance, was estimated at a little more than 3 $\frac{1}{2}$ per cent. It is clear, therefore, that in consequence of the peculiar circumstances of the present state of the war, and the increased difficulties of intercourse with the Continent, the cost of transporting the precious metals thither from this Country has not only been rendered more fluctuating than it used to be, but, upon the whole, is very considerably increased. It would appear however, that upon an average of the risk for that period when it seems to have been highest, the last half of the last year, the cost and insurance of transporting Gold to Hamburgh or to Holland did not exceed 7 per cent. It was of course greater at particular times, when the risk was above that average. It is evident also that the risk, and consequently the whole cost of transporting it to an inland market, to Paris for example, would, upon an average, be higher than that of carrying it to Amsterdam or Hamburgh. It follows, that the limit to which the Exchanges, as resulting from the state of trade, might fall and continue unfavourable for a considerable length of time, has, during the period in question, been a good deal lower than in former times of war; but it appears also, that the expense of remitting specie has not been increased so much, and that the limit, by which the depression of the Exchanges is bounded, has not been lowered so much, as to afford an adequate explanation of a fall of the Exchanges so great as from 16 to 20 per cent. below par. The increased cost of such remittance would explain, at those moments when the risk was greatest, a fall of something

Min. p. 76.

X See Note Page 7

12 REPORT FROM THE SELECT COMMITTEE

thing more than 7 per cent. in the Exchange with Hamburgh or Holland, and a fall still greater perhaps in the Exchange with Paris; but the rest of the fall, which has actually taken place, remains to be explained in some other manner.

Your Committee are disposed to think from the result of the whole evidence, contradictory as it is, that the circumstances of the trade of this Country, in the course of the last year, were such as to occasion a real fall of our Exchanges with the Continent to a certain extent, and perhaps at one period almost as low as the limit fixed by the expense of remitting Gold from hence to the respective markets. And Your Committee is inclined to this opinion, both by what is stated regarding the excess of imports from the Continent above the exports, though that is the part of the subject which is left most in doubt; and also by what is stated respecting the mode in which the payments in our trade have been latterly effected, an advance being paid upon the imports from the Continent of Europe, and a long credit being given upon the exports to other parts of the world.

Your Committee, observing how entirely the present depression of our Exchange with Europe is referred by many persons to a great excess of our imports above our exports, have called for an account of the actual value of those for the last five years; and Mr. Irving, the Inspector General of Customs, has accordingly furnished the most accurate Estimate of both that he has been enabled to form. He has also endeavoured to forward the object of the Committee, by calculating how much should be deducted from the value of goods imported, on account of articles in return for which nothing is exported. These deductions consist of the produce of Fisheries, and of imports from the East and West Indies, which are of the nature of rents, profits, and capital remitted to Proprietors in this Country. The balance of trade in favour of this Country, upon the face of the Account thus made up, was

In 1805 about -	£. 6,616,000.
1806 - - -	£. 10,437,000.
1807 - - -	£. 5,866,000.
1808 - - -	£. 12,481,000.
1809 - - -	£. 14,834,000.

So far therefore, as any inference is to be drawn from the balance thus exhibited, the Exchanges during the present year, in which many payments to this Country, on account of the very advantageous balances of the two former years may be expected to take place, ought to be peculiarly favourable.

Your Committee, however, place little confidence in deductions made even from the improved document which the industry and intelligence of the Inspector General has enabled him to furnish. It is defective, as Mr. Irving has himself stated, inasmuch as it supplies no account of the sum drawn by Foreigners (which is at the present period peculiarly large) on account of freight due to them for the employment of their shipping, nor, on the other hand, of the sum receivable from them, (and forming an addition to the value of our exported articles) on account of freight arising from the employment of British shipping. It leaves out of consideration all interest on capital in England possessed by Foreigners, and on capital abroad belonging to Inhabitants of Great Britain, as well as the pecuniary transactions between the Governments of England and Ireland. It takes no cognizance of contraband trade, and of exported and imported Bullion, of which no account is rendered at the Custom-house. It likewise omits a most important article, the variations of which, if correctly stated, would probably be found to correspond in a great degree with the fluctuations of the apparently favourable balance; namely, the bills drawn on Government for our naval, military, and other expenses in Foreign parts. Your Committee had hoped to receive an account of these from the table of the House; but there has been some difficulty and consequent delay in executing a material part of the Order made for them. It appears from "an Account, as far as it could be made out, of sums paid for Expenses Abroad in 1793, 4, 5, and 6," inserted in the Appendix of the Lords Report on the occasion of the Bank Restriction Bill, that the sums so paid were,

In 1793 - - -	£. 2,785,252.
4 - - -	£. 8,335,591.
5 - - -	£. 11,040,236.
6 - - -	£. 10,649,916.

The

ON THE HIGH PRICE OF GOLD BULLION.

The following is an Account of the official value of our Imports and Exports with the Continent of Europe alone, in each of the last five years:

	IMPORTS.	EXPORTS.	Balance in favour of Great Britain, reckoned in Official Value.
	£.	£.	£.
1805 - - -	10,008,649	15,465,430	5,456,781
1806 - - -	8,197,256	13,216,386	5,019,130
1807 - - -	7,973,510	12,689,590	4,716,080
1808 - - -	4,210,671	11,280,490	7,069,819
1809 - - -	9,551,857	23,722,615	14,170,758

The balances with Europe alone in favour of Great Britain, as exhibited in this imperfect statement, are not far from corresponding with the general and more accurate balances before given. The favourable balance of 1809 with Europe alone, if computed according to the actual value, would be much more considerable than the value of the same year, in the former general statement.

A favourable balance of trade on the face of the Account of Exports and Imports, presented annually to Parliament, is a very probable consequence of large drafts on Government for foreign expenditure; an augmentation of exports, and a diminution of imports, being promoted and even enforced by the means of such drafts. For if the supply of bills drawn abroad, either by the Agents of Government, or by individuals, is disproportionate to the demand, the price of them in foreign money falls, until it is so low as to invite purchasers; and the purchasers, who are generally Foreigners, not wishing to transfer their property permanently to England, have a reference to the terms on which the bills on England will purchase those British commodities which are in demand, either in their own country, or in intermediate places, with which the account may be adjusted. Thus, the price of the bills being regulated in some degree by that of British commodities, and continuing to fall till it becomes so low as to be likely to afford a profit on the purchase and exportation of these commodities, an actual exportation nearly proportionate to the amount of the bills drawn can scarcely fail to take place. It follows, that there cannot be, for any long period, either a highly favourable, or unfavourable balance of trade; for the balance no sooner affects the price of bills, than the price of bills, by its reaction on the state of trade, promotes an equalization of commercial exports and imports. Your Committee have here considered Cash and Bullion as forming a part of the general mass of exported or imported articles, and as transferred according to the state both of the supply and the demand; forming, however, under certain circumstances, and especially in the case of great fluctuations in the general commerce, a peculiarly commodious remittance.

Your Committee have enlarged on the documents supplied by Mr. Irving, for the sake of throwing further light on the general question of the balance of trade and the Exchanges, and of dissipating some very prevalent errors which have a great practical influence on the subject now under consideration.

That the real Exchange against this Country with the Continent cannot at any time have materially exceeded the limit fixed by the cost at that time of transporting specie, Your Committee are convinced upon the principles which have been already stated. That in point of fact, those Exchanges have not exceeded that limit seems to receive a very satisfactory illustration from one part of the evidence of Mr. Gresham, who, of all the Merchants examined, seemed most wedded to the opinion, that the state of the balance of payments alone was sufficient to account for any depression of the Exchanges, however great. From what the Committee have already stated with respect to the par of Exchange, it is manifest

REPORT FROM THE SELECT COMMITTEE

that the Exchange between two countries is at its real par, when a given quantity of Gold or Silver in the one country is convertible at the market price into such an amount of the currency of that country, as will purchase a Bill of Exchange on the other country for such an amount of the currency of that other country, as will there be convertible at the market price into an equal quantity of Gold or Silver of the same fineness. In the same manner the real Exchange is in favour of a country having money transactions with another, when a given quantity of Gold or Silver in the former is convertible for such an amount in the currency of that latter country, as will there be convertible into a greater quantity of Gold or Silver of the same fineness.

Upon these principles, Your Committee desired Mr. Gressillie to make certain calculations, which appear in his Answers to the following Questions; viz.

Min. p. 100. "Supposing you had a pound weight troy of Gold of the English standard at Paris, and that you wished by means of that to procure a Bill of Exchange upon London, what would be the amount of the Bill of Exchange which you would procure in the present circumstances?—I find that a pound of Gold of the British standard at the present market price of 105 francs, and the exchange at 20 livres, would purchase a Bill of Exchange of £. 59. 8s.

"At the present market price of Gold in London, how much standard Gold can you purchase for £. 59. 8s.?—At the price of £. 4. 12s. I find it will purchase 13 ounces of Gold, within a very small fraction.

"Then what is the difference per cent. in the quantity of Standard Gold which is equivalent to £. 59. 8s. of our currency as at Paris and in London?—About 8½ per cent.

"Suppose you have a pound weight troy of our standard Gold at Hamburgh, and that you wished to part with it for a Bill of Exchange upon London, what would be the amount of the Bill of Exchange, which, in the present circumstances, you would procure?—At the Hamburgh price of 101, and the Exchange at 29, the amount of the Bill purchased on London would be £. 58. 4s.

"What quantity of our standard Gold, at the present price of £. 4. 12s. do you purchase for £. 58. 4s.?—About 12 ounces and 3 dwts.

"Then what is the difference per cent. between the quantity of standard Gold at Hamburgh and in London, which is equivalent to £. 58. 4s. sterling?—About 5¼ per cent.

"Suppose you had a pound weight troy of our standard Gold at Amsterdam, and wished to part with it for a Bill of Exchange upon London, what would be the amount sterling of the Bill of Exchange which you would procure?—At the Amsterdam price of 14½, Exchange 31. 6. and Bank agio 1 per cent. the amount of the Bill on London would be £. 58. 18s.

"At the present price of £. 4. 12s. what quantity of our standard Gold do you purchase in London for £. 58. 18s. sterling?—12 oz. 16 dwts.

"How much is that per cent.?—7 per cent."

Min. pp. 91, 92. Similar calculations, but made upon different assumed data, will be found in the evidence of Mr. Abraham Goldsmid. From these answers of Mr. Gressillie, it appears, that when the computed Exchange with Hamburgh was 29, that is, from 16 to 17 per cent. below par, the real difference of Exchange, resulting from the state of trade and balance of payments was no more than 5½ per cent. against this Country; that when the computed Exchange with Amsterdam was 31. 6. that is about 15 per cent. below par, the real Exchange was no more than 7 per cent. against this Country; that, when the computed Exchange with Paris was 20, that is 20 per cent. below par, the real Exchange was no more than 8½ per cent. against this Country. After making these allowances, therefore, for the effect of the balance of trade and payments upon our Exchanges with those places, there will still remain a fall of 11 per cent. in the Exchange with Hamburgh, of above 8 per cent. in the Exchange with Holland, and of 11½ per cent. in the Exchange with Paris, to be explained in some other manner.

Min. p. 100. If the same mode of calculation be applied to the more recent statements of the Exchange with the Continent, it will perhaps appear, that though the computed Exchange is at present against this Country, the real Exchange is in its favour.

From

ON THE HIGH PRICE OF GOLD BULLION.

From the foregoing reasonings relative to the state of the Exchanges, if they are considered apart, Your Committee find it difficult to resist an inference, that a portion at least of the great fall which the Exchanges lately suffered must have resulted not from the state of trade, but from a change in the relative value of our domestic currency. But when this deduction is joined with that which Your Committee have stated, respecting the change in the market price of Gold, that inference appears to be demonstrated.

III.

In consequence of the opinion which Your Committee entertain, that, in the present artificial condition of the circulating medium of this Country, it is most important to watch the Foreign Exchanges and the market price of Gold, Your Committee were desirous to learn, whether the Directors of the Bank of England held the same opinion, and derived from it a practical rule for the control of their circulation; and particularly whether, in the course of the last year, the great depression of the Exchanges, and the great rise in the price of Gold, had suggested to the Directors any suspicion of the currency of the Country being excessive.

Mr. WHITMORE, the late Governor of the Bank, stated to the Committee, that in regulating the general amount of the loans and discounts, he did "not advert to the circumstance of the Exchanges; it appearing upon a reference to the amount of our notes in circulation, and the course of Exchange, that they frequently have no connexion." He afterwards said, "My opinion is, I do not know whether it is that of the Bank, that the amount of our paper circulation has no reference at all to the state of the Exchange." And on a subsequent day, Mr. Whitmore stated, that "the present unfavourable state of Exchange has no influence upon the amount of their issues, the Bank having acted precisely in the same way as they did before." He was likewise asked, Whether, in regulating the amount of their circulation, the Bank ever adverted to the difference between the market and Mint price of Gold? and having desired to have time to consider that question, Mr. Whitmore, on a subsequent day, answered it in the following terms, which suggested these further questions:

"In taking into consideration the amount of your notes out in circulation, and in limiting the extent of your discounts to Merchants, do you advert to the difference, when such exists, between the market and the Mint price of Gold?—We do advert to that, inasmuch as we do not discount at any time for those persons who we know, or have good reason to suppose, export the Gold. "Do you not advert to it any farther than by refusing discounts to such persons?—We do advert to it, inasmuch as whenever any Director thinks it bears upon the question of our discounts, and presses to bring forward the discussion. "The market price of Gold having, in the course of the last year, risen as high as £. 4. 10. or £. 4. 12. has that circumstance been taken into consideration by you, so as to have had any effect in diminishing or enlarging the amount of the outstanding demands?—It has not been taken into consideration by me in that view."

Mr. PEARSE, now Governor of the Bank, agreed with Mr. Whitmore in this account of the practice of the Bank, and expressed his full concurrence in the same opinion.

Mr. PEARSE.—"In considering this subject, with reference to the manner in which Bank notes are issued, resulting from the applications made for discounts to supply the necessary want of Bank notes, by which their issue in amount is so controlled that it can never amount to an excess, I cannot see how the amount of Bank notes issued can operate upon the price of Bullion, or the state of the Exchanges, and therefore I am individually of opinion that the price of Bullion, or the state of the Exchanges, can never be a reason for lessening the amount of Bank notes to be issued, always understanding the control which I have already described."

"Is the Governor of the Bank of the same opinion which has now been expressed by the Deputy Governor?"

Mr. WHITMORE.—"I am so much of the same opinion, that I never think it necessary

REPORT FROM THE SELECT COMMITTEE

necessary to advert to the price of Gold, or the state of the Exchange, on the days on which we make our advances. Do you advert to these two circumstances with a view to regulate the general amount of your advances?—I do not advert to it with a view to our general advances, conceiving it not to bear upon the question.

And, Mr. HARMAN, another Bank Director, expressed his opinion in these terms:—“I must very materially alter my opinions, before I can suppose that the Exchanges will be influenced by any modification of our paper currency.”

These Gentlemen, as well as several of the Merchants who appeared before the Committee, placed much reliance upon an argument which they drew from the want of correspondence in point of time, observable between the amount of Bank of England Notes and the state of the Hamburg Exchange during several years; and Mr. Pearse presented a Paper on this subject, which is inserted in the Appendix. Your Committee would feel no distrust in the general principles which they have stated, if the discordance had been greater; considering the variety of circumstances which have a temporary effect on exchange, and the uncertainty both of the time and the degree in which it may be influenced by any given quantity of paper. It may be added, that the numerical amount of Notes (supposing £. 1 and £. 2. Notes to be excluded from the statement) did not materially vary during the period of the comparison; and that in the last year, when the general Exchanges with Europe have become much more unfavourable, the notes of the Bank of England, as well as those of the country Banks, have been very considerably increased. Your Committee however, on the whole, are not of opinion that a material depression of the Exchanges has been manifestly to be traced in its amount and degree to an augmentation of notes corresponding in point of time. They conceive, that the more minute and ordinary fluctuations of Exchange are generally referable to the course of our commerce; that political events, operating upon the state of trade, may often have contributed as well to the rise as to the fall of the Exchange; and in particular, that the first remarkable depression of it in the beginning of 1800, is to be ascribed, as has been stated in the evidence already quoted, to commercial events arising out of the occupation of the North of Germany by the troops of the French Emperor. The evil has been that the Exchange, when fallen, has not had the full means of recovery under the subsisting system. And if those occasional depressions, which arise from commercial causes, are not after a time successively corrected by the remedy which used to apply itself before the suspension of the cash payments of the Bank, the consequences may ultimately be exactly similar to those which a sudden and extravagant issue of paper would produce. The restoration of the Exchange used to be effected by the clandestine transmission of Guineas, which improved it for the moment by serving as a remittance; and unquestionably also, in part, probably much more extensively, by the reduction of the total quantity of the remaining circulating medium, to which reduction the Bank were led to contribute by the caution which every drain of Gold naturally excited. Under the present system, the former of these remedies must be expected more and more to fail, the Guineas in circulation being even now apparently so few as to form no important remittance; and the reduction of paper seems therefore the chief, if not the sole corrective, to be resorted to. It is only after the Bank shall have for some time resumed its cash payments, that both can again operate, as they did on all former occasions prior to the restriction.

27
If the Exchange has fallen 10, 12, or 15 per cent and the expense including the insurance of transporting Gold, is only 6 1/2 per cent how can this be reconciled with the declaration page 11, that it is settled and understood that the difference of exchange resulting from the state of trade and cash payments is limited by the expense of conveying and insuring the precious metals from one country to the other. In truth, it is the excess of circulating medium which not only prevents the exchange recovering, but which occasions the original depression. See note to page 27 of the Report, in which are traced out the means by which an excess of paper produces this effect.

The Committee cannot refrain from expressing it to be their opinion, after a very deliberate consideration of this part of the subject, that it is a great practical error to suppose that the Exchanges with Foreign Countries, and the price of Bullion, are not liable to be affected by the amount of a paper currency, which is issued without the condition of payment in specie at the will of the holder. That the Exchanges will be lowered, and the price of Bullion raised, by an issue of such paper to excess, is not only established as a principle by the most eminent authorities upon Commerce and Finance; but its practical truth has been illustrated by the history of almost every State in modern times which has used a paper currency; and in all those countries, this principle has finally been resorted to by their Statesmen, as the best criterion to judge by, whether such currency was or was not excessive.

In the case of the precious metals from one country to the other. — The truth is, it is the excess of circulating medium which not only prevents the exchange recovering, but which occasions the original depression. — See note to page 27 of the Report, in which are traced out the means by which an excess of paper produces this effect.

ON THE HIGH PRICE OF GOLD BULLION.

In the instances which are most familiar in the history of Foreign Countries, the excess of paper has been usually accompanied by another circumstance, which has no place in our situation at present, a want of confidence in the sufficiency of those funds upon which the paper had been issued. Where these two circumstances, excess and want of confidence, are conjoined, they will co-operate and produce their effect much more rapidly than when it is the result of the excess only of a paper of perfectly good credit; and in both cases, an effect of the same sort will be produced upon the Foreign Exchanges, and upon the price of Bullion. The most remarkable examples of the former kind are to be found in the history of the paper currencies of the British Colonies in North America, in the early part of the last century, and in that of the assignats of the French Republic: to which the Committee have been enabled to add another, scarcely less remarkable, from the money speculations of the Austrian Government in the last campaign, which will be found in the Appendix. The present state of the currency of Portugal affords, also, an instance of the same kind.

Examples of the other sort, in which the depreciation was produced by excess alone, may be gathered from the experience of the United Kingdom at different times.

In Scotland, about the end of the seven years war, Banking was carried to a very great excess; and by a practice of inserting in their promissory notes an optional clause of paying at sight, or in 6 months after sight with interest, the convertibility of such notes into specie at the will of the holder was in effect suspended. These notes accordingly became depreciated in comparison with specie; and while this abuse lasted, the exchange between London and Dumfries, for example, was sometimes four per cent. against Dumfries, while the exchange between London and Carlisle, which is not thirty miles distant from Dumfries, was at par. The Edinburgh Banks, when any of their paper was brought in to be exchanged for bills on London, were accustomed to extend or contract the date of the bills they gave, according to the state of the Exchange; diminishing in this manner the value of those bills, nearly in the same degree in which the excessive issue had caused their paper to be depreciated. This excess of paper was at last removed by granting bills on London at a fixed date; for the payment of which bills, or in other words, for the payment of which excess of paper, it was necessary in the first instance to provide, by placing large pecuniary funds in the hands of their London correspondents. In aid of such precautionary measures on the part of the Edinburgh Banks, an Act of Parliament prohibited the optional clauses, and suppressed ten and five shilling notes. The Exchange between England and Scotland was speedily restored to its natural rate; and bills on London at a fixed date having ever since been given in exchange for the circulating notes of Scotland, all material excess of Scottish paper above Bank of England has been prevented, and the Exchange has been stationary.

The experience of the Bank of England itself, within a very short period after its first establishment, furnishes a very instructive illustration of all the foregoing principles and reasonings. In this instance, the effects of a depreciation of the coin, by wear and clipping, were coupled with the effect of an excessive issue of paper. The Directors of the Bank of England did not at once attain a very accurate knowledge of all the principles by which such an institution must be conducted. They lent money not only by discount, but upon real securities, mortgages, and even pledges of commodities not perishable; at the same time the Bank contributed most materially to the service of Government for the support of the Army upon the Continent. By the liberality of those loans to private individuals, as well as by the large advances to Government, the quantity of the notes of the Bank became excessive; their relative value was depreciated, and they fell to a discount of 17 per cent. At this time there appears to have been no failure of the public confidence in the funds of the Bank; for its Stock sold for 110 per cent. though only 60 per cent. upon the subscriptions had been paid in. By the conjoint effect of this depreciation of the paper of the Bank from excess, and of the depreciation of the Silver coin from wear and clipping, the price of Gold Bullion was so much raised, that Guineas were as high as 30s.; all that had remained of good Silver gradually disappeared from the circulation;

* 349. The price of the Gold coin, as stated at thirty shillings and the guinea must have been its value in bank paper for the gold coin was never taken into value with reference to the true paper, it bore to the silver coin, which according to the late report on the state of the coin in 1797, which has been 44 shillings for a guinea — see also page 87 of the same Report.

Min. p. 76.

Wealth of Nations, vol. i. p. 492. Report of Committee upon Irish Exchange, 1804. Mr. Mansfield's Evidence.

See A short Account of the Bank by Mr. Godfrey, one of the original Directors; and A short History of the late Parliament, 1699, by Dr. Drake; both in Lord Somers' collection of Tracts.

REPORT FROM THE SELECT COMMITTEE

and the Exchange with Holland, which had been before a little affected by the remittances for the Army, sunk as low as 25 per cent. under par, when the Bank notes were at a discount of 17 per cent. Several expedients were tried, both by Parliament and by the Bank, to force a better Silver coin into circulation, and to reduce the price of Guineas, but without effect. At length the true remedies were resorted to: first, by a new coinage of Silver, which restored that part of the currency to its standard value, though the scarcity of money occasioned by calling in the old coin brought the Bank into straits; and even for a time affected its credit; secondly, by taking out of the circulation the excess of Bank Notes. This last operation appears to have been effected very judiciously. Parliament consented to enlarge the Capital Stock of the Bank, but annexed a condition, directing that a certain proportion of the new subscriptions should be made good in Bank Notes. In proportion to the amount of Notes sunk in this manner, the value of those which remained in circulation began presently to rise; in a short time the notes were at par, and the Foreign Exchanges nearly so. These details are all very fully mentioned in authentic tracts published at the time, and the case appears to Your Committee to afford much instruction upon the subject of their present Enquiry.

Your Committee must next refer to the confirmation and sanction which all their reasonings receive from the labours of the Committee of this House, which was appointed in a former Parliament to examine into the causes of the great depreciation of the Irish Exchange with England in 1804. Most of the mercantile Witnesses who gave evidence before that Committee, including two Directors of the Bank of Ireland, were unwilling to admit that the fall of the Exchange was in any degree to be ascribed to an excess of the paper currency arising out of the restriction of 1767; the whole fall in that case, as in the present, was referred to an unfavourable balance of trade or of payments; and it was also then affirmed, that Notes issued only in proportion to the demand, in exchange for good and convertible securities payable at specific periods, could not tend to any excess in the circulation, or to any depreciation. This doctrine, though more or less qualified by some of the Witnesses, prevades most of the evidence given before that Committee, with the remarkable exception of Mr. Mansfield, whose knowledge of the effects of that over issue of Scotch paper, which has just been mentioned, led him to deliver a more just opinion on the subject. Many of the Witnesses before the Committee, however unwilling to acknowledge the real nature of the evil, made important concessions, which necessarily involved them in inconsistency. They could not as practical men controvert the truth of the general position, that the fluctuations of Exchange between two countries are generally limited by the price at which any given quantity of Bullion can be purchased in the circulating medium of the debtor country, and converted into the circulating medium of the creditor country, together with the insurances and charges of transporting it from the one to the other. It was at the same time admitted, that the expense of transporting Gold from England to Ireland, including insurance, was then under one per cent; that before the restriction, the fluctuations had never long and much exceeded this limit; and moreover, that the exchange with Belfast where Guineas freely circulated at the time of the investigation by that Committee, was then in favour of Ireland, while the Exchange with Dublin, where only paper was in use, was £. 10. per cent. against that country. It also appeared from such imperfect documents as it was practicable to furnish, that the balance of trade was then favourable to Ireland. Still however, it was contended, that there was no depreciation of Irish paper, that there was a scarcity and consequent high price of Gold, and that the diminution of Irish paper would not rectify the Exchange. The depreciation of Bank paper in Ireland (it was said by one of the Witnesses, a Director of the Bank of Ireland) is entirely a relative term with respect to the man who buys and sells in Dublin by that common medium; to him it is not depreciated at all; but to the purchaser of a Bill on London, to him in that relation, and under that circumstance, there is a depreciation of ten per cent. By thus avoiding all comparison with a view to the point in issue, between the value of their own paper and that of either the then circulating medium of this Country or of Gold Bullion, or even of Gold coin then passing at a premium in other parts of Ireland, they appear to have retained a confident opinion, that no depreciation of Irish paper had taken place.

ON THE HIGH PRICE OF GOLD BULLION.

It is further observable, that the value of a considerable quantity of Dollars put into circulation by the Bank of Ireland at this period, was raised to 5 s. a Dollar for the professed purpose of rendering the new Silver coin conformable to the existing state of the Exchange, a circumstance on which the Committee animadverted in this Report, and which serves to shew that the Irish paper currency could not stand a comparison with the standard price of Silver, any more than with that of Gold Bullion, with Gold in coin, or with the then paper currency of this kingdom.

A fact was mentioned to that Committee on the evidence of Mr. Colville, a Director of the Bank of Ireland, which, though it carried no conviction to his mind of the tendency of a limitation of paper to lower Exchanges, seems very decisive on this point. He stated, that in 1753 and 1754, the Dublin Exchange being remarkably unfavourable, and the notes of the Dublin Bank being suddenly withdrawn, the Exchange became singularly favourable. The mercantile distress produced on that occasion was great, through the suddenness of the operation, for it was effected, not by the gradual and prudential measures of the several Banks, but through the violent pressure which their unguarded issues had brought upon them. The general result, however, is not the less observable.

With a view to the further elucidation of the subject of the Irish Exchange, which has lately attracted the attention of Parliament, it may be proper to remark, that Ireland has no dealings in Exchange with foreign countries, except through London; and that the payments from Ireland to the Continent are consequently converted into English currency, and then into the currency of the countries to which Ireland is indebted. In the spring of 1804, the Exchange of England with the Continent was above par, and the Exchange of Ireland was in such a state that £. 118. 10 s. of the notes of the Bank of Ireland would purchase only £. 100. of those of the Bank of England. Therefore, if the notes of the Bank of Ireland were not depreciated, and it was so maintained, it followed that the notes of the Bank of England were at more than 10 per cent. premium above the standard coin of the two countries.

The principles laid down by the Committee of 1804 had probably some weight with the Directors of the Bank of Ireland; for between the period of their Report (June 1804) and January 1806, the circulation of the notes of the Bank of Ireland was gradually (though with small occasional fluctuations) reduced from about three millions to £. 2,410,000, being a diminution of nearly 20 per cent. at the same time, all the currency which had been issued under the name of Silver Tokens was by law suppressed. The paper currency, both of the Bank of England, and of the English Country Banks, seems during the same period to have gradually increased. The combination of these two causes is likely to have had a material effect in restoring to par the Irish Exchange with England.

The Bank of Ireland has again gradually enlarged its issues to about £. 3,100,000, being somewhat higher than they stood in 1804, an increase probably not disproportionate to that which has occurred in England within the same period. Perhaps, however, it ought not to be assumed, that the diminution of issues of the Bank of Ireland between 1804 and 1806, would produce a corresponding reduction in the issues of private Banks in Ireland, exactly in the same manner in which a diminution of Bank of England paper produces that effect on the Country Banks in Great Britain; because the Bank of Ireland does not possess the same exclusive power of supplying any part of that country with a paper currency, which the Bank of England enjoys in respect to the metropolis of the Empire. The Bank of England, by restricting the quantity of this necessary article in that important quarter, can more effectually secure the improvement of its value; and every such improvement must necessarily lead, by a corresponding diminution in amount, to a similar augmentation of the value of Country Bank paper exchangeable for it. That the same diminution of the circulation of private Banks took place in Ireland is more than probable, for the private Banks in Ireland are accustomed to give Bank of Ireland paper for their own circulating notes when required to do so, and therefore could not but feel the effect of any new limitation of that paper for which their own was exchangeable. It is due, however, in justice to the present Directors of the Bank of Ireland, to remark, that the suspension of their cash payments, though it appears in some degree to have originated in a mistaken view taken by the Bank

REPORT FROM THE SELECT COMMITTEE

of the peculiar difficulties of that time, was not a measure sought for by the Bank, but imposed upon it by the Legislature for what were held to be urgent reasons of State policy and public expediency. And it ought not to be urged as matter of charge against the Directors, if in this novel situation in which their commercial Company was placed by the law, and entrusted with the regulation and control of the whole circulating medium of the Country, they were not fully aware of the principles by which so delicate a trust should be executed, but continued to conduct their business of discounts and advances according to their former routine.

See p. 723
Book P. 100-101
London - 126

It is important, at the same time, to observe, that under the former system, when the Bank was bound to answer its Notes in specie upon demand, the state of the Foreign Exchanges and the price of Gold did most materially influence its conduct in the issue of those Notes, though it was not the practice of the Directors systematically to watch either the one or the other. So long as Gold was demandable for their paper, they were speedily apprized of a depression of the Exchange, and a rise in the price of Gold, by a run upon them for their advances. If at any time they incautiously exceeded the proper limit of their advances and issues, the paper was quickly brought back to them, by those who were tempted to profit by the market price of Gold or by the rate of Exchange. In this manner the evil soon cured itself. The Directors of the Bank having their apprehensions excited by the reduction of their stock of Gold, and being able to replace their loss only by reiterated purchases of Bullion at a very losing price, naturally contracted their issues of paper, and thus gave to the remaining paper, as well as to the coin, for which it was interchangeable, an increased value, while the clandestine exportation either of the coin, or the Gold produced from it, combined in improving the state of the Exchange, and in producing a corresponding diminution of the difference between the market price and Mint price of Gold, or of paper convertible into Gold.

Your Committee do not mean to represent that the manner, in which this effect resulted from the conduct which they have described, was distinctly perceived by the Bank Directors. The fact of limiting their paper as often as they experienced any great drain of Gold, is, however, unquestionable. Mr. Dolanquet stated, in his evidence before the Secret Committee of the House of Lords, in the year 1797, that in 1783, when the Bank experienced a drain of Cash which alarmed them, the Directors took a bold step and refused to make the advances on the loan of that year. This, he said, answered the purpose of making a temporary suspension in the amount of the drain of their Specie. And all the three Directors who have been examined before Your Committee, represent some restriction of the Bank issues as having usually taken place at those periods antecedent to the suspension of the cash payments of the Bank, when they experienced any material run. A very urgent demand for Guineas, though arising not from the high price of Gold and the state of the Exchange, but from a fear of Invasion, occurred in 1793, and also in 1797, and in each of these periods the Bank restrained their discounts, and consequently also the amount of their Notes, very much below the demand of the Merchants. Your Committee question the policy of thus limiting the accommodation in a period of alarm, unaccompanied with an unfavourable Exchange and high price of Bullion; but they consider the conduct of the Bank at the two last-mentioned periods, as affording illustration of their general disposition, antecedently to 1797, to contract their loans and their paper, when they found their Gold to be taken from them.

It was a necessary consequence of the suspension of cash payments, to exempt the Bank from that drain of Gold, which, in former times, was sure to result from an unfavourable Exchange and a high price of Bullion. And the Directors, released from all fears of such a drain, and no longer feeling any inconvenience from such a state of things, have not been prompted to restore the Exchanges and the price of Gold to their proper level, by a reduction of their advances and issues. The Directors, in former times, did not, perhaps perceive, and acknowledge the principle more distinctly than those of the present day; but they felt the inconvenience, and obeyed its impulse; which practically established a check and limitation to the issue of paper. In the present times, the inconvenience is not felt; and the check, accordingly, is no longer in force. But Your Committee beg leave to report

ON THE HIGH PRICE OF GOLD BULLION.

it to the House as their most clear opinion, that so long as the suspension of Cash Payments is permitted to subsist, the price of Gold Bullion and the general Course of Exchange with Foreign Countries, taken for any considerable period of time, form the best general criterion from which any inference can be drawn, as to the sufficiency or excess of paper currency in circulation; and that the Bank of England cannot safely regulate the amount of its issues, without having reference to the criterion presented by these two circumstances. And upon a review of all the facts and reasonings which have already been stated, Your Committee are further of opinion, that, although the commercial state of this Country, and the political state of the Continent, may have had some influence on the high price of Gold Bullion and the unfavourable Course of Exchange with Foreign Countries, this price, and this depreciation, are also to be ascribed to the want of a permanent check, and a sufficient limitation of the paper currency in this Country.

In connexion with the general subject of this part of their Report, the policy of the Bank of England respecting the amount of their circulation, Your Committee have now to call the attention of the House to another topic, which was brought under their notice in the course of their Enquiry, and which in their judgment, demands the most serious consideration. The Bank Directors, as well as some of the Merchants who have been examined, shewed a great anxiety to state to Your Committee a doctrine, of the truth of which they professed themselves to be most thoroughly convinced; that there can be no possible excess in the issue of Bank of England paper, so long as the advances in which it is issued are made upon the principles which at present guide the conduct of the Directors, that is; so long as the discount of mercantile Bills are confined to paper of undoubted solidity, arising out of real commercial transactions, and payable at short and fixed periods. That the Discounts should be made only upon Bills growing out of real commercial transactions, and falling due in a fixed and short period, are sound and well established principles. But that, while the Bank is restrained from paying in specie, there need be no other limit to the issue of their paper than what is fixed by such rules of discount, and that during the suspension of Cash payments, the discount of good Bills falling due at short periods, cannot lead to any excess in the amount of Bank paper in circulation, appears to Your Committee to be a doctrine wholly erroneous in principle, and pregnant with dangerous consequences in practice.

But before Your Committee proceed to make such observations upon this theory, as it appears to them to deserve, they think it right to shew from the Evidence, to what extent it is entertained by some of those individuals who have been at the head of the affairs of the Bank. The opinions held by those individuals are likely to have an important practical influence; and appeared to Your Committee moreover, the best evidence of what has constituted the actual policy of that establishment in its corporate capacity.

Mr. Whitmore, the late Governor of the Bank, expressly states, "The Bank never force a Note in circulation, and there will not remain a Note in circulation more than the immediate wants of the public require; for no Banker, I presume, will keep a larger stock of Bank Notes by him than his immediate payments require, as he can at all times procure them." The reason here assigned is more particularly explained by Mr. Whitmore, when he says, "The Bank Notes would revert to us if there was a redundancy in circulation, as no one would pay interest for a Bank Note that he did not want to make use of." Mr. Whitmore further states, "The criterion by which I judge of the exact proportion to be maintained between the occasions of the public, and the issues of the Bank, is by avoiding as much as possible to discount what does not appear to be legitimate mercantile paper." And further, when asked, What measure the Court of Directors has to judge by, whether the quantity of Bank Notes out in circulation is at any time excessive? Mr. Whitmore states, that their measure of the security or abundance of Bank Notes is certainly by the greater or less application that is made to them for the discount of good paper.

Mr. Pearse, late Deputy Governor, and now Governor of the Bank, stated very distinctly his concurrence in opinion with Mr. Whitmore upon this particular point. He referred to the manner in which Bank Notes are issued, resulting from the applications made for discounts to supply the necessary want of Bank Notes, by which their issue in amount is so controlled that it can never amount to

REPORT FROM THE SELECT COMMITTEE

Min. p. 112. "an excess." He considers "the amount of the Bank Notes in circulation as being controlled by the occasions of the public, for internal purposes," and that "from the manner in which the issue of Bank Notes is controlled, the public will never call for more than is absolutely necessary for their wants."

Min. p. 143. Another Director of the Bank, Mr. Harman, being asked, If he thought that the sum total of discounts applied for, even though the accommodation afforded should be on the security of good bills to safe persons, might be such as to produce some excess in the quantity of the Bank issues if fully complied with? he answered, "I think if we discount only for solid persons, and such paper as is for real bond fide transactions, we cannot materially err." And he afterwards states, that what he should consider as the test of a superabundance would be, "money being more plentiful in the market."

Min. p. 128. It is material to observe, that both Mr. Whitmore and Mr. Pearse state that "the Bank does not comply with the whole demand upon them for discounts, and that they are never induced, by a view to their own profit, to push their issues beyond what they deem consistent with the public interest."

Another very important part of the Evidence of these Gentlemen upon this point, is contained in the following Extract:

Min. pp. 97, 98. "Is it your opinion that the same security would exist against any excess in the issues of the Bank, if the rate of the discount were reduced from £. 5 to £. 4 per cent.?" Answer.—"The security of an excess of issue, would be, I conceive, precisely the same." Mr. Pearse.—"I concur in that Answer."

"If it were reduced to £. 3 per cent.?"—Mr. Whitmore, "I conceive there would be no difference if our practice remained the same as now, of not forcing a note into circulation." Mr. Pearse.—"I concur in that Answer."

Your Committee cannot help again calling the attention of the House to the view which this Evidence presents, of the consequences which have resulted from the peculiar situation in which the Bank of England was placed by the suspension of Cash payments. So long as the paper of the Bank was convertible into specie at the will of the holder, it was enough, both for the safety of the Bank and for the public interest in what regarded its circulating medium, that the Directors attended only to the character and quality of the Bills discounted, as real ones and payable at fixed and short periods. They could not much exceed the proper bounds in respect of the quantity and amount of Bills discounted, so as thereby to produce an excess of their paper in circulation; without quickly finding that the surplus returned upon themselves in demand for specie. The private interest of the Bank to guard themselves against a continued demand of that nature, was a sufficient protection for the public against any such excess of Bank paper, as would occasion a material fall in the relative value of the circulating medium. The restriction of cash payments, as has already been shewn, having rendered the same preventive policy no longer necessary to the Bank, has removed that check upon its issues, which was the public security against an excess. When the Bank Directors were no longer exposed to the inconvenience of a drain upon them for Gold, they naturally felt that they had no such inconvenience to guard against by a more restrained system of discounts and advances; and it was very natural for them to pursue as before (but without that sort of guard and limitation which was now become unnecessary to their own security) the same liberal and prudent system of commercial advances from which the prosperity of their own establishment had resulted, as well as in a great degree the commercial prosperity of the whole Country. It was natural for the Bank Directors to believe, that nothing but benefit could accrue to the public at large, while they saw the growth of Bank profits go hand in hand with the accommodations granted to the Merchants. It was hardly to be expected of the Directors of the Bank, that they should be fully aware of the consequences that might result from their pursuing, after the suspension of cash payments, the same system which they had found a safe one before. To watch the operation of so new a law, and to provide against the injury which might result from it to the public interests, was the province, not so much of the Bank as of the Legislature. And, in the opinion of Your Committee, there is room to regret that this House has not taken earlier notice of all the consequences of that law.

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ON THE HIGH PRICE OF GOLD BULLION.

By far the most important of those consequences is, that while the convertibility into specie no longer exists as a check to an over issue of paper, the Bank Directors have not perceived that the removal of that check rendered it possible that such an excess might be issued by the discount of perfectly good bills. So far from perceiving this, Your Committee have shewn that they maintain the contrary doctrine with the utmost confidence, however it may be qualified occasionally by some of their expressions. That this doctrine is a very fallacious one, Your Committee cannot entertain a doubt. The fallacy, upon which it is founded, lies in not distinguishing between an advance of capital to Merchants, and an addition of supply of currency to the general mass of circulating medium. If the advance of capital only is considered, as made to those who are ready to employ it in judicious and productive undertakings, it is evident there need be no other limit to the total amount of advances than what the means of the lender, and his prudence in the selection of borrowers, may impose. But, in the present situation of the Bank, entrusted as it is with the function of supplying the public with that paper currency which forms the basis of our circulation, and at the same time not subjected to the liability of converting the paper into specie, every advance which it makes of capital to the Merchants in the shape of discount, becomes an addition also to the mass of circulating medium. In the first instance, when the advance is made by notes paid in discount of a bill, it is undoubtedly so much capital, so much power of making purchases, placed in the hands of the Merchant who receives the notes; and if those hands are safe, the operation is so far, and in this its first step, useful and productive to the public. But as soon as the portion of circulating medium, in which the advance was thus made, performs in the hands of him to whom it was advanced this its first operation as capital, as soon as the notes are exchanged by him for some other article which is capital, they fall into the channel of circulation as so much circulating medium, and form an addition to the mass of currency. The necessary effect of every such addition to the mass, is to diminish the relative value of any given portion of that mass in exchange for commodities. If the addition were made by notes convertible into specie, this diminution of the relative value of any given portion of the whole mass would speedily bring back upon the Bank, which issued the notes, as much as was excessive. But if by law they are not so convertible, of course this excess will not be brought back, but will remain in the channel of circulation, until paid in again to the Bank itself in discharge of the bills which were originally discounted. During the whole time they remain out, they perform all the functions of circulating medium; and before they come to be paid in discharge of those bills, they have already been followed by a new issue of notes in a similar operation of discounting. Each successive advance repeats the same process. If the whole sum of discounts continues outstanding at a given amount, there will remain permanently out in circulation a corresponding amount of paper; and if the amount of discounts is progressively increasing, the amount of paper, which remains out in circulation over and above what is otherwise wanted for the occasions of the Public, will progressively increase also, and the money prices of commodities will progressively rise. This progress may be as indefinite, as the range of speculation and adventure in a great commercial country.

It is necessary to observe, that the law, which in this Country limits the rate of interest, and of course the rate at which the Bank can legally discount, exposes the Bank to still more extensive demands for commercial discounts. While the rate of commercial profit is very considerably higher than five per cent. as it has lately been in many branches of our Foreign trade, there is in fact no limit to the demands which Merchants of perfectly good capital, and of the most prudent spirit of enterprise, may be tempted to make upon the Bank for accommodation and facilities by discount. Nor can any argument or illustration place in a more striking point of view the extent to which such of the Bank Directors, as were examined before the Committee, seem to have in theory embraced that doctrine upon which Your Committee have made these observations, as well as the practical consequences to which that doctrine may lead in periods of a high spirit of commercial adventure, than the opinion which Mr. Whitmore and Mr. Pearse have delivered, that the same complete security to the public against any excess in the issues of the Bank would exist if the rate of discount were reduced from five to four, or even to three per cent. From the Evidence, however, of the late Governor and Deputy Governor of the Bank, it appears, that though they state the principle

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REPORT FROM THE SELECT COMMITTEE

principle broadly that there can be no excess of their circulation if issued according to their rules of discount, yet they disclaim the idea of acting up to it in its whole extent; though they stated the applications for the discount of legitimate bills to be their sole criterion of abundance or scarcity, they gave Your Committee to understand, that they do not discount to the full extent of such applications. In other words, the Directors do not act up to the principle which they represent as one perfectly sound and safe, and must be considered, therefore, as possessing no distinct and certain rule to guide their discretion in controlling the amount of their circulation.

The suspension of Cash payments has had the effect of committing into the hands of the Directors of the Bank of England, to be exercised by their sole discretion, the important charge of supplying the Country with that quantity of circulating medium which is exactly proportioned to the wants and occasions of the Public. In the judgment of the Committee, that is a trust, which it is unreasonable to expect that the Directors of the Bank of England should ever be able to discharge. The most detailed knowledge of the actual trade of the Country, combined with the profound science in all the principles of Money and circulation, would not enable any man or set of men to adjust, and keep always adjusted, the right proportion of circulating medium in a country to the wants of trade. When the currency consists entirely of the precious metals, or of paper convertible at will into the precious metals, the natural process of commerce, by establishing Exchanges among all the different countries of the world, adjusts, in every particular country, the proportion of circulating medium to its actual occasions, according to that supply of the precious metals which the mines furnish to the general market of the world. The proportion, which is thus adjusted and maintained by the natural operation of commerce, cannot be adjusted by any human wisdom or skill. If the natural system of currency and circulation be abandoned, and a discretionary issue of paper money substituted in its stead, it is vain, to think that any rules can be devised for the exact exercise of such a discretion; though some cautions may be pointed out to check and control its consequences, such as are indicated by the effect of an excessive issue upon Exchanges and the price of Gold. The Directors of the Bank of England, in the judgment of Your Committee, have exercised the new and extraordinary discretion reposed in them since 1797, with an integrity and a regard to the public interest, according to their conceptions of it, and indeed a degree of forbearance in turning it to the profit of the Bank than it would easily have admitted of, that merit the continuance of that confidence which the public has so long and so justly, felt in the integrity with which its affairs are directed, as well as in the unflinching stability and ample funds of that great establishment. That their recent policy involves great practical errors, which it is of the utmost public importance to correct, Your Committee are fully convinced; but those errors are less to be imputed to the Bank Directors, than to be stated as the effect of a new system, of which, however it originated, or was rendered necessary as a temporary expedient, it might have been well if Parliament had sooner taken into view all the consequences. When Your Committee consider that this discretionary power, of supplying the Kingdom with circulating medium, has been exercised under an opinion, that the paper could not be issued to excess if advanced in discounts to Merchants in good bills payable at stated periods, and likewise, under an opinion that neither the price of Bullion nor the course of Exchanges need be adverted to, as affording any indication with respect to the sufficiency or excess of such paper, Your Committee cannot hesitate to say, that these opinions of the Bank must be regarded as in a great measure the operative cause of the continuance of the present state of things.

IV.

Your Committee will now proceed to state, from the information which has been laid before them, what appears to have been the progressive increase, and to be the present amount of the Paper circulation of this Country, consisting primarily of the Notes of the Bank of England not at present convertible into specie; and, in a secondary manner, of the Notes of the Country Bankers which are convertible, at the option of the holder, into Bank of England Paper. After having stated the amount of Bank of England Paper, Your Committee will explain

Since the year 1797 the Directors have managed to give to the Proprietors of Bank Stock, in the shape of bonus 33 1/2 per cent on their Capital. To increase the permanent Dividend from 7 to 10 per cent. - and to raise the market price of Bank Stock from 116 to 278.

ON THE HIGH PRICE OF GOLD BULLION.

explain the reasons which induce them to think that the numerical amount of that Paper is not alone to be considered as decisive of the question as to its excess; and before stating the amount of Country Bank Paper, so far as that can be ascertained, Your Committee will explain their reasons for thinking, that the amount of the Country Bank circulation is limited by the amount of that of the Bank of England.

It appears from the Accounts laid before the Committees upon the Bank Affairs in 1797, that for several years previous to the year 1796, the average amount of Bank Notes in circulation was between £. 10,000,000. and £. 11,000,000. hardly ever falling below £. 9,000,000. and not often exceeding to any great amount £. 11,000,000.

The following Abstract of the several Accounts referred to Your Committee, or ordered by Your Committee from the Bank, will shew the progressive increase of the Notes from the year 1798 to the end of the last year.

Average Amount of Bank of England Notes in circulation in each of the following years:

Table with 4 columns: Year, Notes of £. 5. and upwards, including Bank Post Bills, Notes under £. 5., and TOTAL. Rows for years 1798 through 1809.

Taking from the Accounts the last half of the year 1809, the average will be found higher than for the whole year, and amounts to £. 19,880,310.

The Accounts in the Appendix give very detailed Returns for the first four months of the present year, down to the 12th May, from which it will be found that the amount was then increasing, particularly in the smaller Notes. The whole amount of Bank Notes in circulation, exclusive of £. 939,990. of Bank Post Bills, will be found on the average of the two Returns for the 5th and 12th May last, to be £. 24,136,610. in Notes of £. 5. and upwards, and £. 6,173,380. in Notes under £. 5. making the sum of £. 20,309,990. and, including the Bank Post Bills, the sum of £. 21,249,980.

By far the most considerable part of this increase since 1798, it is to be observed, has been in the article of small notes, part of which must be considered as having been introduced to supply the place of the specie which was deficient at the period of the suspension of cash payments. It appears however that the first supply of small notes, which was thrown into circulation after that event, was very small in comparison of their present amount; a large augmentation of them appears to have taken place from the end of the year 1799 to that of the year 1802; and a very rapid increase has also taken place since the month of May in the last year to the present time; the augmentation of these small notes from 1st May 1809 to the 5th of May 1810, being from the sum of £. 4,509,470 to the sum of £. 6,161,020.

The notes of the Bank of England are principally issued in advances to Government for the public service, and in advances to the Merchants upon the discount of their bills.

Your Committee have had an Account laid before them, of Advances made by the Bank to Government on Land and Malt, Exchequer Bills, and other securities.

Handwritten notes: + 10/10 £ 22,541,510; 1811 - 23,202,650

REPORT FROM THE SELECT COMMITTEE

in every year since the suspension of cash payments, from which, as compared with the Accounts laid before the Committees of 1797, and which were then carried back for 20 years, it will appear that the yearly advances of the Bank to Government have upon an average, since the suspension, been considerably lower in amount than the average amount of advances prior to that event; and the amount of those advances in the two last years, though greater in amount than those of some years immediately preceding, is less than it was for any of the six years preceding the restriction of cash payments.

With respect to the amount of commercial discounts, Your Committee did not think it proper to require from the Directors of the Bank a disclosure of their absolute amount, being a part of their private transactions as a commercial Company, of which, without urgent reason, it did not seem right to demand a disclosure. The late Governor and Deputy Governor however, at the desire of Your Committee, furnished a comparative Scale, in progressive numbers, showing the increase of the amount of their discounts from the year 1790 to 1809, both inclusive. They made a request, with which Your Committee have thought it proper to comply, that this document might not be made public; the Committee therefore have not placed it in the Appendix to the present Report, but have returned it to the Bank. Your Committee however have to state in general terms, that the amount of discounts has been progressively increasing since the year 1796; and that their amount in the last year (1809) bears a very high proportion to their largest amount in any year preceding 1797. Upon this particular subject, Your Committee are only anxious to remark, that the largest amount of mercantile discounts by the Bank, if it could be considered by itself, ought never, in their judgment, to be regarded as any other than a great public benefit; and that it is only the excess of paper currency thereby issued, and kept out in circulation, which is to be considered as the evil.

But Your Committee must not omit to state one very important principle, that the mere numerical return of the amount of Bank notes out in circulation, cannot be considered as at all deciding the question, whether such paper is or is not excessive. It is necessary to have recourse to other tests. The same amount of paper may at one time be less than enough, and at another time more. The quantity of currency required will vary in some degree with the extent of trade, and the increase of our trade, which has taken place since the suspension, must have occasioned some increase in the quantity of our currency. But the quantity of currency bears no fixed proportion to the quantity of commodities; and any inferences proceeding upon such a supposition would be entirely erroneous. The effective currency of the Country depends upon the quickness of circulation, and the number of exchanges performed in a given time, as well as upon its numerical amount; and all the circumstances, which have a tendency to quicken or to retard the rate of circulation, render the same amount of currency more or less adequate to the wants of trade. A much smaller amount is required in a high state of public credit, than when alarms make individuals call in their advances, and provide against accidents by hoarding; and in a period of commercial security and private confidence, than when mutual distrust discourages pecuniary arrangements for any distant time. But, above all, the same amount of currency will be more or less adequate, in proportion to the skill which the great money dealers possess in managing and economising the use of the circulating medium. Your Committee are of opinion, that the improvements which have taken place of late years in this Country, and particularly in the district of London, with regard to the use and economy of money among Bankers, and in the mode of adjusting commercial payments, must have had a much greater effect than has hitherto been ascribed to them, in rendering the same sum adequate to a much greater amount of trade and payments than formerly. Some of those improvements will be found detailed in the Evidence: they consist principally in the increased use of Bankers drafts in the common payments of London; the contrivance of bringing all such drafts daily to a common receptacle, where they are balanced against each other; the intermediate agency of Bill-brokers; and several other changes in the practice of London Bankers, are to the same effect, of rendering it unnecessary for them to keep so large a deposit of money as formerly. Within the London district, it would certainly appear, that a smaller sum of money is required than formerly, to perform the same number of exchanges and amount of payments,

* See the Passages from a Book entitled *Lords Natural et essentiel Des Societes Politiques*, and from *Quincy* inserted page 3.

ON THE HIGH PRICE OF GOLD BULLION.

payments, if the rate of prices, had remained the same. It is material also to observe, that both the policy of the Bank of England itself, and the competition of the Country bank paper, have tended to compress the paper of the Bank of England; more and more, within London and the adjacent district. All these circumstances must have co-operated to render a smaller augmentation of Bank of England paper necessary to supply the demands of our increased trade than might otherwise have been required; and they how impossible it is, from the numerical amount alone of that paper, to pronounce whether it is excessive or not: a more sure criterion must be resorted to; and such a criterion, Your Committee have already shewn, is only to be found in the state of the Exchanges, and the price of Gold Bullion.

The particular circumstances of the two years which are so remarkable in the recent history of our circulation, 1793 and 1797, throw great light upon the principle which Your Committee have last stated.

In the year 1793, the distress was occasioned by a failure of confidence in the country circulation, and a consequent pressure upon that of London. The Bank of England did not think it advisable to enlarge their issues to meet this increased demand; and their Notes, previously issued, circulating less freely, in consequence of the alarm that prevailed, proved insufficient for the necessary payments. In this crisis, Parliament applied a remedy, very similar in its effect, to an enlargement of the advances and issues of the Bank; a loan of Exchequer Bills was authorized to be made to as many mercantile persons, giving good security, as should apply for them; and the confidence which this measure diffused, as well as the increased means which it afforded of obtaining Bank Notes through the sale of the Exchequer Bills, speedily relieved the distress both of London and of the country. Without offering an opinion upon the expediency of the particular mode in which this operation was effected, Your Committee think it an important illustration of the principle, that an enlarged accommodation is the true remedy for that occasional failure of confidence in the country districts, to which our system of paper credit is unavoidably exposed.

The circumstances which occurred in the beginning of the year 1797, were very similar to those of 1793;—an alarm of Invasion, a run upon the country Banks for Gold, the failure of some of them, and a run upon the Bank of England, forming a crisis like that of 1793, for which perhaps, an effectual remedy might have been provided, if the Bank of England had had courage to extend instead of restricting its accommodations and issue of Notes. Some few persons, it appears from the Report of the Secret Committee of the Lords, were of this opinion at the time; and the late Governor and Deputy Governor of the Bank stated to Your Committee, that they, and many of the Directors, are now satisfied from the experience of the year 1797, that the diminution of their Notes in that emergency, increased the public distress: an opinion in the correctness of which Your Committee entirely concur.

It appears to Your Committee, that the experience of the Bank of England in the years 1793 and 1797, contrasted with the facts which have been stated in the present Report, suggests a distinction most important to be kept in view, between that demand upon the Bank for Gold for the supply of the domestic channels of circulation, sometimes a very great and sudden one, which is occasioned by a temporary failure of confidence, and that drain upon the Bank for Gold which grows out of an unfavourable state of the Foreign Exchanges. The former, while the Bank maintains its high credit, seems likely to be best relieved by a judicious increase of accommodation to the Country: the latter, so long as the Bank does not pay in specie, ought to suggest to the Directors a question, whether their issues may not be already too abundant.

Your Committee have much satisfaction in thinking, that the Directors are perfectly aware that they may err by a too scanty supply in a period of stagnant credit. And Your Committee are clearly of opinion, that although it ought to be the general policy of the Bank Directors to diminish their paper, in the event of the long continuance of a high price of Bullion and a very unfavourable Exchange, yet it is essential to the commercial interests of this Country, and to the general fulfilment of those mercantile engagements which are issued, of paper may have

* See Note page 20.

P. 6

Min. p. 110.

Commons
No. P 144

occasioned, that the accustomed degree of accommodation to the Merchants should not be suddenly and materially reduced; and that if any general and serious difficulty or apprehension on this subject should arise, it may, in the judgment of Your Committee, be counteracted without danger, and with advantage to the public, by a liberality in the issue of Bank of England paper proportioned to the urgency of the particular occasion. Under such circumstances, it belongs to the Bank to take likewise into their own consideration, how far it may be practicable, consistently with a due regard to the immediate interests of the public service, rather to reduce their paper by a gradual reduction of their advances to Government, than by too suddenly abridging the discounts to the Merchants.

+ Note
Page 17

2. Before Your Committee proceed to detail what they have collected with respect to the amount of Country Bank paper, they must observe, that so long as the Cash payments of the Bank are suspended, the whole paper of the Country Bankers is a superstructure raised upon the foundation of the paper of the Bank of England. The same check, which the convertibility into specie, under a better system, provides against the excess of any part of the paper circulation, is, during the present system, provided against an excess of Country Bank paper, by its convertibility into Bank of England paper. If an excess of paper be issued in a country district, while the London circulation does not exceed its due proportion, there will be a local rise of prices in that country district, but prices in London will remain as before. Those who have the country paper in their hands will prefer buying in London where things are cheaper, and will therefore return that country paper upon the Banker who issued it, and will demand from him Bank of England Notes or Bills upon London; and thus, the excess of country paper being continually returned upon the issuers for Bank of England paper, the quantity of the latter necessarily and effectually limits the quantity of the former. This is illustrated by the Account which has been already given of the excess, and subsequent limitation, of the paper of the Scotch Banks, about the year 1763. If the Bank of England paper itself should at any time, during the suspension of Cash payments, be issued to excess, a corresponding excess may be issued of Country Bank paper which will not be checked; the foundation being enlarged, the superstructure admits of a proportionate extension. And thus, under such a system, the excess of Bank of England paper will produce its effect upon prices not merely in the ratio of its own increase, but in a much higher proportion.

It has not been in the power of Your Committee to obtain such information as might enable them to state, with any thing like accuracy, the amount of Country Bank paper in circulation. But they are led to infer from all the Evidence they have been able to procure on this subject, not only that a great number of new Country Banks has been established within these last two years, but also that the amount of issues of those which are of an older standing has in general been very considerably increased; whilst on the other hand, the high state of mercantile and public credit, the proportionate facility of converting at short notice all public and commercial securities into Bank of England paper, joined to the preference generally given within the limits of its own circulation to the paper of a well-established Country Bank over that of the Bank of England, have probably not rendered it necessary for them to keep any large permanent deposits of Bank of England Paper in their hands. And it seems reasonable to believe, that the total amount of the unproductive stock of all the Country Banks, consisting of specie and Bank of England paper, is much less at this period, under a circulation vastly increased in extent, than it was before the restriction of 1797. The temptation to establish Country Banks, and issue Promissory Notes, has therefore greatly increased. Some conjecture as to the probable total amount of those issues, or at least as to their recent increase, may be formed, as Your Committee conceive, from the amount of the duties paid for stamps on the re-issuable notes of Country Banks in Great Britain. The total amount of these duties for the year ended on the 10th of October 1808, appears to have been £.60,522. 15. 2. and for the year ended on the 10th of October 1809 £.175,129. 17. 7. It must, however, be observed, that on the 10th of October 1808, these duties experienced an augmentation somewhat exceeding one-third; and that some regulations were made, imposing limitations with respect to the re-issue

ON THE HIGH PRICE OF GOLD BULLION.

re-issue of all notes not exceeding two Pounds two Shillings, the effect of which has been to produce a much more than ordinary demand for stamps or notes of this denomination within the year 1809. Owing to this circumstance, it appears impossible to ascertain what may have been the real increase in the circulation of the notes, not exceeding two Pounds two Shillings, within the last year; but with respect to the notes of a higher value, no alteration having been made in the Law as to their re-issue, the following Comparison affords the best statement that can be collected from the Documents before the Committee, of the addition made in the year 1809 to the number of those Notes.

Number of Country Bank Notes exceeding £. 2. 2. each, stamped in the years ended the 10th of October 1808, and 10th of October 1809, respectively.

	1808.	1809.
	N ^o	N ^o
Exceeding £. 2. 2. and not exceeding £. 5. 5. -	666,071.	922,073.
Exceeding £. 5. 5. and not exceeding £. 20. -	198,473.	380,006.
Exceeding £. 20. and not exceeding £. 30. -	- - -	2,425.
Exceeding £. 30. and not exceeding £. 50. -	- - -	674.
Exceeding £. 50. and not exceeding £. 100. -	- - -	2,611.

Assuming that the notes in the two first of these classes were all issued for the lowest denomination to which the duties respectively attach, and such as are most commonly met with in the circulation of country paper, viz. Notes of £. 5. and £. 10. [although in the second class there is a considerable number of £. 20.] and even omitting altogether from the comparison the Notes of the three last classes, the issue of which Your Committee understands is in fact confined to the chartered Banks of Scotland; the result would be, that, exclusive of any increase in the number of notes under £. 2. 2s. the amount of Country Bank paper stamped in the year ended the 10th of October 1809, has exceeded that of the year ended on the 10th of October 1808, in the sum of £. 3,095,340. Your Committee can form no positive conjecture as to the amount of Country Bank paper cancelled and withdrawn from circulation in the course of the last year. But considering that it is the interest and practice of the Country Bankers to use the same notes as long as possible; that, as the law now stands, there is no limitation of time to the re-issuing of those not exceeding £. 2. 2s.; and that all above that amount are re-issuable for three years from the date of their first issuing; it appears difficult to suppose that the amount of notes above £. 2. 2s. cancelled in 1809, could be equal to the whole amount stamped in 1808: but even upon that supposition, there would still be an increase for 1809 in the notes of £. 5. and £. 10. alone, to the amount above specified of £. 3,095,340., to which must be added an increase within the same period of Bank of England Notes to the amount of about £. 1,500,000, making in the year 1809, an addition in the whole of between four and five millions to the circulation of Great Britain alone, deducting only the Gold which may have been withdrawn in the course of that year from actual circulation, which cannot have been very considerable, and also making an allowance for some increase in the amount of such country paper, as, though stamped may not be in actual circulation. This increase in the general paper currency in last year, even after these deductions, would probably be little short of the amount which in almost any one year, since the discovery of America, has been added to the circulating coin of the whole of Europe. Although, as Your Committee has already had occasion to observe, no certain conclusion can be drawn from the numerical amount of paper in circulation, considered abstractedly from all other circumstances, either as to such paper being in excess, or still less as to the proportion of such excess; yet they must remark, that the fact of any very great and rapid increase in that amount, when coupled and attended with all the indications of a depreciated circulation, does afford the strongest confirmatory evidence,

0305

REPORT FROM THE SELECT COMMITTEE

30
evidence, that from the want of some adequate check, the issues of such paper have not been restrained within their proper limits.

Your Committee cannot quit this part of the subject without further observing, that the addition of between four and five millions sterling to the paper circulation of this Country, has doubtless been made at a very small expense, to the parties issuing it, only about £. 100,000. having been paid thereupon in stamps to the Revenue, and probably for the reasons already stated, no corresponding deposits of Gold or Bank of England Notes being deemed by the Country Banks necessary to support their additional issues. These parties therefore, it may be fairly stated, have been enabled under the protection of the law, which virtually secures them against such demands, to create within the last year or fifteen months, at a very trifling expense, and in a manner almost free from all present risk to their respective credits as dealers in paper money, issues of that article to the amount of several millions, operating, in the first instance and in their hands, as capital for their own benefit, and when used as such by them, falling into and in succession mixing itself with the mass of circulation of which the value in exchange for all other commodities is gradually lowered in proportion as that mass is augmented. If Your Committee could be of opinion that the wisdom of Parliament would not be directed to apply a proper remedy to a state of things so unnatural, and teeming, if not corrected in time, with ultimate consequences so prejudicial to the public welfare, they would not hesitate to declare an opinion, that some mode ought to be derived of enabling the State to participate much more largely in the profits accruing from the present system; but as this is by no means the policy they wish to recommend, they will conclude their observations on this part of the subject, by observing, that in proportion as they most fully agree with Dr. Adam Smith and all the most able writers and Statesmen of this Country, in considering a paper circulation constantly convertible into specie, as one of the greatest practical improvements which can be made in the political and domestic economy of any State; and in viewing the establishment of the Country Banks issuing such paper as a most valuable and essential branch of that improvement in this Kingdom; in the same proportion, is Your Committee anxious to revert, as speedily as possible, to the former practice and state of things in this respect: convinced on the one hand, that any thing like a permanent and systematic departure from that practice must ultimately lead to results, which among other attendant calamities, would be destructive of the system itself; and on the other, that such an event would be the more to be deprecated, as it is only in a Country like this, where good faith, both public and private, is held so high, and where, under the happy union of liberty and law, property and the securities of every description, by which it is represented, are equally protected against the encroachments of power and the violence of popular commotion, that the advantages of this system, unaccompanied with any of its dangers, can be permanently enjoyed; and carried to their fullest extent.

Upon a review of all the facts and reasonings which have been submitted to the consideration of Your Committee in the course of their Enquiry, they have formed an Opinion, which they submit to the House:—That there is at present an excess in the paper circulation of this Country, of which the most unequivocal symptom is the very high price of Bullion, and next to that, the low state of the Continental Exchanges; that this excess is to be ascribed to the want of a sufficient check and control in the issues of paper from the Bank of England; and originally, to the suspension of cash payments, which removed the natural and true control. For upon a general view of the subject, Your Committee are of opinion, that no safe, certain, and constantly adequate provision against an excess of paper currency, either occasional or permanent, can be found, except in the convertibility of all such paper into specie. Your Committee cannot, therefore, but feel reason to regret, that the suspension of cash payments, which, in the most favourable light in which it can be viewed, was only a temporary measure, has been continued so long; and particularly, that by the manner in which the present continuing Act is framed, the character should have been given to it of a permanent war measure.

Your

ON THE HIGH PRICE OF GOLD BULLION.

Your Committee conceive that it would be superfluous to point out, in detail, the disadvantages which must result to the Country from any such general excess of currency as lowers its relative value. The effect of such an augmentation of prices upon all money transactions for time; the unavoidable injury suffered by annuitants; and by creditors of every description; both private and public; the unintended advantage gained by Government and all other debtors; are consequences too obvious to require proof; and too repugnant to justice to be left without remedy. By far the most important portion of this effect, appears to Your Committee to be that which is communicated to the wages of common country labour, the rate of which, it is well known, adapts itself more slowly to the changes which happen in the value of money, than the price of any other species of labour or commodity. And it is enough for Your Committee to allude to some classes of the public servants, whose pay, if once raised in consequence of a depreciation of money, cannot so conveniently be reduced again to its former rate, even after money shall have recovered its value. The future progress of these inconveniences and evils, if not checked, must at no great distance of time, work a practical conviction upon the minds of all those who may still doubt their existence; but even if their progressive increase were less probable, than it appears to Your Committee, they cannot help expressing an opinion, that the integrity and honour of Parliament are concerned; not to authorize, longer than is required by imperious necessity, the continuance in this great commercial Country, of a system of circulation, in which that natural check or control is absent, which maintains the value of money, and, by the permanency of that common standard of value, secures the substantial justice and faith of monied contracts and obligations between man and man.

Your Committee moreover, beg leave to advert to the temptation to resort to a depreciation even of the value of the Gold coin by an alteration of the standard, to which Parliament itself, might be subjected by a great and long continued excess of paper. This has been the resource of many Governments under such circumstances, and is the obvious and most easy remedy to the evil in question. But it is unnecessary to dwell on the breach of public faith and dereliction of a primary duty of Government, which would manifestly be implied in preferring the reduction of the coin down to the standard of the paper, to the restoration of the paper to the legal standard of the coin.

Your Committee therefore, having very anxiously and deliberately considered this subject, report it to the House as their Opinion, That the system of the circulating medium of this Country ought to be brought back, with as much speed as is compatible with a wise and necessary caution, to the original principle of Cash payments at the option of the holder of Bank paper.

Your Committee have understood that remedies, or palliatives, of a different nature, have been projected; such as, a compulsory limitation of the amount of Bank advances and discounts, during the continuance of the suspension; or a compulsory limitation during the same period, of the rate of Bank profits and dividends, by carrying the surplus of profits above that rate to the public account. But, in the judgment of Your Committee, such indirect schemes, for palliating the possible evils resulting from the suspension of cash payments, would prove wholly inadequate for that purpose, because the necessary proportion could never be adjusted, and if once fixed, might aggravate very much the inconveniences of a temporary pressure; and even if their efficacy could be made to appear, they would be objectionable as a most hurtful and improper interference with the rights of commercial property.

According to the best judgment Your Committee has been enabled to form, no sufficient remedy for the present, or security for the future, can be pointed out, except the Repeal of the Law which suspends the Cash Payments of the Bank of England.

In effecting so important a change, Your Committee are of opinion, that some difficulties must be encountered, and that there are some contingent dangers to the Bank, against which it ought most carefully and strongly to be guarded. But all these may be effectually provided for; by entrusting to the discretion of the Bank itself the charge of conducting and completing the operation; and by allowing to the Bank so ample a period of time for conducting it, as will be more than sufficient

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REPORT FROM THE SELECT COMMITTEE

to effect its completion. To the discretion, experience, and integrity of the Directors of the Bank, Your Committee believe that Parliament may safely entrust the charge of effecting that which Parliament may in its wisdom determine upon as necessary to be effected; and that the Directors of that great institution, far from making themselves a party with those who have a temporary interest in spreading alarm, will take a much longer view of the permanent interests of the Bank, as indissolubly blended with those of the Public.

With this view, Your Committee would suggest, that the Restriction on Cash payments cannot safely be removed at an earlier period than two years from the present time; but Your Committee are of opinion, that early provision ought to be made by Parliament for terminating, by the end of that period, the operation of the several Statutes which have imposed and continued that restriction.

In suggesting this period of two years, Your Committee have not overlooked the circumstance, that, as the law stands at present, the Bank would be compelled to pay in cash at the end of six months after the ratification of a definitive Treaty of Peace; so that if Peace were to be concluded within that period, the recommendation of Your Committee might seem to have the effect of postponing, instead of accelerating the resumption of payments.

Your Committee have not been indifferent to the consideration of the possible occurrence of political circumstances, which may be thought hereafter to furnish an argument in favour of some prolongation of the proposed period of resuming cash payments, or even in favour of a new law for their temporary restriction after the Bank shall have opened. They are, however, far from anticipating a necessity, even in any case, of returning to the present system.

ON THE HIGH PRICE OF GOLD BULLION.

of Parliament to enforce a return to the professed standard of the measure of payments, as may serve to precipitate the further fall of the Exchanges, and lead to consequences at once the most discredit and disastrous.

Although the details of the best mode of returning to cash payments ought to be left to the discretion of the Bank of England, as already stated, certain provisions would be necessary, under the authority of Parliament, both for the convenience of the Bank itself, and for the security of the other Banking establishments in this Country and in Ireland.

Your Committee conceive it may be convenient for the Bank to be permitted to issue Notes under the value of £. 5. for some little time after it had resumed payments in specie.

It will be convenient also for the Chartered Banks of Ireland and Scotland, and all the Country Banks, that they should not be compelled to pay in specie until some time after the resumption of payments in Cash by the Bank of England; but that they should continue for a short period upon their present footing, of being liable to pay their own notes on demand in Bank of England paper.

THE CONTRAST. SIR JOHN SINCLAIR'S OPINIONS IN 1810. Are not new roads, new canals, new harbours, new inclosures, and new improvements, of every description, going on successfully, in the midst of this tremendous war, with a spirit hitherto unparalleled? It not our revenue productive beyond the expectation of the most sanguine? And are not our public loans procurable on the most advantageous terms to the nation?

Having nothing but Paper Money in circulation, is attended with disadvantages of a very different nature. In the first place, it is extremely difficult to limit the quantity of paper to be issued, and to keep it within due bounds. The coinage of paper money is too great a power, to be entrusted either to individuals or to those who govern a nation.

The true plan, therefore, is that under which this country has so long prospered, namely, that of having a due proportion of coin and paper, the one convertible into the other at a moment's notice, according to the pleasure of the holder, and this leads me to state the plan of arranging measures for opening without a moment's delay, the Bank of England, which, besides the advantages it will prevent our being inundated with paper, (which must be the necessary consequence of the Bank being shut for the circulation of specie and open for that of paper), and we shall then be enabled to look our enemies in the face, and re-establish our weight and credit on the Continent.

The Bank was the pivot on which depended the commercial prosperity, not only of this country, but of every other. The failure of any great mercantile house in any part of the Continent, it is well known, has always been felt by the whole commercial world wherever they were situated; and it is only by restoring the credit of the Bank, that centre of universal commerce, by increasing its capital and enabling it to confine its circulation within due bounds, and above all, by separating for ever the Government and the Bank, so that the latter shall not be a MERE POLITICAL ENGINE for the coining and circulation of paper, under the control and direction of the other, that we can ever expect to see this country restored to its former enviable situation.

Whilst a fatal suspension hangs over the payments of the Bank, it will not be in our power to carry on the war, if it must continue, with that vigour and energy which becomes so powerful a country; whereas the re-opening of the Bank of England, from the effect it must have on the councils of the enemy, would be the harbinger of peace.

BULLION REPORT.

TO THE EDITOR OF THE MORNING CHRONICLE.

Happening to call upon a friend of mine the other day, who was a Member of the Bullion Committee, I found on his table the printed Report of that Committee, and on looking at the beginning of it I noticed in my friend's hand-writing, opposite to the title page, what follows:—

SCALE OF DISCOUNTS. Anno 1797. 241. 1798. 200. 1799. 451. 1800. 688.

I presume this must be the account delivered by the Bank of England to the Committee, for the purpose of shewing the rate of increase on their discounts since they have ceased paying in cash; and from this statement it appears that their discounts have increased since 1797, in the enormous proportion of 688 to 241, that is, that it has nearly trebled its amount. Why this statement was not printed with the other documents I am at a loss to conjecture.

In another part of the same page I read what follows in my friend's hand writing:

FOR. AGAINST. Horner, Henry Thornton, Sharp, Huskisson, Tierney, Grenfell, Farnell, Brand, George Johnstone, Dickenson, Magens, Davies Gladdy, Abercrombie, Chancellor of Exchequer, Long, Thompson, Manning, Deputy Governor of the Bank, Irving.

Bring spoke "FOR," voted "AGAINST." Foster—Absent on day of voting. Sheridan—Ditto, only attended once. Lord Temple—Ditto, never attended.

I make no comment upon this interesting manuscript; I only desire that these several names may be adverted to when the Bank Directors and learned Counsel insinuate that the great question was carried as a Party Question.

A. B.

MINUTES

MINUTES of EVIDENCE - - - - - pp. 35-151

v 17.

Aaron A. Goldsmid, Esq. pp. 35. 38. 55. 65	Ebenzer Gilchrist, Esq. - - - p. 113
Samuel Thomas Binns, Esq. - - - p. 43	Thomas Thompson, Esq. (a Member) 114
William Merle, Esq. - - - 46	Robert Binley, Esq. - - - 117
Charles Lyne, Esq. - - - 58	Dr. Kelly - - - 118
Thomas Hughan, Esq. (a Member) 62	John Pearse, Esq. - - - ibid.
John Louis Greffulhe, Esq. - pp. 65. 98	Thomas Richardson, Esq. pp. 122. 147
Mr. ———, (a Continental Merchant)	William Goningham, Esq. - - - 128
pp. 73. 75. 82. 85	Sir Francis Baring, Bart. - - - 130
John Whitmore, Esq. - - - p. 79	Edward Wakefield, Esq. - - - 133
John Whitmore, Esq. and John Pearse, Esq.	William Irving, Esq. - - - pp. 137. 144
pp. 89. 94. 109. 119. 125	Vincent Stuckey, Esq. - - - p. 138
Abraham Goldsmid, Esq. - - - p. 91	John Henton Tritton, Esq. - - - 140
William Cecil Chambers, Esq. - - 101	Jeremiah Harman, Esq. - - - 142
James William Morrison, Esq. - - 103	Mr. John Humble - - - 146
Samuel Williams, Esq. - - - ibid.	Charles Grant, Esq. (a Member) - 149
John Allen, Esq. - - - 108	William Thomas - - - 151

ACCOUNTS - - - - - pp. 153 to 232

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It appears almost impossible, that the real exchange resulting from the state of Trade and Payments, can ever fall so far as even to make the loss upon a Bill of Exchange equal to the expense at which Gold can be conveyed from the one Country to the other, and it does not follow that Merchants who must be presumed always to act on the principle of securing the greatest profit, would in that case transport Bullion.

In the year 1797 the expense of conveying Bullion to Hamburg was stated to be $3\frac{1}{2}$ per cent, at present it is said to be $6\frac{1}{2}$. — From this statement it follows that even at the former period, Gold could not be conveyed from England to Hamburg, the exchange being unfavorable to the extent of 3 per cent, without a loss of $\frac{1}{2}$ per cent.

Before however the Exchange could fall even 3 per cent, there must have been so many efforts on the part of the Merchants to rectify it; in consequence of the encouragement, an unfavorable exchange founded on the Balance of Payments, always must give to the Exportation of Commodities, and the effect it must have in preventing the importation of them, that it is hardly possible it can ever fall so low, if uninfluenced by the circumstance of great remittances from political considerations.

For example, if 5 per cent is deemed a fair mercantile profit, without which a Merchant cannot have a proper return, on a cargo carried from England to Hamburg, it is obvious, that as long as the prices of cloth in England and at Hamburg is such as to give only a profit of 3 per cent on the sale, an Exportation of cloth from England to Hamburg cannot take place if the Exchange is at par, — But if besides the profit of 3 per cent upon the cloth, there is a profit of $2\frac{1}{2}$ per cent upon

upon the Exchange, that is if a Bill on London for £100, can be purchased at Hamburgh for £97.10. — then Cloth will be immediately exported, because the profit by the Exchange, and the profit by the Cloth, will when combined afford a profit upon the transaction of no less than $5\frac{1}{2}$ per cent.

On the other hand suppose the difference of the prices of German Linen at Hamburgh and in London to be such, as to afford a profit of 6 per cent. when resold in England, still as before the money could be returned to Hamburgh, there would be a loss of $2\frac{1}{2}$ per cent. £100 in London producing only £97 $\frac{1}{2}$ at Hamburgh, it is obvious Linen could not be carried to England, because instead of producing 5 per cent, which is assumed to be the fair mercantile profit, the transaction combining the gain upon the Linen with the loss on the Exchange would only afford a profit of $3\frac{1}{2}$ per cent.

Thus, before it can happen that the real exchange arising from the Balance of Payments, can fall so far as to make it possible for a Merchant to export Gold without a loss, there must be a want of Commodities in the Country which on exportation will afford a profit such as when combined with the rate of Exchange, holds out the prospect of a fair profit to the Merchant, for as long as there are Commodities of that description, they must be conveyed in preference of Gold, and every such exportation co-operates with a necessary diminution of Imports as above explained, to equalize the Balance of Payments, and by thus rectifying the Exchange, to prevent the possibility of Gold being exported without a loss.

If indeed it should happen that in consequence of ⁹ extraordinary arrangements the payments abroad should be so great as to give rise to the continuance of an unfavorable exchange, even after the various Commodities of a Country have been conveyed to an extent that their abundance in the Country which receives them prevents them returning any profit to Exchange that which the ¹⁰ Change affords — then indeed Bullion must be exported —

But even under such extraordinary circumstances it is impossible that this practice can be long pursued as a means of restoring the balance of payments — For the quantity of the Coin of a Country that can at any time be withdrawn from circulation to effect this object is small indeed, — as must be obvious to those who reflect that the moment the coin begins to be melted down for exportation the value of that which remains must increase or in other words the value of all the Commodities in the Country must diminish, and that before this can be pushed to any extent the whole saleable articles of the Country will present themselves to the Foreign Merchant in a state such as combining the profitable profit on their exportation with the profit on the exchange must effectually preclude the possibility of Gold continuing to be exported as a means

means of restoring the balance of payments -

Such is the reasoning that seems to justify the opinion formerly given by one of the most intelligent of the Bank Directors -

- That no Country can suffer a material diminution of its Coin from the state of the real exchange, and that nothing but an excess of Paper can banish from a Country the quantity of Coin necessary to sustain the circulation of its productions -

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If the reasoning of the Committee on this subject was accurate, it would justify the important conclusion that the amount of Country Bank Notes in circulation depending upon the amount of Notes issued by the Bank of England - a limitation of the latter - even before removing the restriction would effectually occasion a diminution of the former on the same principle that a scarcity of specie when it was payable on demand caused an immediate diminution of the Paper of the Bank of England

But the Checks on the issue of Country Bank Paper, which convertibility into the Notes of the Bank of England affords, - though by the Committee it is stated to be the same with that which convertibility into Specie provided against an excess in the issue of Bank of England Notes, - must, on a moment's reflection appear so widely different in its nature as to preclude the possibility of a resemblance in the effects it tends to produce

Paper issued to excess must always increase the price at which Gold can be obtained in the market in exchange for it - Before the restriction therefore, whenever this took place a diminution of the paper of the Bank was inevitable, because Traders had an Interest in exchanging their Notes into Gold, by which, as it had increased in value, they would acquire a profit - But the holder of Country Bank Notes, while the restriction exists, has no Interest to convert them into Bank of England Notes, if he feels perfectly satisfied as to the Credit of the Country Banker

The former therefore is
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a check which must be efficacious independent of any suspicion concerning the credit of the party who issues the paper; - the latter is no check at all unless there exists some suspicion or alarm concerning the Country Banker when paper is thrown into circulation.

The fallacy of the reasoning contained in the report on this subject seems to proceed from the assumption as evident, of a proposition that is really unfounded - "If an excess of paper be issued in a Country District, while the London circulation does not exceed its due proportion, there will be a local rise of prices in that Country District, but prices in London will remain as before. Those who have the Country Paper in their hands will prefer buying in London where things are cheaper, & will therefore return that Country Paper upon the Banker who issued it, & will demand from him Bank of England Notes or Bills upon London. I thus the excess of Country Paper being continually returned upon the Issuers for Bank of England Paper, the quantity of the latter necessarily & effectually limits the quantity of the former."

In the first place it is to be observed that Country Bank Notes, being by the hypothesis, exchangeable for Bank of England Notes, it is impossible they can be depreciated in comparison of that paper - because the moment the least tendency towards such a

depreciation is felt, they will be exchanged for notes of the Bank of England.

The issuing therefore a quantity of Country Bank Notes in any particular district such as to produce a partial depreciation of paper, would only occasion an accumulation of Country Bank Notes in that district - and supposing that a great mass of Notes of the Bank of England should by these means be collected in Yorkshire, or any other district, it is as impossible to suppose that this should raise the price of Commodities in the Country in comparison of their price in London, as it is impossible to imagine that Gold, when there is no restriction, carried to one particular part of a Country, & there issued in Loans, should become cheaper to such a degree, as to raise the price of Commodities in that district.

On the principles the Commerce have so justly had, the fall of the value of Gold in any part of the Country, when compared with its value in another, can never exceed the expense of conveying it to the district where it is most valuable. - & the same reasoning proves that Bank of England Notes can never be depressed in value in Yorkshire or in any other district, when compared their value in London to a greater extent than the amount of the expense of conveying them to London, which is less than the expense of conveying Gold - & indeed so small that it never can make any sensible difference in the price of Commodities.

In the second place neither the Paper of the Bank of England nor that of any Country Bank so extensively occupies the circulation of any one district, as to be capable by its denomination of producing a fall in the price of Commodities in the place where it principally circulates.

See Paper B. The Bank of

The resemblance that in the Report is stated to exist betwixt an enlargement of Bank issues by way of Discount, and a Loan of Exchequer Bills such as took place in the year 1793, appears to be most completely unfounded; and this misapprehension has unfortunately involved the Committee in some important inconsistencies; indeed it has induced them to recommend measures to the Directors, which if pursued, would be as injurious as any of those they have so properly censured.

In order to attain a clear understanding of this subject, it is necessary to consider what is the precise nature of Exchequer Bills, and of Bank Notes, and to examine the effects produced on the property of the Community, by an enlarged issue of each.

An Exchequer Bill is a security bearing Interest, which when advanced to a Merchant or Trader, enables him by disposing of it, to acquire a command of Capital, equal in amount to the sum he receives for it; whilst it affords to the Purchaser a mode of employing a similar amount of Capital so as to produce a profit.

A Bank Note on the other hand, tho' like an Exchequer Bill, it gives to the Merchant or Trader to whom it is advanced, a means of commanding a given amount of Capital; yet unlike the Exchequer Bill, it affords to the person who acquires it, no opportunity of making a profit by retaining it.

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An issue of Exchequer Bills therefore, in passing from the first Holder, presents to the Community, an additional opportunity of employing Capital so as to acquire a profit. — But as the Value of Opportunities to employ Capital profitably must depend on the proportion betwixt the Capital of the Country, and the extent of opportunities that exist; this increase of the means of profitably employing Capital, must create a diminution in the value of such opportunities; — Or in other words it must not only diminish the value of Exchequer Bills, and of all other securities producing fixed profit, but also of all things that are purchased with a view to procure a profit by re-sale, for that is one mode of employing Capital to acquire profit.

An issue of Bank Notes on the contrary when they pass from the first Holder, who has acquired them by Discount, places in the hands of the Community an additional amount of Capital, which yielding no profit, must produce a directly opposite effect, on the proportion betwixt the Capital of the Country, and the means of employing it so as to produce a profit. — It follows therefore, that as an issue of Exchequer Bills tends to diminish the value of all securities producing fixed profit, and of all other Commodities that are purchased to acquire profit by re-sale, — An issue of Bank Notes must tend to raise the value of all such securities, and of all Goods and Commodities

x See Mr Thomson's Treatise 2nd Ed. 1797 P 72 which

which form the subject of all mercantile transactions.

These two operations therefore produce directly opposite effects on the property of the Community, the issue of Exchequer Bills tending to diminish the price of Securities and of other Commodities, — whilst the issue of Bank Notes tends as the Committee has on other grounds observed to increase the value of them.

It is the more to be lamented that this reasoning, which shows the total want of resemblance betwixt an issue of Exchequer Bills, and of Bank Notes, should escape the Committee, because it seems to disclose the manner in which an excess of Paper operates in producing an augmentation in the price of Commodities, and in so doing gets rid of the main obstacle in the minds of the vulgar to accuracy of perception on this subject.

For if Bank Notes were sold there is not a Journeyman Grocer in the Kingdom who would not at once assent to the proposition, that an increase of their quantity, without a proportionable increase of demand for them, must inevitably produce a diminution in their value. — But it is the difficulty of understanding how the abundance of that which is always employed in purchasing, should have the same power in producing a diminution in its value, which either puzzles the

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Bank Directors, or enables them from views of interest, to state opinions which seem to perplex the understandings of so large a portion of the Community.

The mode in which an extra issue of Bank Notes however operates in producing this effect is perfectly clear, an addition of Capital producing no profit must always create a demand for fixed Securities which produce profit, as well as for Commodities by the re-sale of which a profit may be acquired, and that for which there exists an increased demand, must always augment in value.

Indeed it is impossible to reflect on the mode in which the money transactions of this Country are conducted, without being surprised that an increase of Notes to the extent of nearly Four Millions which appears by the Report of the Committee to have taken place in the course of last year should not have produced a more alarming depression of paper, or what is the same thing, a greater augmentation in the price of Commodities.

In the usual routine of the business of this Country, the moment Bank Notes are received at the Bank in Discount, they are either lodged by the person who receives them, or the person to whom he immediately pays them in the hands of some Banker, by this extra issue of Bank Notes therefore, Bankers in general ~~must~~ have a larger sum than usual in their possession, and as the profit of a Banker arises from using the money deposited he must be immediately urged by feelings of interest to purchase or to lend to those who mean to purchase Securities

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or goods for the purpose of acquiring a profit. The moment this transaction is accomplished, the notes are again returned by the person who sells into the hands of the same, or some other Banker, and similar feelings must dictate an immediate renewal of the operation, which in point of frequency of repetition seems to be solely limited by the rapidity with which sales can be effected — so that over-trading, — excessive speculation, and enhancement of the value of goods are just as certain symptoms of a superfluity of circulating medium, as an unfavorable exchange, or the high price of Bullion.

In the year 1804, when the Bank of Ireland had raised its issues from £600,000 to £3,000,000, Mr. Frank informed the Committee, that the trade of Ireland had greatly increased, Merchants dealing in goods to the extent of £80,000, who never had antecedently enabled to deal to an extent of upwards of £10,000, or £12,000, — And the same principle is illustrated by the numerous projects that took place in King William's time, as well as by the last year's increase in those branches of Revenue which denote an extension of Mercantile transaction.

* Exchange Report, page 131.

P. P. M. B.
 If therefore the Committee had sufficiently considered the extreme difference that exists between an increased issue of Exchequer Bills, and an increase of Bank Notes, they could never have agreed with the Bank Directors in inferring from what had happened

Paper A.
 It is true that these extended speculations of the Merchants, and this increase of the value of commodities which naturally takes place under such circumstances, could not endure if it was not sustained by an increase of consumption, or consequent augmentation of demand for the various articles in which they speculate —

But this is also a natural consequence of the derangement produced in the Economical state of a Country by a superabundance of circulating medium — For the extra expenditure of those who estimate their Revenue by calculation of the ideal profits they are about to make, — and the facilities men acquire by the extension & enlargements of credit of increasing their expenses by encroaching on their Capital, — all contribute to increase the obduracy, & to give for a time the appearance of real prosperity to a state of things that is pregnant with calamity

happened in 1793 that the conduct of the Bank in abridging its issues in 1796-7 was imprudent; for (if) could they have recommended that at the present moment in the event of an alarm an increased issue of Notes should be resorted to as a salutary expedient.

On the contrary, had they properly understood the distinction between an issue of Exchequer Bills, and an issue of Bank Notes, — they would have regarded an increased issue of the latter as ruinous, — whilst in an issue of Exchequer Bills, such as that of 1793, they would have discerned an expedient which under proper and prudent management might be used to co-operate along with a diminution of Discounts, and of advances to Government in more speedily rectifying the present alarming state of our money and mercantile concerns.

The Committee themselves have very properly and truly observed, that the person who originally receives Bank Notes in discount applies for them, not because he is of opinion that there is a general deficiency of circulating medium in the Community, — But because he wishes to receive for a given time, and to a certain amount a Loan of Capital convenient for him in the conduct of his private trade. — The Bank Directors however confounding these two things, have by a strange process of reasoning, conceived, that the demand of a private trader for additional Capital announces a want on the part of the Public of additional circulating medium.

Under this conviction they have renounced that practice of attending to the state of Exchange

* Irish Exchange Report page 100.

in regulating their issues, which antecedent to the restriction appeared to Mr. Colville the Governor of the Bank of Ireland, so necessary a part of their duty, that he informed the Committee in the year 1804, that they would be unfit to conduct the business put under their care if they neglected it. — and they have exclusively judged of the demand for circulating medium by the desire of Government, or of individual Traders for a supply of additional Capital.

By this conduct they have evidently, subjected the Country to two evils, for by issuing a superabundance of Notes in discount, they have at once brought the circulating medium of the Country into a state of depreciation, and they have habituated the Merchants and Traders to conduct their business on the supposition of enjoying a great and unusual extra supply of Capital. — The cure of the former evil taken by itself is a simple operation, — for a diminution of their advances to Government, — of their discounts, — an increase of their Capital, with a call upon the Proprietors to pay it in, or a Loan from the Public, are expedients that have been heretofore resorted to under similar circumstances, and would all tend to diminish the quantity of paper in circulation, and of course to raise the value of what remained to par. — But to prescribe a remedy for the latter evil is far more difficult, for there is certainly reason to apprehend that a sudden

sudden check in the usual amount of Bank Discounts, or a sudden diminution of their Notes by calling in their advances to Government, which would ~~necessarily~~ ^{probably} give an immediate check to the discount and accommodation given by ~~various~~ Bankers and others to the Traders would immediately force Goods upon the Market, and of course produce a scene of Mercantile distress by the rapid diminution of price which would ensue.

If this account of what has taken place, and this view of the evils it has produced is just, which seems itself to be nearly of accord with what has been stated by the Committee, it follows that the difficulty is not how to rectify the circulating medium of the Country, — But how to do it with safety to the Merchants and Traders of the Community whose extended Loans were the means of conveying this inordinate quantity of Bank Notes into the hands of the Public.

Now it certainly appears that an issue of Bank Notes, and an issue of Exchequer Bills, so far from resembling each other, are in their natures so very different, that perhaps there could be no better expedient, than to be ready to issue a ~~large~~ ^{small} sum of the latter, at the moment of reducing the former, by appointing a Commission to supply those Merchants who could give security with Loans of Exchequer Bills, at the time the Bank began diminishing their circulation, by abridging their advances to Government, and their Discounts to the Merchants; — For it is obvious that whilst the diminution of Notes in circulation by narrowing
+ Borrowed P 70 dis-

discounts, and calling in ~~their~~ advances to government, would lessen the evil, a reasonable supply of Exchequer Bills, that is of Capital producing profit, to be gradually repaid, as the merchant narrowed his transactions, might be attended with a happy effect in mitigating the mischief to which the sudden want of the Loans the trader had been habituated ^{to employ}, might give rise, whilst at the same time, such an increase of Exchequer Bills would rather increase than diminish the value of Bank Notes, because the value of unemployed Capital must augment in proportion to the increase of the opportunities of employing it.

If practical authority such as that of the Governor of the Bank could add weight to any reasoning on this subject, his might be quoted in confirmation of these opinions. — He is most probably perfectly unconscious of having sanctioned such doctrine; — It is nevertheless true, that he must be considered as admitting it when he stated that — "the

Evidence of John Pearce Esq. p. 118. — "current rate of interest in any Country depended on the quantity of Capital existing in the Country, and the opportunities afforded to that Capital of being profitably employed."

For it is evident, that to assert that the rate of interest depends on the proportion of the quantity of the Capital, and the opportunities it has of being employed, is to admit, that the price of fixed securities, and other

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opportunities of profitably employing Capital, depend on the same circumstances; as it is obvious, that to say, any thing has occasioned a fall on the interest made by Exchequer Bills, or a rise on their value are only two different modes of expressing the same thing —

In the present situation of things it is indeed to be feared unless some such expedient as an issue of Exchequer Bills is adopted to prevent the consequences of the struggles the Merchants must make to relieve themselves from the pressure occasioned by the want of the supply of Capital they have been accustomed to receive — that great difficulties may attend any attempt to bring back the circulation of the Country to that state in which with little or no interruption it remained for a century after the Institution of the Bank —

For even on the supposition that the Directors of England possessed all that experience, discretion or Capacity to correct the evil they have occasioned which the Committee so liberally ascribe to them, it is a matter of reasonable doubt whether it is in their power by any line of conduct they can pursue to restore to the Country that salutary state of circulation of which they have been deprived by their misconduct —

In King William's time when no paper but that of the Bank of England circulated throughout the Kingdom, they undoubtedly held

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held in their own hands the complete power of remedying that mischief, to which by an over issue of their paper, they had given rise, — but the case under the present state of things assumes a very different aspect — Besides the Bank of England there are seven hundred establishments throughout the Country who have all a share in afflicting that calamity under which we suffer —

From the Evidence before the Committee it appears that the avidity of these establishments to increase their profits has induced them to employ Agents in the Metropolis for the purpose of enlarging their Issues by discounts for the accommodation of the Merchants & Traders — And from these Agents we learn that even in the present state of things their transactions enormous in extent might be doubled if they would give a little further accommodation in point of time —

Under these circumstances is it probable to suppose the other Bankers throughout the Country will not be induced to administer the relief that will be so well paid for and so anxiously solicited, — by going to the Merchants the accommodation of which they will be deprived by the efforts of

of the Bank to diminish its circulation.

Mr D'Ollivier when examined before the Committee of the House of Commons in 1804 declared that a diminution of the paper of the Bank of Ireland would only increase the circulation of the private Bankers in that Country — and Mr Thornton in 1797 stated it as his opinion that a reduction of Five Millions of the notes of the Bank of England would only produce a substitution of other paper nearly to the same or perhaps to a greater amount

Indeed the same Gentleman informed the Committee, that in his opinion the Bank of England (assuming that it did not totally suppress its circulation) would be liable to a drain of Cash, proportioned not to their own diminished circulation, but to the extended circulation of other Banks; for he stated, that if they continued to discount, only to the extent of £100,000 a day, still they would be liable to a daily demand for finances to that amount; & that this demand might be made by persons immediately concerned in the Conduct of Country Banks who wanted those finances — I who would, on this occasion undoubtedly use them for the purpose of sustaining, at the expence of the Bank, the increased circulation, it is to be apprehended they would acquire, by the efforts of the Bank to diminish that supply to which they have habituated the Trades

The account given by Dr Smith in his Wealth of Nations, of the excess of paper in circulation throughout Scotland about the year 1776 — & of the mode in which the established Banks gradually withdrew their paper, whilst the paper of the Air Banks found its way into the hands of the public to an equal or perhaps to a greater extent; — forms also a strong illustration of the difficulty that may attend any efforts the Bank can make, without parliamentary aid, — to reduce the paper circulation of the Country

If however the proposed plan of an Issue of Commercial Exchequer notes

under Commissioners appointed for the purpose at the moment of the Banks desiring its discount was adopted, the temporary wants of the Merchants who were capable of giving security would be supplied without any risk that the attempts of the Bank to rectify the circulation would be thus impeded. For the private Bankers would immediately perceive that all who had funds, such as enabled them to give security could get accommodation. It is hardly therefore possible to suppose that even the desire of gain could induce any of them (except those whose affairs were already in a desperate state) to embark in the hazardous traffic of accommodating the wants of men who, not being able to come forward with such security as would authorize an advance of Exchequer Bills, must be considered as on the verge of Ruin.

It appears therefore, that though an increase of the discounts of the Bank would add the evil under which the Country now labours, great aid might be derived in the restoring of Cash payments, in a seasonable & judicious issue of Commercial Exchequer Bills.

For this measure would at once relieve the Merchants from the difficulties they might suffer from a diminution of their usual supply of Capital — & put an end to the temptation which private Bankers would be under to increase the circulation of their Notes by discounting the paper which the Bank of England, pursuing a system of Retrenchment, would be obliged to throw out.

Whilst the increase of Exchequer Bills, it would occasion, would itself co-operate with the diminution of Paper to raise the value of the notes that remained in circulation; because the value of unemployed Capital will be more or less in proportion to the quantity of opportunity of employing it, which presents itself.

APPENDIX.

MINUTES OF EVIDENCE

Taken before the SELECT COMMITTEE appointed to enquire into the cause of the high price of GOLD BULLION, and to take into consideration the state of the Circulating Medium, and of the Exchanges between Great Britain and Foreign Parts.

Jovis, 22^o die Februarii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Aaron Asher Goldsmid, Esq. Partner in the House of Mocatta & Goldsmid, Bullion Brokers; called in, and Examined.

WHAT is the present price of Gold?—£. 4. 10. standard Gold; foreign Gold coin is comparatively higher.

A. A. Goldsmid,
Esq.

On what account?—Being more saleable in foreign countries, on account of its being more portable.

Do you mean it is higher in proportion to its intrinsic value?—Yes.

On what account?—Being more saleable in the state of coin on the Continent, and of there being more markets for Gold in coin than in bars.

What is the difference between the price of Gold in foreign coin and Gold in bars?—The present difference between Spanish and Portugal Gold in coin and Gold in bars is about 2s. per oz.; it varies considerably with the demands of the different markets, but generally the price of foreign Gold coin is higher than bar Gold; that is to say, doubloons being now £. 4. 8. per oz. and Portugal Gold £. 4. 12., Gold in bars would be worth £. 4. 12. whereas the present price is £. 4. 10. per oz. Portugal Gold is about the same fineness as our standard.

What is the fineness of Spanish Gold coin?—From 4½ to 4¾ grains worse than standard, making about 4s. difference in value.

What is the difference between any other foreign Gold coin and Gold in bar?—Those two being the most current articles, it would be best to have them as the criterion.

What is the fineness of ducats and French Gold coin?—Dutch ducats better 6 grains, louis d'ors worse 1½ grain, and napoleons the same.

In what degree are these current articles of traffic?—Perhaps louis d'ors and napoleon d'ors are the most current of the three; neither frederick d'ors nor Dutch ducats are much seen.

State the difference between the value of these articles in the shape of coin, and Bullion of the same fineness.—They have at present no extrinsic value as coin.

What do you conceive to be the reason why Spanish and Portugal coin is higher than bar Gold at present, and not French and Dutch coin?—There is a greater variety of markets in the present circumstances for Spanish and Portugal coin than for French and Dutch.

How long has the price of Bullion or foreign Gold coin been what you have stated?—The prices fluctuated considerably in the course of last year, but have been unusually high for about a year and half.

A. A. Goldsmid, Esq.

How much have they fluctuated?—I think, about six or seven shillings; never above one or two shillings higher than they are at present.

Can you state what Tables are the most perfect in your judgment?—Those published by Wettenhall are likely to be correct; they are made from our reports to the person who furnishes him with the prices.

Is that price derived by Wettenhall from the information of others, or only from your reports to him?—From ours alone.

Are those prices always real prices taken from actual transactions, or are they ever only nominal?—Always the real prices.

In what manner do you form a statement of the price?—There is never but one price for Gold and Silver Bullion.

Can you always buy and sell at the prices, or nearly so, which you report?—When there is not enough done to constitute a market, no prices are printed, as will frequently be seen in the List.

What amount of sales constitutes a market for that purpose?—No precise quantity, but always a quantity of some consideration.

How often are these Lists published?—On Tuesdays and Fridays.

Have you, in various instances, found that you could neither buy nor sell at the prices quoted by you in the Lists?—Enough was always doing at the time of their being printed, or previously to that, to constitute a market.

Have the prices been marked latterly?—The price of dollars have, and very lately the prices of dollars and doubloons.

Has the price of Gold in bar been quoted lately?—I am not certain.

Why has it not?—Because the transactions in bar Gold can only be made at stated times. It is necessary, previously to the permission from Government to export Gold in bars, that the proprietors should swear, before the Court of Aldermen, that it is melted from foreign coin; and it is consequently only at the period of that Court's assembling that any considerable quantity of bar Gold can be bought or sold.

Is not the Court of Aldermen open every week at least for that purpose?—The time of its meeting in sufficient numbers is, I believe, uncertain.

Is that the only reason why the price of Gold in bars has not been quoted latterly in the List?—Yes.

During the period that the price of Gold in bars has not been quoted latterly, has there or not been enough to constitute a market?—I should think not.

In how long a period?—About five weeks or longer; but if the prices of any description of Gold were quoted, it nearly answers the same purpose as if the prices of other descriptions of Gold were quoted.

Has there been during the same period Gold enough in the market to answer the demand?—We endeavour to regulate the price so as to proportion the demand to the supply.

Have the sales of Gold been for some time past considerable?—Yes, certainly.

Can you specify the extent for the last fifteen months?—I cannot from memory.

Can you furnish that information by referring to the account of sales?—Such information can be procured from the books of the Bullion Office in the Bank; all our sales are through the medium of that office.

Have you not frequently transactions both of purchase and sale with individuals, in which the Bank is not concerned?—There are many transactions in which the Bank is not concerned; but they are all inserted in a book in the Bullion Office.

For what reason are they so inserted?—I believe that they have been so since the establishment of the Bank.

Was it in order that the Bank might be apprized of the transactions, and regulate their proceedings accordingly?—Possibly.

State in detail the mode in which such a transaction is made with an individual.—The Bullion is received from one individual and delivered to another at the price fixed by us; and the whole of the transaction is recorded in the books of the Bullion Office in the Bank, with the names of the parties, the amount sold, and the price.

Is not every quantity of bar Gold, which by your intervention passes from one individual to another, deposited for some time in the Bank, and assayed there?—Yes.

Have you not, in certain cases, bought and sold Gold without the intervention of the Bullion Office in the Bank at all?—None.

Can you state about what quantity of Gold you have bought and sold for the last 15 months, and particularly during the latter part of them?—I cannot from memory; I could state it to the Committee from my books, or it might be obtained by reference to the Bullion Office in the Bank.

During

During that period has the quantity been greater than usual?—Yes; during the last 15 months, greater than on an average of years, though some years ago a much greater quantity was imported than has lately been exported.

Have your sales, during the period in question, been confined to individuals, or has the Bank been a purchaser?—Individuals have been the purchasers of large quantities of Gold at the present high price.

Are there any other Brokers in the same line besides your house?—Our house has been solely employed since the year 1694, at the establishment of the Bank.

Are there any other dealers in Gold but yours?—I apprehend none of considerable amount.

Are there others recorded in the Bullion Office in the Bank like yours?—None.

What is the rate of brokerage?—One eighth per cent. to each party.

If the other transactions in the sale of Gold were considerable, do you consider that the Bank could procure information of those in order to regulate their proceedings in the manner spoken of in a former answer?—They are not considerable; but what the Bank would do in case they were considerable I cannot tell.

Do those other transactions contribute to form the price?—I think not at all.

From whom in general do you receive the Gold which you sell?—I think that during the last year the chief imports have been from the West Indies, principally in doubloons.

Do you receive them from the West-India merchants?—Yes.

Are they not principally Jamaica merchants?—Yes.

From what other quarters have you received any material quantity of Gold in the last fifteen months?—From Bullion retail dealers in this country, who collect them in small quantities and sell them to us in the wholesale.

Has much been received from the continent of Europe?—I believe none; I judge so by no continental merchants being sellers to us.

Within the period in question, what quantity of Gold coin from European Mints have you received?—I cannot distinguish, the marks of many coins being the same.

Can you account for the large importation of Gold coin from the West Indies?—In consequence of the price of Gold being so high here, it is more advantageous to make the return in Bullion than in bills.

Can you state the whole charge of transmitting Gold Bullion from Jamaica here, including freight, insurance, &c.?—Not accurately.

Has there been any importation of Gold from the United States of America within the period of 15 months we have been speaking of?—I believe none.

In saying that no Gold has come from the continent of Europe, do you mean to say none has come from Portugal or Spain?—I omitted to mention that some French Gold and Portugal Gold has been imported from Portugal.

Was that to any considerable amount?—I think comparatively not.

Has any quantity come from the Brazils?—Gold has lately been sent over to the Brazils.

Has not silver also been sent over?—Yes.

Was not the Brazils some years ago a considerable source from whence we derived our Gold?—It was not directly, but through Lisbon.

What is the cause of this change?—The balance of trade being inverted.

Is there no other cause of this change but the balance of trade having been inverted?—I judge not.

Supposing a loan to be made here for the Court of Brazil, and that loan was remitted to the Brazils, would it not produce the effect to which you before alluded?—If remitted in Gold, it would remedy the balance to the amount of the sum sent.

Do you know whether in point of fact Gold has been remitted from this Country to the Brazils on account of a loan?—When I said the balance of trade was inverted, I spoke of the general balance, unable to distinguish between the operations of Government and the transactions of individuals.

How long is it since the change first took place of Gold being sent from this Country to the Brazils, instead of our receiving it from thence?—I cannot state accurately; but I do not believe that the operation of the Brazilian merchants have had any very important effect upon the price of Gold; I will endeavour to ascertain for the information of the Committee the date of that change.

Are you in the habit of selling Bullion which has been melted down from the light coin of this Country?—We have not sold any such lately; and we never sell any Gold

A. A. Goldsmid, Esq. 51 52

A. A. Goldsmid, Esq.

Gold in bars for exportation, unless melted in the presence of two witnesses, and sworn off before the Court of Aldermen.

What becomes of the bar Gold produced from the light coin?—I am not aware of any being melted at present.

In the answer before the last, do you mean to say, that what is imported in bars is also melted down in this country?—Almost always, if purchasers are not contented with the manner of melting in foreign countries.

Do you get Gold from Africa?—Not in considerable quantities: I beg to state in general that we cannot ascertain always from what source the Gold comes, as the Bullion Dealers collect it in small quantities before they bring it to us.

Have you reason to know whether any light guineas are melted down?—No; but an account of the source of the Gold in bars, might be obtained of the Bank melters.

Does the Bank still refuse light guineas?—I believe they do. Does that refusal throw more Gold into the Bullion market?—I don't think lately it has had any material effect.

Do you consider your house as having a considerable control over the Bullion market, so as to fix the price?—Not so as to raise or depress it above or below its natural level.

Are there any other Gold melters, besides those who melt for the Bank?—There are. Within the period of fifteen months which has been spoken of, has any bar Gold been in the market?—Yes.

From what source was that derived; was it from coin of this country or foreign coin?—From foreign coin and Gold in bars and dust imported from other countries.

If Gold in the shape of foreign coin is of more value than according to its intrinsic value, what is the reason of any being melted into bars?—Because foreign Gold coin is frequently imported here when it is not fit for circulation; and frequently small quantities of different descriptions, to which my former observations are not applicable.

At the present price of Bullion, how much must be paid in Bank of England notes for a bar of Gold in weight and fineness equal to 100 guineas sterling?—No distinction is taken whether the payment is made in bank notes or coin; in sterling money the calculation is easily made; in the proportion of £. 3. 17. 10½. to £. 4. 10.

Do you apprehend that the political state of Spain and Portugal has contributed towards bringing South American Gold to England through the West-India Islands?—I think it not improbable.

Do you or any of your Partners deal in the articles you sell?—Certainly not.

Veneris, 23^o Februarii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Aaron Asher Goldsmid, Esq. again called in, and Examined.

YOU have stated yesterday, that Spanish and Portugal coin have at present an extrinsic value as coin, but that the same is not true at present of French or Dutch Gold coin: If it be true that Gold remittances are now made to France for the purchase of corn, from what cause does it arise that a similar agio upon French Gold coin does not exist?—Perhaps from the market being more limited, and the competition being consequently less.

But even upon the supposition that no competition existed, ought not a premium upon French Gold, equal at least to the expence of the coinage, to exist?—I should think so.

But at this moment no such agio does exist?—No.

Explain what you mean by the competition being less.—When there have lately been transactions in French Gold, they have generally been less than the occasional transactions in Gold in bars, and consequently the competition of merchants who have extensive dealings has been less; transactions in large quantities have frequently, under the present circumstances, more the effect of raising than of depressing the price.

State to what description of persons your sales of Gold are generally made.—Latterly

Latterly the most considerable sales of Gold have been made to Dutch and French merchants.

A. A. Goldsmid, Esq.

Do you mean both of Gold in bars and Gold in coin?—Of all descriptions of Gold.

Can you state whether these purchases have been made by them, and with a view to exportation?—Yes; they have been made with a view to export.

Have you reason to know that all or nearly all the Gold so sold to them has been exported?—Yes.

What quantity of Gold have you sold for home consumption?—A very inconsiderable quantity of Gold in proportion to the whole amount.

Can you state what proportion?—I cannot precisely; but it is very inconsiderable.

What proportion does it bear to Gold sold for home consumption in former years?—Perhaps about the same.

Is the Gold which is sold for home consumption sold to those who themselves make use of it?—Yes; or those who sell it by retail to others.

Is it seldom or never the practice to purchase Gold as a speculation, and retain it with a view to be sold at home at a higher price?—Seldom or never.

Is it all sold for ready money?—Yes.

Are you acquainted with the means which are taken for the exportation of Gold to foreign countries?—No.

Do you apprehend that it goes in large quantities an article of merchandize, or in small sums?—I think the merchants find it necessary to use great caution to procure its ingress to the Continent.

Are the sales of Gold which you make, generally made in large quantities to individuals?—There are several individuals who purchase.

What may be the common amount of a sale to an individual?—The amount varies considerably.

State the larger and smaller.—Perhaps from a hundred ounces to five thousand ounces.

Could you state the quantity sold in the last month?—I cannot; but I do not think the sales have been so considerable as they were a few months ago.

State the largest for any month recently, as near as you can recollect.—Perhaps thirty or forty thousand, or perhaps fifty thousand pounds sterling or more in a month; perhaps eighty thousand or more in one month.

What month are you particularly alluding to?—Perhaps four, five or six months ago, and therefore I speak so vaguely upon the subject: the price of Gold began to advance rapidly since the last eighteen months.

Do you know of your own knowledge, or from any unquestionable authority, what may be the expence, including insurance, of transporting Gold to any neighbouring ports of the Continent?—I do not know precisely; but I do not believe that they considerably exceed the expences of former times.

Do you mean the expences of former times of peace or of war?—Of former times of war.

Can you state what is the difference between war and peace in that respect; how much per cent.?—I cannot.

You do not know the rate of insurance?—I believe it is about three guineas.

Is that the whole expence, excepting freight?—I know of no other expence.

Do you know what the freight is?—I do not; I believe there is no specific freight.

Can you state whether the consumers of Gold obtain that article in considerable quantities from any other sources than your own sales?—I cannot with any degree of certainty.

Do you know in what manner the goldsmiths in the country are supplied?—I believe from the refiners in town, but I am not certain.

Can you state at all what proportion of the Gold you sell may be for home consumption?—I cannot.

Is it less than a tenth?—It is less than a twentieth, but I cannot state precisely the amount.

Is not all the Gold produced by melting the light coin used up by the refiners?—It cannot be exported.

Are you not subject to some deception in that respect; may not it be melted and offered to you?—I have stated that previously to its being exported it is to be sworn off before the Court of Aldermen that it has been melted from foreign coin or foreign Gold in bars.

A. A. Goldsmid, Esq.

Are the merchants to whom you sell; merchants particularly devoted to that trade?

There are no merchants solely devoted to the Bullion trade, are there?

Are there not some who follow that trade much more than others?—Yes, and some

Have they been accustomed long to follow that particular trade, or has the trade

fallen into new hands?—It has fallen into several new hands.

What description of new hands; persons of greater or less consequence?—Gene-

rally speaking, persons of about the same standing

Equally old houses?—Yes, persons of about the same standing and credit, gene-

rally speaking.

Are they both import and export merchants?—I believe they are.

Can you state any particular articles in return for which Gold has been sent abroad?

—One particular object came under my observation, which was, the importation of

corn from France and Flanders; but I have no doubt that there were many other

objects.

Do you understand that when Gold is sent abroad, it generally accompanies any

other particular articles of export, or generally brings back any articles of import

more preferable to others?—No, I believe it does not.

You have stated, that the expence of introducing Gold now to the Continent you

think to be nearly the same as during any other period of war?—I do not believe I

have stated the expence of introducing it to the Continent, for of that I am not

aware.

When you stated the expence of transporting Gold to the Continent being not

much more at present than in former times, did you mean to include the whole ex-

pence of getting it into the Continent and delivering it to a foreign consignee?

—No, I am not acquainted with the amount of that expence; what I stated before

was only the expence of carrying it to the foreign shore.

Are you aware that it is liable to confiscation, as a commodity coming from

England?—I believe that all commodities coming from England are liable to con-

fiscation.

Can you then estimate the value of such a risk?—I do not believe that in an article

like Gold it is by any means considerable; for I believe that at a trifling premium it

can be insured into the hands of the consignee.

Do you know the amount of that premium?—I do not; but I have understood it

to be inconsiderable.

Could you procure an insurance to be effected, for example, from London to

Hamburg or from London to Amsterdam, including the risk of safe delivery into

the hands of the consignee, at ten guineas per cent. ?—I do not know the precise

amount of the premium; but I have no doubt it could be done for very considerably

less than that.

Can you state what the premium upon such a risk would be?—I cannot state

precisely.

Can you state the freight?—I cannot; when I say that the insurance would pro-

bably not exceed three per cent. I am only speaking under present circumstances;

that since the report of the incorporation of Holland, the risk is probably considered

as increased.

You have stated, that it has come to your knowledge that Gold has been sent to

Flanders and to France for the purpose of purchasing corn?—Yes, it has.

What means have you had to obtain that information?—By the information of

some of the purchasers of Bullion.

Is it a common practice for the purchasers of Bullion to inform you from what

purpose it is to be applied?—I do not speak of the common practice; but I state

this as one particular instance.

Are the Committee to understand that you in this respect speak only of a parti-

cular instance?—I speak of some reasons for the exportation of Bullion having come

A. A. Goldsmid, Esq.

What proportion does that bear to the Gold which has been sent to France?—

I cannot state the precise proportion; but I think that considerably more Gold has

been sent to Holland than to France.

Was it double the quantity?—I cannot specify.

Can you mention the proportions of Gold which have been sent to Amsterdam

and to Hamburg?—No, I cannot; the same merchants frequently trading to both

places, it is not in my power accurately to ascertain.

Whether you believe that any part of the Gold which has been sent to Holland and

to France has been sent in payment for any articles brought into this country from

places in the Baltic?—I do not know.

Do you know whether any Gold has been sent to Denmark, to Prussia, or to

Russia?—I do not; but I think that the greatest mart for Gold on the Continent,

as I said before, is Holland.

Do you know that there was any extra demand for Gold in consequence of the

Expedition to Walcheren?—I do not think that there was, as far as my recollection

serves.

Have you any opinion of the quantity of Gold which was taken out of the country in

consequence of the Expedition to Walcheren?—I do not think that it was considerable.

Do you know the value of the grain that has been imported of late from France

into this country?—I do not.

Whether the amount of Gold sent to France in payment for grain was very con-

siderable, as far as comes within your own knowledge?—I do not know.

Have you any reason to know whether any considerable quantity of the coin of

this country may have been melted for the purposes of exportation?—I know nothing

of the kind.

Or have been exported?—I know nothing of it, except from reports in the news-

papers.

You have said, there are a variety of new markets for Gold; since what time?—I

said not new markets, but new purchasers.

Do not you conceive that Gold of a value greater than £500,000 has been

exported within the course of the last twelve months?—I cannot speak precisely

with respect to amounts, but I think it has exceeded that.

Do not you conceive that the exports of Gold exceeded a million of money in

value during the last twelve months?—I do not think so.

Have you at any time drawn a calculation between the quantity which has been

imported and received by you as imported, and the quantity exported by you within

the last twelve months?—I have not.

Could you in as far as you are able to ascertain the sources of the Gold which

you receive, and the application of the Gold which you sell, be enabled to form such

a comparison?—Much time might be occupied in the attempt; and I am not certain

whether it could be done with any degree of accuracy.

Do you conceive that the quantity of Gold exported does considerably exceed that

which has been imported in the last twelve months?—I should not conjecture that it

does; it is really impossible to say; it does not always come immediately into our

possession from the person who imported it.

Has the quantity of Gold sent to Spain been considerable?—I think not.

Has there been any sent up the Mediterranean?—Not in considerable quantities.

Or to the East Indies?—No.

You have stated, that you know circumstances of Gold having been sent to

France and Flanders for the purchase of grain; do you know of any circumstances

where Gold exported has been exclusively so applied?—I cannot say that it has

been exclusively so.

Do you know of any case in which it has in any degree been applied to the

purchase of grain?—I cannot speak to the amount.

Does it happen to be in the course of your experience, to know in general for

what purposes Gold is to be applied which passes through your hands?—I only

spoke of particular instances.

Then you do not mean to state that it is the practice to send Gold to the Conti-

nent for the purchase of any specific commodities?—Certainly, I do not.

Do you know if, during the last two years, the exports of Gold have exceeded the

imports in a greater proportion than in former years?—I cannot say; it is impos-

sible for me to form an estimate of the imports.

What

A. A. Goldsmid, Esq.

You have said, it is necessary to take great precaution to procure the ingreſs of Gold into the Continent?—I ſaid, I believe, that ſome precautions are neceſſary.

Is there any other difficulty than that ariſing from the decrees of Bonaparte?—I ſhould ſuppoſe thoſe decrees to conſtitute the difficulty.

As it is not the uſual practice for perſons buying Gold to inform you as to the purpoſes to which that Gold will be applied, do you infer from ſuch information having been given you on a recent occaſion as to the purchaſe of grain, that the purchaſe of grain muſt have been to an unuſual amount?—I ſee no reaſon to draw that concluſion.

From what you have ſtated about the exportation of ſpecie to the Continent for corn, I underſtand you to have confined yourſelf to Gold?—I have.

From what data is it that you have been led to obſerve this exportation of Gold for corn?—I have not ſtated that the caſe was generally ſo; I have only ſpoke of one or two inſtances that came under my obſervation.

How late are thoſe?—I think about three or four months ago.

Were thoſe inſtances numerous enough to induce you to believe that there was any conſiderable exportation of Gold for the purchaſe of corn?—The inſtances that came under my obſervation were not ſufficiently numerous.

Within your experience, do you remember any former period at which your attention was called to a ſimilar circumſtance, of Gold being exported for corn?—No, I do not.

Were thoſe perſons from whom you received information that the Gold they purchaſed from you was to be ſent out for corn, dealers in corn?—In one inſtance they were.

Can you form any gueſs, what proportion the corn imported lately, bore to the other commodities for which Gold was exported?—I cannot.

Do you know whether any Gold was ſent to Holland for corn?—I have already ſaid I do not know the purpoſes for which Gold was ſent to Holland.

You have ſtated, that all deſcriptions of Gold had been bought from you with a view to exportation, and that almoſt all the Gold that you have ſold lately was to be exported?—Yes.

How much of that Gold do you conceive to have been of the deſcription of foreign Gold, or of Gold from the coin of this country?—We are careful not to ſell any Gold for exportation which is not either in foreign coin or in bars, ſworn off before the Court of Aldermen, as I have already ſtated.

Do you know whether it is the exporter himſelf who ſwears to the deſcription of Gold before the Court of Aldermen?—It is the ſeller.

Is it part of his affidavit that he is the owner?—Yes it is.

As far as you know from your own tranſactions, is the exportation of Gold in few hands, or divided among many?—It certainly is not divided into ſo many hands as the market for Silver Bullion.

Can you ſtate nearly the number of the claſs of perſons who have dealings of that ſort with you?—There are perhaps from ten to twenty merchants who have lately been chiefly exporters; about twenty.

As far as you know, is it generally the ſame perſons that purchaſe from you who export, or are there any middle dealers between you and the exporters?—We ſell directly to perſons who export.

Have you any knowledge of the quantity of Gold, purchaſed through your means, that goes into the country or to the outports?—I have not.

Can you ſtate any information or opinion to the Committee, of the probable amount of the illicit exportation of Gold?—I have no means whatever.

Have you any knowledge of inſtances of Gold being ſeized when about to be exported?—I believe that there was one inſtance of Gold being about to be exported without a regular licence, but whether the objection was in form or an endeavour to evade it altogether I don't know.

Was that to any conſiderable amount?—I believe it was to ſome conſiderable amount.

Can you give the Committee any information as to what amount of Gold may have been carried out of this country by the maſters of neutral and other foreign ſhips?—I have no means of knowing the ſhips by which it is conveyed.

Do you happen to know whether any of thoſe who purchaſe Gold from you, ſupply the maſters of ſuch veſſels?—I do not.

Do

A. A. Goldsmid, Esq.

Do you know whether there has been any export of Gold to other parts of America, north or ſouth, than to the Brazils?—I do not; I do not believe that there has.

Do you know any inſtance of Gold having been ſeized, on its arrival in France or Holland?—I do not; I believe it is on account of its greater facility of acceſs that Gold is preferred as an article of export.

Do you know of any Gold having been exported to the Brazils?—It has been frequently bought by merchants trading to the Brazils, for the purpoſe of exporting to the Brazils.

Can you put the Committee in poſſeſſion of any information with regard to the quantity of Gold which formerly was ſent from the Brazils to Portugal?—No; but conſiderable quantities were formerly ſent from Liſbon to this country, and I ſuppoſe, as I ſaid yeſterday, that they came from the Brazils.

Are you able to ſtate about what quantity annually uſed to come from Liſbon to this country?—I cannot.

Had you ever had any information from the Brazil merchants, that they bought it to ſend to the Brazils?—Yes, repeatedly.

Have you remarked, that as the quantity of bank notes has increaſed, Gold has got proportionably dearer?—Not perceiving that the increaſe or decreaſe of bank notes has any connexion with, or influence upon, the price of Gold, we have paid no attention to that ſubject.

You have ſtated, that an unfavourable exchange takes money out of the country at preſent?—Yes; and that there are other circumſtances.

You have already ſtated the difference between Gold which is our ſtandard, and bank paper, to be as between £. 3. 17. 10½. to £. 4. 10. or nearly 16 per cent. : if a perſon therefore at Hamburgh ſends over a bill for a hundred guineas, how is it paid?—I ſtated that the difference between the market and the mint price was about 16 per cent. but I did not make any diſtinction between bank paper and the coin; the bill can be paid either by the exportation of Gold and ſilver or other commodities, or the purchaſe of a bill here.

The ſimple queſtion I aſk is this; if I take a bill from Hamburgh, drawn upon London for a hundred guineas, in what does the acceptor pay me?—It is in his power to pay either in coin or in bank notes, or in any other commodity which you conceive to be of an adequate value.

In point of fact what can I demand of him?—I ſuppoſe that bank notes are a legal tender.

This being paid in paper, what muſt I do to get Gold for the further traffic of my correſpondent?—If it is your deſign to export Gold, you certainly muſt purchaſe it either in foreign coin or in Gold in bars melted from foreign coin, or foreign bars of Gold.

If with a hundred English guineas at Hamburgh you wiſh to purchaſe a bill upon London, what ſterling amount would you conſider yourſelf entitled to have that bill for at preſent?—It is neceſſary to calculate the rate of exchange between this country and Hamburgh before I can answer that queſtion.

If then, in the firſt inſtance, he could receive Gold, would he not give 16 per cent. more in exchange?—He certainly would if he could receive Gold with the liberty to export it.

So that if bank paper and Gold exchanged, even the currency to the foreigner would be 16 per cent. better, would it not?—If a perſon were at liberty to export English Gold, he certainly would get 16 per cent. more than if he exported foreign Gold.

Sabbati, 24 die Februarii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Samuel Thomas Binns, Esq. called in, and Examined.

WHAT are you?—I belong to the houſe of William and Jacob Wood, ſucceſſors S. T. Binns, Esq. to Meſſrs. Binns & Wood; I am not a partner in the houſe, but manage the concerns of it for the repreſentatives of William & Jacob Wood.

S. T. Bims, Esq.

What is the particular line of dealings of that house?—In all kinds of Bullion.
 Do you deal in the import and export of Bullion?—We do not export Bullion, nor import it.
 Describe generally the particular nature of your trade.—People bring Bullion to our house for sale, and some come to buy; when we have any quantity of foreign coin we apply to the brokers, who sell it for us.
 You purchase foreign coin and Bullion on your own account, to sell to those who come to you to purchase, but are not merely intermediate brokers between the purchaser and seller?—No.
 Are the sales of the house considerable in the course of a year?—Not very considerable.
 Does the business of the house make you acquainted in any considerable degree with the general state of the Bullion trade?—No; full weight coins we sell as we receive, but light coin we melt into bars.
 Do you speak of foreign coins only?—At present.
 How do you fix the price at which you buy?—There is always a market price for coins of every description.
 How do you judge what is the market price?—We enquire of the brokers.
 What brokers?—Mocatta and Goldsmid.
 It is their judgment alone you take as to the price?—Their price is what we sell at; their price rules our price completely.
 Do you buy British coin?—Light coins; a few, not many.
 Are there many other persons in the same line with yourself?—There are several others I believe, but I am not acquainted with them.
 Have you bought any British coins lately?—Some few, not many.
 Do you know of any full weight British coin having been sold lately?—No.
 From whom do you usually buy Gold?—When any person brings Gold to our house we buy it, but we know not of whom.
 Do you mean, that they are strangers who bring it?—In general.
 Do they bring it in bars, or in foreign coin?—In general in coin; some few bars.
 Is it very much the same persons who come to you with foreign coins and bars to sell?—There are many persons who come, who we know not from one time to another.
 How is it ascertained by you, that that which is brought in bars has not been melted from English coin?—I know not any means of ascertaining it.
 Do you know most of the persons who bring Gold of that description?—We do not.
 To whom do you sell that Gold?—To various persons.
 Do you know the buyers?—Yes.
 Do you always know the buyers?—Their persons, but not their names, at all times.
 Nor their residences?—No.
 What descriptions of persons are they in general; merchants?—Button makers, and china-dealers or persons employed in gilding china, and jewellers.
 You suppose that Gold to be used in home manufacture?—Yes.
 Those are the chief purchasers from you?—Yes, they are.
 Do you assay the Gold which is brought to you?—Yes.
 You always assay it yourself?—Yes, any quantity.
 Is it by assaying you know from what it is produced?—No, we cannot tell from what it is produced.
 Have you no means of judging from what a Gold bar brought to you has been produced?—I have not; I should observe, I have been something short, of fifteen months in the business, and am not very well acquainted with it.
 Is there any person in the house more acquainted with it than yourself?—No, there is only a lad of fifteen years of age.
 Do you know the price of Gold in the standard bar now?—I believe the last price of standard Gold is 90 s. per ounce.
 The price of Portugal coin?—Ninety-two shillings per ounce. Gold for exportation commands a higher price than that which cannot be sworn off.
 How much higher?—That is uncertain, it depends upon the state of the market, what quantity there is.
 What is the difference at present?—As nearly as I can tell, about 3 s. an ounce.

S. T. Bims, Esq.

When you speak of 90 s. as the present price, you speak of the price as that of Gold which cannot be sworn off?—That can be sworn off.
 Do you speak of that as Gold in bars?—Gold in bars is the only Gold that is standard Gold; except I believe Portugal; and that Gold, I should observe, is not always standard, but the price is always spoken of as the standard ounce.
 How do you distinguish Gold in bar that may be sworn off, from Gold that may not?—By melting it from coins.
 If Gold is brought to you in the shape of bar, how do you judge whether it may be sworn off or not?—Unless it is foreign bars we cannot tell; there are some few bars come from Portugal, and some few from the East Indies.
 If bars of Gold are brought to you which you cannot say are foreign bars, and which are standard; may they or may they not be sworn off?—They cannot be sworn off, unless we know that they are actually produced from foreign Gold.
 Do you give the same for light guineas which you do for other standard Gold?—I make a difference of about three-pence an ounce less for light guineas than for bars.
 For bars that can be sworn off?—No, for home consumption.
 Supposing the price at present to be 90 s. what should you suppose the price in proportion for light guineas?—To-day I should give about 85 s. 6 d. per ounce, perhaps 85 s. 9 d.
 What is the reason for that difference of 3 pence?—The expence of melting.
 What per ounce would you give to-day for standard Gold that may be exported?—Under the uncertainty of time when it may be exported, I cannot take upon me to say what I would give.
 What is the last market price for Gold that may be exported?—Ninety shillings, I believe.
 What is the last market price of Gold in bar that may not be exported?—About 86 s.
 What was the last price you gave for light guineas?—To the best of my recollection about 85 s. 9 d.
 Have you made any large purchase or sales at those prices?—No.
 Is the price rising or falling?—I believe it to be pretty steady.
 Since when?—I do not know of any alteration within the last two or three weeks.
 Has it been higher within the last six months?—I believe not.
 Have you any means of judging whether it is likely to rise or fall?—No, I have not.
 Has it been higher within this twelvemonth?—I believe not.
 Has it not been £. 4. 12. within the last twelve or fifteen months?—Not to my knowledge.
 Are your dealings in Gold to any considerable amount in the course of the year?—Not very considerable, chiefly in foreign coins.
 Have you had any means of informing yourself whether there has been any remarkable export or import within the last year?—I have not.
 Your house does not act for the Bank in any way?—No, it does not.
 Is there any entry made at any office at the Bank of any dealings you have in Gold or Silver?—All Gold or Silver sold by the brokers is entered at the Bank.
 Are your dealings through the intervention of a broker?—In general; not always.
 Is there any other foreign broker, except Mr. Goldsmid?—I believe not.
 In what part of your dealings do you employ a broker?—When we sell: we buy without a broker.
 You buy in small quantities, and sell in large?—Yes.
 What class of people bring light guineas to you, the shopkeepers, or the banker, or the country bankers, or what class of people?—I cannot say.
 Do they come to you, or you go to them?—They come to me.
 You weigh the light guineas brought to you?—Yes.
 How much are they deficient?—Some half a grain or a grain; some are deficient six grains: when we weigh light guineas, we do not attend to how much they want, but to ascertain whether they are current or not; then we weigh them all together.
 Does not a practice prevail either of sweating down heavy guineas, or doing something to them to make them light, to bring them within the weight to admit of their being melted down?—Not to my knowledge.
 You do not know of such a thing being done?—No.

What

S. T. Binns, Esq.

What is the expense of melting down?—Very inconsiderable.
 Is the process very easy?—Yes, I believe it is.
 What is the expense of providing the means of melting them down?—With that I am not acquainted; a place is obliged to be built on purpose.
 Would the heat of a common fire melt them down?—No, I believe not.
 Is not the coin which you melt down as light Gold, sold to the goldsmiths, and employed in articles of manufacture?—Yes.
 About what amount of light guineas have you bought within the course of the last year?—I should imagine from 1,000 to 2,000 guineas.
 During the whole course of the last year?—Yes.
 Which have been melted?—Yes, they have.
 Are there any other dealers in the same line with your house?—There are several other houses in the same line.
 How many?—I do not know.
 Do you know of any persons who make it their business to collect light guineas, to bring them to you or to other dealers in the same way?—No.
 In what sums are light guineas brought to you?—In small sums.
 Of one or two guineas, or how much more?—Perhaps ten or fifteen.
 What class of persons generally bring light guineas to you?—I do not enquire who people are.
 You never take them from persons you do not know?—I have taken them from persons I never saw before.
 Generally speaking, who are the persons who come to you with light guineas?—I do not know.
 Are they in your opinion persons who wish to make more money of them than twenty-one shillings?—Not to my knowledge; I do not know their intention.
 In point of fact, they do make more?—Yes, they do.
 The average you give for a guinea is about twenty-three shillings, is it not?—No, I believe not quite so much.
 Is there any fixed price you give for a single guinea?—It is according to the weight.
 Supposing it to be just under the weight, have you any regulated price?—No, we calculate by the weight.
 Does not a light guinea when offered to you, produce more to the person offering it than a guinea in paper?—Yes, it does.
 Are the small Gold coins brought to you in the same way?—No.
 No half-guineas?—No.
 Have you had any recent instance of purchasing a light guinea for less than twenty-one shillings?—I do not recollect any.
 What do dealers in your line consider as a fair difference between their purchases and their sales?—From a half to one per cent. according to the state of the market.
 Is your Bullion coin deposited in your own warehouse, or at the Bank?—In our own warehouse.
 Can you state what may be the average weight of a certain quantity of our Gold coin; say five hundred guineas, such as that coin is which is in common circulation?—
 [The answer was postponed.]
 The only guineas you have had an opportunity of weighing are those which are so light that they are unfit to remain in circulation?—Yes.
 Do you know that it is the practice to give a premium to exchange heavy guineas against light?—I do not.

William Merle, Esq. called in, and Examined.

W. Merle, Esq.

WHAT is your business?—I am a banker and a gold refiner.
 In the house of Cox and Merle?—Yes.
 Describe the general nature of your dealings as a refiner.—Our general dealings are in supplying the goldsmiths with Gold and silver, for the purposes of their manufacture; at the same time I sell a great deal of silver to the merchants, and Gold also for exportation.
 What are the different descriptions of Gold which passes through your hands?—We have it of all qualities; it is impossible to enumerate them.
 Do foreign Gold coin and Gold in bar form a part?—Yes, of different qualities.

W. Merle, Esq.

Is there any quantity of light guineas passes through your hands?—Not now; we have had millions when the Gold coin was called in; but there has been no calling in lately.
 If light guineas are brought to you for sale, do you purchase them?—We used to do; but we have not had any lately, on account of the high price.
 You would purchase them if they were brought to you?—Yes.
 Why does the high price of Gold prevent their being brought to you?—The jewellers, I apprehend, melt them down themselves; if they were brought to me I should give no more than the current price; but at the present price of Gold they would produce more.
 When light guineas were brought to you, you purchased them?—I did.
 According to what rate?—The Bank at that time gave £. 3. 17. 6. an ounce for them when melted in bars, and we gave £. 3. 17. 2. per ounce in guineas.
 That was the market price of Gold at the time?—Yes.
 If light guineas had been brought to you within the last year and offered to you for sale, would you not, in the same manner, have bought them at the market price?—No; because they would produce more than twenty-one shillings; I should not have bought them at more than the coinage price, which is £. 3. 17. 10½. per ounce, which would make them produce about £. 1. 0. 10. that will make a guinea from the Tower exactly £. 1. 1.
 Have you made any considerable purchases of light guineas since the period of the re-coinage?—O yes, vast quantities; many thousands.
 For the purpose of melting them down into bars?—Yes, and sending them to the Bank.
 Did you buy them at the market price?—Yes; at the market price, according to what the Bank gave; the Bank has never given more than £. 3. 17. 6. and we have given £. 3. 17. 2. or £. 3. 17. 2½.; then there was two-pence for melting, and that left a profit of 1½d.
 Supposing Gold was scarce, and that there was a great demand for it, what would prevent you from giving the market price for it?—Nothing would prevent my doing it; but if I had not a consumption in supplying the trade here, I should then send it into the Bank, because none of this Gold can be sent out of the country, being English Gold.
 What has been the market price of Gold during the last year?—I can hardly inform you what may be called the market price, foreign Gold is so much higher out of proportion than English Gold; the last foreign Gold from foreign coin, I sold at £. 4. 10. per ounce; I sold it as standard at that price.
 That was the price at standard fineness?—Yes.
 Do you speak of it in bars?—Yes, foreign bars: £. 3. 17. 2½. is the coinage price; and Gold of an equal quality is sold at £. 4. 10. for exportation; I sell Gold much lower to the trade here.
 What price have you got, at the same time you speak of, for bar Gold which could not be exported?—We delivered it to the trade at about £. 4. 8. and once we have been obliged to advance it, on account of the scarcity.
 If you could get £. 4. 8. from the trade for Gold that could not be exported, would not you have given as much for light guineas brought to you, as would have given you the profit you expected?—No, certainly not; I could not think myself justified in giving 23 shillings for a guinea; I have always understood it was contrary to the laws of the country, and if I was to do a thing of that kind I should have many applications made to me; perhaps they might file down heavy guineas and bring me, and if they could sell them to me for £. 1. 3. they would not let them go at £. 1. 1.
 What do you conceive to be the illegality?—I understand the melting down heavy guineas is felony, and I have understood as to the giving more than £. 1. 1. for a guinea some penalty will attach to the person giving it; and indeed there is a proof of it, for there is a man in custody who has been giving a premium for guineas, and he is now held to bail.
 Do you understand it to be contrary to law to deface a light guinea?—No, certainly not.
 Then if a number of light guineas, so defaced, were brought to you, you would feel yourself at liberty to buy them?—Not at a price higher than the coinage-price, which would be about £. 1. 0. 10.
 If defaced they would no longer be coin?—But, I should not feel myself justified in giving more; for many persons might deface guineas to make more of them.

W. Merle, Esq.

If those light guineas were actually melted down, you would have no scruple in buying the Gold so melted down?—If a bar is brought to me, it is impossible for me to know what it is from; it is assayed, and we buy it according to the assay; I should give, perhaps, £. 4. 6. an ounce for standard Gold in bars; but if I had known they had been guineas, I should not buy them at all.

If I was to bring you a hundred light guineas, and ask you to take them at Bullion price, you would not take them at that?—No; at coinage price.

I understood you to say, that you would never buy any light guineas, however deficient, if the market price of Gold Bullion was higher than £. 3. 17. 10 1/2 dwt.—No.

Do you know the price the Bank now gives for standard Gold?—They give £. 4. 1. 4. Would you conceive yourself entitled to give £. 4. for standard coinage?—No; for a light guinea would then produce £. 1. 1. 4.

What is the exact limit which constitutes a light guinea?—Any thing which the Bank fixes; a guinea must not now be under 5 dwts. 8 grains.

What are they generally when coined?—Five pennyweights nine grains and a fraction; the Bank allows a grain for circulation and rubbing and so on.

You have stated, that a person was in custody for buying guineas at more than twenty-one shillings each; do you happen to know whether the guineas which he so bought were light guineas, or guineas of the full weight?—That I did not enquire; but a gentleman at the Tower, I apprehend, was employed to apply to this Jew to purchase some light guineas; he sold them at twenty-three shillings, and he was immediately taken up.

You do not conceive that the defacing light guineas is any offence?—No, I should think not.

Then the sale of guineas so defaced is not an offence?—I should apprehend that a person is not justified in giving twenty-three shillings for a guinea to melt.

Do you conceive a person would be justified in buying light guineas for melting, if the price was low?—Certainly.

How long is it since you bought any light guineas?—I suppose four or five years.

None have been brought to you for sale, to be melted, within that time?—I should think not.

Do you know that there is any law against the purchase of light guineas at more than £. 3. 17. 10 1/2 d. ?—I understood, from this person being taken up, that it is an offence, that he is liable to a fine by the Court, and a certain imprisonment, if he sells a guinea at more than twenty-one shillings.

You suppose, there is, no law against the purchase of defaced guineas, and yet you choose to refrain from purchasing light guineas at more than the current price. What are your motives for refusing to purchase at the high price?—I think it would open such a field for fraud; a number of persons reducing the guineas and then selling them.

That is the reason why you refuse to purchase light guineas at a higher price?—Yes.

You have stated, that the Bank would give £. 4. an ounce for light guineas, so melted down; would you not conceive that the Bank is committing an offence against the law?—I believe I was asked, what the Bank gives now; the Bank gives £. 4.; but I do not know that they have had any light guineas brought in, more than myself, for several years; it is bars of gold carried in for which they give £. 4.; there have been no light guineas melted for several years.

Will you describe to the Committee the process vulgarly called sweating guineas?—I do not know exactly in what manner; I have never seen it done, nor know in what manner it is done; I believe it is a name used rather than a thing carried into execution.

You know that light guineas are diminished by some process?—When the light Gold was called in, I believe it was only from absolute fair wear.

Can you state what is the average weight of guineas now in circulation?—We see none; we do not even see a seven-shilling piece.

Are not the new seven-shilling pieces from the Mint worth rather more than their proportion?—No; three seven-shilling pieces weigh exactly what a guinea weighs.

You say you have been in the habit of receiving many thousand light guineas?—Yes, formerly.

Can you inform the Committee how much they are under weight, upon the average?—I should apprehend upon the average they would hardly exceed half a grain; for the Bank takes them at 5 pennyweights 8 grains, and all bankers take them at the

the same weight; and if it went the least back it was refused as a light guinea; but I apprehend it would not be more than half a grain upon each.

If you took a thousand light guineas, you apprehend they would weigh about 3 dwts. 7 1/2 grs. ?—Yes.

What difference would that make in the price?—They will produce very near £. 1. 0. 9.

So that the average price of light guineas is about £. 1. 0. 9. ?—Yes; I speak of the price when Gold was at the exact standard.

You state, that you were not in the habit of giving more for light guineas than standard price; you know that others in the trade do, do you not?—I cannot speak to that from my own knowledge.

Have you not lately had brought to you a great quantity of Gold which cannot be exported?—It is very scarce now; but there is a great deal that we melt down, which cannot be exported, because it cannot be sworn off as foreign Gold.

Has there not come to you a great quantity within the last twelvemonth?—No, it has been very scarce, we can hardly supply the trade; the silversmiths about London buy a great quantity of Gold and melt it down; we buy it according to the report of the Assay Master; the want of it is owing to the shortness of supply; and, I apprehend, a great deal is smuggled out of the country.

Taking the price of ninety shillings an ounce, what is a current guinea worth?—Twenty-four shillings and a penny.

What do you conceive was the average of the guineas when they were last in circulation?—Five pennyweights seven grains and an half, about threepence less in value; they produced from £. 1. 0. 8. to £. 1. 0. 9.

If five hundred guineas, such as are in circulation, were brought to you, do you think they would weigh above five pennyweights eight grains?—No, I should apprehend not; but if they did not all weigh five pennyweights eight grains at the Bank, they would refuse such as did not; they would not take them altogether; we have left off weighing them, and so has every body lately, except the Bank, because they pass even under five pennyweights eight grains at £. 1. 1. 0.

What do you conceive would be the average weight, if you were to take the mass of guineas that are in circulation now?—I should apprehend they would weigh about five pennyweights seven grains and a half; if it is only a fraction of a sixteenth under five pennyweights eight grains, they are considered as light.

When all guineas were weighed, and the price of Gold was about the standard price, £. 3. 17. 10 1/2 d. were guineas frequently refused if they were a fraction of a grain below that?—Yes; when cash was in circulation they were always refused if they were under five pennyweights eight grains, however trifling, only just a move of the scale on the weight side.

No Gold has been seen in circulation lately?—No.

How long has that been the case?—It has been growing worse every day; but I suppose for the last six months.

In the six months preceding it, what was the average weight of the good guineas in circulation?—They must have been five pennyweights eight grains and upwards.

How much under the weight at which they come from the Mint?—About a grain and a half, as near as can be, lighter than that at which the Mint would issue them; the good guineas should be five pennyweights eight grains and upwards; if they weigh five pennyweights eight grains, we never weigh them more, because they pass current.

If you could now purchase light guineas at the standard price, what would you do with them?—You would melt them down?—Yes, certainly, if they were light.

You do not take them to the Bank or the Mint to be melted?—No.

Can you state the proportion of Gold which is in circulation in ordinary dealings at this time to the proportion of bank notes?—No, I cannot; we see no Gold now; my Clerks who are out collecting every day, do not perhaps bring me perhaps a seven-shilling piece.

In a very large receipt?—Yes, they bring nothing but stamped dollars now.

Do you ever receive Gold as a banker from any quarter?—No, hardly ever; there is a house at Dorchester, sent me up five hundred guineas, but they have been in store; I always keep some Gold by me if I can.

The Bank gives you out a stock of half guineas and seven-shilling pieces; do they not?—No; I have gold lying at the Bank in guineas, which has been lying ever since

W. Merle, Esq.

W. Merle, Esq. Since the stoppage at the Bank took place, and cannot get half guineas and seven-shilling pieces for them.

Till within a very short period has not the Bank been in the habit of issuing to bankers a certain quantity of half guineas and seven-shilling pieces?—No; formerly they would perhaps change me fifty guineas to seven-shilling pieces; now they do not do that; it is a regulation they have made within these three months.

Till within these three months the Bank have issued Gold to bankers?—Half-guineas and seven-shilling pieces, provided you paid them heavy guineas in return for them.

Do not they give a certain portion of Gold in exchange in certain payments in paying dividends, and so on?—For dividends, if you have a warrant that is for £. 64. 10. they will pay you £. 4. 10. in money: under £. 5. they will pay in money.

Not for each dividend warrant?—No, the balance upon the whole.

Within the last year have you received much Gold, such as may not be exported?—Certainly.

About what quantity?—I cannot state precisely without my books; my consumption for the trade is as nearly as can be about two thousand ounces of Gold a month.

Of such as may not be exported?—Yes, what I supply to the jewellers and gold-beaters and manufacturers of that kind; that is, fine Gold, quite pure.

I speak of Gold that may not be exported; you receive considerable quantities of such Gold?—Yes, it is brought of all qualities, from £. 3. 10. down to £. 2. 10. that you cannot swear off as foreign Gold, not seeing it beforehand: or if it was any trinket, or any thing of that kind, that could not be sworn off.

What is the oath before the Court of Aldermen?—You swear that no part of the Gold you produce has been the current coin, or clippings or meltings of the current coin of this country.

Supposing a foreign bar of Gold has been manufactured into plate, and then it is brought to you to be melted and refined; could that be exported?—That I could not swear off.

Why not?—Because I cannot tell what the thing consisted of before it was worked up.

Do you mean to say, that you consider all Gold as not exportable, except what you yourself know to be either foreign bar or from foreign coin?—Yes; we have a great deal of Gold dust from Africa that we can swear off: I swore off near 4,000 ounces of Gold dust that I had from Africa; I believe I have got near 3,000 ounces coming now.

Can Gold imported from Ireland to this country be sworn off for exportation?—Not unless it was foreign Gold.

How much of Gold, not exportable, has been brought to you within the last twelve months?—It is impossible for me to say that; my consumption to the home trade is about 2,000 ounces per month; a considerable part of this Gold never comes back; because it is used for gilding.

From what description of persons do you receive that Gold which you destine for the home trade?—From the different shopkeepers and Goldsmiths in town and country; sometimes I buy large quantities from different merchants to whom it is remitted; where it is not fine enough to be sworn off, they are obliged to sell it to the refiners.

Can you say whether, within this last year, the supply of this sort of Gold offered to you has been more or less abundant than in former years?—Certainly less now a great deal, because we used to have so much that we could sell a good deal to the Bank; but we have not been able to sell any to the Bank for a long while.

Is the demand from you, for the home trade, less or greater than it has been in former years?—It is much about the same; I have a regular set of customers, jewellers, who use about a certain proportion every week; some of them perhaps use more than they used to do, in consequence of their trade increasing.

Do you find it more difficult to get the supply of that required for the home trade, than you used to do?—Certainly; we have been obliged to stand still sometimes.

What have you done to relieve yourself?—We have been obliged to wait till we could get it.

Do you get more from the country?—No; I do not see that that is increased.

What you get up from the country is, of course, all Gold for home consumption?

We

W. Merle, Esq.—We have it frequently sent up in bars, the goldsmiths having melted it down themselves; we cannot tell of what it is melted, because it comes out, perhaps, ten, twelve, fifteen shillings an ounce worse than the standard; it is impossible for us to tell what it comes from.

Do you export Gold?—No.

Do you sell to merchants for exportation?—No; my business is with Messrs. Mocatta & Goldsmid; we pay them a commission for selling.

Have you any knowledge of what becomes of the Gold you sell through the agency of Mocatta and Goldsmid?—Only that I know it goes to Holland, and so on.

From whom do you get supplies of that Gold which you sell through Mocatta and Goldsmid?—A great deal of it is foreign coin, which we buy of every body almost.

What is the general description of persons who bring it you?—Goldsmiths in general; but we have a great many private persons coming every day and bringing thirty-six shilling pieces and so on.

Do you receive any quantity of it from merchants?—Yes; sent over to them as remittances.

Has that quantity, within the last twelve months, been greater or less than in former years?—Till latterly I do not think there has been much difference.

What do you mean by latterly?—For the last six months the remittances have not come over in Gold as they used to do; the remittances from Portugal used to be in 36/ pieces, from Spain in doubloons.

Within the last six months less Gold has come to this country from Spain than before?—Yes, certainly; we used to have large quantities from Hamburgh, but there is none comes now.

Was the last six months different from the same six months in former years?—Yes.

Do you know of any Gold coming from the West Indies?—Yes, we used to purchase a good deal; we have not had much the last six months, but at times we used to have, and from the East Indies too.

Within the last six months have you not seen as much Gold, which you understood to come from the West Indies, as formerly?—Certainly not; I should think for the last two or three years there has not been so much in proportion as there used to be.

Do you mean to say it has been less plentiful for the last six months or the last year?—I have not seen any from the West Indies latterly.

Has the supply of this sort of Gold brought to you, been more or less abundant within the last year?—Less.

From whence has that chiefly come, which you have possessed?—From goldsmiths with whom we were in the habit of doing business.

Have you received less from the merchants than formerly?—Yes, a good deal less; as the Gold is so very high, the merchants will get the same price as we can get ourselves.

With respect to the Gold you have sold through Mocatta and Goldsmid for exportation during the last year, has the quantity been greater or less than formerly?—It has been greater certainly, because I have had a great deal of African Gold this last year.

If the quantity brought to you of foreign Gold has been less, in what manner have you supplied yourself for that greater demand for exportation?—It all depends upon circumstances what quantity of foreign Gold I can get.

I understood you to state, that the quantity you have sold through Mocatta and Goldsmid for exportation, has been during the last year greater than any former year?—Yes.

And that the quantity of exportable Gold brought to you has been less?—Yes.

State the reason for the existence of those two circumstances.—In consequence of the high price at which I am obliged to purchase Gold, I am compelled to swear it off for exportation to get the price, for the price I give for it is higher than I can get for home consumption.

A quantity of the Gold which might be exported was formerly sold for exportation?—Yes.

It is the present high price which carries it abroad?—Yes, for the Bank give no more for foreign Gold than they do for English Gold; the foreign Gold is now 12s. 1 1/2 above the English price, and the Bank cannot afford to give that; if the price of foreign Gold was to fall, the Bank would take it in the same as English Gold.

Within

349

W. Merle, Esq.

Within what period have you had an importation of Gold from Africa?—Within the last four or five months I bought about four thousand ounces.

When had you any Gold from the East Indies?—That is constantly coming in, we have a little from one and a little from another, it amounts to a quantity at last, we are buying foreign Gold more or less every day.

Has any Gold come in from Heligoland?—No, I have not had any. You have stated, that the supply of Gold at home has not lately been equal to the demand you had; have you at any time found any difficulty in providing yourself with any quantity of Gold which you wanted, in order to sell for home consumption, if you were willing to give the price of foreign Gold?—No, I should have found no difficulty, but then I should lose a great deal of money if I was to sell it for home consumption at the price of English Gold; we have been obliged to raise the price five shillings an ounce, as it is.

Is the Committee to understand it is the high price and not any defect in quantity which has caused the supply not to be equal to the demand?—Certainly; for the supply of foreign Gold would be more than equal to the supply here.

There is always Gold in the market?—Yes, if you will pay the price for it. Do you conceive that the price of foreign Gold in the market is its fair and natural price?—No; we always consider that if Gold is above coinage price it is out of proportion; it is the difference of exchange abroad that enables them to give the price which they do.

Considering it with relation to the exchange, is it the fair price?—I should think it out of proportion, taking it with reference to the exchange; the exchange is about two or three and twenty per cent. against this country.

What is the difference between the mint and market price of Gold per cent.?—It is about fifteen or sixteen. Does not Gold in Bullion bear that price in England which it ought to bear, considering the price which it fetches upon the Continent?—Yes; I suppose it is rather less than more; I should think it from six to seven per cent. in favour of the importer, out of which however he must pay the charges.

Can you make any estimate what the charges are?—I cannot myself. At the present rate of exchange, can you calculate what will be the price of an ounce of standard Gold in this country as an object of remittance, taking into consideration the expence of that remittance?—No, I cannot tell.

Can you inform the Committee what, in peace times, was the expence of exporting Gold from hence to Amsterdam?—No, I cannot, I never exported any. When you buy Gold, you pay for it in bank paper?—Yes.

The payment being made in bank paper, the price is £. 4. 10s. an ounce?—What I have sold for the home trade I had only £. 4. 8s. for. If you were to pay in guineas, should you get the Gold at a cheaper rate?—I could not pay in guineas; I cannot get them.

Supposing you had guineas to give, could not you buy that Gold at a cheaper rate than £. 4. 10. an ounce?—No, I should not offer a less price certainly, if I was to buy any quantity of Gold and pay for it in guineas, I should offer the same price as in bank paper.

When you speak of the mint price being £. 3. 17. 10½ an ounce, do you calculate that in Gold coin or in bank paper?—We make no difference; and I do not believe there has been any difference in paying in specie or bank paper. Is not the reason why an ounce of Gold is worth £. 3. 17. 10½ that as many guineas as weigh an ounce amount to that sum?—Yes; if a gentleman came and brought me Gold, I should pay him exactly the same, whether I paid him in Gold coin or bank notes.

The mint price of Gold is the price calculated in Gold coin?—Yes, it is all paid in paper; but if they were to pay guineas, foreign Gold would still bear the same price as it does now if the exchange continued the same.

If I go to a silversmith's shop, and see a gold cup in weight and fineness exactly 100 guineas, and the silversmith asks me £. 10. besides for the workmanship; if I offer him £. 115. for that cup, would not his answer be, the Gold itself is worth that; would he take the £. 115. for it in bank notes?—Certainly; for the Gold that I sell, I receive bank notes in payment.

51
37

W. Merle, Esq.

Do not you sell English Gold at £. 4. 8. ?—Yes. If I go to a silversmith's shop, and see a gold cup in weight and fineness exactly 100 guineas, and the silversmith asks £. 10. besides for the workmanship; what would the worth of that cup be now?—A cup of equal fineness and weight to 100 guineas, taking the cup at £. 3. 17. 10½. per ounce, would be worth £. 105.

What is it worth at the present price?—According to the present price of Gold it would be worth £. 118. 2. Would not the silversmith require £. 118. 2. for the weight of the Gold, and £. 10. besides for the workmanship?—I suppose he would, because Gold is so much above the standard price.

Supposing no legal restrictions to exist, and no scruples to exist in your mind, to the making a difference between paper and guineas, and that you were left simply to calculations of your own interest, could you not, in that case, make a considerable difference in the sale of any article for £. 100. in paper or £. 100. paid in specie?—Yes; if I was allowed to melt guineas, it would make near 10s. an ounce difference to me.

What difference would you make upon the value of £. 100.?—About half a crown upon each guinea; I could afford to sell the Gold for 8s. an ounce less than I am obliged to do now, if I was allowed to melt guineas.

In the transactions which pass through the agency of Messrs. Goldsmid, does the Gold go through the Bullion Office at the Bank?—In general it does. Does it always?—Not exactly always; I believe I may say always, except our House, when Mr. Goldsmid sells for me, he generally sells to Mr. Abraham Goldsmid, jun. and then perhaps he will send to my house and take it away, and weigh it; all our foreign Gold he does not buy, goes through the Bullion Office, not only the bars but all foreign Gold.

What do you conceive to be the cause of the disappearance of guineas from circulation within the last six months?—I can only give my opinion, not knowing it positively, but I have no doubt they are collected up to be sent abroad; I have heard it has been the practice of a number of people to attend among the butchers in White-chapel and other markets, and to give a premium for them; indeed there is a salesman in Smithfield from whom I used to receive a great deal of light money, and who has asked me, whether I would not give a premium for it, which I refused, and he said he could procure five per cent. upon it.

You conceive the cause of the disappearance of guineas from circulation to be, the high price of Gold Bullion, and the temptation to export it on account of that high price?—No doubt of it. What do you conceive the reason for the high price of Gold Bullion?—The exchange making it so much more favourable to transmit it than bills.

Has your attention been particularly directed to the subject of foreign exchanges?—No, it is out of my line; I never exported any myself. Ever since the period of 1800, as bank notes have increased in quantity, has the price of Gold Bullion risen proportionably?—No; I do not think bank notes have had any effect upon Gold.

Have you made any observation upon it?—No, I have not. Have you ever considered the subject generally?—No; we never have found any difficulty till the course of exchange had taken such a turn as to create a demand for it abroad.

Do you know whether it has or has not?—No; I have never considered it. Have you, from any consideration of the subject, enabled yourself to judge what effect a large issue of bank paper might have upon the price of Gold?—No; nor did I ever consider that it had any thing to do with the Gold; but I never examined the subject, I never gave it a thought.

You deal in silver bullion as well as in Gold?—I do. What is generally the nature of your transactions in silver bullion?—I buy a vast quantity from the Bank, and I have very large quantities from my different correspondents.

In bars and in dollars?—Yes, in both. To whom do you sell it again?—My consumption may be about 20,000 ounces a month among the trade, and I sell a vast quantity of dollars to merchants; but I do not export any thing myself.

Do not import any thing?—No; I receive a great deal from my friends; when the Spanish ships come home; I have had a great deal from Cadiz and from the South Seas; I have had a great deal of silver from Buenos Ayres.

There

W. Merle, Esq.

There is no restriction on the exportation of any silver, is there?—Yes, the same as it is with Gold.

It must be sworn off?—Yes, but I never did swear any off.

Is there any difference between the price of silver that cannot be sworn off and of silver that can?—I should think not; because it is not worth while to do it, owing to the convenience of being supplied with dollars.

What is the present price?—Dollars are 5s. 6d. per ounce.

What is the price of standard silver?—There is none in the market at present, but it would be about twopence halfpenny higher; they generally keep the same proportion.

Are not Spanish dollars worth something more in general than their intrinsic value?—No; bar silver and dollars go hand in hand together; one does not sell out of proportion to the other.

Do you melt down Spanish dollars?—Yes, a great many; if I have not bar silver, I am obliged to melt dollars.

Of the dollars issued some time ago by the Bank at 4s. 9d., have not a considerable quantity been melted down by the trade?—The Bank called them all in; they took them back at the price at which they issued them.

Were not a considerable quantity of those dollars melted down?—There might be some, but they could not be worth above 4s. 4d. or 4s. 5d. when they called them in, therefore the persons having them were glad to take them in.

A dollar is worth 4s. 6d. at par?—That depends upon the price in the market.

What do you consider the standard price of a dollar, taking the value at what our English coin should be?—It would come to about 4s. 6d. I suppose; but I have not known in my recollection that silver has been so low as the standard price; the standard price would be about 5s. 2½d. an ounce; dollars are three pence an ounce worse in quality than standard silver.

Sixty-two and an half is the standard price of silver?—Yes; dollars would then be worth only 4s. 11d. an ounce.

Supposing silver to be at its standard price, what would a dollar then be worth?—Four shillings and fourpence.

What is a dollar worth now?—Four shillings and ninepence. Silver is about five pence an ounce now above the coinage price.

That is about nine per cent. is it not?—I suppose thereabouts.

How do you account for the circumstance of Gold being sixteen per cent. above its coinage price, and silver only nine?—I cannot answer that question, because I am not conversant with the foreign connection.

You suppose it a question connected with the state of the foreign exchanges?—Yes; and there are many places where dollars will not do as Gold will do.

You do not suppose it to arise from any cause in the consumption of one article or the other in the country?—No; I do not consider the consumption to have any thing to do with it; a great many dollars go out to the West Indies, and perhaps very little Gold goes there, but Gold is taken over to the Continent and not dollars.

What is the cause of the present price of silver bullion being higher than the coinage price?—The demand; I have a great demand for dollars, and perhaps I must give 5s. 7d. on Monday, because they are wanted to go out, and I therefore must get them at the best price I can; perhaps that may last for a month or perhaps only for a week; dollars vary every week an halfpenny or a penny an ounce.

You know that at the time we are coining Gold at £. 3. 17. 10 per ounce, we are coining silver at 5s. 2d. per ounce, that the proportions between Gold and silver are such that the silver will always buy more than the Gold?—Yes, certainly it will.

Therefore it is not possible that much silver should remain as the coin of the country?—No, certainly not.

Are not the bankers in the habit of giving a premium for silver?—We used to do it till we got the stamped dollars; I have given an hundred and one pounds for a quantity of coin worth sixty if it was melted down, though passing for an hundred; but I have given that premium to get it; bad as it is, particularly at harvest time; it is always very scarce then.

It comes back again afterwards?—Yes, some of it; but we have given one and an half per cent. for it, notwithstanding.

Lune, 26^o die Februarii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Aaron Asher Goldsmid, Esq. again called in, and Examined.

A. A. Goldsmid, Esq.

CAN you explain why the price of Gold is frequently omitted to be quoted for a long period together, as for 1806, 1807, and 1808?—When the prices of Gold are not quoted, the transactions are not either numerous or important.

Do you mean to say, that during the whole of these three years there were not transactions enough to constitute a price?—I have no doubt that the aggregate amount was sufficient to constitute a price, but I am not aware whether there was any thing sufficient done between each post day.

Can you state what might be the actual price of such few sales as took place?—Four pounds, during the whole of those three years, was the price of foreign Gold in bars and Portugal Gold in coin.

Have you ascertained the time when a change took place of an exportation of Gold from this Country to the Brazils, instead of an importation?—Towards the middle of the year 1808, the merchants trading to the Brazils and Portugal purchased Gold and silver Bullion, instead of selling it as before.

Was there not before that period an importation of silver from the Brazils?—I believe not.

In what manner do you fix the price of Gold as between buyer and seller?—By ascertaining the general disposition of buyers and sellers, and stating the medium.

Do you mean that you enquire what is the price which the one in your judgment is likely to be pleased to give, and the other the price which the other is likely to be willing to sell at?—Yes, it is the general opinion of the market.

Have you any reference, in fixing the price, to the prices of the foreign market?—Certainly.

How do you ascertain that?—By inquiring the last price of various merchants; and generally the general disposition of the market concurs with the prices abroad, because persons are willing to buy up to that price.

Are they governed by the antecedent price of Gold?—Guided by the general disposition of the buyers and sellers here and the prices abroad; there is seldom any great fluctuation, unless some great influx or sudden rise; for some considerable demand or large arrival will certainly tend to fall the price; and any considerable depression of the exchange would tend to raise the price, which might arise from many causes.

Enumerate those causes, or give some instances.—In fact there frequently arise causes of which we are not aware of the original source, such as a particular demand for Gold on the Continent, as, I believe, is the case in the present instance; or money going out of the Country for the payment of troops abroad to any considerable extent would naturally have that effect.

Would the price of Gold be affected by a large exportation of silver for the troops abroad?—I am not aware that it would.

Then, in order that the payment of a subsidy abroad, or the remittance of money for the payment of troops abroad, should affect the price of Gold here, is it your opinion that the remittance must be made in whole or in part in Gold?—If there are markets abroad in which there is a demand for both Gold and silver, the abstraction of silver from the market here must naturally enhance the price of Gold.

If either Gold, silver, or bills of exchange were sent for the subsidy, would it not equally have an effect?—If bills were sent, it would certainly increase the debt of this Country to the Continent.

Do you, in point of fact, know that a remittance of silver from this Country on account of Government, has in your market raised the price of Gold?—When the price of Gold is advanced, it is not at all times possible to trace it accurately to its source.

Then do you mean to say, that you do not recollect an instance in which the price of Gold was to your knowledge raised by a remittance of silver?—Not any instance in which it was strictly ascertained to be so.

A. A. Goldsmid, Esq.

Do you recollect whether large remittances were made from this Country to the Continent in the year 1796?—I have no recollection of any events of that description, which passed so far back as the year 1796.

Supposing you were to hear that the trading intercourse between this Country and the neighbouring parts of the Continent was likely to be interrupted more than ever by the severity with which the French Emperor was about to execute his restrictive edict, should you, in fixing the price of Gold, take that circumstance into your consideration?—I think that such an event would stimulate purchasers, and consequently probably increase the price, in order to avail themselves of the existing opportunity of exporting it.

Then you suppose that the opportunity would be lessened after the edict should become in force?—I am supposing that the buyers should entertain such an opinion.

Can you speak of a demand for Gold upon the Continent: what information have you as to the extent of that increased demand, or the causes of it?—From what I have heard, I believe that it has greatly arisen from the practice of the French armies, who in their progress through the Continent carry Gold in order to pay the demands upon them; and as a proof of the probability of this circumstance, since the war in Spain, doubloons have borne a greater premium on the Continent in proportion to other Gold.

At what market?—In Holland. What is the difference of the price of doubloons in the Dutch market, before the Spanish war and since?—I cannot speak precisely as to that.

How is the price of doubloons at Amsterdam stated?—I do not know.

How long have you been personally acquainted with the trade in Bullion in this country?—About six or seven years.

Within that period of six or seven years, have you ever known the price of Gold at the Mint price?—I have not.

Would you say that for any length of time during that period the price of Gold has been at what you would call a steady price?—During the years 1806, 1807 and 1808 the price continued at £. 4.

Are not these the years in which you stated there were not transactions enough to constitute a price?—I suppose that the transactions were not very numerous and important, but all the bargains that were made were at that price.

Can you state the reason of that regular price during those years, and was it not because the Bank of England fixed that as the price which they would give for Gold, during those years?—The market for Gold was the same during those years, and that is the cause of the steadiness of the price.

What do you mean by the market for Gold?—I mean to say, that all or almost all the purchases were made for the same quarter.

Were the purchases, by the quarter to which you allude, considerable?—The aggregate amount might be considerable, but I am not aware what in point of fact it did amount to.

You have stated, that during those years the demand on the part of the purchasers was nearly the same; was the supply equally steady on the part of the buyers?—I cannot answer that question without referring.

You have stated, that you always ascertain the price by what you call the general disposition of the market, and by taking a medium between the prices of the buyers and sellers; did you adhere to that course in fixing the price during those years?—It is our uniform practice to do so.

Did you adhere to that uniform practice during those three years?—Certainly.

Did you likewise during those three years, in fixing the price, advert to the price of Gold in the foreign market and to the course of exchange?—It is impossible for me to speak particularly of our conduct during those three years, but I am persuaded that it was so, from its uniform tenor.

Do you at present understand, with respect to those three years 1806, 1807, and 1808, that the price remained so steadily the same, because all the circumstances to which it is the uniform practice to advert in fixing the price underwent no variation?—It may be that the demand for one quarter exceeded all competition.

Is it not the custom for different persons to place Gold in your hands, with directions for selling it, without specifying the price at which it should be sold?—Certainly.

And does not a contrary practice as often prevail of your being limited to a price by the seller?—Both cases frequently occur.

Do you think that in the case of a person who has no concern in the transaction, the Bank having no concern in the transaction, do you think that in the case supposed

A. A. Goldsmid, Esq.

Do both cases occur with respect to buyers?—With regard to buyers, we generally have some limits.

But is there not some discretion allowed you, in general, by the sellers?—There is frequently a latitude in both cases.

Do I understand you correctly, in conceiving your account of the steady price during the three years 1806, 1807 and 1808, to be this, that from one quarter of the buyers there was a permanent demand for whatever Bullion you could supply under a certain price, and that the price of Bullion in the market never in point of fact exceeded that price?—I conceive the case to have been so.

Whether the fluctuation was so sudden, as in the course of a month to rise 10s. per ounce?—I do not think the fluctuation was so sudden.

When did the price of Gold begin to rise above £. 4. 2?—I cannot speak to that.

About what time did that state of circumstances cease, which you have described in your former answer, the effect of one buyer upon the market?—I think that cause operated during the course of the years 1806, 1807 and 1808.

Was it the rise in the price of Gold to more than £. 4. that put an end to the demands from the quarter which you have alluded to?—Yes.

Was that rise from £. 4. to £. 4. 10. which you have spoken of in your former answers, a progressive rise?—To the best of my recollection it was.

About what time did it attain the maximum?—I do not recollect.

Then is the Committee to understand it to be your opinion, from the evidence you have given, that this rise in the price of Gold was occasioned by a change in those circumstances which had remained steady during the years 1806, 1807 and 1808?—Those circumstances had not remained steady, but they had not changed so much as to raise the price.

You mean the circumstances affecting the price of Gold in the foreign market, as well as the operations of Government here, occasioning remittances?—Circumstances in general.

Do you include both descriptions of circumstances in your general description?—Yes.

Is not the price of Bullion regulated by the buyer and seller; and you being only the medium between them, have no control or influence over the fixing the price?—It is regulated by the general disposition of the buyers and sellers, and no one has any influence so as to raise or depress it above or below its natural level.

If a person in possession of 100 guineas of full weight were to melt them into bars and sell them in the market, what sum in Bank of England paper would he be able to obtain for them?—He would have acted illegally in melting the guineas, and his bar would be unfaleable.

How could the buyer know that that bar was melted from English guineas?—No bar is sold for exportation unless the proprietor swears before the Court of Aldermen, as I have already said, that it is melted from foreign coin or from foreign Gold in bars.

Supposing the persons concerned were nevertheless to take that oath, what profit would they obtain upon that transaction?—They would in the first instance obtain the profit which arises from the difference between the market and the Mint prices of Gold; and in the next place if they were to export it, they would derive the profit of the export merchant.

Upon the sum of one hundred guineas full weight, how much would the first of those profits amount to in pounds shillings and pence?—Fifteen pounds eleven shillings and sixpence.

Then for one hundred guineas melted into a bar, he would have obtained £. 121. 11. 6. in Bank of England paper?—Yes.

If he could for £. 105. have £. 121. 11. 6. and contrive to procure one hundred more guineas, would he not have made a profit of £. 15. 11. 6. and be in a condition to repeat that operation?—Certainly.

Does not the same temptation to melt our lighter coin exist in proportion to its approach to full weight?—Certainly, it does.

Is there not a positive temptation to melt all our English Gold coin that is not devalued for sixteen per cent?—Yes.

Do you think that in the market that person could get the £. 121. 11. 6. paid to him for his bar in specie?—The practice of the Bank has always been, to pay and receive money in bank notes.

If the transaction through your intervention were between one individual and another (the Bank having no concern in the transaction), do you think that in the case supposed

A. A. Goldsmid, Esq.

supposed any purchaser could be found at present who would pay £.121. 11. 6. in specie for the bar melted down from one hundred good guineas?—Whether the Bank have any concern or not, the mode of receiving is precisely the same.

State your opinion.—I dare say any person would find a great difficulty in doing so, even if he were thus inclined.

If as an individual you were about to purchase on your own account a Gold bar of the weight and standard of one hundred good guineas, and you had money enough in bank notes in one drawer and in specie in another to complete the bargain, would you make any difference in paying the feller in one monies or the other?—I certainly never would make a bargain in which there should be any difference.

Charles Lyne, Esq. called in, and Examined.

C. Lyne, Esq.

HAVE you opportunities of knowing the course of the trade in this Country and foreign parts, in Gold coin or Bullion?—A little of it.

Do you know whether in the course of the last two years there has been any remarkable change in the state of that trade, as to export or import?—As far as my knowledge goes, there appears to have been a great difference in respect of the import of Gold being smaller.

Since when has that change taken place?—I cannot precisely say; I should think in the course of these three or four years.

Do you mean that within the course of these three or four years the importation of Gold has been less in this Country than in former years?—Yes.

How has the export of Gold from this Country been, in the same time?—I have no knowledge of that.

Have you known of Gold being lately exported from this Country to the Brazils?—Yes.

Have you known of considerable quantities of Gold being exported?—No; small quantities; what has gone, has been chiefly silver.

Has silver been exported to the Brazils in considerable quantities?—Not very considerable, and that in Spanish dollars.

What do you conceive to be the reason of Gold and silver being exported from this Country to the Brazils?—The apprehension of a rupture between this Country and North America, creating a great desire on the part of our manufacturers any dealers in cotton to purchase the cotton in the Brazils to import into this Country.

Could they not make these purchases by drawing bills upon this Country?—No, there being no takers for such bills on England; and the importer of cotton makes his purchase more readily by sending cash from this Country.

For how many years do you recollect Gold and silver being sent to the Brazils to make such purchase?—About two years, from this Country.

Has there not been a practice for a much longer period of time, of sending silver?—Not that I know of.

Did not specie go to the Brazils from Europe longer ago than two years?—From Portugal, I conceive, Gold has been sent to some of the Brazil settlements for many years back; for example, to Pernambuco, and Maranham, and this while the importation of Gold was taking place from the Rio into Portugal; and the same is the course of the trade now, but through the intervention of this Country.

From what you had occasion to know of Portugal before the removal of the seat of government, did you conceive the balance of trade between the Colonies and the Mother Country to be usually in favour of the former or of the latter?—In favour of the Colonies.

What do you conceive to be the state of the trade between this Country and the Brazils?—Very considerably in favour of this Country.

Are remittances made in specie from the Brazils to this Country, in discharge of that balance?—Considerable remittances are made from thence in dollars to this Country, from the Rio.

Is Gold prohibited by the laws of the Brazils from being exported?—It is, under severe penalties.

Is silver prohibited?—Foreign coin is at present allowed to be exported.

Do you conceive that since the removal of the seat of government, Gold is sent from the Brazils to Portugal?—I conceive there is none.

Have you any information as to the quantity of Gold that used formerly to be sent from the Brazils to Portugal?—I have not.

In what proportions?—I cannot say.

To

C. Lyne, Esq.

To what Settlements in the Brazils has the Gold which has been sent from this Country gone?—Chiefly to Pernambuco and Maranham; and some small quantities to Batavia.

In what coin?—In Portugal coin.

How was this Country supplied with the Brazil cottons formerly?—Through Portugal.

Have you any information with respect to the state of the Brazil mines, as to their productiveness?—I have not.

Or any other Gold mine?—No, I have not.

What is the real par of exchange between this Country and Portugal?—Sixty-seven pence and a half sterling for one thousand rees.

What is a ree?—The ree is not a coin, but an imaginary denomination.

In the Portuguese mint are there any coins the value of which is expressed in rees?—Yes, all their coins are valued in rees.

State the number of rees in the different Gold coins of the country.—A cruzado is 400 rees; a new cruzado is 480; an eight festoon piece 800 rees; a quarter of a moidore is 1,200 rees; half a sixteen festoon piece is 1,600 rees; a moidore 2,400; and what they call a three-mill two, 3,200; a moidore, 4,800 rees; and there is a piece called a six-mill four, which is 6,400 rees.

Do you know the standard of the Gold coins in the Portuguese mints?—The present standard is twenty-two carats.

Do you know the weight of any of these coins?—Not exactly.

Do you know the weight of a johanna?—Not exactly.

[Mr. Goldsmid stated, that the weight of a six-mill four is 9 dwts. 5 grs.]

In stating the real par of exchange to be 67 1/2 d. sterling for 1,000 rees, do you mean that there is the same quantity of Gold of .22 carats in 1,000 rees and in 67 1/2 d. supposing them fresh from the Portuguese mint?—Yes, I do.

Do you know whether the six-mill four pieces at present are deficient from their coinage weight, and how much?—I should suppose not much; they are taken in Portugal without weighing.

What is the present exchange between this Country and Portugal?—Sixty-five and a half, both with Oporto and Lisbon; at present they happen to be the same; but that involves a very complicated calculation, half being payable in hard money and half in paper.

What is the paper?—It is Government paper money, bearing an interest of six per cent. per annum.

What is the value of that paper as compared with the Gold, at present?—By the last advices, at a discount of twenty-seven per cent. It is paper money, which hitherto has been issued at the will of Government, without any kind of control or explanation to the public as to the quantity or when it is to be redeemed.

As a circulating medium?—By law, payments are made half in that paper and half in hard money.

Do you mean that this paper is a legal tender for the half of any payment that is to be made?—Yes.

How long has that been the case?—I think about fourteen years; till then all payments were made in hard cash.

Was one-half of the amount in paper a legal tender, from the period when that paper was first issued?—Yes, it was.

Was government paper circulation not known in Portugal till about fourteen years ago?—Never.

How soon after the first issue of that paper did it fall to a discount?—I believe within about fourteen months.

What did it fall to in the course of the first two or three years?—I cannot answer that with accuracy, but I should think, perhaps, the extent might have been 10 to 12 per cent.

Did it not circulate for a considerable time at a discount of three or four per cent.?—Yes, it did; but I do not recollect for what space of time.

Did this discount of the government paper affect the exchange of Portugal with other countries?—It did to a certain degree; but not so much as might have been expected.

When the discount became much larger, were not the exchanges more affected?—Occasionally they were; but not generally.

342.

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C. Lyne, Esq.

How did the Portuguese Government take this paper in payment of taxes?—They used to take it in the same proportion of half and half.

But did they take it at par?—The Government always took it half and half, but the paper at par; that paper was always taken at par in payments, but when persons came to reduce it into hard cash then it bore a discount.

Has the interest been regularly paid on them?—No, not regularly.

Has it lately been paid?—I have not sufficient information to say.

What is the form of the paper, payable at a given time and renewable by government; or what is the form of it?—I do not recollect the wording of the paper.

For how low a sum was this paper?—As low as 6s. 9d. or 1,200 rees.

What would be the true rate of exchange at present, supposing there was no paper, but the whole was paid in money?—Let's 13½ per cent.; from 65½ now current from this country to that, 56½s. d.

Then how do you account for Portugal not sending us any Gold?—The country has been so drained when the French were there, that I conceive it is not to be had.

By the hard cash which is payable for half, do you mean Gold or silver?—Both, or either, at the option of the payer.

In what is it now common to pay?—Mostly in silver.

Do not the Spanish dollars circulate in Portugal?—At present they do, at 800 rees each dollar.

In stating the par at 67½ exchange with Portugal, do you not assume that the payments there were made in Portugal Gold coin?—When I stated the par of exchange at 67½, it was upon the comparative value as to weight of Gold and quality of the six-mill four, when compared with the standard weight and value of our guineas, and also the relative value of the old silver coins.

Since therefore the practice now is to pay in Portugal partly in silver, and the existing exchange is subject to that condition, does it not follow that we have no means of knowing the exact difference between the present rate of exchange and the real par of that country?—Certainly there are no means of knowing what is the difference between the present rate of exchange and the par of that country, without knowing the standard of the silver, and the discount upon the paper by the standard, I mean the relative value of the silver and Gold.

How does the Portuguese Government pay its debt to individuals?—They pay half money and half paper.

The following Communication from Mr. Lyne, was received on the 9th March:

In addition to the evidence I have given to the Committee, I beg leave to offer the following written OBSERVATIONS:

The Pars of Exchange between Great Britain and the Countries with which it has commerce, have, as I conceive, been fixed by the relative value of the respective coins of those countries compared with those of England, principally, I believe, by the relative value of the Gold coins, including therein the expence, as well as the profit on the coinage. But though there are those fixed pars of exchange between the different countries, they are not in any the smallest degree attended to, or do they in any manner serve as a guide for exchange operations: the only use of such pars of exchange is, in my opinion, that of shewing the comparative value of such coins, in cases where the creditor is reduced to the necessity of taking them in payment of his debt for the want of any other representative. Exchange operations are, as I conceive, solely governed by a greater or smaller demand for bills, created by a greater or smaller amount of imports and exports; and by the prices of exportable Gold and Silver in the respective countries with which those exchange operations are done.

The balance of trade between England and those different countries with which it has commerce, being in favour of England, while the exchanges are so much against her, is, in my opinion, satisfactorily accounted for by the following facts:—By the balance of trade, which is in favour of Great Britain, being for the major part against South America, from whence it has not yet come back, and consequently cannot yet produce its effect in the general balance with other countries which are creditors:—By a greater amount of import from the Baltic, France, and Holland, than that of export thither from hence, which has created a great depression in the exchanges:—By a great difficulty and hazard in carrying on bill and bullion operations with the Continent, as also from some parts of the Continent to others; which consequently require greater profits to cover those risks, and causes therefore an augmented

C. Lyne, Esq.

augmented depression in the exchanges:—By the want of a concurrence of drawers and consequent competition, which enables the few individuals engaged in those operations to control the exchanges, and keep them so much depressed, to their own advantage:—And by the great export of specie for the payment of our troops on foreign stations, and for other Government purposes.

These are, I conceive, the causes of the great depression in our exchanges, and the consequent export of specie. I do not agree in opinion with those, who conceive that either the one or the other is occasioned by our circulating medium being confined to Bank notes; though I know of instances (and in which I have had much practical experience) where such effects have been produced by a paper money circulation; in different parts of the Continent of Europe; but that has been so produced; only as such paper currency became of less value than what by law it was supposed to represent, and therefore, when it so fell in value, (and not before) that bills on foreign countries were not obtainable at such rates of exchange or price when to be paid for in such paper money, as they were when to be paid for in Gold and Silver, the exchanges necessarily became depressed in the same proportion as the paper money became depressed. But the case is by no means similar in respect to the Bank notes and exchanges in this country; very much otherwise; inasmuch as bills on foreign countries are here obtainable precisely at the same rates of exchange, whether they be paid for in Bank notes or in guineas; and consequently, the remitter can place by bill remittances as many florins in Amsterdam, or as many marks in Hamburg, with £. 1,000. in Bank notes, as he can with £. 1000. in guineas: and therefore it becomes obvious, that the courses of exchange between England and the Continent, would be precisely the same, whether the circulating medium be in Bank notes or in guineas, if the latter are to be kept in the country. But if guineas were the circulating medium, and they were to be sent to the Continent for the payment of the debt due from this Country, they would most undoubtedly have the effect of reducing the present great difference of exchange; and so would undoubtedly an equal amount of any other article: Guineas would produce the most speedy effect, inasmuch as, being of a more portable nature, they would sooner find their way into the Continent. But while guineas would thus produce the most speedy effect, it is equally obvious that merchandize of lawful export would produce a greater effect in reducing the difference of exchange: Guineas, colonial produce, manufacture, or any other article of commerce, are all changeable or saleable on the Continent for the same article, namely, the circulating medium there, whatever that may be; the effect on that side would thus in the first instance be precisely the same, but the effect on this side would be widely different, and in favour of the lawful export of produce or manufacture against that of guineas; for while in the lawful export of the former, there would be an open concurrence of exporters of goods and of drawers on the Continent against the same, which would produce a competition, and a consequent advance in the exchanges in favour of England, the unlawful export of guineas would be confined to a very few; who would thereby not only avoid the competition of drawers, and consequently have the means of controlling the exchanges more to their own benefit against this Country, but who would also necessarily require a greater difference in the exchange to cover the risk they run in transgressing the laws; and thus also, the country, or say the public, would have to pay the guinea exporter for the risk he runs in transgressing its laws.

The question then seems to stand thus: A debt is due to the Continent, which must be paid; shall England, if it had the means, pay it in Gold or in any other article of commerce, such as the Rulers on the Continent will consent to take from us? Gold will produce the most speedy effect; colonial produce will produce the greatest. Taking into consideration, that were our circulating medium in guineas, and they to be sent out of the Country for the payment of the balance due to the Continent of Europe, in order to check the depression in the exchanges; we must in such case, not only send out a greater amount of Gold than of produce, to cause an equal effect, but we must again resort to Bank notes, and again and again; unless it be presumed, that such immense imports of Bullion will take place; so as to furnish us with a sufficient quantity, not only to keep up the whole circulating medium of the Country, but also to pay, in those precious metals, the occasional balances that England may owe to certain parts of the Continent of Europe, not likely to be inconsiderable during the present contest with France, while the unsettled state of our commerce with South America, renders our Bullion and specie supplies from thence extremely precarious.

Martis,

Martis, 27^o die Februarii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Thomas Hugban, Esq. a Member of the House, Examined.

T. Hugban, Esq. PLEASE to state what line of trade you are engaged in.—A merchant, trading to the West Indies.

State to the Committee the nature of the trade in Gold between the West Indies and this Country.—My practical knowledge of Bullion imports is almost exclusively confined to that from the Island of Jamaica; in Gold there is very little done. The imports into that Island from the Spanish Settlements consist almost entirely of silver, although there are occasionally small quantities of Gold; the Bullion so received is generally in return for English goods and manufactures sold to the inhabitants of those Settlements.

From which of those Settlements do you derive in specie the principal supply of Gold?—The supply of Gold is chiefly from Carthage and Vera Cruz.

Do you derive any supply of Gold from the Portuguese Colonies, or from the United States of North America?—There is little or rather no intercourse between Jamaica and the Portuguese Settlements, although there are considerable quantities of Portuguese Gold at times current in that Island, which are obtained chiefly from the Spaniards. I am not aware of any supply of Gold being obtained from the United States of America; there has at times been importations into that country, of counterfeit or light Gold coin from the United States.

State the money that is current in the Island of Jamaica.—The money current in the Island of Jamaica is, British, Spanish, and Portuguese coins, Gold and silver.

What do you consider as the par of exchange between Jamaica and Great Britain?—The established par of exchange between Jamaica and Great Britain is 140 for every 100 or £. 140. currency for every £. 100 sterling.

On what ground is that termed the par?—When the current money of the Island is converted into sterling money, it is computed at the rate of 140 to 100.

In what mode are the payments in the common transactions of commerce made in Jamaica?—They are made in the circulating coin of the country, at the current value. All sterling sums would be estimated first at the rate of 140 per cent. and the payments would be made in the coin at whatever it passes current for. For example, a debt of £. 500. sterling would be computed to amount to £. 700. currency, which would be discharged by the payment of 2,100 dollars, six shillings and eight-pence being the current value of a dollar; but, owing to the high price of silver in England of late, dollars have borne a premium in Jamaica of from two to four per cent. above six shillings and eight-pence.

In what are payments now made under those circumstances?—I apprehend if a payment were made in dollars under those circumstances, the receiver of the dollars must allow four per cent. additional to the current value, because the dollars are intrinsically worth so much; but that it would be at the option of the debtor to make his payments in any other coin current.

Whether the 140 per cent. called the par of exchange between England and Jamaica was not fixed by a positive enactment of the Assembly?—I think it was; and I did not mean to state that the exchange between Jamaica and England was permanent; on the contrary, it fluctuates like all other exchanges.

What you have called the current value of the dollar, in the answer before the last, is the legal current value, and not the actual value?—So I understand it.

Under what state of exchange does Gold come to this Country?—When the price of Gold in England is high, and the rate of exchange abroad in favour of England, then Gold is sent here as a remittance instead of bills, or as an article of traffic.

State the rates of exchange which have prevailed in the Island of Jamaica for two years last past.—The exchange between Jamaica and England for the last two years has uniformly been very high in favour of England; at one time it was as high in Jamaica, for bills at ninety days sight on England, as twenty per cent. or £. 168. currency for £. 100. sterling; the exchange has since declined, and, by my last advices, it was at ten per cent. or £. 154. currency for £. 100. sterling.

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Can you state the changes per cent. which attend the bringing of Gold from Jamaica to London?—I am not prepared with any accurate calculation upon that subject; but I should estimate the expence of bringing Gold from Jamaica to London, if conveyed in a man of war, at about five per cent.

What would it be in time of peace?—There would be little difference in the charges in time of peace; the expence might then amount to four instead of five per cent.

Is any brought now but in ships of war?—It is chiefly if not entirely brought in ships of war and packets; there are occasionally small sums brought by merchantmen of the superior classes.

What is the expence of carrying Gold to Jamaica from the Spanish Colonies?—By the same conveyances, that is, by men of war, I should compute the expence at about two and a half to three per cent. exclusive of all risk of getting it on board.

Is the risk of getting it on board lately increased?—No, I think not; on the contrary I should think that hazard diminished.

What are the causes which have produced that high rate of exchange between Jamaica and Great Britain?—The rate of exchange between Jamaica and Great Britain is affected by different causes; but the principal reason which has of late occasioned so high a rate of exchange, has been the great export of manufactures from this Country through that channel for the supply of the Spanish Settlements, which of course created a great demand for the means of remittance to the manufacturer and others who had exported them. Goods to great extent and value being sent from this Country and sold to the Spanish settlers, the returns were to be made in such mode as best suited the convenience of the parties or as could be accomplished; this necessarily occasioned a great demand for bills of exchange upon Great Britain, and in proportion to that demand the value or price of those bills must be regulated: the returns for these goods from the Spanish settlements are made chiefly, but not entirely in specie.

What is received at Jamaica as a return from the Spanish settlers?—Chiefly specie, and that silver; the returns in Gold bear no proportion.

Does the specie so brought to Jamaica constitute a current payment in that Island?—It does.

Then does not the rate of exchange with England conform itself to the existing value of that coin, or at least if it varies, is not the variation limited to the sum, or nearly the sum, which it must cost to bring that coin to England?—The exchange is undoubtedly regulated in a considerable degree by the value of specie in this country, and the expence of transporting it; but does not entirely conform to it, because there are various other modes of making remittances from the West Indies to Great Britain, independent of what is done in specie, and the exchange will be governed to a certain extent by the value here of many articles of West India produce which in proportion to their prices enable the residents in that country to draw more or less against them; for instance, if a hoghead of sugar is worth only £. 10. in this country, the proprietor resident abroad has not the means of drawing upon it half the amount as when it is worth £. 20.

Have you ever known the exchange with Jamaica below par?—Yes, but only for one period in twenty-five years that I have known the Island; I think it was about the year 1791 or 1792.

Previous to the last two years, were the rates of exchange generally speaking steady or fluctuating?—The rates of exchange were always variable.

Were they so in any considerable degree?—The rate of exchange has been higher during the last two years than ever I knew it before; but the rate of exchange is always fluctuating.

To which of the Spanish settlements are the manufactured goods you have been speaking of principally exported?—They are exported to all the surrounding settlements, to the coast of the Continent, and to Cuba.

From what period has this great export of goods taken place?—The trade between Jamaica and the Spanish settlements is very much increased, since an interruption was given to the commerce carried on between America and those countries; it has also been extended considerably since the commencement of the French usurpation in Spain.

As the Island of Jamaica exports a considerable part of its produce to England, the natural exchange, according to the principles of the balance of trade, would be in favour of Jamaica?—The chief part of the proprietors of Jamaica are resident in

349.

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England,

T. Hugban, Esq.

England, and the exports from Jamaica are either remittances to them for the produce of their estates or as payment of debts due to this country, which in my opinion occasions the balance to be in favour of England instead of Jamaica.

Are you able to say, whether the export to Jamaica was greater in the year 1809 than in the year 1808?—I cannot speak precisely to that point, but I rather think it greater in 1808 than in 1809.

Can you state any opinion, how long after merchandize is exported from England to Jamaica, to be sent from thence to South America, it is before any remittances are made to the manufacturer in England for that merchandize?—I am afraid my information will be defective upon that point; it depends upon a variety of circumstances; the supply that may be in the foreign market, and the demand for goods. When the intercourse between the Spanish colonies and Jamaica was so great, and the demand for goods so brisk, at one period in the year 1808, large sales were made in Jamaica for immediate payments in money, and consequently the returns to the manufacturers or exporters were quick; but since that time, from an over-supply, I apprehend, to the Spanish markets, the sale of such goods has been heavy, and it is impossible to fix any definite period for the returns being made.

Can you say whether the returns are made in six months, in nine months, or in twelve months; I wish to confine the question to the year 1809?—In the year 1809, I should think that hardly in any instance could the manufacturer receive any return in twelve months from those markets.

Then the Committee are to understand, that it is your opinion that no returns or but small sums have been made for the exports of the year 1809?—I should so conceive.

Are you acquainted with the nature of the trade between Great Britain and the other free ports of the West Indies?—Not practically: I apprehend it is much the same as that carried on from the free ports of Jamaica.

Has the trade in Bullion consisted of Gold or silver, and what proportions of each, from Jamaica, for the last two years?—Of both; but the proportions I am unable to state.

State to the Committee any estimation of the quantity of Bullion which has been imported from the Island of Jamaica within the last two years.—I cannot, not having taken any pains to inform myself.

Can you state what is the amount of silver which has been imported direct into this Country from the port of Vera Cruz, within the last two years?—I cannot state the amount, but it must have been very considerable.

Estimate, as near as you can, the amount.—I should suppose from fifteen to twenty millions of dollars.

Have you any guess as to the quantity of Gold?—No, not the least.

Whether or not, according to the best of your knowledge and opinion, a considerable portion of British manufactures, which used three or four years ago to proceed through the United States of America to the Spanish and Portuguese Colonies, do not now find their way thither through Jamaica and the other free ports of the West Indies?—There being no Portuguese Settlements in the vicinity of Jamaica, I cannot speak to the trade with them; but, in my opinion, a very considerable part of the supply of manufactured goods now furnished to the Spanish Colonies from the free ports of Jamaica, used formerly to be furnished from the United States of America.

What do you consider the cause of that change?—One very powerful cause was the operation of the American embargo, which succeeded immediately to the passing the Orders in Council in this Country; which necessarily threw a very considerable portion of the trade into this channel.

You have stated, that the exchange with Jamaica has risen considerably within the last two years; can you state whether the quantity of Gold and silver contained in the coins in which the current payments are made in Jamaica, has remained the same as before that period?—I believe it has, I have no reason to think the contrary.

Does any part of the currency of Jamaica consist of paper?—There is no regular issue of paper by any bank or banking company; the acceptances of private individuals, and certificates for the public debt of the island of Jamaica, are occasionally passed from one individual to another in payments.

Small payments?—Not small payments.

Are those certificates ever made use of as remittances?—I never knew them used as remittances.

Whether

Whether you do not consider the usurpation of Spain by the French to be a principal cause of the increase of the export of British manufactures to the Spanish settlements through the West Indies?—Undoubtedly I consider it as one cause, and have so stated in a former part of my answers; but undoubtedly I consider as a more powerful cause, at the same time, the American embargo.

T. Hugban, Esq.

Aaron Asber Goldsmid, Esq. called in.

I wish to correct the minute of my former evidence of the 22d Instant, with respect to the value of French and Dutch Gold coin, as compared with Bullion of the same fineness:—Louis d'ors and Napoleon d'ors have an extrinsic value as coin of about one and an half per cent; whereas the extrinsic value of doubloons and Portugal Gold is above two per cent.

A. A. Goldsmid, Esq.

Jovis, 1^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

John Louis Greffulbe, Esq. called in, and Examined.

IN what line of commerce are you?—A general merchant, trading chiefly to the Continent.

J. L. Greffulbe, Esq.

Are you acquainted with the subject of the exchanges between this Country and the Continent?—I have been in the habit of doing business in exchanges.

What are the principal places with which the exchanges are established at present?—Hamburgh, Amsterdam, and Paris.

What is the present rate of exchange on Hamburgh?—Twenty-nine Flemish shillings, bank money, to a pound sterling.

Has it varied much within the two last years?—It has.

What was it two years ago?—If I recollect right it was between thirty-four and thirty-five.

What difference per cent. is there between that and the present course?—About 16 a' 17 per cent.

What is the Flemish shilling?—The Flemish shilling is a nominal value; twenty shillings are a pound Flemish; a Flemish is equal to 7 1/2 marcs.

What does it represent nominally in silver or Gold, and how much?—A quantity of bar silver of the standard of 47/48 purity at the price of banco mark 27/10 per mark weight. The payments at Hamburgh are made altogether in bank money by a transfer at the bank from one account to another; there is an agio, which is pretty steady, of 23 a' 24 per cent. for bank money above current money.

Is that agio the same in peace or war?—I am not aware of any difference occasioned by peace or war.

Is that current money a silver money altogether?—Silver and Gold both; it is a matter of no interest to the merchant here what the current money is at Hamburgh, so few transactions take place in the current money.

What quantity of silver are you entitled to receive from the bank for any given amount of bank money?—Bank money is obtained against deposits of silver in bars, at the rate of below M. B. 27.10 per mark weight of 47/48 purity, and their silver returned on demand against bank money at below M. B. 27.12, which difference is applied to the charges of the establishment.

Has there been any difference within the last few years in the intrinsic value of bank money?—Certainly not to my knowledge.

Are the several continental coins of the surrounding Countries for which the bank money is exchangeable, the same coins in point of intrinsic value for which the bank money has been exchangeable for some years past, and is the agio also continued the same?—I am not aware of any difference in the intrinsic value of the current money, of course if any change had taken place in the intrinsic value of coins for which the bank money is exchangeable, a difference would have been made in the agio.

To what do you ascribe the fall of exchange between London and Hamburgh, near eighteen per cent.?—Altogether to the commercial situation of this Country with the Continent; to the circumstance of the imports and payments of subsidies, &c. having very much exceeded the exports.

J. L. Gressill, Esq.

Do you speak of the last two years?—Particularly of the last year, it is only within the last year that the exchange has fallen so much.

Do you judge of the balance of trade having been against this Country in the last year; from the state of the exchange, or from your own knowledge of the excess of the imports above the exports?—I certainly judge of it in a great measure by the state of the exchange, which, according to my apprehension of the subject, can only be influenced by the balance of trade; but this is strongly corroborated by those circumstances which fall under the general observation of every practical merchant.

State those circumstances upon which you found your conclusion, that in the last year, while the exchange has been low, there has been an actual excess of imports above the exports.—It is a notorious circumstance, that imports from several quarters have been most enormous, while the exports, owing to political circumstances, have been very much checked. This I consider to receive a very strong proof from the circumstance of most of the articles imported into this Country from the Continent, being here at moderate prices; such at least as will afford no profit, or very small profit, to the importer; in fact, some of them considerable loss; while most of the principal articles of export from this Country to the Continent command prices upon the Continent from 50 to 200 and 300 per cent. higher than the prices existing here: which, according to my conception, clearly proves that the imports have been superabundant, and exports very much curtailed.

Do you mean that there has been such a difference between the invoice prices?—I am speaking of the result of any commercial adventure, either import or export.

When you state this excess of import above export, do you mean an excess of amount to the prices you have now stated?—I mean, that upon striking a balance between the amounts to be paid and the amounts to be received in this Country, that balance is to a very considerable amount against this Country. It is to be observed, that goods imported by the British merchant are paid immediately, while the returns for exports are slow, and cannot yet (for the last year) have produced their due effect upon the Exchange: the imports from the Baltic, for instance, are of very considerable magnitude, and it is known that the export from hence to the Baltic in goods and merchandize bears but a very small proportion to them.

Have not the exports to the Baltic always borne a very small proportion to the imports from thence?—Always an inferior proportion, but not in the same degree as at present.

Have not the imports from the Baltic in the year 1809, been double the amount of the imports from the Baltic in the year 1808?—I should think considerably more than double of that amount.

Have the exports to the Baltic been larger in the year 1809, than they were in the year 1808?—Probably larger, but not considerably so.

Whether imports have not been made from the different ports of the Baltic in foreign ships, in the course of the last year and in the year preceding, with very little difficulty?—With very little difficulty indeed; a circumstance which made this item in the balance of trade particularly heavy against this Country is, that the whole of that enormous trade has been carried on in foreign ships, which have been engaged at very heavy rates of freight, the whole of which freights must be remitted out of the country. There is another instance, one amongst many; I mean the imports of wines and brandies from France, which have amounted to very considerable sums, and in return for which no merchandize whatever has been exported from this Country.

You have stated, that the freight paid to those foreign ships has been high; how much per cent. in your opinion, upon the articles imported from the Baltic, has been paid for the freight upon the value of those articles?—I conceive that the average rate of freight may amount to fifty per cent. upon the original cost of the goods.

What was the average rate of freight upon the original cost of the goods also, when they were imported in British bottoms?—I cannot answer that question correctly from memory, but I believe from 10 a' 20 %.

Have not the difficulties of exporting merchandize in foreign ships to the Baltic been much greater than in importing goods from thence?—More difficulty has attached to the admission into Russian ports of English merchandize, than to the export of the produce of the Country.

Have the great imports from the Baltic which you have described, been any portion of them in payment of former debts to this Country?—Not to my knowledge.

Have they been in any degree on account of British merchants who have returned home from that Country, and who could not at first bring home their property?—

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They probably may in some degree, but that is a circumstance which I have no means of ascertaining. J. L. Gressill, Esq.

Are you of opinion that this excess of imports from the Baltic above the exports thither, must be equalized by some other branch of exports in the general trade of this Country?—The imports must be paid for, and therefore of course must be remitted out of the Country in some shape.

You have stated, that within the last year there has been a general excess of imports above the exports; in what manner, and within what period, do you conceive that this excess will ultimately be paid for by this Country?—By the exportation of Bullion in the first place, and ultimately by the fall of the exchange; which, when the Bullion is exhausted, must fall to a rate by which the balance will be ultimately equalized.

Do you conceive that there has been already an exportation of Bullion in part discharge of that debt by this Country?—Unquestionably.

After as much Bullion shall have been exported as the Country can send out, in what manner will the fall of exchange discharge the remainder of the debt?—By the circumstance of the exchange falling low enough to force exports and prevent imports of merchandize, by which the balance will in course of time be settled.

To what point must the exchange fall before this exportation is forced in the manner you describe?—That must depend, as I conceive, upon the amount of the balance to be settled.

What is the expence of transporting specie from this Country to Hamburg?—I have not sent specie myself, so I am not competent to answer that question.

Do you conceive it to be as much as a charge of eighteen per cent.?—No, not eighteen per cent.

How much less?—I really must decline answering that question, as I am not accurately acquainted with it.

From what other ports besides the Baltic has there within the last two years been an excess of imports above the exports?—I answered that question partly just now, by stating that wines and brandies were imported from France to a considerable amount, in return for which no goods have been exported.

Has there been any excess of imports above exports from the North of Germany or Holland?—From the North of Germany decidedly, I should think, an excess of imports; not from Holland, though the imports from thence have been large; Holland, and particularly the Ems, have been the principal point through which the exports have latterly gone.

Has there been an excess of exports above imports to Holland?—I should think there has.

To a considerable amount?—Yes, to a considerable amount; but chiefly during the last year.

What have the exports to Holland chiefly consisted of?—Colonial produce and British manufactures.

Have the prices of the articles exported to Holland been high there?—Very high; they have yielded very considerable profit.

As high as you described in a former answer, with respect to the prices of our goods in the foreign market?—Yes; I refer to that answer.

Has the excess of exports to Holland contributed to pay for the excess of imports from other parts of the world?—Unquestionably.

Can you state nearly, what proportion the excess of exports to Holland bears to the excess of imports from other parts of the world?—No, I cannot, without much minute examination.

Has it been nearly equal, do you think?—Decidedly not, I should say, from the state of the exchange, and the general circumstances I have stated before.

Do you know whether any considerable export of cottons to the Continent has taken place during the last two years?—Some export of cotton wool has taken place, but has been checked by the Board of Trade here, who thought proper to stop it. They have changed their determination with respect to that article two or three times in the course of the year, by alternately prohibiting and permitting it. The difference of price of that article in this Country and the Continent at present is enormous; a pound of Brazil cotton selling here for 2s. is worth 6s. at Amsterdam, and 8s. at Paris.

Is it at present prohibited?—It is.

By prohibition, do you mean that the Council refuse licences?—They do refuse licences.

J. L. Gressfulbe, Esq.

Are you of opinion, as a Continental merchant, that any considerable export of that article would have taken place in addition to what has actually been exported within the last year, if the export had not been occasionally interrupted?—Very considerable, I should think.

Can you state, for about how much of the last year the export of that article has been interrupted?—I can only state it loosely from memory; perhaps about half the year.

Are there any other articles of which the export to the Continent has been interrupted?—Excepting bark, I am not aware of any article of merchandize that ought to advert to foreign coin and Bullion, which, in my opinion, it would have been wise and expedient to allow to enemies ports, but for which the Board of Trade have persisted in refusing licences.

Has the export of colonial produce to the Continent been considerable within the last year, as compared with the former years?—It has certainly increased within the last year.

Has the excess of imports above exports, which you have described to have been the general state of trade within the last year, been owing in any degree to the export being less free than you conceive it might have been?—Certainly, in some instances; and particularly at this moment I conceive that the Board of Trade might promote an increase of the exports to France.

Proceed to state what other causes you would assign for the present low state of exchange with Hamburg, other than that excess which you have described of the imports above the exports?—I conceive the answer which I have given upon the subject of the excess of imports to apply generally to all Continental exchanges; another principal cause of the low rate of exchange I conceive to be the stoppage of the American trade, owing to the restrictions imposed in America, by which Americans have been prevented from carrying their own produce, and the produce of the enemy's colonies, to the Continent of Europe, which would have operated upon the exchange in a great measure as an export from this country, the greater part of the returns of such American exports to the Continent of Europe consisting of goods exported from this Country to America.

I understand you to mean that such an export from this Country to America would have equalized the excess of imports into this Country from the Continent?—The export that I alluded to from hence to America would have been paid for by remittances from the Continent arising out of the proceeds of such goods as the Americans would have carried there, which of course would have created a demand for bills upon England; and thereby kept up the exchange.

And should not we in the same manner have paid for our excess of imports from the Continent, out of what was due to this Country from America in consequence of these exports?—Undoubtedly.

Is it your opinion, therefore, that the effect of a long continuance of those American acts would be to render us unable to make as large an importation from the Continent as we have latterly done?—In a great measure, during a certain space of time, if they were strictly carried into effect.

Have you any other causes to assign for the present low state of our exchange with the Continent?—I recollect no other commercial circumstance sufficiently material to deserve the attention of the Committee; but the Continental expenditure of Government for subsidies to foreign powers, pay of troops, and other purposes, has no doubt materially affected the exchanges. Perhaps I should add in reference to the last two or three years, that most export articles have till lately ruled the low prices, owing to the impediments on the Continent; of course the sum payable by foreigners for their supplies has been reduced accordingly.

What is the present course of exchange between this Country and Amsterdam?—The exchange upon Amsterdam is 37s. 6d. Flemish for a pound sterling.

Is that bank money or current?—Bank money.

What is the established par at Amsterdam?—I am not aware of an established par at any foreign place. What do merchants call the established par between Great Britain and Amsterdam?—I must refer to my last answer; the par of exchange is of no interest to the practical merchant; it is the equality of currencies, if 20s. which compose a pound sterling were taken new from the mine and carried to Amsterdam, and there reduced to the Dutch standard, and coined into guilders, the amount of those guilders would constitute the par of exchange.

J. L. Gressfulbe, Esq.

Do not you mean that the real par of exchange between any two countries is an equal weight of silver of the same fineness expressed in the respective denominations of the two currencies?—Yes; but I do not know that it ought to be taken rather in silver than in Gold.

Supposing a par of exchange to be fixed as between two currencies, would not that par of exchange be altered if one of the currencies became debased?—The course of exchange certainly would.

Supposing the par to have been established between Hamburg and England, and subsequently, to that time that the coin of either Country became debased, would it not happen that for the convenience of commercial calculation, a new par would be nominally established?—The convenience of commercial calculation does not require the establishment of a par of exchange; the intrinsic par or relation of currencies would of course vary according to such debasement, but the effects of the latter would become apparent in the course of exchange.

What is the present course of exchange between this Country and Paris?—At twenty livres for a pound sterling.

What is the established par?—The par of exchange upon Paris has always been considered to be twenty-four livres, I believe; that is certainly not correct, it ought to be nearer twenty-five than twenty-four; it proceeds upon a supposition of the French half-crown being equal to the English half-crown, which is not correct, and have not at present the means of establishing the comparison of the coins, but as far as possible I think it may be stated at something about twenty-five livres.

Since you became acquainted with the trade to the Continent, are you aware of any change having taken place in the state of the French currency, by which the exchange may have been affected?—None whatever: an alteration has taken place in the coinage, which is unconnected with the exchange.

What change has taken place in the coinage?—Gold pieces of twenty francs have been coined, and the old coin was worth twenty-four livres; these Gold livres are called Napoleons.

Has any change taken place in the weight of the silver coin?—Certainly there has in the weight, but none in the relative value; pieces of six francs have been coined.

Are you acquainted with the prices of Gold in the foreign markets?—I cannot state them accurately from memory.

Can you state whether any change or not has taken place in the price of Gold in any of the foreign markets within the last year?—No very material change, that I am aware of.

What is the present price of bar Gold, of our standard, at Hamburg?—I cannot state it from memory, but I can refer to it.

At Hamburg and Amsterdam, is the price of Gold bullion quoted in bank money?—At Hamburg, in bank money; at Amsterdam, in current money.

Do you know whether in any of the foreign markets with which you are acquainted, there is at present an agio upon Gold as exchanged for silver?—There generally is in all the foreign markets.

Is it so at Paris at present?—I cannot at present state.

Does your experience, as a merchant dealing in foreign exchanges, enable you to give an opinion whether the excess of paper currency in any Country would have any effect in lowering the exchange of that Country with others?—A forced paper currency certainly would.

The question goes to an excess of paper currency, whether forced or not?—I cannot well conceive a paper currency being permanently excessive, unless it is forced.

But in the case of a paper currency being forced, is it not the circumstance of its thereby becoming excessive; and not the circumstance merely of its being forced, that has a tendency to lower the foreign exchanges?—I conceive it in the first place to arise from that paper being excessive, and in the next place from that paper representing no real value. Can you state what is the present course of exchange with the United States of America?—The exchange in America upon England has been in favour of England for a considerable time; (there is no exchange in England upon America.) I do not know what it has been very recently, but probably it is lower, perhaps below par, in consequence of considerable exports having lately taken place from America; during the suspension of those exports the exchange of course, was in favour of England, I would indeed lay some stress upon this circumstance, as supporting my opinion that

J. L. Gressulhe, Esq.

that the exchanges are influenced by commercial causes only: During the depreciation of English currency on the Continent of Europe, a premium was paid for it in America in hard dollars. The United States were then, in a great measure, situated with respect to England, as England is situated with respect to the Continent of Europe.

When speaking of the exports and imports between this Country and the Baltic, did you take into your consideration the quantity and value of Bullion exported?—No; I only alluded to the relative amount of goods or merchandize.

Why do you not consider Bullion as an article of merchandize?—I do consider it as an article of merchandize, but I was endeavouring first to state the difference between goods imported and exported. I consider the exportation of Bullion to take place as the means of settling that balance; that difference.

Do you conceive that an excess of imports above exports can account for the rates of exchange continuing so high as sixteen per cent. against this Country for a permanent period of time?—I certainly think so. I conceive the cause of the present state of exchange to be entirely commercial, with the exception, I should add, of the payments which Government have had occasion to make upon the Continent, in the shape of subsidies, the payment of troops, &c.

As the par of exchange between two countries is computed on the calculation of the value of the respective currencies; do you not conceive that the rates of exchange will fluctuate with the fluctuations in the intrinsic value of the currency of either Country?—Certainly.

Is not the present standard Gold coin of the value of £. 3. 17. 10 1/2 per ounce?—It is.

Is not the present market price for Gold to export above £. 4. 10.?—I believe it is £. 4. 10.

As the receiving a part of the remittance from Lisbon is paid in paper, and occasions a loss in the exchange of about nine per cent. does not the circumstance of our receiving bank notes in payment in London alter our exchange with foreign parts in the proportion of £. 3. 17. 10 1/2 to £. 4. 10. the difference of value between the two?—In Portugal, bills are paid one half in a forced government paper, which loses a regular per centage compared to specie, in all internal transactions. In England we have no forced paper, no difference is made in favour of specie in internal transactions; and the high price of Bullion against bank notes is only owing to the demand for exportation. The two cases, therefore, are in my opinion quite dissimilar. I conceive that the state of the paper currency of this kingdom, and the state of the exchanges upon foreign parts, are two subjects almost unconnected, and that have but very little influence upon each other. As some corroboration of this opinion, I beg leave to adduce the two following facts, from which it appears that at two several periods, the exchange for a length of time improved in favour of this Country, while the amount of bank notes was gradually increasing:—Early in 1797, when the suspension of cash payments took place, the exchange upon Hamburgh was about 35, and the amount of bank notes in circulation about 11 millions; the exchange gradually rose during 1797 and 1798 to 38, and ruled between 38 and 36 till July 1799, though at the same time the amount of bank notes increased to 13 1/2 millions and more:—Again in 1800 and 1801, when the exchange fell nearly to its present rate, viz. under 30, the amount of bank notes was between 15 and 16 millions; the latter progressively advanced to 18 millions and more in 1802, 3, 4 and 5, while during the same period, the exchange rose to 32 in 1802, 34 in 1803, 35 in 1804, and 35 1/2 in 1805.

If a bill of exchange for £. 100. is remitted to me from Hamburgh, what do I receive for payment?—A bank note.

If my correspondent desires to have Gold for that £. 100. note, how am I to procure it?—Of course you are to buy it at the market price, as you would any other commodity.

And then reckoning the difference to be about sixteen per cent. if in the first instance the foreigner could receive Gold, would he not give sixteen per cent. more in exchange?—Yes, nearly so, because no laws can prevent such Gold from being exported. But were it practicable to enforce the existing prohibition completely, it is clear that as the foreigner could not get his £. 100. in Gold coin, he would not pay the additional price for the bill; Guineas in that case would bear no superior value to bank notes, and

J. L. Gressulhe, Esq.

and exportable Gold would sell for £. 4. 10. against Guineas, as it now does against bank notes. What I mean to prove by this is, that the high price of Gold should not be ascribed to bank notes, but altogether to the foreign demand.

If bank paper and Gold exchanged even, would not the currency to the foreigner, of about sixteen per cent. be the supposed difference between the bank note and the Bullion to be purchased?—I do not clearly understand this question. But the low exchange in my opinion does not arise from our receiving bank notes in payment for bills; the specie of the Country is exhausted by our foreign balance, and would not be more abundant, (at least in no degree worth mentioning), if bank notes were not in existence. Whatever means might in that case be devised to answer the purposes of trade and circulation, Gold and silver would remain equally dear; that dearness, therefore, cannot be called a discount on bank notes.

If a merchant in Hamburgh sends over to this Country a bale of goods, which he would invoice to his correspondent at £. 100. if he could get Gold in payment; must he not now invoice it at £. 116?—I refer to my former answer.

Do I get less foreign money for £. 100. bill drawn upon Hamburgh than I used to do?—Yes.

If I send a bale of goods thither, do I get more foreign money than I used to do, supposing the price of the commodity not varied?—Certainly not.

If then the goods fetch the same, and the bill drawn fetches less foreign money; is it not the case that Gold is not varied as to itself, but as to paper?—The foreign money will buy a bill upon this Country to a larger amount. But I must again refer to my former answer.

Were the circulation of this Country confined to Gold and silver, which by law is prohibited to be exported, would the exchanges have any effect or influence more than they now have, the payments being principally made in bank notes?—I conceive it would produce no difference whatever on the rate of exchange, supposing those laws completely carried into effect.

You have assigned as the principal cause of the rate of exchange, the balance of trade being against this Country; do you not rather mean the balance of payments?—I certainly meant the balance of payments, having before adverted to the payments of Government for subsidies and other purposes, which are to be taken into the general account.

May not the balance of trade therefore be in our favour, while the balance of payments remains against us?—The balance of payments for the year may be against us; while the general exports exceed the imports. Returns are now, even from neighbouring quarters, and from distant parts of the world may be, delayed not only for months, but for years.

You have assigned as a cause of the present low rate of exchange, the suspension of the American trade with the Continent; has there not, within the year, been considerable exports from America to Tonningen, and other parts adjacent?—My remark was made generally; but to render it quite correct, I certainly ought to say the partial stoppage of communication.

Have not those supplies to the Continent which used to go directly from America, within these last twelve months proceeded from this Country, through the medium of Heligoland; and if so, would not such exports produce the same effect upon the exchange as if they had gone from America?—A considerable trade has, no doubt, been carried on through Heligoland, but only very partially consisting in articles derived from America.

Supposing the metallic currency of any Country should, from any cause, become excessive, and the means of exporting Bullion or specie from that Country, should at the same time be effectually obstructed, do you conceive that such a state of things would tend to create a course of exchange unfavourable to the Country so circumstanced?—That surplus of currency would, in my opinion, certainly tend to enhance the price of all commodities, and to depreciate the exchange. But I do not conceive this to be applicable to the Bank paper currency of this kingdom, which, from its nature, and from the manner in which it ought to be, and I believe is issued, can scarcely, in my opinion, be carried to an excess; it is only called forth by the real wants of trade and circulation, and is always represented by a valuable consideration. I conceive, that as long as bills of undoubted solidity are sent into the Bank for discount, the Bank are fully justified in issuing their notes against those bills, without any fear of the amount of their currency becoming excessive. The increase in the amount of bank notes in circulation within these few years, is, in my opinion, accounted for, in

J. L. Gressfulbe, Esq.

the first place, by the encreased commerce of the Country, and in the next place by the encrease of the public debt and the consequent taxation, which has the effect of enhancing the prices of all commodities; and the amount of currency required for the purpose of facilitating the exchange of those commodities, or in other words, for trade and circulation, must naturally increase in the same proportion.

When you say "enhance the price of all commodities," do you include foreign bills of exchange among those commodities?—Certainly not; I am now alluding to the internal concerns of the kingdom, which I conceive to be altogether distinct from its foreign trade.

Do you then conceive, that to whatever extent the Bank affords facility of discount, either to the Government or to individuals, provided the security be good, and payable at fixed dates, that no excess of circulation in bank paper can possibly take place?—I conceive that the wants of the circulation are of course confined to a certain sum; whatever proportion of that sum is invested by the Bank in government securities, will diminish in the same proportion the calls of the public upon the Bank for discounts; the amount of notes, therefore in circulation, will remain the same. The point where, in my opinion, the Bank ought to stop in such purchases of government securities, is when good responsible bills are no longer sent into the Bank by the public for discount; that I conceive to be a certain sign of the wants of circulation being fully supplied, and any subsequent issue becomes, in my opinion, an excess of paper currency.

Suppose an advance to be made upon goods that may be pledged with the Bank instead of bills, would that, in your opinion, create an excess of circulation?—I conceive it to be highly proper that the securities discounted by the Bank should be payable at short and fixed periods.

Do you conceive that all that would be requisite to prevent a depreciation of paper currency in any Country would be, that such paper should in no instance be issued but as the representative of a good security, payable at a fixed period?—I answer that in the affirmative certainly.

Do you conceive that there exists the same security for the public against the inconvenience of an excess of circulation when the payments in cash at the Bank are suspended, as when the Bank was at liberty and under obligation to make its payments in cash?—I conceive so, if the Bank strictly adhere to the system of discounting no bills but of undoubted solidity, and government securities; the latter with due moderation, and the caution pointed out before.

Are you aware of the practice that prevails among country bankers, with respect to discounts and advances in their paper?—I partly am.

What is that practice?—The country banks are in the practice I believe, of issuing notes upon the security of goods, houses, and lands, in addition to the ordinary discount of bills of exchange.

Of course the security upon which those advances are made, is not convertible at any fixed period?—I believe not.

Do you conceive that from this practice of the country banks, an excessive circulation may arise?—I am inclined to think that the system of country banking has been carried too far in this respect.

Are you of opinion that if the country bankers confine their advances within the same limits as to the description of security which prevails in the Bank of England, that the accommodation afforded by them to the public, could not lead to any excess in the circulation?—I believe not; I think the same principle will apply to the country banks that I applied to the Bank of England.

Then assuming there to be some excess in the circulation, the cause to which you would ascribe it is this practice of the country banks?—I am inclined to think so.

Is it your opinion that there is now, or has been at any time, such excess in the circulation?—I believe at some periods certainly too much facility has been shewn by the country banks in the issuing their paper.

Do you think that inconvenience exists, or has existed, within the last six months?—I should think it has, and now does in some degree.

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FRANCIS HORNER, Esq. in the Chair.

Mr. [Name], a Continental Merchant, called in, and Examined.

ARE you acquainted with the subject of the exchange between this Country and Hamburg?—I am, and with other foreign Countries.

What is the present rate of exchange between this Country and Hamburg?—The rate of exchange from this Country on Hamburg has varied lately: the last rate it was quoted at about twenty-nine, which means twenty-nine shillings Flemish for one pound sterling.

Is the shilling Flemish, or the stiver, a real coin?—The shilling Flemish is not a coin, but the banco marc, which banco represents a certain weight of silver.

A shilling Flemish means six stivers banco of Hamburg, and sixteen stivers banco are one marc banco. In the actual currency too, sixteen stivers are equal to one marc.

Then does the banco marc represent a fixed quantity of silver of a fixed fineness?—Yes; for 27 marcs 12 stivers banco, you get one marc of Cologne weight of silver perfectly fine, without any alloy; that is, for one banco marc, you get 10 1/2 gran. Col. of such silver.

Can you compare the marc Cologne with English weight?—Sixty-five ounces of English standard silver contain eight marcs of Cologne fine silver.

What do you state to be the real par of exchange from England on Hamburg?—I first wish to state my general idea of a par of exchange; it is the expression in the coins or denominations of the two currencies which are compared, of an equal weight of silver of the same fineness.

I have no idea how a par can be ascertained without the precious metals being the foundation. The Hamburg currency is founded on silver, and the British currency is principally founded on Gold; the par of exchange cannot therefore be ascertained without fixing a relative value between these two metals.

If the relative value of these two metals in the Bullion market be known, and be the same in two Countries, may not the par of exchange be ascertained between those two Countries, although the currency of the one be Gold, and that of the other silver?—Yes, provided the exportation and importation of Gold and silver be perfectly free.

Between two such Countries, does not the par of exchange vary with the variations in the relative value of the two precious metals?—Yes; the par will vary if the relative value of the two metals varies.

And if the relative value of the two precious metals varies unequally in the two Countries at the same time, must not that inequality be likewise taken into the calculation in ascertaining the par?—Yes, it must.

State in what manner you apply those general ideas to the statement of the par of exchange between England and Hamburg.—Taking Gold at the coinage price of £. 3. 17. 10 1/2, and taking it at Hamburg at what we call its par, which is 96 stivers banco for a ducat, and further reducing 55 ounces of standard Gold, as being equal to 259 ducats, it produces a par of exchange of 34 1/3 Flemish for a pound sterling; a ducat contains at the rate of 23 1/2 carats in 24.

What do you mean by the par of Gold at Hamburg?—I mean the par of its value in banco, which is not fixed by law, and which in fact varies daily, but which is called 96 stivers banco for a ducat.

In ordinary times, has not coin at Hamburg an extrinsic value above the same weight of the same metal in the shape of Bullion?—It has at Hamburg.

Must not this extrinsic value be taken into account in estimating the par of exchange?—No, not the par, in my opinion, upon the principle which I have already explained, but it may affect the course of exchange.

If the guinea were reduced a penny weight, would it not alter the par of exchange?—Yes, certainly.

You have stated the present course of exchange from England upon Hamburg to be 29 or thereabouts, how much does this differ per cent. from the par you have mentioned?—About 15 per cent.

What is the present course of exchange of Hamburg upon London?—About 28.

What is the cause of this difference between the course from Hamburg upon London,

Mr. [Name]

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Mr. — London, and that from London upon Hamburg?—The major part of the exchange operations between Hamburg and London being carried on at Hamburg, the course of exchange is principally fixed there, and receives its first impulse at Hamburg; the course from London upon Hamburg is regulated in a great measure by that from Hamburg upon London: thus, when there are more bills than required for actual payments, merchants employ their capital partly in purchasing of surplus bills, and sending them to London to get returns; they have, therefore, to take into their calculation the amount of interest on the bills so sent, as well as on those received in return, together with two brokerages and a commission to the London merchant, which, at the rate of 5 per cent. interest, without any other profit, amounts to a difference of about 1s. Flemish in the pound sterling. When the difficulties of communication are greater, and the penal restrictions increase the dangers and difficulties of such transactions, an additional advantage is required by the curtailed number of adventurers going into such transactions; and thus, when those difficulties existed to the greatest extent, the difference of exchange was full 2s. Flemish.

Do not transactions of the same sort in the purchase of the surplus bills take place upon the London exchange?—Yes, but not to half the amount they do at Hamburg.

What does the current money of Hamburg consist of?—The coins in use to the greatest extent are the currency of all the surrounding states, such as Denmark, Hanover, Prussia, Saxony; in fact all the neighbourhood.

Are English guineas current there?—No, not current.

What is the reason why English guineas do not form a part of the Hamburg currency, like the coins of other neighbouring countries?—The restrictions which are imposed upon the exportation of coin from this Country do not exist in the States just now alluded to. Guineas are only exported when the intrinsic quantity of Gold they contain make it worth while to melt them, and at a period when the rate of exchange is so much below par as to afford a considerable premium for so dangerous an undertaking, and when it cannot be worth any body's while to speculate in the purchase of them there, to return to England at a distant period, when the exchange must have risen so very considerably as to make it worth their while to return them.

If English guineas were freely exported, so as to become current at Hamburg, is it your opinion that the same temptation would exist to the melting of them?—No, not in my opinion, because the rate of exchange could then never be much below par, and the prospect of selling them at a short period again above par would induce people to keep them in their original state.

If under a system of free exportation, guineas were at any time sent out from England to restore an unfavourable exchange with Hamburg, occasioned by the balance of payments, is it likely that the same guineas would upon the exchange being restored, find their way back to England?—Yes; and more particularly so if in this country a moderate seignory were put upon the coin; for instance, in Holland, where they coin millions of ducats, the more that goes out the better is their Government pleased, because they make so much the more profit; in consequence of which, the Dutch ducat has become the most universal coin all over the Continent.

Is not that gain to the Government, and loss to the public, in the degree that the seignorage is paid?—Not to the people of Holland, in as far as it is principally paid by foreign nations; it exists equally upon every coin.

Has not a large quantity of circulating specie a powerful tendency to steady the course of exchange?—Yes, certainly, when its importation and exportation is not prohibited, and as forming the only basis that regulates the par of exchange.

Is not then any country, whose chief circulation is in paper, likely to experience great fluctuations in the course of exchange with other nations?—When that paper is not convertible into cash, it only represents, in my opinion, an ideal and not a real value, subject to public opinion, and consequently liable to the very great fluctuations which public opinions are subject to.

Does the current money of Hamburg consist chiefly of silver or Gold?—Principally of silver.

Does the currency of Hamburg consist in any degree of paper?—No, with one exception; the bank of Altona issues some notes, payable on demand, which are convertible at all times into what they represent.

Are

Are they for small or large sums?—I think the lowest one of the value of two guineas.

Do those notes appear in large or in small payments at Hamburg?—They are not much made use of at Hamburg, but are meant more as an accommodation to the transactions in Holstein.

Is there not an agio at Hamburg for banco above the current money?—Not according to my ideas; but on the contrary, it is the different current coins that bear an inferior value to the bank money, and which vary daily; every thing there being valued according to bank money, or a certain weight of fine silver.

Could you, by depositing a hundred pound weight of fine silver in the bank of Hamburg, purchase such a credit in the bank as would enable you at pleasure to take out an equal quantity of fine silver?—If the deposit is made in the old specie dollars, upon which the bank of Hamburg was founded about two centuries ago, the difference would not amount to above one per mil; as this coin has in a great measure disappeared, the principle of the Bank is now carried on more upon silver in bars of a great degree of fineness; the expence of refining, therefore, being taken into the calculation, the difference at present between such bars being given in or taken out of the bank, amounts to nearly one-half per cent. to defray their expences; thus the bank invariably gives credit for a marc weight of fine silver at 27 marcs 10 stivers banco; and if taken out, they value it at 27 marcs and 12 stivers.

You have stated, that while the value of banco money remains quite fixed, the value of all the circulating coins relatively to banco fluctuates; what are the circumstances to which that fluctuation is owing?—Partly an increased demand, arising from a variety of causes, and further, the state of the trade between the respective Countries whose coins you allude to; for example, if the balance of trade between Hamburg and any of the neighbouring States, from any sudden causes, should be very unfavourable to a great extent against such State, their coin will at Hamburg fetch no more than what it will produce in fine silver when melted down.

Do you mean, that under certain circumstances of trade, the banco value of silver coins at Hamburg may be so affected, that you will for a certain quantity of such coins, get credit in the bank for more or less than the actual quantity of fine silver contained in that quantity of those coins?—The bank of Hamburg receives no coins but a certain specie of dollars before alluded to, and bars of silver of 15 lot. 12 gran. per marc fine, which is 154 in 16 parts; the holders of such coins therefore, if they require to convert them into banco, must themselves get them refined to the necessary standard in bars.

Is silver of the fineness required, when received by the bank, always entered to the credit of the bringer, at the same banco value?—Yes; this banco value represents nothing but a certain weight of fine silver.

Is the account kept by the bank in the nature of a stock account, or a cash account?—The nature of the bank is a simple deposit of fine silver, transferrable from one person's account to another.

Does the bank at Hamburg receive Gold in the same manner?—No, nor does it even advance money upon a deposit of Gold; being liable to be called upon for silver and nothing else; they might thus not be able to fulfil their engagements. Upon Spanish dollars they advance a moderate sum, on the principle that they can reduce them to that which they are liable to be called upon for.

Lune, 5^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Mr. — a Continental Merchant, again called in, and Examined.

HAVE you ever known the exchange to fall to the extent of 12 to 15 per cent. in any part of Europe, in which it was computed in coin containing a fixed quantity of Gold or silver, or in paper or Bank money exchanged at a fixed agio either for such Gold or silver coin, or for Gold or silver Bullion of a definite amount?—No; never, except in countries where the export of their currency has been effectually prohibited; such as Sweden.

Is it to Sweden only that you refer in making that exception?—I do not just now recollect

Mr. —
James H. Coe
Change
140

Mr. recollect any other country where paper resting upon the foundation of coin, the latter is effectually prevented from being exported.

How is that prohibition made effectual in Sweden?—By the Bank not issuing specie to any amount when the exchange is depreciated.

What is the extent to which you conceive that the exchange is capable of falling in any country in Europe at the present time, supposing it to be computed in coin of a definite value, or in something convertible into a definite quantity of Gold or silver Bullion?—The charge of transporting it, together with an adequate profit in proportion to the risk the transmitting such specie is liable to, would be the extent of the fluctuation.

Can you state how much per cent. may be the present expence and risk of transporting Gold from London to Amsterdam or Hamburg, or any other principal places of trade on the Continent?—Independent of the premium of insurance, it would be from 1½ to 2 per cent. from London to Hamburg.

What do you conceive to be the amount of the risk?—The risk is so very variable from day to day, that it is impossible for me to state any fixed premium.

What do you conceive to have been the average risk for the last fifteen months?—About 4 per cent.

Do you not then conceive, that such fall of our exchange as has exceeded the sum necessary to compensate for the expence of transporting Gold and silver in the last fifteen months, must be referred to the circumstance of the existence of a paper currency not convertible into specie?—Yes, certainly.

Do you conceive then, that out of the 15 or 20 per cent. which the English exchange has fallen in the last fifteen months, the larger proportion of from 10 to 12 or 13 per cent. may be referable to the circumstance of our paper currency not being convertible to cash?—I am clearly of that opinion.

Do you then consider our paper as depreciated 10 to 13 per cent. in consequence of its non-convertibility into cash?—As I value every thing by Bullion, I conceive the paper currency of this Country to be depreciated to the full extent of the 15 to 20 per cent.; or rather, the difference in this Country between the price of Bullion and the rate by which the coin is issued from the Mint.

Do you conceive the balance of trade with the Continent of Europe to be now for or against this Country?—I conceive it to be considerably in favour of this Country; though not to the extent as generally stated in figures, those figures representing in my mind only about 80 per cent. of their nominal value.

What do you mean by stating that the balance is not so favourable as is generally represented in figures, those figures being only 80 per cent. of their nominal value?

As I value paper by the quantity of Bullion it will obtain, and as it will not obtain above 80 per cent. of that which is represented upon the face of it, I conceive the balance to be diminished in an equal proportion.

Will not the same observation apply to the imports?—Yes, and therefore I do not state it upon both; but only upon the balance.

Supposing the Bank had for the last fifteen months paid in cash, and that guineas had been in general circulation, might not an unfavourable balance of trade have caused a fall in the exchange, to the extent of 5 or 6 per cent.?—Hardly so much as speculations would have been entered into anticipating more favourable circumstances.

Can you state to the Committee in what manner and degree the exchanges in any parts of the Continent first experienced a fall in those places in which a paper circulation not convertible into cash, or into any definite quantity of Bullion, has been introduced; and in particular, can you specify the extent of the fall which first took place, and the period for which it lasted, antecedently to the establishment of any current or established agio or discount between the paper and the Bullion or coin of the Country?—To the best of my recollection, a depreciation in the exchanges has always taken place whenever a paper currency has been put into circulation, it was not convertible into cash.

The strongest instance is that of assignats in France. At the present moment we have a very strong instance in the paper currency of Austria and Denmark, where a forced paper circulation exists; in consequence of which the exchanges upon those Countries have varied in proportion to the difficulties that they have laboured under, and in proportion to the confidence founded in public opinion with regard to the credit such paper was entitled to. I do not know of any paper currency on the Continent that is not convertible at all times into cash, which is founded at all upon a similar system of solidity to that in this Country, where, although the paper may not represent what is expressed upon the face of it, it does represent something

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34

84

something in fact equally real, though not applicable to equalize the balance of trade.

Are not all the banks upon the Continent, government banks?—The most of them are, and it is those I allude to; as such as are not under control of government, are obliged to fulfil their engagements.

Do not those which are not under government, limit the quantity of their paper; and is not its value in exchange for coin perfectly sustained?—Yes; for if they did not, they would be liable to suspend their payments.

Do not the government banks assist the government by loans of money, and extend their paper as their means of furnishing such loans?—Yes, those I have alluded to do so in the fullest extent.

Is not in fact the paper issued by one department of the government itself?—Yes, certainly.

Do you not conceive that the quantity of paper issued by those banks has an influence on its price?—Yes, certainly; and we have seen a strong instance of it last summer, when, from the extraordinary exertions of the Austrian government, a considerable additional issue became necessary, in consequence of which the exchange on that Country fell an additional 50 per cent. and Gold coin fetched from three to four times its nominal value there.

Did the Austrian and Danish governments receive their paper at its nominal value in the liquidation of imposts?—Yes, in a great measure from necessity, as hardly any coin was to be seen in those Countries.

That was at the same time that an agio actually existed in those Countries?—Yes, it was.

Do you conceive that the quantity of bank paper in England influences its price, and has an effect upon the exchange?—In my opinion, the same principles attach themselves to bank paper as to any other commodity, when carried to a certain extent.

Do you not conceive that the limitation of bank paper has a general tendency to improve the exchange, and to augment its price?—Its price would certainly, in my opinion, be enhanced by its limitation, or what is the same thing, the nominal value of every article would be reduced; when this reduction had brought the price of Bullion to the Mint value, the exchange would be at near par. A further diminution of this, or any other circulating medium, would not tend to raise the exchange.

Does the paper issued by private banks and individuals, under existing circumstances, in your opinion affect the general value of paper?—In my opinion, much more so than that issued by the Bank of England, because, if I am justly informed, the Bank of England makes the greatest proportion of their issues only upon securities convertible at short periods; whereas the paper of individuals is, to a certain extent frequently advanced, and represents that which cannot be brought into circulation; and thus may be doubly represented.

Do you not conceive that there is a most essential difference between the government banks on the Continent and the Bank of England, inasmuch as the government banks on the Continent make their issues of paper subservient to the convenience of government; whereas the Bank of England limits its loan according to its own discretion, and is in no degree dependent, in respect to the amount of its loans upon the Government?—I believe I stated before, that there is no government bank on the Continent that rests upon the same principles of solid foundation as that in this Country, where the principles adopted are the same as would be followed by any prudent individual in his own concerns, and where the advances to Government are both optional and limited to what appears a very small proportion of their capital, and which, as well as their other issues, is convertible and comes round at short periods, substituting a moral for a physical tender; which in many cases, when it rests upon a solid foundation, is far preferable for internal circulation.

Do you ascribe what you call a depreciation of the paper of Great Britain, in any degree to an opinion of any insufficiency of the Bank of England to fulfil all its engagements?—No; by no means; but to the circumstance of their not allowing Bullion to perform those functions for which it seems to have been intended by nature.

Supposing the assets of the Bank of England to be not only equal to the repayment of even five times the amount of their paper as present in circulation, do you not conceive that, if their present issues were to be even doubled, the value of their paper would be diminished?—I having never heard the solidity of the Bank of England

Mr.

land doubted, either at home or abroad, I do not conceive that this would alter the present situation; and in proportion as the quantity of paper was increased, it must tend to lower its value when issued beyond what the circulation of the country requires.

Supposing that all the discounts of the Bank of England were made in the metallic currency of this Country, and that no paper currency whatever was known in their circulation, and that they could multiply those discounts in Gold to any extent they pleased; and supposing that at the same time, the means of exporting Bullion or specie from this Country should be effectually obstructed; do you conceive that such a state of things would tend to create a course of exchange unfavourable to this country?—Yes, certainly, the same as if a solid paper system existed; but as it is proved that no penal laws can retain coin in the Country, when the temptation is sufficiently great to export it, this is a position that in fact could not take place.

Then you conceive that if the circulation of the Country consisted altogether of Gold, and was carried to the same amount as it now exists in paper, the rates of exchange with other foreign Countries would be the same as they now are, if the supposition of the former question could be real?—As I do not conceive that that is possible, I think the exchange would feel the effects of such a change in its circulation, partly in proportion to the degree that the exportations of coin would take place; but more particularly from the circumstance, that people would speculate upon such operations taking place, and thus opinions would raise the exchange nearly as much as an actual exportation of Bullion.

To what causes do you ascribe the present unfavourable course of exchange?—The first great depreciation took place when the French got possession of the North of Germany, and passed severe penal decrees against a communication with this Country, at the same time that a sequestration was laid upon all English goods and property, whilst the payments for English account were still to be made, and the reimbursements to be taken on this Country; many more bills were in consequence to be sold than could be taken by persons requiring to make payments in England. The communication by letters being also very difficult and uncertain, middle men were not to be found, as in usual times, to purchase and send such bills to England for returns; whilst no suit at law could be instituted in the courts of justice there against any person who chose to resist payment of a returned bill, or to dispute the charges of re-exchange. Whilst those causes depressed the exchange, payments due to England only came round at distant periods. The exchange once lowered by those circumstances, and Bullion being withheld in England to make up those occasional differences, the operations between this Country and the Continent have continued at a low rate, as it is only matter of opinion what rate a pound sterling is there to be valued at, not being able to obtain what it is meant to represent.

You have stated your opinion, that the unfavourable state of the exchange was occasioned by the decrees of the enemy prohibiting trade with this Country; did not the prohibition on our part of the American trade to the Continent, in a great degree aggravate the unfavourable state of the exchange?—As nearly the whole of the American importations into the Continent are remitted by bills to this Country, it must have had that effect in as far as it prevented the American trade going there; and further, I am of opinion that the exchange would be much lower at this moment, if it were not for the importations received from America into Holstein during the last six months.

What improvement has taken place in the state of our exchange within the last fortnight?—Between three and four per cent.

What demand of bills on England has been the cause of this improvement in the present state of exchange?—Principally, I believe it to be a great demand for bills upon the American property since the sequestration which had taken place in Holstein having been withdrawn, and partly by the payments of other importations during the summer from this Country to the Continent coming round, which are not at present, as formerly, anticipated.

Supposing no alteration to have taken place in the paper circulation of this Country, do you not believe, that if the balance of the trade of this Country with the Continent had been in our favour during the last year, that the present unfavourable state of exchanges could not have existed, all other circumstances affecting the intercourse of this Country with the Continent remaining the same?—I have lately changed my opinion on this subject, and do not think that this balance of trade is the only

Mr.

only regulator of the exchange when Bullion is withheld; but in that case public opinion is substituted; for the same exchange may continue to take place at a reduced rate if both parties are satisfied.

The exchange against England fluctuating from 15 to 20 per cent.; how much of that loss do you think may be ascribed to the effect of the measures taken by the enemy in the North of Germany, and the interruption of intercourse which has been the result, and how much to the effect of the Bank of England paper not being convertible into cash, to which you have ascribed a part of that depreciation?—I ascribe the whole of the depreciation to have taken place originally in consequence of the measures of the enemy; and its not having recovered, to the circumstance of the paper of England not being exchangeable for cash.

Martis, 6^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

John Whitmore, Esq. Governor of the Bank of England, called in, and Examined.

J. Whitmore, Esq.

DO you consider the amount of Bank of England notes during the last year to have borne nearly the same proportion to the occasions of the public as in former times?—The same proportion exactly.

In ascertaining that proportion, have you taken into consideration any increase of economy in the use of them among persons in the Metropolis, or any diminution of the quantity of them circulating in the Country, through the increase of country bank notes?—I do not very well comprehend what is meant by the economy in the use of them.

We understand by it such improvement in banking, and in the system of effecting payments, as renders the same quantity of Bank notes equal to a larger amount of payments than before.—I am not at all sensible of any improvement that can have had any effect upon the amount of them.

Do you conceive that the quantity of Bank of England notes circulating in the Country has been at all diminished by any increase in the quantity of country bank notes?—The Bank has no means of knowing the quantity of Bank of England notes in circulation in the country. It is to be presumed, if there has been any increased circulation of country bank notes, that it must have driven the London Bank notes out of circulation; but that is only a presumption on my part.

Do you not conceive that many country banks may not have generally in their possession a smaller stock of Bank of England notes than heretofore, in consequence of their having for many years experienced no run upon them, and of their confidence having consequently increased?—I really have so little knowledge of country banking, that I have not the means of information to answer that question.

When you represent the quantity of Bank of England notes to be now only proportionate, as heretofore, to the occasions of the public, do you take into consideration the increased price of all articles, and the consequent increase of the amount of payments; and do you assume that the quantity of notes ought to be increased in proportion to that increase of the amount of payments?—The Bank never force a note into circulation, and there will not remain a note in circulation more than the immediate wants of the public require; for no banker, I presume, will keep a larger stock of bank notes by him than his immediate payments require, as he can at all times procure them. To illustrate this, the daily Government purchases of stock, which are paid for in Bank of England notes at an early part of the day, will, I believe, be found to be bought frequently at a lower price than the other purchases of the day. My observation is, that the Commissioners have bought at a lower price than the public.

[Question repeated.]

I have taken into consideration not only the increased price of all articles, but the increased demands upon us from other causes.

What other causes do you refer to?—The other causes that I refer to are the increased importation from abroad, and the increased public revenue of the Country, and the increase of the London payments in general.

Antecedently to the suspension of the cash payments of the Bank, was it not the practice of the Directors to refrain in some degree their loans or discounts, in the

J. Whitmore, Esq.

event of their experiencing any great demand upon them for guineas?—The Bank always act with that prudent caution, that their advances to the public upon discount can be called in in two months, or at furthest 90 days.

[Question repeated.]

A short time antecedently to the restriction upon the Bank, they were seriously alarmed at a diminution of their coin, and did in some degree limit their advances, both to the public and to Government. I would wish to be understood, that they do now set limits to their advances according to circumstances, and as their discretion may direct them.

The question goes to this; whether, antecedently to the suspension in 1797, a drain for guineas did not suggest to the Directors a restriction of their advances; for instance, did they not on this ground refuse to make the accustomed advances on the loan in 1783, when the drain of their Gold was particularly great?—I am not prepared to speak to dates; but I have a recollection only of one instance, when the advance upon the loan was withheld: I believe that instance was in 1783, but I did not come into the Direction till 1786.

Can you state generally, whether antecedently to the suspension of the cash payments, the Directors considered a drain upon them for guineas as a reason for restraining at all their loans or discounts?—I apprehend it was done upon a view of that and every other circumstance that attended the state of their affairs at that time: I think, in point of prudence, that it ought to have been a reason at that period.

Can you say whether in point of fact, prior to the suspension, such a reason ever did operate with them to restrain their advances?—Such a reason, connected with others, did certainly.

Did not the Bank Directors urge the repayment of part of their loan to Government, as well as restrain their discounts, in the end of 1796 and the beginning of 1797, in consequence of their finding a large portion of their Gold to be drawn from them at that time?—I recollect repeated applications to the Minister of that day, Mr. Pitt, for him to reduce the amount of the advances the Bank had made to Government. I would wish to add to this, that at that period the Bank had advanced to Government a large sum upon treasury acceptances, which was the most objectionable part of the advance in the contemplation of the Directors: I perfectly well remember the Bank limiting a certain sum of discount to be made to each commercial house applying for it; that was the mode of diminishing the whole amount of discount. I wish also to add, that afterwards in the contemplation of many of the Directors, this last was a measure to be regretted under the then circumstances, on account of the very considerable embarrassment and inconvenience occasioned by it to the mercantile world. To the best of my recollection this limitation of the discounts was some time before the suspension of the cash payments.

Did not this diminution of the discounts, produce a diminution of the bank paper in circulation?—In point of fact, I am not prepared to answer that question; but as an opinion, I am prepared to say, that the diminution of the aggregate of our advances, as well to Government as to individuals, must have that effect.

Was there not in that period, between the limitation of discounts and the suspension of cash payments, a diminution of the aggregate of your advances?—I really am not prepared to say.

Supposing Gold to be drawn from the Bank to be then melted and exported, would there not be a reduction of your paper in consequence of notes having been brought in to exchange for Gold, and then cancelled?—Yes, provided we did not re-issue an equal amount.

Could you so re-issue an equal amount, without enlarging in that proportion the amount of your discounts?—We could re-issue an equal amount by the purchase of exchequer bills or Bullion, or by discounts; being the only articles on which we make advances.

Supposing that in such a case of a demand upon you for guineas, the Bank had come to the determination of diminishing in some degree the aggregate of their advances, would not the amount of their paper in circulation be diminished both by that diminution of the advances, and by the amount of the paper which had been brought in for guineas?—Most unquestionably; as much of our paper as we do not re-issue is a diminution of it.

Even if you should not, in such a case, resort to the measure of diminishing the aggregate of your advances, would not a diminution of your paper in circulation take place in consequence of the drain upon you for Gold?—It would, in proportion

J. Whitmore, Esq.

tion to the quantity of notes cancelled for the Gold issued in exchange for them, provided we did increase our quantity of advances.

If you re-issued the notes brought to you for guineas, in such a case, would not they be again returned and draw more guineas from you?—As long as it would continue to be a profitable trade. When I speak of re-issuing notes, I mean issuing the amount of those notes, for we do not usually re-issue the same notes.

Do you conceive that the limitation of the sum total of your loans, and consequently also of your notes, which took place in 1783, had the good effect which was intended by it, of diminishing the drain for guineas?—I am not prepared to speak to the facts at this distance of time, and not having been then in the direction.

If the Bank were not restricted from paying in guineas, and a great demand for them took place, do you conceive that the course the Bank would adopt, with a view to check such drain, would be to diminish the amount of their advances either to Government or to individuals?—In answer to that question, I would say, that with a view to the Bank's own preservation, it undoubtedly ought to pursue that measure; but it must greatly depend upon the circumstances which would accompany such demand upon us for advances.

Can you state any other mode by which you conceive that such a drain of guineas would be checked?—I know of no other measure.

In point of fact, is it not the measure to which the Bank did recur on all occasions prior to the restriction, whenever any extraordinary drain of Gold took place?—I have already, I believe, answered that question, by saying that the Bank did, in a former instance, limit their advances.

In what mode is it that a diminution of advances by the Bank operates to lessen and put an end to a drain of guineas?—Because there is a diminished amount of outstanding demands against the Bank.

Would not that drain continue, notwithstanding such diminished amount of outstanding demands, if the market price of Gold continued in the same proportion of excess to the Mint price?—I conceive it would, so long as the dealers in Gold can get a bank note to bring to the Bank and demand guineas for it.

You have stated, that a diminution of the outstanding demands against the Bank diminishes the drain of guineas, and also that that drain would continue so long as the excess of the market price above the Mint price of Gold continued the same; is the Committee to understand that the diminution of these outstanding demands has, in your opinion, a tendency to lessen such excess?—In my opinion, it has no bearing upon the price of Bullion.

Then in what manner does a diminution of outstanding demands lessen the drain?—The lessened demands that can possibly be made upon us from the smaller amount of notes in circulation.

Why should the smaller amount of notes in circulation lessen the inducements of the holders of these notes to convert them into Gold?—I presume that all the holders of bank notes are not dealers in Gold, and they would not let their notes go out of their possession for that purpose.

But may not those who are disposed to deal in Gold become possessors of notes equally as before the diminution of the outstanding demands?—I conceive in that case an alarm would be created, and the holders of notes would hoard them as they have done guineas upon other occasions of alarm.

Would not the hoarding of such notes, raise the value of those that remained in circulation?—I have no doubt it would.

Would it be raised in exchange for Bullion?—I should think not.

By what criterion do you judge that its value is raised?—I have gone upon a supposition, that the value of the Bullion abroad still afforded a profit upon the exportation of it from this Country; and until the price of the Bullion here exceeds the price abroad, there would not be wherewithal to exchange for bank notes.

Supposing that the consequence of bank notes, being rendered more scarce by a diminution of outstanding demands against the Bank, and the consequent hoarding of them, as assumed in a former answer, should be to raise their value ten per cent.; and that before their value was so raised, the price of Bullion on the Continent was six per cent. higher than the Mint price in England; would not the effect of this raising the value of the bank note be, to put a stop to all further demand for Bullion?—That is a question of calculation, that if the Bullion can be brought back into this Country, by giving more for it here than they can obtain for it abroad, the demand for it here for exportation must cease.

Supposing

J. Whitmore Esq.

Supposing the excess of the market price of Gold above the Mint price to be five per cent., and that in consequence, a drain of guineas takes place from the Bank, and the Bank, by diminishing the amount of its outstanding demands, raises the value of its paper five per cent. in the manner described in a former answer, would not the result be to bring the market and the Mint price of Gold to a par, and consequently to put a stop to the demand for guineas?—I wish for time to consider of an answer.

Mercurii, 7^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Mr.

Mr. — a Continental Merchant, again called in, and Examined. SINCE the conduct of the Enemy which you have described, what other causes have continued to operate on the Continent to lower the course of exchange? Very considerable shipments from the Baltic, which were drawn for and the bills negotiated immediately on the shipments taking place, without consulting the interest of the Proprietors in this Country much, by deferring such negotiation till a demand should take place for such bills; the continued difficulty and uncertainty in carrying on the correspondence between this Country and the Continent; the curtailed number of houses to be found on the Continent willing to undertake such operations, either by accepting bills for English account, drawn from the various ports where shipments take place, or by accepting bills drawn from this Country, either against property shipped, or on a speculative idea that the exchange either ought or is likely to rise; the length of time that is required before goods can be converted into cash, from the circuitous routes they are obliged to take; the very large sums of money paid to foreign ship owners, which in some instances, such as on the article of hemp, has amounted to nearly its prime cost in Russia; the want of middle men, who, as formerly, used to employ great capitals in exchange operations, who, from the increased difficulties and dangers to which such operations are now subject, are at present rarely to be met with, to make combined exchange operations, which tend to anticipate probable ultimate results.

Are not English manufactures and West India produce eagerly sought after upon the Continent?—Yes, when they get to a place of safety.

Would not the exportation of those manufactures and of West India produce to the Continent, in the usual quantities, remedy nearly all the inconveniences which you have described as operating upon the course of exchange, and raise the exchange to par?—As the exchange at present rests upon public opinion, and has not got the precious metals for its foundation, I conceive a state of things possible, so that the trade with the Continent may be carried on, the balance being in favour of this Country, whilst the exchange is below par; the touchstone to regulate it being withdrawn, namely, Bullion.

Then do you believe, that if our exports exceeded our imports, and the balance of trade were considerably in our favour, that still the exchange would be below par?—I conceive it a possible case.

When our exports have exceeded our imports, has that actually been the case at any period since the Bank restriction?—It has; but never for any length of time, till lately.

When the balance of trade has been in favour of England, and the exchange has been below par, have there been no extraordinary causes to operate upon the exchange, exclusive of the Bank Restriction Bill in England?—Yes; such as foreign subsidies, and the Bank of England having raised the price of Gold to 80s. about five years ago; likewise, the great commercial distress which existed in the year 1799, and which had a very great effect upon the exchange.

Supposing a paper currency to be established in this or any other country, which is not convertible into Gold or silver coin, or into any definite quantity of Gold or silver, and the quantity of such paper currency to be greatly increased; do you not conceive that a great fall in the exchange may take place, and that the subsequent fluctuations in the exchange, which result from the variations in the balance of trade, may become fluctuations merely round a new point, the exchange never again reaching its antecedent par, assuming always the quantity of paper to continue

Mr.

continue to be enlarged?—In my opinion, there is no single cause that would tend so materially to have the effect of depreciating the exchange, and keeping it low, as an increased paper currency not convertible into cash.

Might not the exchange continue permanently and greatly depressed, in spite of favourable balances of trade, under such circumstances?—As under such circumstances the exchange rests upon a foundation no more solid than the variable opinion of persons abroad and at home, I conceive, that the interchanges between this and foreign countries might continue to be carried on at an exchange much below par, when in fact, there is nothing to raise it but a change of opinion; but which opinion would very soon be altered, when it were once known that coin were again to be put into circulation.

Are there not many places on the Continent in which the balance of trade has been occasionally very favourable, and in which nevertheless, during the period of that favourable balance, the exchanges have been unfavourable if computed in a paper not convertible into cash?—Except with regard to the occasional high rate of exchange between this Country and the Continent, I know of no exchange with any Country where a forced paper circulation existed as the foundation for the exchange, but where it was considerably below its original par.

Has not the depreciation in the value of the paper of those countries been generally produced first by some unfavourable balance of trade, or other extraordinary circumstance, naturally affecting the course of exchange; and has not the circumstance, of the paper not being exchangeable into cash, then prevented the recovery of the exchange in more than a slight degree after the depreciation had taken place, even though a favourable balance should return?—I believe that it has generally been the public opinion, as much as any other cause, that has depressed such exchanges, and which must of course have been aggravated by an unfavourable balance of trade.

Has a limitation of the quantity of paper been resorted to in places on the Continent, as a means of rectifying the exchange under such circumstances?—Yes, it has very frequently.

At what prices, and with what effect?—Always with a partially good effect. This reduction of the quantity of paper has been resorted to in Denmark, in Austria, and was even tried in France, during the period of the assignats; but upon any exigency of the Government, they have again increased the quantity, which then tended again to lower the rate of the exchange with foreign countries.

State in what manner the returns and payments are made to this Country from the Continent, for the exports.—Partly in merchandize and partly by bills of exchange.

Do merchants on the Continent make advances on property consigned, as heretofore?—No.

From the course of our export trade, is not the Continent largely indebted to this Country?—Very considerably; and in a much greater proportion than what they would be if trade had been carried on as heretofore, in as far as such exports have been for English account.

For those commodities which we import from the Continent, do we not pay in advance?—Those coming for English account are generally drawn for upon the goods being shipped.

For those which come on foreign account, are not drafts passed in anticipation?—I have little doubt but that has been the case with regard to a part of such shipments.

Is not this the general course of such trade?—Yes, except when extraordinary dangers or difficulties exist.

Do you know whether for such commodities as are imported from the Continent of Europe, and re-exported to the States and Settlements of America, this Country always gives credit?—Yes.

What period of time does it take in that trade to bring the payments round?—About eighteen months.

Has not the import from the Continent, during the last year, of Baltic produce, German linens, and other produce, been unusually great?—Yes, it has, in consequence of the trade between this Country and the Continent having been almost totally cut off the preceding year, in consequence of which the advance of the British merchant, both on the score of exports as well as imports, must be unusually great.

Has

Mr. — Suppose in one of two countries, namely England, the price of articles in exchange for its paper circulating medium should be raised in consequence of an increased quantity of paper; and suppose in another country, namely Holland, the price of articles in exchange for its circulating medium should not be raised, there having been no increase in its quantity or diminution of its value; would not a given quantity of English paper necessarily be exchanged for a diminished quantity of Dutch currency?—Yes, it would.

That is to say, if English goods continued to exchange for the same quantity as before, of Dutch goods, must not the English paper be exchanged for a less quantity of Dutch currency, in such a case?—Should the advanced price of any article in this country not curtail the quantity to be exported, it certainly would have this effect in the abstract.

Supposing the circulating medium to consist almost exclusively of paper, as is now the case in England, and suppose such paper to be augmented in quantity; suppose also the general price of articles in exchange for such paper in England to be raised, as you have admitted; will not such rise of prices operate as a temptation to foreign countries to enlarge their export of goods into England as long as the exchange remains the same; inasmuch as the advanced price of goods in England, other things being equal, must give an additional profit to the foreign exporting merchant?—Taking it for granted that the exchange were to remain the same, it would have that effect; but it is the exchange itself which would regulate such operations.

In the case supposed, will not the same general advance of prices in England, which you state an augmentation of paper to produce, operate as a discouragement to the exportation of English articles so long as the exchange shall remain the same, which shall be assumed to be at par?—Yes, certainly; but it is an assumption which, in my opinion, could never take place in fact.

Have you not understood that the general balance of trade has been stated to Parliament by official authority, for several years, to be in favour of this Country, and to the amount of several millions in each year?—Yes; but I believe that such statements did not include the expenditures for the account of Government abroad.

Would not such balances due on former years, but accruing for payment only in the last year, have contributed to the extent of that payment so accruing, to satisfy any extraordinary demand for goods imported from the Continent last year?—Yes, they would.

The balance of trade for the last year in favour of this Country, being stated to be much greater than on any former occasion, how soon, supposing the present rate of exchange to arise solely from the present balance of payments being against this Country, may we expect to see a balance of payments, and consequent rate of exchange in favour of this Country, in proportion to the favourable balance of trade?—As I have before tried to explain, that it is not the balance of trade alone that regulates the rate of exchange when Bullion is withdrawn from its operations, as relative to the balances with foreign countries, I continue of opinion, that the balance may be in favour of this Country and the exchange against it, until that is restored, which is the only medium by which to regulate the par of exchange. I would further state as my opinion, that at the present moment, and for a short time past, the balances of payment between this Country and the North of Europe have been in favour of England.

Then if the exchange was affected solely by the balance, the payments of exchanges with the North of Europe at this moment ought, according to the information on which you have formed your judgment, to have been in favour of England?—If that were the only cause that influenced the exchange, it is my opinion, that the exchange would have been in favour of England for some time past.

Would not that be the only cause, in your opinion, if the paper currency of this Country were convertible into coin at the option of the holder?—Yes, with the exception always of the increased difficulty and expence which might occasionally take place to transport the precious metals.

If the depression in the exchange of any country arises solely from an unfavourable balance of trade or of payments, would not the natural consequence be a scarcity of currency, and a fall in the price of all commodities?—Yes, it is what I have invariably observed in several countries.

Has the present great depression of the exchange in this Country, as far as your experience goes, created any such scarcity of currency or consequent fall in the price

85

price of commodities?—No, it has not; but the case cannot be assimilated to those countries alluded to, where a free exportation of their coins has been permitted, and in consequence of the reduction in their circulating medium, all other articles are fallen in price.

Has not such a scarcity of currency, and consequent fall in the price of commodities, a direct tendency to remedy the evil of an unfavourable exchange, by which such scarcity was created?—Yes, it undoubtedly has.

Then, if those effects are not produced by an unfavourable state of exchange, you would ascribe the depression to some other cause, and would infer that some other remedy must be applied?—A free circulation, and liberty to export the coin of the country, is in my opinion the only effectual remedy; if that is not deemed practicable, I however conceive that many palliatives may be applied.

Do you not conceive that without a free importation of the coin of the country, a diminution in the amount of its currency would produce a fall in the price of all commodities, and a consequent rise of the exchange, in the same proportion as if that diminution of currency had been effected by the export of a part of our coin?—I should suppose it could only have one-half the effect. In point of fact, has not the exchange of this Country with the North of Europe been in our favour since the restriction of cash payments at the Bank?—Yes, it has, for a considerable time, and very materially, and so much so that a great part of the balance due to this Country was liquidated by Bullion sent here from the North of Europe.

Would it not have continued in that same favourable state, if the currency of the country had been kept within the same limits in proportion to the occasions of the public as then existed, the balance of trade being generally in our favour?—The balance of payments having occasionally been against this Country, and the re-exportation of the precious metal being prevented, has been the cause of the exchange continuing for such a length of time below par; had those circumstances not taken place, and the circulating medium not being increased here, and money been the principal circulating medium of this Country, then I am of opinion, that with a favourable balance of trade, the exchange would have been almost invariably in favour of this country.

You have stated, that the exchange has been greatly in our favour since the restriction on the Bank, and that the balance of payments then due to England was in consequence liquidated by great importations of Bullion into this Country; you have also stated, that in your opinion, the balance of payments is now in our favour; explain to the Committee to what cause you ascribe the difference in the exchange between those two periods, in each of which you conceive the balance of payments to be in our favour?—At the period of the suspension, the situation of the trade of this Country was very favourable to it: the stock of goods on hand, and which were required by the Continent, was very great; public opinion here in favour of the measure empowering the Bank to withhold cash payments, was such, that for some time no traffic at home was carried on between this paper and coin; while the balance of trade therefore continued in favour of this country, the foreigner could only liquidate his debt by sending Bullion. Had the re-exportation been allowed, a very small proportion of such exportation would have been sufficient to keep the exchange at near par; or even the public opinion would have fixed it at that rate, if it were ascertained that such operations could take place when required. This not being the case, and some extraordinary causes (as explained) having taken place, that depressed the exchange, and coin being withheld both from internal circulation and from its operation with foreign countries, I conceive this to be the cause of an unfavourable rate of exchange during a period of a favourable balance of trade. In fact, the foundation by which what is called a par of exchange is fixed, no longer exists as matter of fact.

When you state that under the present restriction on the Bank of England, the balance of payments is not the sole regulator of exchange, and the public opinion is become a substitute for it, in what sense is the Committee to understand that public opinion operates in this respect; is it, as is the case in several States, on the Continent, any want of confidence in the resources of this Country, and in the solidity of the credit of the Bank, arising from a state of war or any political circumstances, or is it merely an opinion that, so long as the Bank restriction continues, whatever may be the well-founded confidence as to the propriety of the Bank, the fluctuations in the exchange will not be governed by the same circumstances or kept within the same limits as if such restriction did not exist?

Mr. —

exist; and consequently, that neither the extent or duration of any existing depreciation can be subjected to the same calculations as in the ordinary state of things?—No want of confidence either in the resources of this Country or in the solidity of the Bank exists with the mercantile body abroad; but whilst that is withheld from circulation which would prevent the possibility of any depreciation of bank paper, its value cannot be said to be regulated by a certain quantity of the precious metals. Thus the fluctuations in the exchange may be greater and more continued, as subject to matter of opinion instead of being reducible to matter of fact, when coin or Bullion at the Mint price is the foundation for the par of exchange.

You have been asked, whether the purchaser, at any foreign place of exchange, of a bill upon London, stipulates for any difference of price, in consequence of being liable to be paid in bank paper; does not the purchaser of such bill know, that he cannot legally enforce payment in any other currency?—The purchaser of such bill does know that he can enforce no other payment than that in bank paper; and in consequence, it appears by facts that have taken place, that his opinion with regard to the value of a pound sterling has been reduced, and that at a time when the balance of payments have been in favour of this Country. In my opinion, this would not have been the case had the restriction not taken place.

But the balance of payments being at present in favour of this Country, how do you account for this diminution in the value of a pound sterling?—The opinion of the foreigner with regard to the value of a pound sterling being once reduced, it cannot again be raised, unless either he himself changes his opinion, or others chuse by speculation to raise the exchange, whilst Bullion at the mint price is withheld. In consequence of this opinion, I conceive it possible that the interchange between this and foreign countries may continue at the reduced rate of exchange, whilst what I call its regulator is withheld.

If option could be secured to the foreign purchaser, that the payments should be made either in guineas or bank notes, would you not give more for a bill possessing those advantages; and at the present rate of exchange and price of Gold, how much more?—With regard to any single operation, I believe little or no difference would be made; but as a general measure, I am confident it would raise the opinions of foreigners with regard to the value of a pound sterling.

The exchange between Hamburg and London during the years 1803, 1804 and 1805, having been in favour of England, can you account for this seeming contradiction of the principle which you have assumed, that the present low rate arises from a paper circulation not being convertible into coin, independent of any supposed excess of such paper currency?—Had the balance of payments invariably continued in favour of England, the exchange would have done so likewise. I believe that in the course of my evidence, I have assigned a variety of causes for the low rate of exchange, independent of the inconvertibility of paper into call.

Supposing the balance of payments to have continued uniform in favour of England, would not the doubling the amount of paper currency in England, at the moment even when such balance was most favourable, have very considerably depressed the exchange?—In my opinion it would. But I must add, that a very favourable balance of trade, for a continuation of a great number of years, is an impossibility, as it would oblige the foreigner to liquidate his debt by Bullion; which would increase in quantity here to that extent so as to produce the same effect in increasing the circulating medium of this Country as by an excess of a paper issue.

Is not the depreciation of paper currency, as to its effect on foreign exchanges, the same as would be a debasement of the coin?—Yes, certainly; with the distinction, that the extent of the one can be exactly ascertained, but not that of the other.

If the issue of paper by country banks did not take place till some time after the restriction, and then gradually, must not this have affected the depreciation, and consequently the course of exchange?—Tending very materially to increase the circulating medium of this Country, it certainly must have had that effect.

Would the depreciation of currency in any one country effect the intercourse with another, on the supposition of the exports and imports between them being exactly equal, estimated in Gold?—I think that this question is best answered by an existing matter of fact, which is, that the difference in this Country between the sterling value of Gold and the depreciation of foreign exchanges, is nearly equal.

May not the depreciation of currency in a country make an apparent balance of trade in its favour, contrary to fact?—Only in as far as the rate bears upon the balance.

Appendix.] COMMITTEE on the High Price of GOLD BULLION. 89

Supposing the excess of the market price of Gold in bank notes above the mint price to be five per cent, and that in consequence a drain of guineas takes place from the Bank, and the Bank, by diminishing the amount of its outstanding demands, raises the value of its paper five per cent. in the manner described in a former answer, would not the result be to bring the market and the mint price of Gold to a par, and consequently to put a stop to the demand for guineas?—I wish to have further time to consider of this question.

On what principle is it now the practice of the Bank to regulate the general amount of their loans and discounts, and what is the principle antecedent to the restriction; namely, do they endeavour principally to lend to such an amount as shall serve to keep the quantity of Bank of England notes nearly at their usual level, or do they enlarge their advances to merchants when the merchants happen to extend their demands for discount, although by gratifying such demand the quantity of paper should be in some degree increased; or do they regulate the amount of their discounts and loans, and thereby also the circulating paper, by a reference to the state of the exchange, and to the difference between the market price and the mint price of Gold; or upon what other principles do they proceed?—We do not comply with the demands for discounts to the extent demanded of us; it has always reference, not only to the solidity of the paper, but to the amount of the accommodation the individual applying for it already has. We never discount without those circumstances being considered; namely, the amount already given to the individual, the solidity of the paper; and the appearance of its being issued for commercial purposes. I am prepared to say, that I do not advert to the circumstance of the exchanges, it appearing upon a reference to the amount of our notes in circulation, and the course of exchange, that they frequently have no connexion; there is no accommodation of discount granted without periodically the amount of our discounts and all advances being reported to the Court of Directors.

Do you ever limit the extent of your discounts to merchants, by consideration of the amount of your notes out in circulation?—The attention of the court being constantly drawn to the amount of our notes in circulation, certainly does operate upon us, either to the reduction or the increase.

Do you advert to the difference between the market and mint price of Gold?—I wish to have time to consider that question.

Supposing the Bank to be now paying in cash, would it not necessarily experience a great drain of Gold, in consequence of the high price of Bullion and the unfavourable state of the exchange?—Most unquestionably it would.

Supposing the Bank to be now paying in cash, and to experience such drain, would they not be disposed under such circumstances to reduce in some degree their discounts to merchants and their loans to Government?—Most unquestionably they would, if considered only with reference to the Bank; but that would be attended with great injury to public credit.

By taking public credit into your consideration on such an emergency, do you mean only the accommodation of government, or do you include besides that, the accommodation of the mercantile world?—I would include both considerations.

Let me suppose a case in which no demands were made upon the Bank by Government for unusual accommodations, but an unusual demand was made by merchants for increased facilities of discount; would the Bank in such a case consider itself as bound, in order to support public credit, to grant that increase of discounts, although there was a run upon it for Gold, occasioned by the high price of Bullion and the unfavourable state of the exchange?—I desire time to consider that question.

Supposing the Bank to be now paying in cash, and to experience a drain of Gold, as just mentioned; and supposing them also to afford precisely the same sum in the way of loan as before; would not a diminution of their paper take place, which would be proportionate to that diminution of their stock of guineas which the drain would occasion, inasmuch as every person coming to demand guineas would give in exchange for them an equal quantity of bank notes, which would be cancelled?—I would wish for time to consider that question.

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J. Whitmore, Esq. and J. Pearse, Esq.

Is there not reason to suspect that the present unfavourable state of the exchange may be in part owing to the want of that limitation of paper which used to take place before the suspension of the cash payments of the Bank, on the occasion of the exchanges becoming unfavourable?—My opinion is, I do not know whether it is that of the Bank that the amount of our paper circulation has no reference at all to the state of the exchange.

Has that question ever been brought to a regular discussion and decision in the Court of Directors?—In the opinion of the Bank Directors, it had not sufficient bearing upon our concerns to make it more than a matter of conversation; it never was singly and separately a subject of discussion, though constantly in view with other circumstances.

Mr. Pearse.—The varying prices of the Hamburg exchange compared with the varying amount of Bank notes at different periods, seem to prove that the amount of Bank notes in circulation has not had an influence on the exchange.

Mr. Whitmore.—I will on a future day produce such statements as to the Hamburg exchanges, and the amount of Bank notes at corresponding times, as will elucidate this.

Has the effect of the quantity of paper upon the state of exchanges and the price of Bullion been more taken into consideration by the Court of Directors within the last nine months, than it has usually been at former periods?—I should say more frequently, but not more formally.

Would not a limitation of the discounts by the Bank of England, on a demand upon them for guineas in consequence of an unfavourable state of exchange, render it necessary for the country banks to be more cautious in their advances, and also tend to create an increased demand for guineas for such country banks, and thereby to diminish in both those respects the amount of their circulation?—I have no knowledge of what conduct the country banks would think necessary to pursue upon such an occasion; if the country banks were to act in the manner in which the Bank of England does act, in never forcing notes into circulation, and making advances only upon good security of bills at short dates, I conceive that the amount of the country circulation would be diminished in such a case.

From what causes do you apprehend the present low state of the foreign exchanges to proceed?—I apprehend it arises from more than one cause: the balance of payments is at present very much against this Country; and in the present state of the commerce of the Continent, the traffic in bills of exchange is so much disturbed from its regular course, that the payments which this Country has to make abroad are not facilitated and equalized as in former times.

What is the present state of exchange between this Country and Portugal?—More in favour of this Country than it has hitherto been.

Does not that favourable exchange arise from the circumstance of half being paid in specie and half in paper in Portugal, which paper is at a discount of 27 per cent.?—The payment in paper at Lisbon has existed for many years, and the discount upon it has varied.

You have stated, that the balance of payments is different from the balance of trade; must not those balances be generally the same under ordinary circumstances of postponed payments of former years compensating for those deferred in the present?—A very considerable market for our manufactures is recently opened in South America.

Are there any circumstances, tending to disarrange those balances, existing any where but in our trade with South America?—In Europe at present, owing to the circuitous import with the interior of the Continent.

Whether, since the suspension of the payments in cash down to the present time, there has been any material extension of commercial discounts?—I wish to have time to consider that question.

Lunæ, 12^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Abraham Goldsmid Esq. called in, and Examined.

Mr. Goldsmid. I am a partner in the house of Goldsmid, Son, and Eliafon; we are merchants, dealing also in exchanges.

A. Goldsmid, Esq.

What is the present rate of exchange on Amsterdam?—Thirty-one shillings and five grotes Flemish banco for a pound sterling, equal to nine guilders eight and an half stivers banco for a pound sterling.

How much per cent. is that below par?—From sixteen to twenty per cent. below par; but the par is not exactly ascertained, on account of our par being in Gold and that of Amsterdam in silver.

In stating it to be from sixteen to twenty per cent. below par, have you taken into consideration the relative value of Gold and silver in both places?—Yes.

What is the present rate of exchange on Hamburg?—28s. and 10 grotes Flemish banco for a pound sterling, or 10 marcs 13s. Hamburg banco for a pound sterling.

How much per cent. is that below par?—Nearly as much below par as that on Amsterdam; the depreciation is nearly the same.

What is the present rate of exchange on Paris?—The last exchange was 20 livres for a pound sterling. I have not been doing any business in French exchanges, and therefore cannot tell the exact rate, but it is rather worse than with Amsterdam and Hamburg.

What would be the difference in value between the napoleon and a guinea?—A guinea, if allowed to be exported, would fetch about 25s. at Paris.

What is the present rate of exchange on Portugal?—65½ per mill ree.

How much below par?—I myself have no transactions in Portugal, and I therefore cannot speak to that at this moment.

Are you acquainted with the American exchanges?—Not at all.

What, in the present circumstances, do you reckon the cost and risk of sending Gold from this Country to Amsterdam?—I should think, under the present circumstances, that it is really impossible to send Gold to Holland.

How long have circumstances rendered that impossible?—About a month or six weeks, since the recent political changes in the state of Holland.

What is the expence of sending specie to Hamburg?—We have not sent any Gold direct to Hamburg these five years; none has gone, except either by Amsterdam or through Heligoland, and some by Gottenburg.

Speaking of the last five or six months of the preceding year, what was the expence of sending Gold to Holland?—It varied exceedingly, according to the insurance.

How much did it vary?—From 4 to 7 per cent. for all charges covering the risk, as well as the cost of transportation.

Do you know what was the expence, in the same period, of sending specie to France?—I do not know that any was sent to France.

During the last five or six months of the last year, were the exchanges on Hamburg and Amsterdam as low as those which you have mentioned?—Yes, as low, even lower; that on Hamburg was as low as 28. 2. and on Holland as low as 30. 10.

During that same period, has the price of Gold at Hamburg fluctuated much?—Not much, not more than 3 a 4 per cent.; it has not been more than 8½ or ¼ per cent. above par, nor lower than four per cent. above par, the par being 96.

Do you know what has been the price of silver at Hamburg for the same period?—The price of bar silver at Hamburg is always fixed; it remains at 27. 10. which is its par; the bank receives it at that price, and I believe gives it at 27. 12.

Is there any variation at Hamburg in the price of silver coin?—Yes, there is.

What is that owing to?—To the different demands there may be from other countries which require it.

Still speaking of the same period, what has been the price of Gold at Amsterdam, as compared with the par?—The price of Gold at Amsterdam has been as high as 17½ per cent. above par, and as low as 12½ above par, which it is now.

What is the par of Gold at Amsterdam?—355 guilders per marc fine.

P. 76

A. Goldsmid, Esq. How long has the price of Gold at Amsterdam been so much above its par?—I cannot answer that question.

Do you ever remember its being at par?—About twenty years ago I remember it being only from 1 to 3 per cent. above par.

Speaking of the same five or six months as before, what has been the price of silver Bullion at Amsterdam?—There has been no bar silver exported from this Country to Amsterdam within that time, and therefore I do not know the price of bar silver; dollars have been from 50 to 51½ stivers current for a dollar.

How do you sell Gold at Amsterdam, as the Bank does not receive it?—It is sold to individuals at so much per marc fine, as the price may be; the transaction is completed in current money, upon which of course, if bills are bought, the agio must be calculated in the price of Gold at Amsterdam; the agio must be either added or deducted, as it may exist between bank money and the currency.

You have stated that a guinea, or Gold equal to what is contained in a guinea, is worth about 25s. at Paris, that is a difference of £. 8 18s. upon 44 guineas and a half; so that Gold equal in weight to what is contained in 44 guineas and a half, would sell at Paris for £. 55. 12s. 6d.; do you mean to say that the above quantity of Gold would purchase at Paris a bill on London for £. 55. 12s. 6d.?—Nearly so.

What would a pound of Gold in London cost at what you have stated to be the present market price of Gold in London, namely, £. 4 12s. per ounce?—£. 55. 4s.

Does it not follow from what you have now stated, that the pound of Gold in London and at Paris is at present nearly of the same value, the difference being only 7s. 6d. per pound?—It does.

What bill on England could be purchased at Hamburg, according to the last accounts of the course of exchange, for 100 ounces of English standard Gold?—About £. 460.

How much English standard Gold for exportation could be purchased in London for £. 460.?—100 ounces.

Then the price of Gold at Hamburg and the price of Gold in London are nearly equal?—They are.

Is not the exchange at par between two countries when a given amount of the currency of the one or the other will purchase an equal amount of Bullion of a given purity in either?—I always understood it so.

If 100 ounces of Gold of standard purity at Hamburg would, at the present course of exchange, purchase a bill upon London of £. 460, and if £. 460 in London would purchase only 95 ounces of Gold of the same purity, would not the exchange of Hamburg upon London be 5 per cent in favour of London?—If the price at Hamburg was such that the produce of 100 ounces of Gold sold there would purchase a bill of £. 460. upon London, and that bill in London would only purchase 95 ounces of Gold, then the exchange would certainly be 5 per cent. in favour of England.

In ordinary times, when our gold coin is at its standard, can the exchange be depressed lower by the state of balance of payments than what it costs to transport specie or Bullion?—Sometimes one way and sometimes the other, over and above such expence.

How much over and above such expence do you conceive?—I have known it differ as much as 5 per cent. either way.

Can so great a difference as 5 per cent. continue for any considerable time?—I have known from 1 to 5 per cent. continue for three or four years.

How long did it ever continue so high as 5 per cent.?—I have known it 5 per cent. but very seldom, and not for a long time together.

You have stated, that the sum of £. 460. would be produced by a hundred ounces of Gold of standard fineness at Hamburg, and that the same quantity of Gold would be purchased by the same sum in London at the present price of foreign Gold; then is not the exchange of Hamburg upon London now at par?—No; because you are paying in London £. 4. 12. for what is intrinsically worth £. 3. 17. 10½. according to the coinage price.

Inasmuch as you have stated, that the same amount of English currency would purchase the same quantity of Gold both here and at Hamburg, in what does the difference in the exchange at this moment consist?—The difference consists in the price of foreign Gold of standard fineness, the price being stated in pounds sterling which is the currency of this country, being so much above the mint price.

Although the exchange between London and Hamburg were apparently so much against

93
94

against Hamburg as 40s. per pound sterling, would you not still deem the exchange to be at par, if, in point of fact 40/ banco purchased exactly the same quantity of Bullion at Hamburg as one pound sterling purchased in London?—The difference in the price of Gold will vary in proportion to the depreciation in the price of the paper.

And would not your answer be the same if I were to make the same supposition, stating the exchange at £. 28. 10.?—It would be *vice versa*.

Is not Gold, in the form of English coin, kept at present within the value that might be procured for it by enactments of law?—I think not; it is beneath its imaginary, but not its intrinsic worth.

To what causes do you ascribe the present depression of the exchange so much as from 16 to 20 per cent. below par?—I think that foreigners being the carriers of the trade between the Continent and England at present tends in some considerable degree, and many other things that have not come within my knowledge or taken my attention.

Have you ever had an opportunity of considering, in any other country, the effect of a forced or excessive paper currency upon the foreign exchanges of that country with others?—I have read or heard of a forced paper currency having very ruinous effects, as in France.

The question goes to the effect of such paper currency upon the foreign exchanges of the country?—The exchanges will always bear a proportion to the discount of the currency, as in all forced paper currency they have invariably done.

Is it not one effect of such a forced paper currency, to raise in the country itself the nominal prices of all commodities?—I beg to be excused from answering that question; I am not a competent judge; it is a political question.

Suppose the currency of any country consisted entirely of precious metals, and that it were possible entirely to prevent the exportation of any excess of that currency to other countries, would not an excess of such metallic currency raise the prices of commodities?—That is the same sort of question as the last, which I do not think myself competent to answer.

Do you not conceive that if the Bank of England had, during the last year, been liable to pay its notes in Gold, and that Gold coin had been abundant in this Country, the exportation of that Gold, though carried on contrary to law, would have had the effect of preventing the exchanges from falling quite so low as they have done?—I do not think that the export of Gold contrary to law could be carried on to that extent, to prevent the exchanges from falling but in a small degree.

Whether the exportation of Gold would produce any other effect upon the exchange than would the exportation of an equal amount of any other commodity?—No, it is exactly the same.

You have stated, that Gold at Amsterdam has been as high as 17½ per cent. above their par, can you assign any reason for that?—I cannot.

When Gold is above par, would you not say, when compared with guilders, the currency of Holland, that guilders are depreciated in value?—No, I should not.

According to this principle, does it follow that bank notes must be depreciated when compared with Gold, the Mint price of guineas being £. 3. 17. 10½. and the market price of Gold £. 4. 12.?—I never considered bank notes as depreciated.

Do you consider Gold and silver as the only regulators of the exchange?—No, I do not; I consider the imports and exports of the Country as the regulators of the exchange.

Have you ever heard that is any part of the consideration of the taker of a bill at Hamburg upon London, that the medium of the payment of that bill is confined to bank notes?—The man who takes a bill at Hamburg on London purchases it for purposes of his own, either to purchase a commodity or to pay a debt; therefore, if he pays his debt by a bill upon London, the Englishman is satisfied with the currency in exchange, which he passes again.

Were the present difficulties of exporting commodities from this Country to the Continent removed, is it your opinion that the price of Bullion would continue at its present high rate?—I should think it would in a great measure tend to decrease the price of foreign Bullion.

Then you attribute, in a material degree, the present high price of Bullion to that interruption?—I do, in some measure, certainly.

From your experience, is there at present, either in Hamburg or London, as much capital or as many individuals concerned in exchange operations, as heretofore?—

A. Goldsmid, Esq.

90

92

94

A. Goldmid, Esq. fore?—Exchange operations are far more limited, and much fewer persons engaged in them than there were at former periods.

Does not the regulation of the exchange therefore fall at present much within the control of individuals?—It always did fall within the control of individuals; it is exactly in that respect as heretofore, only they are not the same persons now as they were formerly, nor are they so numerous.

Is it not the practice for individuals to purchase foreign Bullion to send to the Continent, for the purpose to draw or be remitted against?—I have very often done that, when it could be done to advantage.

Does not the proportion of that advantage depend upon the low rate of exchange?—As much as it does upon the price of Bullion on the other side.

Does not the present low rate of exchange create the demand and the high price of Bullion?—The present high price of Bullion is on account of the low rate of exchange.

Whether the price of Gold here does not rise in proportion to the price of exchange, and fall in the same degree?—In general it does, unless there is an export or import from some other part of the Continent of Europe or America.

If you could procure 100 guineas in England for £. 105. in Bank notes, and the law would admit of your sending such guineas to Hamburgh, should you not be enabled to remit from Hamburgh to the amount of at least £. 122. and to repeat this operation indefinitely so long as you could procure 100 guineas in England and transmit them to Hamburgh, the exchange remaining the same?—Certainly.

92
93

Is it your opinion that the circulating medium, as entirely confined to paper in this country, produces any effect upon foreign exchanges?—I do not profess myself competent to give my opinion upon that.

Whether to your knowledge the exportation of Gold during the last year, to the Continent, was considerable, compared with former years?—It may have exceeded the year before double.

Martis, 13^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

John Whitmore, Esq. the Governor, and John Pearse, Esq. the Deputy Governor of the Bank of England, called in together; and Examined.

Acc. N^o 47.

In reference to the last examination, Mr. Whitmore delivered, in a paper, intitled "The amount of Bank Notes in circulation on Saturday night in each week of the year 1797, and the Course of Exchange on Hamburgh on the following Tuesday."

Acc. N^o 49.

Mr. Pearse, in reference to his evidence the last time he was before the Committee, delivered in a paper, intitled "A Comparison of the amount of Bank Notes, and rates of the Hamburgh Exchange at various periods."

J. Whitmore, Esq. and J. Pearse, Esq.

CAN you give the Committee any more particular information than when you were last here, as to the state of exchange between this Country and Portugal?

Mr. Whitmore. The compulsory receipt of the government paper in Portugal is not confined to Lisbon, but extends generally all over the kingdom, and affects the exchange at Oporto as well as at Lisbon; but whether the discount is the same in both places I cannot state, I rather believe it varies; the present exchange from London on Lisbon is 65 $\frac{1}{2}$; it has been as high as 69, and I think 70, within these two years.

Was it at any time above par in the course of the last year?—I do not bear that circumstance in mind.

What was the lowest point to which it was depressed in the course of the last year?—I believe it will be found, by a reference to the tables, that it was at 64 the beginning of last year.

Do you know what the price of Gold Bullion has been at Lisbon in the course of the last year, or its price at present?—There is no public sale of Gold at Lisbon; I have known a premium given for heavy coin.

Do you mean that there is no market price of Gold at Lisbon, either as Bullion or in the shape of foreign coin?—Foreign coin I cannot speak to, but as Bullion I believe not.

J. Whitmore, Esq. and J. Pearse, Esq.

Is there any market price of silver Bullion, or silver foreign coin, at Lisbon or Oporto?—I believe there is foreign silver coin.

Do you know what the price of foreign silver coin is by the last accounts at Lisbon, or what it has been recently?—I have had no advices from thence on that subject.

In the course of the last year, do you know whether there has been any rise or fall in that price?—I cannot say, for want of advices.

If the dealers in Gold were to create a great demand for Bank of England notes, that would create an alarm among the holders of notes, who would hoard them in the same manner as they have done guineas upon other occasions of alarm; would not the holding of such notes raise the value of those that remained in circulation?—My answer to that question has been given with a reference to the Bank being restricted from any fresh issue, and that there would be no other circulating medium than what might remain of their Bank notes in circulation.

Do you mean restricted by their own discretion?—Yes, either by their own discretion or by any positive law.

Mr. Pearse.—This conduct would arise out of necessity for the mere preservation of the Bank, though it would not tend to alter the state of the exchanges or the demand for Gold to be exported, and although it would, as in the experience previous to the year 1797, produce great public distress.

In what manner do you conceive a reduction of discounts, in the case of a drain for guineas, would tend to diminish that drain?—Allow me to put an extreme case: Suppose we were to discontinue discounting altogether, and to refrain from purchasing any more Government securities, every Bank note would by such proceedings return into the possession of the Bank, whereby the public could not call for our guineas, as they would have no Bank notes to exchange for them.

Do you not mean in that extreme case, that every Bank note would ultimately be brought into the Bank, that is to say, that as long as any portion of your paper circulation was out, that would afford the dealers in Gold the power of continuing to draw out your Gold, who for that purpose would bring those notes to the Bank?—In asking this question, the Committee do not seem to be aware that to the extent of discounting bills, which forms a very important part of the occasion of the issues of Bank notes, care is taken in the first instance that they shall be bills of real value, representing real transactions, and that they are all due within the period of two months; that parts of them are become due every day; so that unless renewed discounts take place, the payments of those bills as they become due would of itself take out of circulation such quantities of Bank notes as would deprive persons of the means to such extent of taking Gold out of the Bank.

Mr. Whitmore.—In the case you have supposed of the value of Bank notes being raised by hoarding of them, would it be raised in exchange for Bullion?—Provided the difference between such raised value of a Bank note and the price of Bullion would make it a profitable trade.

By what criterion in such a case would you judge that the value of the Bank note was raised?—In the answer I before gave to that question, I had gone upon a supposition that the value of Bullion abroad still afforded a profit upon the exportation of it; and until the price of Bullion here exceeds the price abroad, there will not be wherewithal to exchange for Bank notes.

In order to simplify the case which you have yourself supposed, let it be assumed that in foreign Countries matters remain unchanged, that the only change which has taken place is that the value of the Bank notes has been raised, as you suppose here, by the hoarding of them; in that case would then the value be raised here in exchange for Bullion?—If the Bullion cannot be brought into this Country by any mode of payment to the foreign country, it certainly can have no effect.

In the case supposed, which is all along your own supposition, of the value of notes being raised by the hoarding, would the prices of any commodities in the home market be lowered?—The Committee will please to observe, that when I gave the answer to the question, it was, upon my understanding of it, an extreme case and not a probable one, and I am not prepared with an opinion as to what effect it might have upon the price of any articles here.

Does not a rise in the value of any species of money or currency mean a fall in the

Whitmore, Esq. and J. Pearse, Esq.

the prices of commodities?—I did not mean to state that, nor do I mean to state to the Committee any matter of opinion; I would rather wish to leave that to the judgment of the Committee, and I am ready to answer any points of fact.

Supposing the currency of any country to consist altogether of specie, would that specie be affected in its value by its abundance or by its diminution, the same as copper, brass, cloth, or any other article of merchandize?—I have already said that I decline answering questions as to opinion; I am very ready to answer any questions as to matters of fact; I have not opinions formed upon the points stated in this and the preceding question sufficiently matured to offer them to the Committee.

Has the Report of the Committee, together with the Evidence of the Committee appointed by the House of Commons in the year 1804, to enquire into the state of Ireland as to its circulating paper, its specie and current coin, and the exchange between that part of the United Kingdom and Great Britain, ever come under the consideration of the Court of Directors of the Bank of England?—It certainly has not recently been under the consideration of the Bank Directors.

Has it ever been under their consideration since June 1804?—It certainly has not recently been under the consideration of the Court of Directors collectively.

Mr. Pearse.—It never has been under their consideration, formally, though, no doubt, it came under their consideration individually at that period.

Are either of you aware, that the principal cause of the unfavourable course of exchange which then existed between Dublin and London, was stated by that Committee, in their opinion, to arise from an excess of paper circulation, and the consequent depreciation of its value; and that this excess arose principally from the great increase of the notes of the Bank of Ireland?—It is not now in my recollection what was stated by the Committee at that period in their Report; and I cannot apply the same effects to the notes of the Bank of England. I wish very much to state the same which has been represented by the Governor, that I have not recently read over the evidence and information which induced that Committee to entertain such opinions, and particularly as I do not recollect also whether the paper of the Irish Bank was issued in the same manner as that of the Bank of England, and with the same caution.

We wish to repeat to you some of the questions which you formerly answered. You stated in a former examination, "Supposing the excess of the market price of Gold in Bank notes above the mint price to be 5 per cent. and that in consequence a drain of guineas takes place from the Bank, and the Bank, by diminishing the amount of its outstanding demands, raises the value of its paper 5 per cent." in the manner described in a former answer of yours, would not the result be to bring the market and the mint price of Gold to a par, and consequently to put a stop to the demand for guineas?

Mr. Whitmore.—I believe my former answer did not go to the Bank raising the price of their notes, for in fact, if the Bank was to raise the value of them, and give them for discounts, estimating them at such increased value, it would incur the penalty of usury. I therefore conceive this statement to suppose a case that cannot occur.

In taking into consideration the amount of your notes out in circulation, and in limiting the extent of your discounts to merchants, do you advert to the difference, when such exists, between the market and the mint price of Gold?—We do advert to that, inasmuch as we do not discount, at any time, for those persons who we know or have good reason to suppose export the Gold.

Do you not advert to it any farther than by refusing discounts to such persons?—We do advert to it, inasmuch as whenever any Director thinks it bears upon the question of our discounts, he presses it forward for discussion.

The market price of Gold having in the course of the last year risen as high as £. 4. 10. or £. 4. 12. has that circumstance been taken into consideration, by you, so as to have had any effect in diminishing or enlarging the amount of the outstanding demands?—It has not been taken into consideration by me in that view.

Mr. Pearse.—In considering this subject with reference to the manner in which Bank notes are issued, resulting from the applications made for discounts to supply the necessary want of Bank notes, by which their issue in amount is controlled that it can never amount to an excess, I cannot see how the amount of Bank notes issued can operate upon the price of Bullion, or the state of the exchanges, and therefore I am individually of opinion that the price of Bullion, or the state of the

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the exchanges, can never be a reason for lessening the amount of Bank notes to be issued, always understanding the control which I have already described. Is the Governor of the Bank of the same opinion, which has now been expressed by the Deputy Governor.

Mr. Whitmore.—I am so much of the same opinion, that I never think it necessary to advert to the price of Gold or the state of the exchange, on the days on which we make our advances.

Do you advert to these two circumstances with a view to regulate the general amount of your advances?—I do not advert to it with a view to our general advances, conceiving it not to bear upon the question.

Mr. Pearse.—In confirmation of this opinion, I wish to draw your attention to what I have before expressed, as will be shewn in fact by the statement delivered in just now, in answer to a former question, being a Comparison of the Amount of the total of Bank Notes at various periods, with the State of the Hamburg Exchanges at corresponding periods.

Has not the amount of your outstanding demands increased in the course of the last year?

Mr. Whitmore.—The Return that we have made to the House, of the amount of our Bank notes in circulation, takes in the whole of our discounts and of our advances on Exchequer bills, and if the one has increased, the other I consider to have been diminished, as the amount now and at a former period very nearly correspond, with the exception only of our notes of one and two pounds; as it appears, I believe, by a Return to the House of Commons, that in the beginning of the year 1795, in February and March, the amount of our Bank notes in circulation was fourteen millions, and by the last Return on the 12th of January last, it was £. 14,668,640., and on the 6th of this month it was £. 13,894,000. exclusive of Bank post bills and notes under five pounds.

Were the Bank post bills excluded in the Return that you speak of, to the House of Commons, of your circulation in 1795?—To the best of my recollection they were excluded.

State to the Committee what is the criterion which enables the Bank at all times to ascertain that the issue of Bank notes is kept precisely within the limits which the occasion of the public requires, and thereby to guard the circulation of this Country against the possibility of any excess; and in what manner the control necessary for maintaining uniformly an exact proportion between the occasions of the public and the issues of the Bank, is exercised and applied by the Court of Directors.—I have already stated that we never forced a Bank note into circulation, and the criterion by which I judge of the exact proportion to be maintained is, by avoiding as much as possible to discount what does not appear to be legitimate mercantile paper. The Bank notes would revert to us if there was a redundancy in circulation, as no one would pay interest for a bank note that he did not want to make use of.

Mr. Pearse.—I agree in that opinion, and beg to make these additional observations; that in discounting bills that are sent to us for that purpose, for which a discount is taken at the rate of five per cent. per annum, if there was with the public an excess of Bank notes, those bills would be sought for discount by the public at a reduced rate, and would not make their appearance at the Bank. We have daily evidence in our discounting of the indications of the abundance or scarcity in the quantity of Bank notes, by the applications for discounts, for the reasons already assigned, which is particularly proved by our experience on the Tuesdays and Wednesdays in every week, in consequence of our discounting London paper on the Thursdays only, producing by that operation, invariably, a certain degree of scarcity the two preceding days, and a plenty the day following.

Do you measure the scarcity by the application for the discount of good paper?—Certainly, and our discretion by the quality.

Then your measure of scarcity or abundance is by the greater or less application that is made to you for the discount of good paper?—Certainly.

Does not the circumstance, of individuals applying for advances, or not so applying, at 5 per cent. indicate rather a deficiency or a redundancy of the mercantile capital, than a superfluity or want of circulating medium?

Mr. Pearse.—I am not of opinion that the application for Bank notes is for any other purposes than as a circulating medium in the interchange of property.

Is it your opinion that the same security would exist against any excess in the issues of the Bank, if the rate of the discount were reduced from five to four per cent.?

Mr. Whitmore.—

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Whitmore, Esq. and J. Pearse, Esq.

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J. Whitmore, Esq. and J. Pearse, Esq.

Mr. Whitmore.—The security against an excess of issue would be, I conceive, precisely the same.

Mr. Pearse.—I concur in that answer.

If it were reduced to three per cent.?

Mr. Whitmore.—I conceive there would be no difference, if our practice remained the same as now, of not forcing a note into circulation.

Mr. Pearse.—I concur in that answer.

You have stated, that the control which guards the public against any excess in the issues, is that no person would be disposed to pay at the rate of five per cent. interest to the Bank for the use of their notes, if his occasions did not require such an advance, and that this is the criterion by which you judge of the occasions of the public being adequately supplied; might not such person be disposed to obtain this accommodation from the Bank, if any prospect offered itself to his speculation by which great profit might be derived from the use of a capital so obtained, although the wants of the circulation might not require any such addition?

Mr. Whitmore.—In my view of the subject, nobody would pay three per cent. interest even, or any interest of money, unless it were for the purpose of employing it for speculation; and provided the conduct of the Bank is regulated as it now is, no accommodation would be given to a person of that description.

Mercurii, 14 die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

Acc. Nos 56, 57, 58. J. L. Greffulbe, Esq.

John Louis Greffulbe, Esq. attended, and delivered in a paper, containing a Statement of the prices of Gold and silver at Amsterdam and Hamburgh; and was Examined.

DO you conceive that before the suspension of the cash payments by the Bank, large quantities of Gold may have been exported, being taken from the coin of this Country, in the event of a very unfavourable exchange?—Certainly, whenever the exchange was low enough to draw Gold and silver out of the Country.

Do you conceive that such a transmission of Gold used materially to operate in rectifying the exchange?—It would operate in part payment of the balance of payments against this Country.

Would such exportation operate in any other manner than an equal value of any other commodity?—Not in my opinion.

In point of fact, in the month before the restriction upon the Bank issue, was not the exchange very much in favour of England?—It was in favour of England; not materially so.

Do you believe that at that rate of exchange, any great quantity of Bullion would be sent from England?—Not at that rate of exchange.

Is it your opinion that the demand upon the Bank for Gold immediately preceding the restriction in 1797, was for exportation, or that it was for the purposes of circulation in England?—I should conceive that it was for internal purposes.

You state, that the exportation of Gold would have no other effect upon the foreign exchanges, than the exportation of the same value of any other commodity; would not the exportation of the Gold Bullion naturally be followed by the exportation of the Gold coin; and would not the exportation of the Gold coin, supposing no forced paper circulation to exist, produce a scarcity of money in the Country, which would tend to counteract the state of the exchanges?—I conceive that that scarcity of money could be but very momentary, and that other means would speedily be devised to supply the wants of circulation.

What other means can be created, other than a forced circulation of paper?—I conceive that the wants of circulation would be supplied by paper not forced.

But in that case, is it not your opinion that if no forced paper circulation existed in the Country, it would not be possible for the exchanges to fall materially below their par; or for the price of Bullion to rise materially above its standard price?—I conceive that that would not prevent the exchange from falling very considerably under par, if the amount of Bullion in the Country were not sufficient to pay the balances.

Do you recollect any instance of the exchanges having fallen materially below par while Bank notes were payable in specie?—Since I have been in business, I recollect no

no period, prior to the suspension of the cash payments by the Bank, when the exchange was considerably below par. J. L. Greffulbe, Esq.

As long as guineas can be procured for Bank notes, and that those guineas can be exported, how is it possible that the exchange can fall more below par than the equivalent of the expence of exporting the Gold?—It cannot as long as guineas can be procured in sufficient quantities.

Supposing Bank notes to be payable on demand, in what manner do you conceive that the foreign exchange is checked in its decline, supposing the balance of trade to be against this Country?—By the exportation of the coin of the Country.

In that case, what prevents the whole of the Bullion and coin of the Country being exported?—The wants of circulation and other circumstances may keep a certain proportion of the specie in the Country, but I should conceive no material proportion.

Then this exportation of the Bullion or Specie would at last be limited by the wants of the Country for its own circulation?—By those wants and other circumstances which I alluded to, such as hoarding, &c.

Would not such a state of things necessarily produce the impossibility of procuring from abroad a greater value of foreign produce than we could pay for, after allowing sufficient for our circulation at home?—The value of such foreign imports might exceed the means of payment in Bullion and specie, the effect of which would be to depress the exchange till its low rate produced the further means of payment wanted; by bringing foreign money into the country, and inducing exports, further imports would at the same time be checked; and from that two-fold cause an improvement of the exchange take place.

According to your opinion, therefore, where there is no forced circulation of paper, the consumption of foreign articles will limit itself entirely by our means of paying for them; but when a forced paper circulation existed, that over-consumption of foreign articles shews itself in a depreciation of that paper, and has no natural corrective?—The consumption of foreign articles must of course be limited by our means of paying for them, but those means may arise from other articles when the disposable Bullion and specie are exhausted: I do not see the connexion between such consumption of foreign articles and a forced paper circulation; in the latter case, the fall of the exchange would be owing to a different cause altogether, which is the discredit and depreciation of the forced paper currency.

What do you mean by a forced paper circulation?—A paper which is by law made a legal tender to the amount of its expressed value, or rather a legal discharge of a debt.

In what is the paper circulation of this country, as it at present exists, different in its practical operations from a forced circulation?—In the first place, the paper of this country is no legal discharge of a debt; secondly, the Bank paper of this country is issued when called for, in exchange for valuable securities, in which respect it is essentially distinct from what I call a forced paper, which may be issued both without limits and without any security whatever.

From the paper which you have given in, it appearing that the market price of Bullion at all the great markets of Europe having risen above the market price of England, while the Mint price of England remains fixed, does not the difference between £. 3. 17. 10 $\frac{1}{2}$. per ounce the Mint price, and £. 4. 12. the market price, account for the present agio between guineas and Bank notes and the market price of Gold?—I beg leave to observe, that there has been no alteration of late in the Mint price of Gold in foreign places, nor have the market prices experienced an advance at all relative to the rate that has taken place in England; one of the papers I have delivered, shews the foreign prices reduced into sterling money at the present low rates of exchange; and the excess above our market price may be considered as about equal to the charges of conveyance.

Is there not an agio in favour of Gold, calculated at its present par at Hamburgh, Amsterdam, and Paris, against the currency of those places?—I find an agio in favour of Gold regularly quoted at Paris, at from 15 to 25 cents per cent. which is 1-7th to 1-4th per cent.; at Hamburgh and Amsterdam there is no such established difference, but it may perhaps be worth notice, that in the latter place the principal current coin, that is, ducats, intrinsically worth five guilders and five stivers, fell at the rate of five guilders and 12 to 14 stivers.

Do you not consider this difference to be an agio in favour of Gold?—Certainly;

P121

J. L. Gresham, Esq.

tainly; but in some degree in favour of the Gold coin, which is eligible for many purposes.

When you state that there is an agio at Paris, upon Gold against silver, of from 1-7th to 1-4th per cent. do you mean that that is the excess at Paris of the market price of Gold above its mint price, or do you mean that that is the difference between the excess of the market price of Gold above its mint price, and the excess of the market price of silver above its mint price?—I conceive it to be rather a trifling premium in favour of the current Gold coin.

Supposing you had a pound weight troy of Gold of the English standard at Paris, and that you wished by means of that to procure a bill of exchange upon London, what would be the amount of the bill of exchange which you would procure in the present circumstances?—I find that a pound of Gold of the British standard, at the present market price of 105 francs, and the exchange at 20 livres, would purchase a bill of exchange of £. 59. 8s.

At the present market price of Gold in London, how much standard Gold can you purchase for £. 59. 8s.?—At the price of £. 4. 12s. I find it will purchase 13 ounces of Gold, within a very small fraction.

Then what is the difference per cent. in the quantity of standard Gold which is equivalent to £. 59. 8s. of our currency as at Paris and in London?—About 8 1/2 per cent.

Suppose you have a pound weight troy of our standard Gold at Hamburg, and that you wished to part with it for a bill of exchange upon London, what would be the amount of the bill of exchange which, in the present circumstances, you would procure?—At the Hamburg price of 10 1/2, and the exchange at 29, the amount of the bill purchased on London would be £. 58. 4s.

What quantity of our standard Gold, at the present price of £. 4. 12s. do you purchase for £. 58. 4s.?—About 12 ounces and 13 dwts.

Then what is the difference per cent. between the quantity of standard Gold at Hamburg and in London, which is equivalent to £. 58. 4s. sterling?—About 3 1/2 per cent.

Suppose you had a pound weight troy of our standard Gold at Amsterdam, and wished to part with it for a bill of exchange upon London, what would be the amount sterling of the bill of exchange which you would procure?—At the Amsterdam price of 14 1/2, exchange 3 1/2, and bank agio 1 per cent. the amount of the bill on London would be £. 58. 18s.

At the present price of £. 4. 12s. what quantity of our standard Gold do you purchase in London for £. 58. 18s. sterling?—12. oz. 16 dwts.

How much is that per cent.?—7 per cent.

What, in your idea, constitutes the par of exchange between any two countries?—An equality of the respective currencies of the two countries, compared with reference to their fineness and weight.

Then does not the difference of the exchange between any two countries, from the established par at any one time, consist in the different quantity of the precious metal which is equivalent at the two places to a given sum, in the currency of either?

I should think not exactly, as the respective market prices of Gold and silver may be influenced by momentary circumstances, and not be strictly accordant with the state of exchange.

Are you aware, whether or not there is any depreciation of the current guilder at Amsterdam?—I am not aware of any such depreciation, beyond the loss of weight arising from circulation.

Is not the great difference in the price of Gold above its par at Amsterdam, owing to the depreciation of the guilder?—I conceive not; the price of Gold, as compared to the current guilder, which is the regular mode of selling it at Amsterdam, has been considerably higher at former periods.

What do you consider to be at present the relative value of Gold to silver in Europe?—I cannot answer that question without referring to the present state of the market.

Can you state from memory, whether there has been any remarkable change in that relative value of late years?—The value of Gold seems, upon the whole, to have experienced some increase, as compared with silver, during the last few years.

If the supply of silver from the mines were increasing in a greater proportion than the supply of Gold, would not that have the effect of raising the relative value of Gold in the general Bullion market, the world?—I should not think so.

If from any political circumstances there should be a long continued increase of the supply of Gold, would not that have the effect of raising the relative value of Gold in the general Bullion market, the world?—I should not think so.

the demand for Gold above what had been the former demand for it, would not that also have the effect of raising the relative value of Gold to silver?—Certainly.

Are you informed whether there has been any recent change in any of the Continental mints, of the relative value of Gold to silver in their coins?—I am not aware of any alteration.

Are you acquainted with any material fluctuation in the price of Gold on the Continent during these last two years?—There have been very considerable fluctuations.

In your opinion, from what causes do these fluctuations arise?—I conceive demands might arise from a variety of causes.

Have not the demands for the payment of Armies during war, always created a considerable addition to the price of Gold?—Yes, probably some addition; and many other causes might be assigned for a comparative high price of Gold, such as the anxiety to convert property into Gold, from the effects of alarm produced by war or other political circumstances, which Gold may probably be hoarded, or otherwise withdrawn from circulation and from the general market, to a considerable extent.

Would not the high price of Gold on the Continent, as compared with silver, be followed by a high price in England?—The effect would naturally be felt in England.

In a country where the measure of value was a Gold currency, and where, therefore, the prices of all articles were expressed with reference to Gold, would an increase of demand for Gold Bullion, from any circumstances, political or other, affect the price of Gold Bullion in that country so as to raise it above its mint price?—Certainly not, admitting the coin itself to be exportable and not to have lost in weight; but in a country where there was a law against exporting the Gold currency, and supposing that law to be effectually executed, I conceive that the price of exportable Gold, compared with the current coin of the country, might be enhanced to the full extent of the fall of the exchanges, deducting the charges of conveyance.

William Cecil Chambers, Esq. called in, and Examined.

In what line of commerce are you?—A general merchant.

Are you acquainted with the subject of exchanges between this Country and the Continent?—Very little exchange business has been doing of late years, and less even since I have been established than used to be.

What has that been owing to?—To our exclusion from many parts of the Continent, to which before we had free access; beginning with the French Revolution, which destroyed one of the three great exchange-marts in Europe.

Do you not conceive that the course of exchange between any two countries is liable to be affected either by the balance of payments arising out of the trade between the two, or by alterations which may take place in the currency of either?—By the first circumstance certainly, and I suspect by the latter also.

If the exchange is rendered unfavourable to one country by the balance of the debts which it owes to the other, are you not of opinion that such depression of exchange will be limited by the expense of transporting specie to equalize that balance?—Yes, if a sufficient quantity of the precious metals exist on the debtor side, and no impediments oppose its transmission.

If a country pays its bills part in paper and part in specie, as in Portugal, and that paper is at a discount, does it not, in the degree of that discount, render the exchange unfavourable to that country?—Certainly, in my opinion.

Would not consequently the exchange rise in favour of Portugal, if now they paid their bills entirely in specie?—Yes, or in paper that was not at a discount.

Supposing a country which used cochineal as an article of manufacture, exported large quantities of that commodity to balance its account with foreign nations, would not such exportation raise the value of cochineal in the country exporting it?—The scarcity of any article naturally enhances its price.

Might not this enhancement of the price of cochineal proceed so far as to make ineligible the exportation of any more?—If the price here of the article to be exported rose above that of the foreign market for which it was intended, it would naturally cease to be exported.

Are not the same consequences likely to follow from the exportation of Bullion in liquidation?

J. L. Gresham, Esq.

W. C. Chambers, Esq.

W. G. Chambers, Esq.

quidation of foreign debts?—I cannot consider Bullion, as an article of merchandize, to be affected otherwise than any other article of merchandize.

Have you ever had opportunities or occasions to consider the effect of an excessive or forced paper currency in any country upon its foreign exchanges with other countries?—In a small degree I have.

What do you conceive the effect of such excess to be upon the foreign exchanges?—I apprehend the effect on the exchange would follow the depreciation of a forced currency.

What do you say as to an excessive currency, though not forced?—I do not conceive the thing possible.

What do you mean by a forced paper currency?—A paper which I am obliged to take against my will for more than its value; it is not forced so long as people take it willingly, which they will naturally do whilst undepreciated.

May not the quantity of metallic currency be increased in proportion to payments which it has to effect, by an increased issue from the mines; and will not that have the effect of raising the money prices of all commodities?—I conceive an increase or abundance of silver or Gold would have the same effect upon those precious metals as a glut of any other commodity upon the market.

And in the same manner, may not that paper currency which continues to preserve its credit unimpeached, and which commercial people are perfectly willing to receive, be so augmented in quantity as to raise the local prices of commodities?—I do not conceive that that piece of paper, for which I am obliged to give a valuable article of merchandize, can be increased beyond the want for it; nobody will give a valuable article for a piece of paper that does not want it.

Have you ever happened to pay any attention to the history of the paper currency of Scotland between thirty and forty years ago, or to that of Ireland about the year 1804?—Some years ago I remember reading something about them; but the recollection is rather faint upon my mind.

Do you call that paper, in your sense of the word forced, a forced paper currency, which either by law as it stands, or by force of public opinion, is not convertible into specie at the option of the holder?—If it be convertible into other objects of my gratification without depreciation, I do not consider it forced.

At the Mint price of standard Gold in this Country, how much Gold does a Bank of England note for one pound represent?—5 dwts. 3 grs.

At the present market price of standard Gold of £. 4. 12. per ounce, how much Gold do you get for a Bank note of one pound?—4 dwts. 8 grs.

Do you consider that a Bank of England note for one pound, under these present circumstances, as exchangeable in Gold for what it represents of that metal?—I do not conceive Gold to be a fairer standard for Bank of England notes than indigo or broad cloth.

[Question repeated.] If it represents twenty shillings of that metal at the coinage price, it is not.

If I go to a Silver-smith's shop, and see a Gold cup, which he tells me is in weight exactly a hundred guineas, and that he must have ten pounds more for the workmanship, will he give me that cup for £. 115. in Bank notes, Gold Bullion, selling at £. 4. 12. per ounce?—He will tell his Gold cup as he would any other Bullion, at the Bullion price I suppose.

Am I to understand by that, that he would sell his cup for £. 120. or thereabouts, being the value of the Gold, besides the £. 10. for the workmanship?—Yes.

Will you state to the Committee, in your opinion, to what causes is referable the present unfavourable state of exchange between England and the Continent?—To the balance of payments being against this Country.

Can you give cases to illustrate the fact that you have assigned, of the balance of payments being against this Country?—Large British Armies on the Continent; slow returns for exports; quick payments for imports, and very large stocks of imported goods now on hand in this Country.

Is there any other cause to which you attribute the present state of exchange?—I know of none other that can affect it, excepting that of a forced, depreciated currency.

Is it your opinion that the currency of England is depreciated?—Certainly not.

Is it the course of trade between Great Britain and the Continent of Europe to pay by anticipation sometimes, or by ready money, for our imports?—Almost without exception, as far as comes within my knowledge.

State

W. G. Chambers, Esq.

State the course of payments which the Continent makes to England for its exports.—The English merchant exporting on his own account, is generally obliged to wait the sale of the goods exported before he gets his payment, and often gives long credit to foreigners for whose account he exports.

From this course of trade does it not follow that the Continent, at the present time, must be indebted to England?—I conceive it to be so generally, and know it to be so as respects myself individually.

You have stated, that there is at this present time a large quantity of merchandize on hand in England; is that quantity larger than in former years it has been?—In some articles I conceive it to be so, to many of which I have especially adverted before, namely, Baltic produce and foreign wool.

Do you include in foreign wool, cotton wool?—I do not know that the quantity of cotton wool is larger than it has often been at former periods.

For such articles as we import from the Continent for the purpose of exportation to the Colonies, such as wines, linens from Germany and Russia, iron from Sweden, for which we have paid, do we not give credit for twelve or eighteen months when so exported?—I consider those happy who get paid so soon.

Francis Horner, Esq. in the Chair.

James William Morrison, Esq. Deputy Master of His Majesty's Mint, called in, and Examined.

CAN you state to the Committee whether any examination has been recently made at the Mint with respect to the degree in which the present Gold coins of the realm are worn and diminished in weight?—The last examination was made in April 1807.

J. W. Morrison, Esq.

What was the result of that examination?—I have brought a copy of a paper stating the result of experiments made by the officers of the Mint, by order of the Lords of the Committee for Coin, the 18th of April 1807, to ascertain the deficiency in weight of the Gold coin of the average quantity then in circulation.

Have no experiments been made since?—None.

[The paper delivered in.] Has any examination been lately made at the Mint to ascertain the quantities of precious metal contained in the coins of foreign European states?—No examination of that sort has been made since Sir Isaac Newton was master of the Mint.

Acc. No 20

Are you possessed of any information, whether, since the assay of the foreign coins by Sir Isaac Newton, any changes have taken place in the coins of those foreign countries?—I should apprehend some changes may have been made, though no official assay has been made; I think it very likely that the Assay-master of the Mint might furnish the Committee with such information.

Then of course you have no information concerning the relative value of Gold and silver in the foreign coins?—I have not; I understand there is a recent French publication which contains important information of this sort.

From whom do you receive at the Mint the ingots of Gold which have been produced from guineas?—From the Bank of England; they have been the sole importers of Bullion into the Mint for half a century, with the exception of an instance which I remember of Gold being brought by the Bank of Ireland to be coined.

Samuel Williams, Esq. a Merchant trading to the United States of America, called in, and Examined.

S. Williams, Esq.

HAVE you any information with respect to the present state of the currencies of the United States?—Yes.

What does it consist of?—Silver and gold; eagles is the Gold coin, and dollars the silver. The accounts are kept in dollars and cents; an eagle is ten dollars, and a cent is an hundredth part of a dollar; the cent is a copper coin.

Is there any paper currency in the United States?—Bank notes, from a dollar upwards.

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S. Williams, Esq.

Are these Bank notes issued by private Banks only, or is there a Government Bank?—They are all private Banks, but incorporated; one is called the Bank of the United States, incorporated like the rest, which has seven branches in the different States; the paper of any of those Banks a legal tender in payment, or are they all convertible into specie, at the option of the holder?—In the Bank of the United States and all its branches, and in all the Banks in the principal sea ports, the notes are payable in Gold or silver on demand. I believe there are some country Banks, particularly in the State of Massachusetts, which have lately paid only by drafts on the capital of the State at 30 days sight; they will soon, however, be compelled to pay in specie, or the charter will be taken from them.

Are the notes of those Banks in Massachusetts payable in specie on demand?—Yes.

Then you do not understand that payment by drafts on Boston to be a legal discharge?—No, not at all.

Has this suspension of payment on the part of these Banks gone to any extent in amount, and from what circumstances has it arisen?—Four or five out of twenty-five of those Banks perhaps have paid by drafts instead of paying on demand; has principally arisen from the state of things produced by the embargo.

Are the dollars and eagles you have mentioned, coins of the United States?—Yes.

Do you know the standard of those coins, and the quantity of each metal contained in them respectively?—The eagle weighs 11 pennyweights 6 grains; the dollar weighs 17 pennyweights 7 grains, and it passes in China and in the East Indies at the same value as Spanish dollars.

Is that their standard weight, or their current weight?—The standard weight. Do you know the average weight of dollars in circulation?—Seventeen pennyweights 6 grains.

Do you know the current weight of the eagle?—It may be a grain less. But as the best mode of furnishing the information which I possess upon this subject, I beg leave to offer to the Committee a book which I have brought with me, intitled

Acc. No 62, 63, 64.

"The Massachusetts Register, and United States Calendar, for the year 1808," which contains Tables for receiving and paying the Gold coins of Great Britain, Portugal, France, and the dominions of Spain, according to acts of Congress; and a Table of the weight and value of the American coins; also, a Table of the value and weight of Coins as they pass in the respective States of the Union, with their sterling and federal value, together with rules for reducing currencies. This book also contains a statement with respect to the United States Bank, and the Banks in Massachusetts.

Are you able to state whether there is much of this Gold coin in circulation in the United States?—I believe that Gold composes the greater part of the specie that is in circulation in the United States; because dollars generally bear a premium.

Are they both legal tenders for any sums?—Yes.

Is there any limitation upon the offer of silver in payment of debts to any amount?—No, only of copper, which is only a tender for small payments, as in this Country.

Then we understand you to state, that Gold is more seen in circulation than dollars?—Yes, I think it is.

Is there much paper in circulation in proportion to the specie?—Yes, a very great proportion; I should suppose nine tenths; I mean bank notes payable to bearer on demand.

Is the proportion of bank notes to specie in circulation in the United States more or less than what you think it was in this Country before 1797?—About the same, I should suppose.

Is there therefore than it is in this Country at present?—Yes. What, according to your best information, is understood to be the amount of the quantity of paper in circulation throughout the United States?—The capital of all the Banks is about 40 millions of dollars; perhaps three fourths of that may be in circulation in Bank notes.

Are any of those Banks limited by law, or by the terms of their charters, as to the amount they may issue?—I believe not, they are so numerous that they are a check upon each other.

Is the circulation of each of those Banks generally confined within a certain district, or

S. Williams, Esq.

do the notes of any one of them circulate throughout the States?—They are by practice confined more or less to their own local district; the bank notes of the United States Bank circulate freely throughout the States.

In what proportion would you say, that in any one of the States the bank notes of the Bank of the United States bear to the local paper of such States?—The best information I can give, is to refer to the book I have delivered in, which contains a statement of the capital of the Boston Banks; and that branch of the United States Bank which is at Boston; I believe the capital of the country Banks in Massachusetts may be about two millions of dollars.

Do you conceive that the circulation of any of those Banks bears a fixed or necessary proportion to the amount of their capital?—The notes of the Boston Bank may amount to two-thirds or three-fourths of their capital.

Do you know that fact?—Yes, I do.

Is it an inference you derived from your knowledge of that fact, when you calculate the amount of the circulation of the other Banks?—I conceive the country Banks issue in a larger proportion to their capital.

Is it necessary to have a charter in order to carry on the business of banking in any part of the United States, or is that branch of trade free to all the world?—It is free to all the world; but unless they were chartered, people would not have confidence in them.

What privileges does that charter give?—They are authorized to issue notes for a certain time.

Are the proprietors responsible beyond their shares of the capital subscribed?—No.

Then that is the nature of the privilege which they derive from their charters; and the privilege of suing, and being sued?—Yes.

Do those country Banks, and does the Bank of the United States, receive deposits, or do they issue their notes upon the credit of commercial bills, or upon what other securities?—On commercial bills chiefly.

What date do those bills bear, and at what rate of interest are they discounted?—Sixty days date; and at 6 per cent.

Are there any general laws in the United States limiting the rate of interest?—In Massachusetts the rate of interest is limited by law at 6 per cent; I believe in New York at 7 per cent; all the Banks throughout the United States discount at 6 per cent.

Do those Banks receive deposits?—Yes.

Do they give interest on such deposits?—No.

Is any thing paid to the Bank for safe custody?—No.

What is the current market rate of interest in the Country?—Six per cent.

Is it reckoned a favour to lend at 6 per cent. on the Continent?—Yes.

Has there been any alteration lately in the current rate of interest?—No.

What is the interest which Government securities bear in the States?—For the securities of the individual States, the interest is 6 per cent.

Has the National Bank any privileges above the other Banks?—No other than that of receiving the public moneys for duties, &c.

The National Bank then is of course exclusively employed to pay the dividends on the public debt?—Certainly.

Does that Bank make those payments gratuitously?—Yes.

What is the difference which you alluded to between the value of Gold and silver, and the cause of that difference?—The difference is generally 4 to 2 per cent; and the cause is, a greater demand for the exportation of dollars to the East Indies, and China.

When a demand to any considerable amount is made upon any of the Banks for a payment in specie, do they make that in eagles, the coin of the United States, or in foreign coin?—In both indiscriminately, because all foreign coins are received at the Banks at the relative values established by Act of Congress.

Are those foreign coins in common circulation?—They are.

In mentioning the large proportion of Gold to silver coin in circulation, do you mean to include this foreign Gold coin as well as the eagles?—Yes.

What proportion does the foreign Gold coin bear to the eagles in circulation?—As to that I have not the information.

What sort of foreign Gold coin is it?—When I was in the country, ten or twelve

S. Williams, Esq. years ago, it was chiefly Portuguese and Spanish Gold; there were also English guineas and French Gold, but not much.

Are the foreign Gold coins in circulation uniformly received without any fluctuation at the relative value fixed by law?—They pass by weight.

Does the federal law of the United States, or does the law of any of the States, permit the exportation of their own coin, Gold or silver?—The exportation is free.

Is there a seigniorage paid at the American Mint?—I believe not.

Does the Spanish dollar pass by weight, or in the same way as the dollars of the States?—It circulates equally; I believe they are of the same fineness and weight.

Is there a general Mint for the federal union, or are there more Mints?—There is only one Mint, a federal Mint.

What is the relative value of Gold and silver?—I believe 15 for 1.

Is it supposed that any large fund of Gold or silver is deposited in the coffers of the Banks you have described, and in what manner do they supply themselves with such as they have occasion for?—I suppose that large sums are deposited in the coffers of the Banks, consisting chiefly of Gold coin.

Are the Banks in the United States exposed to sudden drains upon them for their Gold or other specie, either in consequence of an alarm or a demand within the territory of the States, or in consequence of demands from abroad?—They are sometimes subject to sudden and great drains, when large sums are wanted for exportation to the East Indies and China.

That is a drain for silver?—Yes.

How high have you ever known the agio of dollars above Gold?—Five per cent., the general average is from one to two.

Have you ever known a drain upon the Banks for Gold, from any cause?—No, never but upon the establishment of a new Bank, and the consequent demand for Gold to form its deposit.

Have you ever known instances of failures of any of those Banks?—Only one in the state of Rhode Island, which was a Bank that issued notes without having any capital or funds to support it.

In what manner do those Banks guard themselves against an inconvenient demand upon them for silver, when the premium is as high as five per cent. in Gold?

Supposing there were a demand upon them for Gold, in what manner would those Banks endeavour to protect themselves from having their deposit drained off by their notes being brought in?—They are careful not to issue too many notes.

Do they lessen their paper when there is danger of drains upon them for Gold?—Always; they often lessen their discounts very rapidly.

Under what circumstances is it that such a drain is felt or apprehended by the Banks; is it when the exchange is peculiarly unfavourable?—It is not much affected by any exchange, but from their having issued too much paper.

When the drain is made upon them, to what purpose is the Gold applied that is taken out?—There may be a drain upon one Bank out of four, to relieve the other three.

Do they ever experience a general drain upon all the Banks?—No.

Do you remember any conjunction of circumstances affecting the country generally, which have made the Banks take more than ordinary precautions in lessening the amount of their circulation?—I do not recollect any.

Is it the custom of the several Banks to possess themselves of each others paper, and then to exchange that paper for Gold when they experience a drain?—It is mutually the case.

Is there no one Bank that has any exclusive circulation in any one part of America, and to whose funds the other Banks more particularly resort for a supply of Gold?—No.

Do you remember at any time the exchange on England being so unfavourable to America, that there was a profit by exporting specie from America?—Yes.

Was it Gold or silver?—Silver, generally; and it was when the price of silver was high in this Country.

From what causes did that state of exchange unfavourable to America arise?—From the large importations from this Country chiefly, and the reduced exportations from America.

Did that cause any drain of Gold?—No, only of silver.

Do you remember any period since the independence of America, when the paper circulation of that Country was regarded as excessive?—Not since the independence.

Has there been any forced Government paper in America since the independence?—No.

Is there in any of the principal towns of the United States, a market price for Gold or Silver Bullion or coin, as there is in the principal capitals of Europe?—No, there is not.

Is not the currency different in the different States?—All the national accounts, and all the accounts of merchants and bankers, are kept in dollars and cents.

Then what is the use of those rules which are given in the book you have delivered in, for reducing the currencies of the different States?—Some few old people may still reckon by the old currency of pounds shillings and pence.

How does it happen, that a different rule should be necessary as between different States?—Before the independence, there were excessive paper currencies in all the States, which were liquidated at different rates, the degree of excess in the separate States being different, in the same manner as has been done in the different West India Islands; and the persons who still continue to compute according to the old fashion, compare the new currency and accounts of dollars and cents with their former currency as so liquidated.

In those times preceding the independence, had the different States a local copper coinage?—No, the copper coinage was all British.

Is there a course of exchange between America and any other country?—Yes, with what countries?—England principally; also with France and Holland.

Is the course of exchange the same between England and all the States, or is there a different exchange?—Nearly the same; there is a difference of one per cent. only.

What is the par of exchange between the United States and France?—I never saw the exchange with France quoted in any price current; it has been quoted with Holland, Hamburg, and England.

What is the par of exchange between the United States and Hamburg?—I cannot answer that question, nor that with Holland; all the transactions between America and Europe are settled upon the exchange in England.

Is there any thing like a course of exchange between America and the East Indies or China?—No.

What is the par of exchange between the United States and Great Britain?—There has never any been fixed; what we consider as the par of the American or Spanish dollars is 4 s. 6 d. sterling.

Are the exchanges with England quoted with reference to this par in dollars?—No; they generally draw in pounds sterling.

How do you draw upon them?—Very few such transactions ever take place.

If you were to draw a bill upon America, in what terms would you draw it; in dollars or sterling?—In dollars, converting the pounds sterling into dollars at 4 s. 6 d.

Is there an exchange of the United States on England, as well as of England on the United States?—No; there is only an exchange from America on Great Britain.

What is the present exchange from the United States on England, and has that varied much within the last twelve months?—In the month of January last the drawer in America received from £. 96 to £. 97. for a bill of £. 100.

[The Witness gave in a paper, intitled "Average of Exchange, New York on Great Britain, from 1804 to 1808 inclusive, and Exchange at Boston in 1809."]

The difference between New York and Boston is pretty steadily one per cent. lower at Boston than at New York; that is, the merchant at Boston gets one per cent. less than the merchant at New York.

In this mode of stating the exchanges, whether it be in dollars or pounds, the par seems to be in fact an equal number of either?—Yes.

It would appear from this account, that the exchange remained in favour of this Country from about the beginning of 1805 to the end of 1807, and that during the year 1808, and until April 1809, the exchange was against this Country as much as from 6 to 10 per cent.

Yes, and you consider to have been the cause of that state of the exchange in 1808, and the first quarter of 1809?—It was owing to the embargo, and the reduction of exportation from America to this country, to equalize the balance of imports from this Country.

S. Williams, Esq. What is the expence of transporting specie from the United States to England, covering all the expences and risk?—At this moment it would be about 5 per cent. During the year 1808, when the exchange was from 6 to 10 per cent. against the United States, do you know whether any specie was transported from thence to this Country?—The exportation was prohibited of course by the embargo.

Veneris, 16^o die Martii, 1810.

FRANCIS HORNER, Esq. in the Chair.

John Allen, Esq. called in, and Examined.

J. Allen, Esq. HAVE you had any opportunities of acquiring information in respect to the produce of the Mines of Spanish and Portuguese America within any recent period?—I was in Spain and Portugal from 1802 to the beginning of 1805, and during that time I endeavoured to procure information upon those subjects; the result of which I am ready to lay before the Committee, as well as other information which I have since collected upon the same subject.

Acc. N^o 21. Mr. Allen then delivered in "An Account of the produce of the Royal Fifth in the Captain-Generalship of the General and New Mines of Brazil, from the 1st of August 1751 to the 31st of December 1794." Also,

Acc. N^o 22. "An Account of the Royal Fifth from the district of Goiazes in Brazil, from the year 1788 to 1795, with a table comparing Portuguese with English weights."

On what authority do those two Accounts rest?—They were obtained originally from the books of the Mines from Brazil transmitted to Lisbon, from which books those accounts were extracted by the Gentleman who communicated them to me.

Acc. N^o 23. Also, "An Account of the Coinage of Mexico, from 1733 to 1793 both inclusive."

What is that work, entitled Merlchorio Peruana, from which this account professes to be taken?—It is a work that was published periodically at Lima, by persons who had access to official and correct information on those points.

Acc. N^o 24. Also, "An Account of the Coinage of Mexico, in silver, from the year 1795 to 1804, both inclusive."

This was given to me by Mr. Angevault Morney, who had received it from Don Emanuel Sexto Espinosa, Director of the Caja de Aconsolidacion at Madrid: Also,

Acc. N^o 25. "An Account of the Produce of the Mines of Peru, of the Coinage of Lima, and of the Mines of Chili, and a general estimate of the Annual Coinage of Spanish America, collected from the different authorities which are stated in the account." Also,

Acc. N^o 26. "A Statement, with respect to the Spanish Mint, of importation of Gold and silver into Spain, and the duties on silver and Gold." Also,

Acc. N^o 27. "An Estimate of the proportional quantities of Gold and silver extracted Annually from the Mines of Spanish and Portuguese America at the present time, compared with the same statement fifty years ago."

Mr. Allen desires to state, in giving in this paper, that since he has formed that estimate from the authorities mentioned in this and the preceding Accounts, he has found a similar account stated in a foreign work of authority, entitled, Traite Elementaire, by Brongniart, from which he will send an extract to the Committee.

Acc. N^o 28. Also, "An Account of the produce of the Mines at Potosi, from 1556 to 1800, both inclusive, upon the authorities mentioned in the Accounts. And an Account of the Coinage of the Royal Mint of Potosi, of Gold, from the year 1780 to the year 1790, and of silver from 1773 to 1790."

Does it not appear from these papers, that upon the whole, the annual quantity of Gold, from all the Mines taken together, is in a somewhat decreasing state up to the period of 1794 or thereabouts?—In the course of half a century it has decreased in the proportion of about six to five.

Do you conceive that since 1794 any particular change in respect to its quantity has taken place?—I have no information on the subject, except what I have derived from the work of Brongniart, which I have just mentioned, and from which I shall send an extract to the Committee. I find that he makes the proportion of silver

to gold; from 1790 to 1802, the same which I have calculated it to be at the antecedent period; and which I think is a just inference, if there had been no material alteration in the proportionate quantity, as well as a presumption in favour of the accuracy of both statements.

What has been the increase in the quantity of silver?—In the course of half a century the increase has been in the proportion of three and a half to two; my account of three-fifths of the silver produced, reaches down to 1804, and the account of Potosi to 1800.

Have you had any opportunity of collecting information with respect to the progressive state of the prices of grain in Spain during the last half century?—I have here a statement of the prices of wheat and barley in Seville from 1675 to 1764.

[Mr. Allen delivered in several Papers.]

"Prices of Fanega of Wheat and Barley from 1675 to 1764 both inclusive, taken from the current prices in the Market of Seville." Acc. N^o 29.

"Prices of the Fanega of Wheat and Barley from 1765 to 1787, both inclusive, from a comparison of the Prices in the Market Towns of Castile." Acc. N^o 30.

"Prices of the Fanega of Wheat and Barley from 1788 to to 1792, both inclusive, in the chief Market Towns of the two Castiles, Andalusia, and Estremadura." Acc. N^o 31.

"Prices of Wheat and Barley from 1793 to 1804, in the Market of Medina and of Rio Seco." Acc. N^o 32.

Is there a paper currency in Spain?—There was a Government paper currency, which was depreciated very considerably.

Was it forced in payments?—No, it was not.

To what was the depreciation owing?—I am not prepared to answer that question; it was partly owing to want of confidence in that Government, and partly to an over-issue of paper.

Was it a paper currency which circulated in small payments?—No; it consisted of three sorts of notes, one of six hundred piastres, one of three hundred, and another of one hundred and fifty.

Was the depreciation such as to have occasioned two prices?—The paper passed at a depreciated value.

Was that paper received by Government in the payment of taxes?—I believe not.

Can you state what the expence is of transporting specie to Spain?—I can hardly venture to state it from recollection; I have materials which will enable me to state what the expence is of transporting specie from Lima to Spain; what it is from Vera Cruz I do not know.

Does the information which you possess, relate to a period of war or peace?—It relates to the period from 1790 to 1796.

Have you any means of stating what it is at the present time?—I have not.

Do you know whether the importations from the Colonies to the Mother Country have been regular, up to any recent time?—I believe not; they have been interrupted by the war with England.

Have there been any considerable importations within a very recent period?—There has, since the cessation of hostilities with England, been a very considerable importation, but I cannot say to what amount.

Can you state whether there is any considerable quantity of Gold or silver in circulation, or hoarded, or brought to the market, or laid up in stores, in Spain or Portugal?—There is no want of silver in circulation, but there is a scarcity of Gold both in Spain and Portugal: there was not so much Gold to be had last year, when I was there, as in 1804.

Has not Gold, at the last period to which you have alluded, increased in value when compared with silver, and how much?—There was always a small agio on Gold in Spain; it is very difficult to get any at present, and I believe the agio has increased, but I cannot say to what amount.

John Whitmore, Esq. the Govern^r, and John Pearse, Esq. the Deputy Governor of the Bank of England, called in together; and Examined.

Suppose a case in which no demands were made upon the Bank by Government for unusual accommodations, but an unusual demand was made by merchants for increased

J. Allen, Esq.

Acc. N^o 29.

Acc. N^o 30.

Acc. N^o 31.

Acc. N^o 32.

J. Whitmore, Esq.

and

J. Pearse, Esq.

J. Whitmore, Esq. and J. Pearse, Esq.

increased facilities of discount, would the Bank in such a case consider itself as bound, in order to support public credit, to grant that increase of discounts, although there was a run upon it for Gold occasioned by the high price of Bullion and the unfavourable state of the exchange?—I now consider my answer as my own opinion, not having the opportunity of consulting the Bank upon the question; in my opinion the Bank would not increase their discounts, nor on the other hand would it, I think, after the experience of the years 1796 and 1797, do well materially to diminish them.

Do you mean that they would lean rather to the side of diminution?—They would rather lean to that side than to the other.

What do you consider as the result of the experience which the Bank gained in 1796 and 1797, alluded to in your preceding answer?—The experience the Bank gained in those years was, that if they had persisted in diminishing their discounts to a greater degree than they did, they would have brought on ruin to the mercantile part of the community.

Did not the diminution of discounts at those periods create great public distress?—Inasmuch as I have already stated; many of the Bank Directors repented of the measure.

Was not the drain upon the Bank which took place at that time, occasioned chiefly by a demand for an increased quantity of Gold in the Country, in consequence of the failure of country banks, and a disposition to hoard guineas through the fear of invasion?—To the best of my recollection there was at that period failures of some of the country banks, and that a consequent demand was made upon the Bank for guineas; the circumstance of hoarding may probably also have had some influence upon it.

Was not then the distress which at that time attended the restriction of the discounts of the Bank, occasioned by the want of a substitute for bank notes supplied by the country banks?—It was, I conceive, occasioned in part by the want of confidence which those failures had occasioned, and the other part by hoarding.

If the Government had paid back the advances made to it at that time, would it have been necessary to have reduced those discounts materially?

Mr. Pearse.—I think it would have been absolutely necessary for the Bank to have thrown into the public, either by way of discount or in some other way, an equal quantity of bank notes that would have been annihilated by such payments from the Government to the Bank. Such repayment by Government certainly would have afforded it a greater scope to the Bank to give discounts to the merchants, which however must have been ultimately regulated by the extent and continuance of the demands made upon it for Gold, as it must be obvious that the Bank (however reluctantly, yet from a regard to its own security) would have found it necessary to diminish the amount of its notes, by withholding discounts in proportion to the run upon it arising from failures of country banks, fears of invasion, and other causes of alarm, although it is equally clear that this diminution of notes would have aggravated the difficulties which occasioned the run upon the Bank, and rendering this conduct necessary on its part.

May it not be, then, that a proportion of the notes so paid in by Government might have been issued for discounts?

I intended in my former answer to have said it would be necessary to increase the amount of our discounts, having lessened the advances to Government.

Mr. Pearse.—Certainly it might, but still the same necessity would have existed on the part of the Bank to have diminished the sum total in circulation in proportion to the call for Gold, although this would have been attended with the consequences to public credit pointed out in the answer to the preceding question.

Whether or not there was, in the end of the year 1796 and beginning of the year 1797, a considerable diminution of the outstanding notes of the Bank of England?—There was.

Was not much of the public and commercial distress which arose at that period, attributable to that diminution?

Mr. Whitmore.—I have no doubt about it.

Mr. Pearse.—Undoubtedly.

Whether, in your opinion, it was not a much wiser measure, relative to the mercantile interests of the Country, that the restriction of cash payments should have been taken

taken place in 1797, than that the Bank should have persevered in diminishing the issue of Bank notes in discount *J. Whitmore, Esq.*

Mr. Whitmore.—Certainly. *J. Pearse, Esq.* Whether before the restriction on the Bank, the demand for Gold did not much more arise from the want of confidence in the security of paper currency, than from the state of the foreign exchanges?

Mr. Whitmore.—To the best of my recollection it was not owing to the state of the foreign exchanges, but wholly to the want of that confidence.

In your opinion, has the state of the exchanges at any time very materially operated, before the restriction, to increase the demand on the Bank for Gold?—In my opinion it has not; the demand for Gold for exportation depended upon the price of the article in foreign countries.

Mr. Pearse.—Within the course of my experience in the Bank, the Hamburgh exchange has never been so much below par, previous to the Restriction Bill, as to render it sufficiently an object of advantage to individuals to make any material demand for Gold upon the Bank. The state of the exchanges appears generally to have been considerably above par, sometimes as much as 1 1/2 per cent. above par; and the lowest rate of it at no time during that period to have exceeded 3 1/2 per cent. below par, and then but for a few months.

Then is the Committee to understand that it is the opinion of the Governor and the Deputy Governor of the Bank, that although the rate of exchange may be much against this Country, that the quantity of specie in the Bank would not be materially affected by it; supposing the Bank to be paying in cash?

Mr. Whitmore.—I would wish my answer to this question to be considered as connected with my former answer, that if the Hamburgh exchange affords an advantage to the dealers in Gold to send out the specie, that they undoubtedly would do it; but that is a calculation upon the price of the article abroad.

Supposing the paper currency of this Country to be equal to what it was in the year 1796, and the same strong disposition to prevail to convert paper currency into specie, whether the necessity of a restriction on the payment of specie would not arise the same as in the year 1797?—The same cause would, I presume, produce the same effect.

(To Mr. Pearse.)—In the instance which you have stated, of the exchange with Hamburgh having been 1 1/2 per cent. in favour of this Country before 1797, from what par was that exchange calculated?—From the par which I understand to be in common acceptance, 33:8: I am not myself practically acquainted with those exchanges.

Do you consider a drain of guineas in consequence of a profit to be made by exporting them abroad, and a run for guineas in order to supply the internal circulation of the Country during the moment of alarm, to be cases so exactly alike that the Bank ought to pursue the same line of conduct precisely in both cases, in order to protect itself against the demand for guineas?

Mr. Whitmore.—I think the Bank would make a distinction between the two cases. What distinction?—The distinction would be, that the demand for guineas for home purposes would not be of such a serious nature as the demand for exportation.

Was it not the demand for guineas for home purposes that immediately produced those apprehensions which were stated by the Court of Directors to Government, upon occasion of which His Majesty was advised to issue the Order in Council of the 26th of February 1797?—Not having been in the Bank direction, as I before stated, at that period, I was not a party to any of the debates that then took place in the Court of Directors.

Mr. Pearse.—It undoubtedly was: with reference to the former question, I would beg to observe that the line of conduct to be pursued by the Bank in both cases, either of a drain for guineas for the foreign market or for internal demands, must of necessity be the same, although in the latter case, as has been already observed, the line of conduct which under similar circumstances I should find it necessary to recommend, would no doubt increase those difficulties which in the first place rendered the measure indispensable.

Is the Committee to understand, that in case of distress in the Kingdom, arising from failures of country banks, and the consequent alarm and hoarding of coin, by which the amount of the circulating medium would be rendered greatly below what the occasions of the public might require, the Bank in case of a demand for

J. Whitmore, Esq. and J. Pearse, Esq.

diminishing their issue, as if a demand to the same extent had been occasioned by a very unfavourable rate of exchange. The cause of the alarm being satisfactorily ascertained to arise from a diminution of the circulating medium, it would be obviously advisable that the Bank should endeavour to supply the deficiency thereby occasioned; yet the extent and continuance of the demand for guineas must always be a leading consideration with the Bank on such an occasion.

You have stated, that in the case of a drain of cash arising from a foreign demand for Gold, accompanied with an unfavourable exchange, at a time when the Bank should be paying in cash, you should advise some limitation of Bank paper; do you think that in the event of an equal demand for Gold from abroad, accompanied with an equally unfavourable exchange, it would be expedient in like manner to limit the Bank paper, although there should result from this state of the exchange no drain upon the Bank for guineas in consequence of the existence of the law authorizing a suspension of the Bank payments?

Mr. Whitmore.—In my opinion, the Bank would act precisely the same in both cases; with a desire to keep the Gold in the country, they would refuse discounts to such parties, as in their opinion would export the Bullion equally, whether the restriction was upon them or not.

Mr. Pearse.—Being of opinion that the amount of the Bank notes in circulation, controlled as it is by the occasions of the public for internal purposes, cannot influence the rate of the Hamburg exchange, and the consequent export of Bullion (which opinion is borne out by a statement I have already given in) I should not recommend a diminution of such amount.

Do you mean to say, that supposing the Restriction Bill to exist, you should advise some diminution of Bank paper in the event of the long continuance of a very unfavourable exchange with all foreign countries?—Certainly not; because I have stated, in a former answer, that from the manner in which the issue of Bank notes is controlled, the publick will never call for more than is absolutely necessary for their wants.

Did you not mean, in your former answer, to intimate, that supposing the Bank to pay in cash, and a great drain for cash to arise at a time of a very unfavourable exchange, you should incline to advise some diminution of Bank paper, and consequently some restriction of the supply of discounts below the demand that should be made for them?—I must recommend it from necessity, although in my opinion it would not improve the exchange; I think it one of the advantages of the Restriction Bill, that we are not driven to that necessity.

Are you therefore of opinion that the measure of restriction of the cash payments of the Bank is proper, not merely as a temporary measure to obviate temporary difficulties, but as a measure of permanent policy?—Although under existing circumstances the Restriction Bill is found necessary, and experience has proved, as well as I can judge, that no injury results or is likely to result from it, yet in a different situation of affairs, the necessity for its operation might no longer exist.

What inconveniencies would you see, in your view of the operation of the restrictive system, to its being a permanent measure, supposing the Bank to regulate its issues in the manner you have described?—From our experience, and in my view of it, I can see no positive inconvenience likely to result from its being a permanent measure; nor do I see any advantage that will arise from its being continued when our political and commercial relations will admit of its removal; and I am further of opinion, that in addition to the satisfaction, which, as a Bank Director, I should derive from the removal of the restriction (when the necessity for it ceases) the feelings of the public would not be satisfied, unless it had in expectation such a change.

* Vid. Page 119.

Is the restriction on the Bank a cause of the unsteadiness in the course of exchange?—Undoubtedly not.

Mr. Whitmore.—I concur in that answer. If a large quantity of metallic circulating medium existed in a country capable of exportation, either in the shape of coin or of bullion, must not that prevent the course of exchange from being much more unfavourable to the country possessing it, than would cover the expenses of exportation?

Mr. Pearse.—Undoubtedly; but the quantity of Bullion in the country for such objects can only depend upon commercial and political transactions, totally unconnected, as far as I can judge, with any effect of the issue of Bank notes.

Can any par currency have the same effect?—I think not.

Since the suspension of the Bank payments, in cash down to the present time, has there been any material extension of its commercial discounts?—*J. Whitmore, Esq. and J. Pearse, Esq.*—I find the commercial discounts have varied nearly in proportion to the Bank advances upon other securities; the amount of the Bank notes before Parliament, is, a certain criterion of the aggregate of their advances on different securities to Government; and on all securities the discounts have certainly increased since 1797, owing, as I conceive, to the increased trade of the country.

Have they increased in a very large proportion?—Within the three last years they have increased considerably.

Lune, 19^o die Martii, 1810.

WILLIAM HUSKISSON, Esq. in the Chair. Ebenezer Gilchrist, Esq. called in, and Examined.

I Believe you are the principal manager of the Bank in Scotland, under the denomination of the British Linen Company?—Yes, I am.

Is that a chartered Bank?—Yes, it is.

What may be the capital of that Bank?—Two hundred thousand pounds.

How many more chartered Banks are there in Scotland?—Two; the Bank of Scotland, and the Royal Bank.

Do you know the capital of those two Banks?—I believe the capital is £1,500,000 each.

How many branches may each of the chartered Banks have?—I believe the Bank of Scotland has twenty branches. The Royal Bank has only one, which is at Glasgow. The British Linen Company has thirteen branches.

How many Banks, issuing notes, are there in Scotland, which are not chartered?—I should think there are about one or two and twenty.

How many of those are in Edinburgh?—There are five Banks in Edinburgh; two in addition to the three chartered Banks.

How many in Glasgow?—Only three, besides a branch of the Royal Bank.

Can you say generally, whether the notes payable on demand, issued by all the Banks, amount, in your opinion, at this time to a larger sum than at the time when the Bank of England was restricted from paying specie?—I think the paper circulation of Scotland has increased since that period, in consequence of the increased trade of the country and the extensive agricultural improvements in Scotland.

Has the number of Banks increased since that period?—I think it has; but not very considerably.

In what way are the capitals of the chartered Banks generally employed?—I believe they are employed in the discounting of such bills as may be offered to them for that purpose, and as are considered to be safe.

Do you mean bills on London at a certain date, and at what date?—I mean bills on Edinburgh or Glasgow, and all parts of Scotland as well as London.

Is any part of the capital employed on mortgage or in loans of any other kind?—It is not the practice of the banks of Scotland to lend money on mortgage.

Is not a considerable part of the capitals of the banks of Scotland, in your opinion, laid out in the purchase of Exchequer Bills or other Government securities, which may be converted into Bank of England notes on the shortest notice?—Certainly, part of the funds of the Banks is so employed.

Do not you think that to be a necessary measure for the security of the creditors of the Banks, and in order that the Banks may be able to meet the demands upon them?—I consider it to be necessary. It is the object of all bankers in Scotland to keep large funds in London at all times, exclusive of the stock of specie and Bank of England notes kept at home for immediate use.

Can you form any opinion of the amount of notes payable to bearer on demand which is in circulation in Scotland?—My own conjecture is that it may be from two millions to two and a-half millions; but it is not a subject upon which I can speak with accuracy.

Can you say what proportion the circulation of specie in Scotland bears to that quantity of notes?—A very small proportion indeed.

0364

E. Gilchrist, Esq.

Is it not your opinion that the Banks of Scotland have very greatly contributed to the increase of the trade and manufactures of Scotland? Yes, I am decidedly of that opinion; and here I may observe that there is no instance of any Bank in Scotland having failed ultimately to pay all demands upon it. The Ayr Banks the history of which is well known, ultimately paid every thing.

Do you apprehend that that increase could have taken place by any other means than the establishment of Banks in Scotland? Without some such facility existing as the Banks have afforded, I do not think it could.

What are the facilities of doing business which the Banks in Scotland give to the merchants and manufacturers there?—The Bankers give their notes in discount for bills at two and three months date payable in Scotland and in London. The Banks likewise open with the merchants and manufacturers cash accounts.

In what way are those accounts kept by the Banks in Scotland?—A credit is always established with the Banks by a bond with one or two sureties, and the merchant is allowed to draw to the amount of that bond without making any previous deposit of money. If a person has credit for £.1000. and draws out the whole amount, he pays interest from that period at the rate of five per cent. If he reduces the amount by paying in the next day £.500. the interest of £.500 ceases from that time.

Do you charge any commission on accounts of this sort?—No.

Only the five per cent. for the time?—Only the five per cent. for the time.

What interest do you allow for money deposited with you?—Four per cent. lies six months.

Do you think the quantity of bank notes circulated by the bankers in Scotland has tended to prevent the circulation of coin or Bank of England notes in Scotland?—Ever since I knew any thing of the circulation of Scotland, it has consisted principally of the notes of bankers in Scotland.

Is the system of cash accounts as now practised in Scotland, the same as was practised fifty years ago?—Yes, I do believe it is exactly the same.

What is the object of the Banks in Scotland in keeping large sums of money in London?—The chief reason is, that they may procure Bank of England notes to answer any demands upon them, and for the purpose of settling the balances with each other in exchanging notes, which is always done by bills upon London.

Do not the Scotch bankers discount bills sent to them by London bankers, and give orders for the payment in London?—I never heard of such a practice.

What is the par date in drawing on London?—From Edinburgh, we draw at forty days.

Do you not give a premium for bills on London on demand?—We grant a premium of one quarter per cent. for bills upon London on demand.

Has there been any fluctuation in the exchange between Edinburgh and London since the restriction of the cash payments of the Bank of England?—None at all.

In what proportion do you conceive the paper circulation of Scotland has increased since the Bank restriction?—I really cannot answer that question without more consideration.

Is it double?—I should think not double, but perhaps one third more than before the restriction.

Are you of opinion that the paper circulation of Scotland is confined within the limits which the occasions of the public require?—I believe it is.

What is the criterion by which you judge of the occasions of the public?—We are regulated in our issues by the general state of credit at the time. If the Banks of England were to restrict their issues, of course the Scotch Banks would find it necessary to diminish theirs.

In what manner do the issues of the Bank of England operate upon the issues of the Banks of Scotland?—They operate upon the issues of the Banks of Scotland in this manner: If the Banks of Scotland issue more than they ought to do in proportion to the issues of the Bank of England, they would be called upon to draw bills upon London at a lower rate of exchange.

Thomas Thompson, Esq. a Member of the Committee, Examined.

T. Thompson, Esq.

Do you believe the country banks in England have greatly increased in number since the year 1797?—They have more than doubled in number.

Do you believe that the amount of country bank notes now in circulation is double the

the amount in circulation in 1797, or more?—In the years 1796 and 1797, the circulation of the paper of country bankers was very greatly reduced, and I think that the circulation now is probably more than double the sum in circulation at the time when the Bank of England was restricted from paying in specie.

Do you conceive it to be double what it was before the alarm at the end of 1796 and the beginning of 1797 had operated to reduce the amount then in circulation?—By no means; I think the quantity of paper in circulation at this time, does not exceed by more than one fourth, the circulation before the period of alarm referred to. I wish however my answer to be understood as confined to the paper in circulation in the North of England.

If from any circumstance before the restriction on the Bank of England, a drain for guineas took place, were not the country banks liable to be affected in the same manner?—Certainly; any extraordinary demand for specie would, in its effects, be felt by the country bankers.

Would not such an extraordinary demand in its effects tend to diminish the amount of country bank paper in circulation?—It would, as all prudent bankers would regulate their issues of paper by the demand upon them for specie.

By what criterion do they now regulate their issues of paper?—By the plenty or scarcity of Bank of England notes.

Then their issues bear a proportion to the issues of the Bank?—In my opinion they do.

Does it conflict with your knowledge that country banks make advances upon real security?—It is not the practice, as far as I know; and I conceive it would be extremely imprudent in any country banker to do so.

Is it a common practice for country bankers to advance their notes upon goods, or upon bonds, or other securities not payable at short dates?—I do not think it is the practice amongst country bankers who understand their business.

Do not country bankers find it necessary to keep a deposit of Bank of England notes in proportion to the issues of their own paper, and to the probable demands which may be made upon them for the payment of that paper?—Every country banker who wishes to preserve his credit, will keep by him such a sum in Bank of England notes as will answer all the demands which are likely to be made upon him until he can receive fresh supplies from London; and in London he will keep such funds as may upon the shortest notice be convertible into Bank of England notes, to enable him to pay all the demands which can possibly be made upon him.

Do you know whether the amount of Bank of England notes circulated in the country, has increased or diminished since the year 1797?—I do not think there has been much alteration in the quantity of Bank of England notes in circulation in the north of England since that period, but I believe that the quantity of Bank of England notes in the hands of the country bankers in general is considerably increased, as Bank of England notes are now kept by country bankers instead of specie, and I believe that a great part of the specie which was in the hands of the country bankers has been sent to the Bank of England.

Do you conceive that the quantity of Bank of England notes kept by country bankers in the course of the last three, four, or five years, has been increased?—Since the restriction on the payments of specie at the Bank of England, the Gold which was usually kept by the country bankers for the payment of their notes has been changed into Bank of England notes, and the quantity of Bank of England notes kept by the country bankers I conceive may fluctuate in proportion to the general credit of country bankers notes.

Have there not been fewer interruptions to the credit of country bank paper since the suspension of the payments at the Bank, than there were before?—I think there have.

Has not then the credit of country banks upon the whole rather increased?—In the North of England it has; I cannot speak particularly to every part of England.

Do you not then think that country bankers, in consequence of an increasing confidence in their solidity, may have become somewhat disposed to keep a less stock of Bank of England notes?—I think they may.

Has it not been lately more and more the practice of country bankers to issue optional notes, that is, notes payable either at their banks in the country or in London, and even to issue some optional notes of one and two pounds, and do not those notes circulate much in the same manner as Bank of England notes?—That

G. G.

High Exchange Committee. Page 109 & 111

T. Thompson, Esq.

142
120

J. Thompson, Esq.

may be true in some degree in the south of England, but north of the Humber no optional notes are issued.

Do you not think that the increase of optional notes must have tended to the diminution of the number of the Bank of England notes circulating in the country?—I think not in any great degree, as Bank of England notes I believe have not a large circulation in the country fifty or sixty miles from London.

May not the increase in the number of country banks which has taken place in the last few years, have contributed to augment the quantity of country bank paper in places in which Bank of England notes had antecedently circulated?—Yes, it may.

May it not have in some degree diminished the quantity of Bank of England notes circulating in the country?—I can only give the same answer to this as to the last question.

During the distress in the country, which happened in 1793 and 1797, do you recollect to have heard of any material fall in the price of articles of trade in consequence of the sudden scarcity of the circulating medium?—I do not, although that probably was the case, as the prices of all commodities will be affected by the scarcity of the circulating medium.

Did you observe that the prices fell in a greater degree where there was a greater degree of local distress, occasioned by the failure of country bankers?—Where the distress was the greatest, the effect of that distress would be the most obvious; but in consequence of the assistance which was given to the country by the loan of exchequer bills, the general credit was in a short time restored, and the inconveniences were far less than might have been expected.

Was there not a great stagnation in trade then?—Yes, certainly, for a short time.

You have stated, that, before the restriction on the Bank of England, had any extraordinary drain for guineas taken place at the Bank of England, it would in its effects have been felt by the country bankers; are you aware that when a drain for guineas was occasioned by an unfavourable course of exchange, the inducements to withdraw Gold from the Bank was the profit which might arise from exporting or melting down the guineas?—The inducement to withdraw guineas from the Bank of England in consequence of an unfavourable course of exchange, must undoubtedly be the profit which would arise to those persons who so acted.

Might not that also be an inducement to the holders of paper of the country banks to withdraw Gold from those banks?—The cause which induced persons to withdraw Gold from the Bank of England, might induce others to withdraw Gold from the country banks.

Inasmuch as there can be no such inducement at present for bringing in the paper of country banks for payment, what interest has any holder of such country bank paper to convert it into bank notes, supposing no alarm to be felt, as to the credit and solidity of the country bankers by whom such paper was issued?—If the holder of a country bank note, cannot obtain Gold for it, he has no inducement to carry in such note to be exchanged for a Bank of England note, if he have perfect confidence in the country bank, and if he be under no necessity of making payments in a part of the kingdom to which the circulation of country bank paper does not extend.

Then the only corrective which now exists against an excessive issue of notes by any particular country bank is, that such notes would be returned to him, either for Bank of England notes or for a bill of exchange upon London?—Certainly.

Then are not country bankers less liable to be called upon to change their notes for those of the Bank of England, than they were to be called upon to pay them in cash, before the restriction on the Bank of England?—Undoubtedly; especially as the notes of several country bankers, within my knowledge, are in as great credit in the country as Bank of England notes.

Then it is not necessary for a country banker to be provided with the same amount in bank notes, in proportion to his issues, as he was, before the restriction, obliged to keep in Gold?—I think he is not.

Martis, 20 die Martii, 1810.

WILLIAM HUSKISSON, Esq. in the Chair.

Robert Binley, Esq. called in, and Examined.

HAVE you brought down the information required by the order of the Committee, with respect to deficiency in the weight of the Gold coin of this country in circulation?—I conceive that the Gold coin now in circulation is not more deficient in weight than it was at the last examination, as appears by the paper delivered in by Mr. Morrison; it may possibly be even of better weight, owing to the circumstance of the refiners conceiving themselves at liberty to melt down such guineas as were reduced in weight below five pennyweights eight grains, which must improve the average weight of those remaining in circulation.

R. Binley, Esq.

What information can you give the Committee respecting the relative value of Gold and silver in the coins of foreign countries, as ascertained by any assays that may have been made for this purpose?—I am not aware of any variation in the relative quantity and fineness of Gold and silver in the coins of foreign countries, since the Tables published by the late Earl of Liverpool, in his Letter to the King upon Coin; which Tables are considered as accurate, except in the instance of the new regulations in the Paris mint in 1803 or 1804, by which the proportion of Gold to silver was established at 15½ to one, they having before been in the proportion of 15 to one.

Have you by actual assay ascertained that the proportions established by the regulations of the mints of foreign countries are actually preserved in the coins of such countries?—They are not accurately preserved, on account of what is called the remedy or allowance for fallibility of workmanship taken in foreign mints. By an actual assay of the new Gold coin of France, I have found, that instead of being as 15½, the proportion was 15 to one; by the mint regulation of Amsterdam, Gold is to silver as 14 to one, by the assay 14 to one. In Spain, the mint regulations are in the proportion of 16 to one; I have found by actual assay the state of doubloons of 1772 is as 15 to one; and according to doubloons of 1801, assays are as 16 to one.

Will there not be frequently a little alteration, in taking coins that are minted at different times at the same mint under the same regulations?—Yes, no doubt of it; but in no country is the standard preserved with such accuracy as in England.

Have the variations in other countries been increasing variations, during late years?—I do not know that they have, it has always been the case.

What is now the proportionate rate of Gold and silver in Europe?—The proportionate rate of silver to Gold in this country is 15,2096 to one.

What information can you give to the Committee concerning the par of exchange between Great Britain and foreign countries?—I do not feel myself competent to give a decided answer on that subject.

In the Account of Gold and Silver coined at the Mint since 1797, &c. ordered by the House of Commons the 20th of February 1810, it is stated from the Mint, that three or four hundred thousand pounds of gold has been coined on an average in the last nine or ten years; has any part of that coinage consisted of guineas?—No, it consisted of half guineas and seven-shilling pieces.

Did the two to three millions coined in each of the years 1797 and 1798 consist of guineas?—Principally of guineas.

Is the new Mint ready for the purpose of coinage?—Very nearly; it might be so in a short time, if necessary.

Within what time could the new Mint be made ready for coining?—Within two months, if necessary.

Can you state the fineness and weight of the present Russian coins?—The Russian imperial of 1772 weighs 8 pennyweights and eleven grains, being a Gold coin, worse than standard a quarter of a carat grain, which equals fifteen troy grains. The half imperial 1780 weighs four pennyweights 2½ grains, the same fineness as the last. The Russian ducat of the year 1796 weighs two pennyweights six grains, and is better than standard one carat 2½ grains. The half ducat 1785 one pennyweight 14½ grains, worse half a grain. The Gold rouble of 1779, 18½ grains, worse one quarter of a carat grain; the half rouble of 1777 weighs nine grains, and is standard of

R. Binley, Esq.

of this country. The silver rouble of 1802, 13 pennyweights one grain and a half, and is worse than the standard thirteen pennyweights in the pound. The half rouble of 1804 weighs 6 pennyweights thirteen grains and a half, and is worse fourteen pennyweights.

You have no rouble of earlier years?—No, I have not. Have you made any assays upon the coins of the United States of America?—Yes, I have tried several of them; the American proportions are 15 to one; and according to their actual coins 15 to 17. The half eagle weighs 5 pennyweights and fifteen grains.

Dr. Kelly called in, and Examined.

Dr. Kelly.

Have you turned your attention to the subject of the currencies of the different States of Europe, and to the course of exchange between Great Britain and foreign countries?—I have for many years.

What, according to the mint regulations of foreign countries, is the proportion of fine Gold to that of silver in their respective coins; and what would be the par of exchange of each of those countries with England, calculating upon a comparison of our coins, according to the mint regulations of this country with the coins of those countries?—The Table which I now present to the Committee, I believe, will shew those proportions, as also the variation between the proportion established by the mint regulations of foreign countries, and the actual proportion as ascertained by assays recently made at His Majesty's Mint; it will also shew what I conceive to be the intrinsic par of exchange between the countries therein enumerated, and England, Gold against Gold and Silver against Silver, both as that par stands according to the mint regulations and according to the assays above mentioned. [Same delivered in.]

Acc. No. 59.

Mercurii, 21^o die Martii, 1810.

WILLIAM HUSKISSON, Esq. in the Chair.

John Pearse, Esq. Deputy Governor of the Bank of England, called in, and Examined.

J. Pearse, Esq.

WHAT is the criterion by which the Bank regulates the amount of its advances to Government so as to guard against the possibility of any excess in the issue of its paper?—That Government will not find it necessary to apply to the Bank for accommodation by advance on its securities, inasmuch as in consequence of any excess of Bank paper in circulation they would be able to sell such securities in the open market.

Then the criterion of an excess is when that description of Government securities upon which the Bank is accustomed to make its advances are not rendered to the Bank for such advances, in consequence of Government being able to dispose of them to better advantage in the open market?—Certainly.

Suppose the wants of Government very large, and Exchequer bills in the market at a discount, would the Bank advance the sum required by Government?—It would depend upon the advances already made, the whole amount of Exchequer bills in circulation, and from such considerations as might arise on such an occasion.

Then Exchequer bills being at a discount, is no criterion in the Bank advances to Government?—It is no fixed criterion.

Then the security against the possibility of any excess in circulation arising either from discounts or from advances to Government is the same, namely, that no application can be made for issues beyond what the occasions of the public require; and that as soon as those occasions are satisfied, the applications to the Bank will of course cease, and be made elsewhere?—Certainly.

In your opinion does the current rate of interest in any country depend permanently upon the quantity of its circulating medium?—I think it depends upon the quantity of capital existing in a country, and the opportunities which are afforded to that capital of being profitably employed.

If then in any country there was permanently a great excess in the circulating medium, the state of capital of such country, and the opportunities of employing it remaining

remaining the same, would such permanent excess tend to lower the rate of interest?—Nothing but an increase of capital, the opportunities of employing it remaining the same, can tend to lower the rate of interest in any country; and it is only in whatever degree an increase of circulating medium permanently increases the capital of a country, that it can have any tendency permanently to lower the rate of interest.

Can any excess in the circulation of this country arise from the present system of issuing paper by the country banks, having reference in your answer to the restrictions upon the Bank of England?—I am not aware that the Restriction Bill can have had any material effect upon the amount of the issues of country banks, as the sum total of Bank of England paper has increased in so small a proportion, compared to that which I conceive to be the increase of country bank paper; an increase on the part of the Bank of England, seemingly not more than is to be accounted for by what must be required by the augmentation of revenue, and the great extension of commerce of the Metropolis requiring such addition to the circulating medium.

Does not the increase of discounts which has taken place by the Bank, and the consequent experience of the country banker, that he can command Bank of England notes by sending up paper for discount, encourage the country banker to emit more than he would otherwise think it prudent to do?—In the practice of the Bank upon the subject of discounts, it has been actively alive to discourage the discounting of such paper as seems to have an immediate connexion between the country bankers and their agents in London; when such accounts have gone to an unreasonable height, under such circumstances they have refused discounting their paper, although there were no doubts of their solidity.

Is it not found, notwithstanding this precaution on the part of the Bank, that a considerable portion of the paper they discount, is paper drawn from the country by country bankers and others upon bankers in London?—Though the amount is considerable, it bears no great proportion to the whole.

Has not the amount of bills drawn from the country by country bankers and others and offered at the Bank for discount, much increased since the period of the restriction?—The numbers that have been offered for discount have certainly greatly increased; and with the intention on the part of the Bank to limit them as much as their influence can effect, it has not been able, with reference to the accommodations asked by persons bringing such notes, to prevent their being in amount beyond what they were previous to the Restriction Bill, but not perhaps greater in amount comparatively with the sum total of our discounts, comparing what those discounts were at the time of the Restriction Bill with what they are now. I speak only from memory.

Do you not conceive that the quantity of country bank paper circulating in the kingdom bears nearly the same proportion to the occasions of those parts in which it circulates, as the Bank of England paper bears to the occasions of those districts in which Bank of England paper exclusively circulates?—If the country bankers regulated and limited their issues upon the same principle as uniformly governs the Bank of England, I do not see how any excess can arise in their circulating paper; but if any of their paper is issued otherwise than as representing securities arising out of real transactions and payable at fixed and not distinct periods, I conceive such an excess may obtain, and in whatever degree such an excess may exist, the proportion between the country bank paper and the Bank of England paper to the occasions of their respective districts would differ.

J. Pearse, Esq.

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Page 116

Veneris, 23^o die Martii, 1810.

WILLIAM HUSKISSON, Esq. in the Chair.

John Whitmore, Esq. the Governor, and John Pearse, Esq. the Deputy Governor of the Bank of England, called in together; and Examined.

IF it were not for this feeling or expectation on the part of the Public, should you be of opinion, that it would be expedient to continue the restriction as a permanent measure, inasmuch as it would not only relieve the Bank from the expence of purchasing and keeping a large supply of Bullion, but also effectually protect both them and the public from a repetition of those inconveniences which first led to the restriction,

J. Whitmore, Esq. and J. Pearse, Esq.

* Vide p. 112.

0357

J. Whitmore, Esq. and J. Pearse, Esq.

restriction, and that these advantages would be produced without creating any other inconvenience by which they might be counterbalanced.

Mr. Pearse.—I have already stated in answer to a former question, that I am not aware of any positive inconvenience resulting from the present operation of the Restriction Bill, or likely to result from its being rendered permanent, except as far as regards an expectation on the part of the public that it will be removed; but this circumstance is, in my opinion, essential, and cannot be kept out of view in any consideration of the subject. Whether it would be advisable to secure the public against a liability to the recurrence of the inconveniences that led to the Restriction Bill, by sacrificing their feelings on this point, and absolutely removing all expectation of its being only a temporary measure, appears to me to be entirely a political question, on which I do not conceive myself qualified to give an opinion, but I may venture to observe, that public credit and public opinion always go hand in hand, and that the one is invariably influenced by the other. As far as concerns the keeping of Bullion, I am of opinion that the Bank does not entertain a wish to be relieved from having a large supply, having in this, and all other instances, always governed itself by an attention to the public interest as well as its own.

Has the present unfavourable state of exchange any influence upon the amount of your issues?

Mr. Whitmore.—It has no influence upon the amount of our issues, having acted precisely in the same way as we did before.

Does there, in your opinion, exist any excess in the circulation of the kingdom, arising from the amount of issues of the country banks?

Mr. Pearse.—I have no practical knowledge of the amount of country bank paper, nor any means of judging of what may be necessary as a circulating medium. There seems to be a great increase within a short time, especially within the last two or three years, greater than I can imagine any alteration of circumstances within that time can legitimately call for.

Does not all country paper, so long as it continues to circulate at par; or in other words, is it not interchangeable with paper of the Bank of England?—It must circulate at par, or it would return upon the parties that issue it.

Before the restriction, were not country bankers liable to an extraordinary demand for Gold whenever there was any continued run upon the Banks of England?—Certainly.

Mr. Whitmore.—I agree perfectly with what Mr. Pearse says.

Has the holder of the paper of any country bank any interest to convert it into Bank notes, if he feels no alarm as to the credit and solidity of the country bank?

Mr. Pearse.—I should think not. Before the restriction, was there not such an interest to exchange country bank paper for Gold whenever the market price was materially above the mint price for Gold; and did not such an exchange, whenever it took place, lead to a diminution of the circulation?—Although the exchange was often unfavourable to this country previous to the restriction, it was never in my experience sufficiently so to produce such an effect; but as it is now so materially unfavourable, no doubt every exertion would be used to get possession of Gold.

Are you aware that it is the custom for bill brokers to get London bills, and send them down to the country banks for discount, for which such country banks remit bills at a date upon London, to be carried to the Bank for discount?

Mr. Whitmore.—We know that such a practice exists, but do not know through what channel the bills are sent into the country for discount; and such practice is as much discouraged by the Bank as their information will enable them.

Do not you know that considerable sums in Gold have been sent by the country bankers to the Bank of England, since the restriction, through the medium of their bankers in town, for the purpose of being exchanged for Bank of England Notes?—Since the restriction, the Bank has received from the London bankers several sums in Gold under the authority of the Act of Parliament, upon the condition of returning to the parties a certain part when demanded of us, which demand to the full extent, in several instances, has not been made of us; but none has come in of late years.

So long as the market price of Gold continues to be above £4. per ounce, and the course of exchange with foreign countries in a corresponding degree unfavourable to England, will not the stock of Gold in the Bank be continually decreasing by the issues which must unavoidably be made for certain small payments,

97-112
120

115
142

141

or for the public service; so that in the course of time, were the present state of things to continue and the Bank not to purchase at a great loss, the whole would be exhausted?—The purchases made by the Bank have been at a very great loss, and they would think it their duty to sacrifice still more to the public service, to keep up the quantity of specie for the purposes for which it is used.

Mr. Pearse.—It will certainly be decreasing, although the diminution from those causes may be considerable; I cannot imagine the possibility of their continuance to such an extent.

Is there not reason to apprehend that those small payments will become necessarily more numerous in proportion as the exchange is more against us, the issue for instance being larger when Gold is at £4. 12s. than when it was at £4. 1s. per ounce?

Mr. Whitmore.—The issue of Gold for the small payments alluded to has not increased.

Do you apprehend that any considerable difficulty or any evil would arise from the suppressing the circulation of all one pound notes at the end of eighteen months, by the passing of an Act for that purpose, and in the same manner suppressing the circulation of all two pound notes at the end of two years?

Mr. Pearse.—Those objections that are entertained (under the present state of the exchange) to taking off the Restriction Bill, are against such a measure.

If the capital of the Bank were to be doubled, would the Governor think the Directors justified in extending the issues of their notes in proportion?

Mr. Whitmore.—I think that no increased demand would be made upon us in consequence of the increase of our capital.

Can the Governor of the Bank of England form any estimate of the average amount of the daily payments made by all the London bankers put together?—I should like much to answer that in the affirmative, but I cannot find out any source of information to satisfy my mind.

Which are you of opinion that it exceeds or falls short of five millions?—I should conceive considerably above five millions.

Are those payments effected principally in Bank of England paper?—Wholly in Bank of England notes, with the exception of fractional sums.

Taking the daily average amount so low as five millions, does it not follow that in the course of the year the notes of the Bank of England in circulation are employed in making payments of above 1,500,000,000 sterling, on the counters of the London bankers alone?—According to the opinion that I entertain it will amount to that.

Taking into consideration the quantity of Bank of England paper necessary for country bankers, and the various other uses and applications for which it is demanded, does it not follow that there is only a certain limited proportion of the total amount of Bank of England paper in circulation, available for effecting the payment of this 1350 million?—It is only part of the circulation that is available for such purpose.

If the amount of Bank of England notes were in any way to be increased one half, that is from twenty to thirty millions, can it be supposed that the purposes for which it is required would be increased in the same proportion?—The surplus quantity, not being wanted, would immediately revert to us.

So long as the restriction continues, in what mode would the surplus be returned?

By a diminished application for discounts and advances upon government securities, which would in effect reduce the number of bank notes in circulation.

Can you form any opinion as to the probable average of the Gold in circulation, exclusive of the amount in the coffers of the Bank for three years previous to the restriction?—I can form no opinion.

Which are you most disposed to believe it exceeded or fell short of twenty millions?—In my opinion below twenty millions.

Has the Governor of the Bank any opinion as to what has become of the greater part of that proportion of our Gold coin which has disappeared from circulation?—My opinion is, that the high price abroad has taken it out of this country.

You have stated, in a former part of your evidence, that before the restriction of 1797 the Bank had particularly objected to advances they were under on account of treasury acceptances; had that objection reference to the amount of their advances to Government being too large, owing to such acceptances, or to any other circumstance of inconvenience?—I was not a party to the discussions of the Bank at that period, but

J. Whitmore, Esq. and J. Pearse, Esq.

151

199

J. Whitmore, Esq. and J. Pearse, Esq. but if I had been there my objection would have been to the nature of the security, and not to the amount advanced upon it. In what respect was this security objectionable?—A doubt in my mind, whether the Bank, under its charter, was competent to make advances upon that description of security.

Lune, 26^o die Martii, 1810.

WILLIAM HUSKISSON, Esq. in the Chair.

Thomas Richardson, Esq. called in, and Examined.

T. Richardson, Esq.

I Believe you are a bill broker?—Yes. You are also an agent for country banks?—Yes. Have country banks increased in number since the restriction on the Bank of England?—Very considerably. Can you tell in what proportion?—No, I never made any calculation. Do you know how many country banks there are?—No, I do not, it might be easily ascertained from the printed Lists of Country Bankers. Are you aware that the notes of the country bankers in circulation are much increased?—I have no doubt of it; very considerably. Are those notes which are made payable in London increased?—Yes, I should think very much. Do you mean the notes of country banks generally are increased?—Yes, both descriptions; those made payable in London, and those which are not. What means have you of knowing they are increased?—General observation. What is the nature of the agency for country banks?—It is two-fold; in the first place to procure money for country bankers on bills when they have occasion to borrow on discount, which is not often the case; and in the next place, to lend the money for the country bankers on bills on discount. The sums of money which I lend for country bankers on discount are fifty times more than the sums borrowed for country bankers. Do you send London bills into the country for discount?—Yes. Do you receive bills from the country upon London in return, at a date, to be discounted?—Yes, to a very considerable amount, from particular parts of the country. Are not both sets of bills by this means under discount?—No, the bills received from one part of the country are sent down to another part for discount. And they are not discounted in London?—No. In some parts of the country there is but little circulation of bills drawn upon London, as in Norfolk, Suffolk, Essex, Suffex, &c. but there is there a considerable circulation of country bank notes, principally optional notes. In Lancashire there is little or no circulation of country bank notes; but there is a great circulation of bills drawn upon London at two or three months date. I receive bills to a considerable amount from Lancashire in particular, and remit them to Norfolk, Suffolk, &c. where the bankers have large lodgements, and much surplus money to advance on bills for discount. Do you not send bills drawn in London by one merchant upon another, to be discounted in the country?—Yes, to a considerable amount. Are not bills of that description called notes, in London?—Generally so. How do you get your remittances for those bills that you so send to be discounted?—In bills that have three or four days to run, or by orders for cash on bankers in London. What part of the country are they sent into?—Norfolk, Suffolk, &c. and small sums into some parts of Yorkshire. Are not the returns sometimes made in bills at two months, or other dates?—It is very seldom the case, unless it be in exchange for a bill of a much longer date. Do not transactions of this nature take place to the amount of several hundred thousand pounds a year?—I have never had any transaction of the sort last described. In

In the modes of discounting previously mentioned, many millions go through my hands in a year.

How many millions pass through your hands in the course of the year?—I should certainly speak within bounds if I say seven or eight millions.

Do the country bankers in general keep agents in London, exclusive of the bankers on whom they draw?—No, not of the description of which I am.

Are not the agents principally employed for the purpose of lending the money of the country bankers on discount on bills accepted in London?—We are employed both by those who have money to lend, and those who want to borrow money.

You have stated, that seven millions of money pass through your hands annually; what proportion of that may you have lent for country bankers on discount?—A million and a half. I speak of the sum outstanding upon discount at one time, on account of country bankers, which, multiplied about four or five times in the year, owing to the bills being from two to three months, will amount to the aggregate sum which I have mentioned.

Then it follows that the seven millions which have passed through your hands, have been lent for country bankers on discount?—Yes, I have no transactions whatever but which relate to discount.

Do you know, in point of fact, whether such transactions as you have now described, were in practice previous to the suspension of the cash payments of the Bank?—Yes, they were.

Do you know whether they were practised to a similar extent?—No, they were not.

In what proportion, compared with the present time?—I cannot form any exact criterion.

Can you state to the Committee the cause of such difference?—I believe it to be on account of the increase of country paper, and also Bank of England paper.

Are the bills so discounted on behalf of the country banks, such as the Bank of England would refuse to discount?—At least two-thirds of them, on account of their having more than 65 days to run.

Are there any other reasons for which you think the Bank would refuse discounting such bills?—Yes.

State them.—Some houses have more occasion for discount than others; the Bank only take a limited amount. The business of some houses arises principally at one period of the year when they make their sales; they then want larger accommodations than the Bank would afford them, and many of the bills being indirect, by which I mean not discountable at the Bank without two London indorsements.

Do you ever discount bills for London bankers through the medium of your country correspondents?—I do not believe that it is a general practice for the London bankers to apply for any such discounts.

Will you state what sum of money belonging to country bankers has been employed by you in the last year in the purchase of Exchequer bills, and other Government securities?—In Exchequer bills I do not think £. 1,000.

In what other securities?—Occasionally we buy stock for country bankers, but only to a very limited amount.

Do you guarantee the bills you discount, and what is your charge per cent.?—No, we do not guarantee them; our charge is one-eighth per cent. brokerage upon the bill discounted; but we make no charge to the lender of the money.

Do you consider that brokerage as a compensation for the skill which you exercise in selecting the bills, which you thus get discounted?—Yes, for selecting of the bills, writing letters, and other trouble.

Does the party who furnishes the money give you any kind of compensation?—None at all.

Does he not consider you as his agent, and in some degree responsible for the safety of the bills which you give him?—Not at all.

Does he not prefer you, on the score of his judging that you will give him good intelligence upon that subject?—Yes, he relies upon us.

Do you then exercise a discretion as to the probable safety of the bills?—Yes, if a bill comes to us which we conceive not to be safe, we return it.

Do you not then conceive yourselves to depend in a great measure for the quantity of business which you can perform on the favour of the party lending the money?

T. Richardson, Esq.

money?—Yes, very much so; if we manage our business well, we retain our friends; if we do not, we lose them.

Does not then the quantity of discountable bills transmitted to you, depend on the quantity of ready money which you are able to furnish?—Yes; but we find that the better our bills, the more readily we obtain money on discount, as more people are induced to take bills on discount instead of buying Exchequer bills, or vesting money in the funds.

Do you not then conceive that the quantity of discountable bills that is drawn depends on the extent of the supply of ready money which the country bankers issuing country bank notes are able to furnish?—No, I do not, for when the country bankers are poor, the London bankers are often full of money.

Do you not conceive, then, that it depends on the quantity of ready money which the country bankers and the London bankers together are able to furnish?—I have no doubt in many instances it does; but if a manufacturer has sold his goods at six months, and learns that money is plentiful in London, and that he can have his bill discounted, he will send it to be discounted.

Does not that accommodation tend to increase the business of the country manufacturer?—Yes, no doubt of it; he goes to market again with his ready money.

Can you state what it may cost to raise money by discount in the manner you have described?—It will cost six and a half per cent. per annum to the merchant, supposing the transaction to take place four times in the year, the banker five and a half per cent. per annum.

Will you explain that difference?—The merchant pays from one-eighth to one-fourth per cent. for obtaining the bill on the banker in London; the country banker, unless he draws upon his London banker, pays no commission, as he pays away the bill he receives, and indorses it.

Have there been many losses incurred upon bills thus discounted?—No, there have not by us, except to a small amount indeed.

Were there any losses incurred upon such bills, before the restriction upon the cash payments in the Bank?—Yes, many more in the same proportion.

Were not many losses incurred in the year 1793?—To a very large amount.

How do you account for the greater proportion of losses before than since the restriction of the Bank?—I think that many of the country bankers have many losses by taking bills themselves; but those who do their business in London by means of a broker, who understands it, have but few losses.

Do you therefore assign the discretion of the agent in London to be the only cause why there have been fewer losses sustained since the restriction on the Bank than before it?—Yes; I should think it much depends upon the discretion of the agent in London.

Is not the present system of discounting, as carried on by the agents in London for the country banks, a great and mutual accommodation to the country and London bankers?—I think it may to the country bankers, but not to the London bankers.

Is it not a great convenience to the London bankers, in times when money is in plenty, to lend on discount on the bills which the agents of the country banks carry to them?—Yes, it is.

You state, that you send long dated bills into the country (say six months to ruin) to be discounted?—Yes.

Is it not sometimes the practice for the country banker, to remit in payment a bill at two months upon his banker in London, that it may be there discounted, deducting of course the proportion of the discount money, namely, for the two months, the country banker receiving a small commission for such transaction?—Yes, it is the practice in some parts of Westmoreland, and at Manchester; but those are transactions in which we have no concern, they are done by corresponding with the party directly.

Not to a large amount?—No, I believe not; business of this sort was done to a great extent, when a considerable number of West India bills at from twelve to thirty-six months date were in circulation.

T. Richardson, Esq.

Can you state to the Committee the causes which periodically produce an abundance or scarcity of money in London?—No, it is beyond my conception.

Do you think, from the appearance of the bills which have come into your hands to be discounted, that many bills are now drawn solely for the purpose of raising money, and not for real business done?—No, I believe a very small proportion indeed that are not for real business, pass through my hands.

Are there any other persons in London whose transactions are considerable in this line?—Yes, several, but I believe no one house that carries on agency to the same extent we do; I do not think they altogether carry it on to one-third of the extent we do.

Are there not some who carry on similar transactions for mercantile houses in London, and obtain money on discount from London bankers?—A great many.

Can you state what may be the comparative extent to the latter class?—I should think to a much greater extent for the merchants, than for the country bankers.

Can you distinguish between those bills which are properly called bills of accommodation, and those for real mercantile transactions?—No, I wish I could, it would be of great use to me in my business.

Do not the bills drawn from the country, necessarily partake in some measure of both characters?—Yes, I have no doubt it is sometimes the case; I have heard it stated that a merchant in London shall buy £. 1,000. worth of goods in the country, and that the seller shall draw for two; but to distinguish from the bill whether such transactions are real or not, is impossible.

Is not the sufficiency of the acceptor, drawer, and indorser, the principal rule by which you necessarily judge?—No, not at all times; there is a great influx of a particular description of paper in the market at times, which we must avoid, let the parties be ever so good. Particular businesses get into disrepute, the Spanish wool trade for instance. When an article is very high, both drawer, acceptor, and indorser, get into bad credit, and we are then cautious of taking such bills.

Can you generally obtain as many bills founded on real transactions in commerce, as you are able to get discounted?—Yes, nine months out of the year we can.

Can you obtain more of such bills than you are able to discount?—Yes, particularly for the last four months.

Supposing the supply of cash to increase through the increase of country bank notes, do you conceive that you could obtain a proportionable increase in the supply of bills founded on real transactions of commerce?—Yes, to more than double the amount of the increase, by taking bills which have from three to six months to run.

Has your business gradually increased to the great extent at which it now is?—Yes, for about the last four or five years it has.

Veneris, 30 die Martii, 1810.

HENRY THORNTON, Esq. in the Chair.

John Whitmore, Esq. the Governor, and John Pearse, Esq. the Deputy Governor of the Bank of England, called in together; and Examined.

DOES not the unfavourable course of exchange with foreign countries tend, even under the present restriction, in some degree to render its continuance and prolongation necessary, in so far as that necessity may depend on the proportion of specie in the coffers of the Bank to the amount of its notes in circulation?

Mr. Whitmore.—In my opinion the high price of Gold bullion abroad, does make it necessary to continue the restriction; but I have already observed, that the low state of exchange has not operated before the restriction to drain us of our guineas to any material extent.

Mr. Pearse.—Undoubtedly it does, as far as regards the supply of the public wants with a circulating medium, as it would not be possible for the Bank to continue that supply if the Restriction Bill were removed, whilst the foreign exchanges remain so unfavourable as at present; a profit of from ten to fifteen, to twenty per cent. upon

J. Whitmore, Esq. and J. Pearse, Esq.

J. Whitmore, Esq. and J. Pearse, Esq.

upon converting Guineas into bullion, would be too great a temptation to allow any to remain in the Bank, as long as a bank note remained in circulation. The Bank would therefore inevitably be driven to the necessity of calling in its notes, or in other words of reducing its advances on bills, &c. which would produce that distress which the Restriction Bill was passed to prevent.

In case the Bank was now open, and the exchanges were as they are now, and the price of Gold also, should you be of opinion, that the Bank ought to refrain the amount of its discounts in consideration of the drain of Gold which would result from those circumstances?

Mr. Whitmore.—If the Bank experienced a drain of Gold, they would pay a very great attention to the description of persons to whom they afforded the discounts, and so far their caution would tend to diminish their total amount of discounts.

When you state, that the present high price of Gold abroad would occasion a drain upon the Bank, and that it was never so high before the restriction, as to occasion such a drain in any material degree; is not the course of exchange with foreign countries the only criterion by which you judge of the high price of Gold abroad?

Mr. Whitmore.—The high course of exchange upon foreign countries is not the criterion I judge from, but the notoriety that the Gold coin of this Country is bought up in order to be exported.

Mr. Pearse.—The course of exchange certainly is the criterion. Do you believe that the refusal of the Bank to discount for persons suspected of being concerned in the unlawful traffic of melting down or exporting guineas, would in a point of fact prevent such unlawful traffic, so long as the market price of Gold should continue so high above the mint price as to afford a profit on such traffic?

Mr. Whitmore.—I believe our refusal to discount tends to lessen, though not altogether to prevent it.

Mr. Pearse.—With the best intentions on our part, I am not of opinion that such refusal can prevent it.

If any period were now fixed upon, though a distant one, such for instance as one, two, or three years for the termination of the restriction, should you not be of opinion, as a Bank Director, that it would become necessary for the Bank gradually to diminish the amount of its notes in circulation, and to regulate the amount of its issues with a reference to the course of exchange with foreign countries; thereby, on the one hand guarding as much as possible against any sudden and general embarrassment to the circulation of the country, and on the other, preparing itself in such a manner as might be least likely to produce any derangement of our commerce, to meet the opening without any risk of a demand for specie being then made for the purpose of profit in exporting it to foreign countries?

Mr. Whitmore.—In my opinion, we could not refrain the amount of discounts on the Bank, without so materially affecting the trade and revenue of the country, that it would be advisable to wait the period of peace, when I should hope that the question will be considered in the most ample and impartial manner, and that as we may have good reason to expect the demand of Gold bullion on the continent would cease, and the trade of the country allow of the free importation of the articles, the Bank might be enabled to resume their cash payments without inconvenience, or a prospect of their not being able to continue them.

Suppose the measure to be determined upon by Parliament, of the opening of the Bank at a distant period, should you think that in the event of the exchanges continuing the same or nearly the same; some restriction of the Bank issues ought to take place with a view to prepare for the opening?—Provided it was imperative upon us to open, I should think a restriction of the Bank issues would be necessary, notwithstanding the fatal consequences that might arise from it to the commerce and revenue of the Country.

Mr. Pearse.—In the contemplation of the removal of the Restriction Bill at any definite period, it would become necessary for the Bank to regulate the amount of its issues, with a reference to the course of exchange with foreign countries; but while that exchange continues unfavourable (an event as arising out of the balance of payments not within the control or influence of the Bank) I cannot see that any regulation within the means of the Bank would, in the event of an opening, effectually preclude the risk of a demand for specie being then made for the purpose of profit in exporting it to the Continent.

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At a Court of Directors at the Bank on Thursday the 26th Oct 1791
Resolved, That it is the opinion of this Court, that the Government might employ the Bank of England, but provided no specie is in any manner to be issued, the demand necessary for the accommodation of the public, & the Court have no objection to advise, that the affairs of the Bank are in such a state that it can, with safety, resume its usual operations, provided, if the political circumstances of the Country do not render it otherwise expedient.

J. Whitmore, Esq. and J. Pearse, Esq.

Do you mean, that in the event of its being enacted that the Bank should open at a future time, you should deem it proper to refrain the Bank issues with a view to prepare for that event, supposing the exchanges to continue unfavourable?—I cannot say what would be my opinion in such a case; as that opinion would then be guided by the view that might be taken by the collected sense of the whole direction, arising out of such circumstances as might then prevail.

Supposing the Bank paper to be diminished, as you suppose that it possibly might in the contemplation of the event of the opening of the Bank, do you not conceive that such diminution would tend in some degree to lower the general price of commodities?—As long as it only passes as a circulating medium, I think not.

Do you conceive that a very considerable reduction of the amount of the circulating medium, would not tend in any degree to increase its relative value compared with commodities, and that a considerable increase of it would have no tendency whatever to augment the price of commodities in exchange for such circulating medium?—It is a subject on which such a variety of opinions are entertained, I do not feel myself competent to give a decided answer.

In your examination of the 21st inst. you state, that an excess of country bank paper can only obtain when issued otherwise than as representing securities arising out of real transactions, and payable at fixed and not distant periods; and yet, in your examination of the 23d, you state, that this paper must always circulate at par, or it would return upon the parties that issue it; can there then be any permanent excess of country bank paper while it is so exchangeable?—In my answer of the 21st of March, I adverted to the causes which might be productive of an excess in the issues of country bank paper: in my answer of the 23d, I meant to allude to the consequences which must inevitably, in my opinion, result from the existence of such an excess. It is certainly possible, were it important in amount, that the country banks, by not regulating their issues on the principle of the Bank of England, might send forth a superabundance of their notes; but this excess, in my opinion, would no sooner exist in any material degree, than it would be corrected by its own operation, for the holders of such paper would immediately return it to the issuers, when they found that in consequence of the over issue its value was reduced or likely to be reduced below par: thus, though the balance might be slightly and transiently disturbed, no considerable or permanent over issue could possibly take place, as from the nature of things the amount of Bank notes in circulation must always find its level in the public wants.

Do you not believe it impossible, that the course of exchange should continue at its present unfavourable rate for any length of time, if the restriction of the cash payments of the Bank were removed?

Mr. Whitmore.—I should think it very likely to continue as it is now, if the trade of the Country and the price abroad were also to continue as they now are?

Mr. Pearse.—It would or would not continue, according as the trade of the Country and its political expenses would operate.

Then you do not believe that the facility which would be acquired of obtaining guineas by the removal of the restriction upon the Bank, would operate upon the rate of exchange with foreign countries?

Mr. Whitmore.—In whatever extent the guineas and the bullion might be exported, it would operate to the improvement of the exchange, like the exportation of any other commodity.

Mr. Pearse.—I concur in that opinion with the Governor.

If a person abroad sends a bale of goods to this Country which cost there £100 in specie, does he not calculate the value of the bale according to the amount he can receive for it in this Country?

Mr. Whitmore.—I do not believe that any foreign merchant makes a calculation of profit upon a single transaction, but from the general result of that trade he may be engaged in.

But if the foreigner can receive £100 in specie for his goods when sent into this Country, would it not, independent of the charges, make the exchange even?—If the import and export of the Country were alike, the exchange would be even.

If, however, he receives £100 in Bank notes, and is under the necessity of going to market for Bullion, will he the foreigner not rate his goods twenty per cent. higher, the difference in the price between them; and will he not invoice his goods twenty per cent. higher to his correspondent accordingly?—I cannot

contemplate
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But the Directors desiring the same to be their business, the same
of these points, wish to submit to the wisdom of Parliament, whether
cash has been since put out, proper to lay a restriction on the
payments of the Bank in Cash, it may not be prudent to
retain the same.
— See the statement annexed to Govt. at this period, must not
be printed when the Restriction was laid on. Note Sp. Page 119

J. K. Williams, Esq. and J. Pearse, Esq.

contemplate a trade where the invoices are made out with reference to the price of Bullion... If this were the case, what prospect should we have of a rise in the price of the exchange? Never; having weighed the subject with any reference to the price of Bullion, I am not prepared with an opinion: how a merchant would act in such a case...

Mr. Pearse.—I agree that our practice is entirely consistent with the answer given by the Governor...

WILLIAM HUSKISSON, Esq., in the Chair, called in, and Examined. William Coningham, Esq., called in, and Examined.

W. Coningham, Esq.

WHAT is the present state of the Irish exchange?—The exchange from London to Dublin is...

Has it fluctuated since 1804?—Yes, very much indeed; it is a great deal lower than it was then...

How is it in respect to foreign countries?—There is not any exchange between Ireland and foreign countries; it is all done through England...

Although the exchange between Ireland and England has become more favourable to Ireland as calculated between those two countries, has not the exchange become so far unfavourable, as between England and foreign countries, as to compensate, or nearly compensate, for the improvement?—Certainly...

Do you not conceive, then, that a given quantity of the present circulating medium of Ireland might exchange for about the same quantity of the circulating medium of the countries of Europe, as in the year 1804, when the Irish exchange with England was so particularly unfavourable?—I think it would do so, or nearly so...

It appears from your evidence before the Irish Exchange Committee, in the year 1804, that you were of opinion that the paper currency of Ireland was then depreciated, and that this depreciation was the cause of the unfavourable state of the exchange between England and Ireland; are you of opinion that that paper is still depreciated, and if so, to what circumstance do you ascribe the improvement in the exchange between the two Countries?—I think it is still depreciated, but in a very inconsiderable degree compared with what it was in the year 1804; and I am inclined to think, that the cause of the depreciation being so much less now than it was at the period alluded to is, that there is greater confidence in the paper than there was at that time; and therefore the people take it with more freedom, and of course consider it of more value...

Do you consider the paper currency of this Country as depreciated?—I do not. What are the grounds of that opinion you have given, that the paper of Ireland is depreciated?—Because I know that there are two rates of exchange in paying bills upon England; one rate for bills paid for in specie, and another rate for bills paid for in Bank of Ireland notes; the present difference is from two and a half to three per cent. against the Bank notes...

Do you mean, that when a bill upon London, which is payable in Bank of England notes, is sold in Ireland, it sells at a better price if Bank of Ireland paper is given for it than if Gold is given for it in Ireland?—That is what I mean...

Is it customary for any bills to be drawn from Ireland on London, which are directed to be payable in London in guineas, and not in Bank of England notes?—There is no such custom...

Is it customary ever to draw bills in London upon Ireland payable in Bank of Ireland?

W. Coningham, Esq.

Ireland paper, and to sell those bills in London for guineas at one price, they being sold in London for Bank of England notes at another?—I believe no such practice obtains...

Has the difference, which now is two or three per cent. been ever greater?—Much greater; I have known the actual premium more than 1 per cent. greater...

Are large sums paid in Gold at the present rate of 2 1/2 or 3 per cent. premium?—I believe not...

Does this practice prevail in many parts of Ireland?—I should think it prevails chiefly in the North...

Is there any large quantity of guineas circulating in those parts?—I believe very considerable...

Do you know whether all the rents are paid in Gold?—I believe not all, but the greater part are...

Does much paper also circulate in those parts?—Yes, certainly, a very considerable quantity of paper...

Is there a regular agio, or difference between paper and Gold in the markets in the north of Ireland?—Yes, there is...

Has not the high price of bullion, which has now subsisted for about a twelve-month, led to any transmission of guineas from Ireland to foreign parts, or to the melting of guineas for the purposes of profit?—I believe not; and there is one proof of my opinion; the difference of the price that I have stated between paper and specie, is rather less now than it has been for several years past...

Would there not be a profit on the transmission, or the melting of the guineas now circulating in the north of Ireland?—I believe there would...

Can you state whether many of those guineas are under the mint weight?—I believe they are not; they are very particular about weighing them...

Do the bankers hold any of those guineas?—I should think not any large quantities...

Are many of them sent hither?—I think not...

Has the fluctuation in the agio or discount between paper and guineas in Ireland, been exactly proportionate to the fluctuations in the exchange between England and Ireland?—Yes, it has, or nearly so...

Has it had no reference to the state of exchange between England and foreign countries?—I do not think it has; the reason is, that the people in the north of Ireland do not concern themselves with foreign exchanges, and their attention has never been turned to the advantages of transporting guineas into foreign countries...

If a bill of exchange from London on Hamburgh will bring a higher price in Bank of England paper than it will in guineas, will you not say that the Bank of England paper is depreciated?—Undoubtedly it is, so far as it is used in the foreign exchange...

Do you attribute the low and steady rate of exchange during these last three or four years to the different mode that has been adopted in transmitting the funds of Government from the one country to the other?—I think that the regular and invariable mode that has of late years been adopted of transmitting loans, has been the cause of keeping the exchange steady and moderate also...

Did the former mode tend to render the exchange steadily unfavourable to Ireland?—I think it contributed to it considerably, on account of the great speculations which it promoted by persons in London and Dublin, who were dealers in exchange...

Was not the effect of this mode rather to create great fluctuations within short intervals, than either steadily to improve or to depress the exchange?—I think certainly it was...

You have stated, that there is a premium of 2 1/2 to 3 per cent. in favour of Gold, compared with Bank of Ireland notes in the north of Ireland; do you not attribute this premium to the circumstance of rents being generally paid in Gold in that district of the Country?—I think that circumstance contributes very much to it; and another one, which is very material, adds to it also, that the people in the north of Ireland have been very little accustomed to paper circulation amongst them at all; and therefore, from habit, they greatly prefer specie...

Are the transactions which are paid for in Gold to any great extent in the district to which you have alluded, and is not the chief amount of transactions discharged in Bank paper?—I believe that in some of the counties in the north of Ireland, the

W. Coningham, Esq.

W. Coningham, Esq.

the greater part of the transactions are discharged in specie; but in other counties, where the amount is much greater, it is more in bank notes; I mean the great trading towns, Belfast, and so forth.

There being a premium of 2½ per cent. to three per cent. in favour of Gold compared with Bank of Ireland notes, does not the same premium prevail in favour of Bank of England notes, compared with the notes of the Bank of Ireland?—The same difference does prevail in favour of Bank of England notes.

Are not the linsens of the North chiefly purchased in specie in several markets?—They are purchased in several markets almost entirely for specie; but I think in other markets, and the greater markets particularly, great quantities of linsens are paid for in Bank notes.

You have said, that the payments of rent in specie is the cause of the premium on guineas in the north of Ireland?—It contributes to it.

Do you conceive that the demand for guineas for the purpose of paying rent, and for purchases of linen, can materially alter the real value of guineas?—I think it is the sole cause of the guineas being preferred to the Bank notes, that the Bank notes are refused on those payments.

Do Bank of England notes circulate to any extent in Ireland?—No, very few there; but when they go for the purposes of exchange, they do not continue in circulation there.

Is there any quantity of Bank of England paper sent to Ireland for the purposes of exchange?—I think not any quantity.

Are not Bank of England notes more in demand in Ireland, principally for the convenience of making small payments in England, or for sale to persons whose business may require that they should speedily provide themselves with small sums in the currency of England, rather than for the adjustment of mercantile transactions between the two Countries?—Yes, certainly.

What is the present state of exchange between Belfast and London?—I believe it is 7½ per cent. for specie, or from 9½ to 10 per cent. for Bank of Ireland notes.

What is the present state of exchange from Dublin on London?—Eight per cent.

To what do you ascribe the unfavourable course of exchange which has now existed for several months between England and foreign countries?—I believe it has chiefly arisen from an uncommonly great importation of goods into this Country during the last twelve months; and I believe it has also been much increased by a great diminution of remittances that would have been made to this Country from different parts of Europe, on account of their imports from the United States of America; if the embargo in America had not prevented the usual shipments of goods from that Country to Europe; and also I am inclined to think there was a considerable diminution of exports from this Country in consequence of the Orders in Council in England, the Decrees in France, and the American Embargo.

Mercurij, 4^o die Aprilis, 1811

WILLIAM HUSKISSON, Esq. in the Chair.

Sir Francis Baring, Bart. called in, and Examined.

Sir F. Baring, Bart.

ARE you aware that the exchanges with the Continent of Europe have been greatly against this Country for many months, as much as from fifteen to twenty per cent; and that the market price of Gold has been above the Mint price in nearly the same proportion?—Certainly.

Do you think the exchange would have been so very unfavourable if Gold coin had been circulating in this Country in the same manner as before the Restriction Bill?—The circulation consists of paper and of bullion, and the course of exchange is the regulator of the one and the other in all quiet and current times; by quiet times, I mean of peace; by current times, I mean war, free from restriction of exportation upon trade with foreign parts. During the seven years war there were no restrictions upon trade; the same operations to perform on the Continent of remitting money from hence to pay for the increased quantity of naval and military stores; and yet in no one instance was there a want of bullion. The same was the

Sir F. Baring, Bart.

the case during the American war; through the whole of it there was no want of bullion. And therefore I think that if we could continue our payments in specie as heretofore, and there had been no restriction upon trade, the course of exchange would not be unfavourable to the Country; I therefore consider the two great circumstances which affect the exchange to be the restrictions upon trade, and the increased circulation of the Country in paper, as productive of the scarcity of bullion.

Supposing there had been no such restriction upon foreign trade, as you have described, but that the suspension of cash payments at the Bank had continued in force, do you conceive that the increased circulation of paper to which you have adverted in your former answer, would have had the effect of raising the price of all commodities, and among others of bullion, and also of lowering the course of exchange?—The question extends much beyond what I conceive that I stated before; I think that you cannot precisely define what is the cause or causes, but that I stated the one I have mentioned as the most prominent, not that either the one or the other would produce any given effect.

From what circumstances do you infer there exists a scarcity of bullion?—From every information that I have ever received, or the opinion of any one person with whom I have conversed on the subject.

In what way do you conceive that the increased circulation of paper conduces to the scarcity of bullion?—The one is issued and substituted in the room of the other, which is withdrawn, and which cannot be commanded by the holders of paper.

Would not the removal of the restrictions upon trade diminish the price of bullion?—The removal of the restrictions upon trade would produce an exportation of merchandize, and facilitate the means of importing bullion.

Are you of opinion that any certain and adequate provision can be made against an occasional excess of paper circulation in any Country, and especially in a commercial Country, where that paper is not convertible into specie at the option of the holder?—In this Country, if I may judge from experience, I should doubt it; but if the Bank conducts itself upon the same principles at present when they do not pay specie, as they did when they were compelled to pay in specie, I should think that it might be safely left to the discretion of the Bank.

What do you mean by that experience in this Country, which leads you to doubt it?—I mean that in the year 1797, and some years previous to that, the issue of Bank notes was not more than eleven millions sterling; I have seen a printed paper, which has been laid before the House, in which it is stated that the circulation at present of Bank notes exceeds twenty-one millions; I am decidedly of opinion that it is more than can circulate with safety to the general circulation of the Country.

Are you not aware that the issuing of notes under five pounds has increased materially the whole amount of notes issued; and do you not believe that the amount of small notes should be left out of the account in comparing the present amount of notes in circulation with that existing at the period you have alluded to?—The small notes are equally paper, and they add to the mass of Bank notes before in circulation; they issue in the same manner in exchange for public or private securities: Instead of being left out in a comparative view, I fear they rather tend to increase the difficulty more than their due proportion, because they cannot be withdrawn without an issue of specie to an equal amount, and therefore stand in the front of the battle.

You have stated, that you conceive an excess of paper circulation may be guarded against in this Country, if the Bank conducts itself under the restriction, upon the same principles which governed their issues when they were compelled to pay in cash; what do you conceive is the principle by which the Bank should now regulate its issues, as well as the best criterion by which to judge of any excess, and the best corrective of that evil?—Before the restriction, the experience of above a century proves that the administration of the affairs of the Bank has been wise and correct; the Public have been satisfied, the Country has flourished, and I am persuaded that the Bank of England has proved a most important and invaluable instrument in promoting its prosperity. This experience points out the only principle on which the Public can rely with confidence, namely, to return again to paying in specie whenever it shall be in the power of the Bank, to do so, and to have not the improved methods of carrying on dealings in money, contributed

Mr. Baring, Bart.

very much to render a smaller quantity of circulating medium sufficient for the commerce of the Country, than which specie formed a considerable part of it. I have not sufficient practical knowledge to enable me to judge. The want of specie may produce a reduction, unless increased by other means. There are likewise causes which I do not thoroughly understand, and which may render a smaller quantity of circulating medium sufficient; but I doubt whether the last can prove an object worthy of attention.

Supposing the excess of the circulation of paper to be in a degree such as to increase the price of commodities, would that increase of price produce any effect upon the foreign exchange, until it arrived to the degree so as to check the exportation of merchandize?—An excess of paper circulation will, no doubt, affect and raise the price of the whole of the productive labour and industry of the Country. The proportion that is exported will participate to the extent of its value; and as the necessary consequence of high prices is a reduction on the demand, it must operate decisively on the foreign exchanges, unless they are supported, or the fall counteracted, by an export of bullion. But until the demand or exportation is checked, an increase of price will produce a beneficial effect on the foreign exchanges.

Is it your opinion that the increased capital of the Country, whether consisting of that which is commercial and trading, or whether consisting of that which is agricultural and belonging to the public revenue, does not require a proportionate increase of the circulation of paper or specie?—If the public revenue or trade required £. 1,000. to be remitted to London formerly, and that £. 2,000. is required at present, there must be an addition of £. 1,000. in paper. Such country paper however (always too abundant) arises from various sources and causes, and cannot be considered as a general medium of circulation. The only general circulating medium, as a general representative of bullion at home, is Bank of England notes, and which will admit of correct regulation, because they issue from a single source. Bank notes (in the absence of specie) serve for pocket money, &c. in the capital, and for the invaluable purpose of melting down, finally, the whole produce of commerce, trade, agriculture, and public revenue into one general mass, for which purpose a comparative small sum will serve to liquidate a very large one, by repeating the operation several times in the course of a year. The whole of the public revenue is remitted to the Bank, where it liquidates itself; the remainder passes through a general extensive circulation, requiring aid for its final extinction, and for which purpose I conceive that eleven millions of Bank notes is far more than sufficient. The subjects of Government paper and the discount of commercial bills, form separate questions.

Do you conceive that the Bank of England will effectually guard against the possibility of any excess in the circulation of the country (as well their own as the paper of country banks), if they regulate their issues by the demand for discounts of good bills founded on real mercantile transactions, as the occasions of the Public may appear to require?—It has been ascertained by long experience, that wherever paper has circulated under the power or influence of Government on the Continent, that it has failed. The paper of the Bank of England has stood firm for above a century, and flourishes at this moment with unabated confidence. The power reposed in the Bank is great; their paper is the basis on which the best interests of the Country rest; it is the seed which serves to produce the whole of its commerce, finance, agricultural improvements, &c. &c. Such a power may remain with safety, so long as the Bank is liable to discharge their notes in specie, because that circumstance constitutes a complete counteraction to any disposition (if it should be entertained) to increase the circulation beyond a reasonable and safe limit, and, under that circumstance, things (foreign exchanges, &c.) will find their proper level. The question is too general in speaking of good bills, founded on real mercantile transactions, &c.; there are many instances of clerks not worth £. 100. establishing themselves as merchants, and receiving (since the restriction) an accommodation from the Bank, by discounting what is called good bills to the amount (probably) of five or £. 10,000.; such a demand I am inclined to consider as created by the Bank, and not arising out of a regular course of trade, such as would exist if the restriction was removed. This circumstance is important, in my opinion, that the circulation of the Country cannot be perfectly safe, until the restriction is removed, as well founded. There is no information in what manner the Bank employed the produce arising from eleven millions of notes.

Sir F. Baring, Bart.

I must therefore suppose a case, and say four millions in bullion, four millions to Government, and three millions commercial bills. The circulation of Bank notes now amounts to twenty-one millions; deduct from thence the bullion in its increased extent, to which it may be supposed to amount in consequence of the restriction, it will still leave a much larger sum to be employed in public or private securities. Public securities may create a temporary difficulty and embarrassment, which can easily be relieved by funding. But if any embarrassment shall be produced by an excess of private securities, a reduction during the alarm is impossible, and an increase for a time will become indispensable, whilst the excess of both or either will contribute to prolong the period of the restriction. I consider the opinion entertained by some persons, that the Bank ought to regulate their issues by the public demand, as dangerous in the extreme, because I know by experience, that the demand for speculation can only be limited by a want of means; and I think the Bank would not be disposed to extend their issues beyond three-fourth parts of its present amount, if the restriction was removed. It may prove dangerous to impose any positive restraint on the Bank, by law or otherwise, for cases may and will arise when an excess will be proper; and that it would be culpable to withhold it. But if the House shall be disposed to entertain an opinion, and will pronounce it distinctly, I think the Bank may be left with full power to act under their responsibility.

Edward Wakefield, Esq. called in, and Examined.

E. Wakefield, Esq.

Have the goodness to state to the Committee the observations which you have made respecting the circulation of Ireland, as well in paper as in gold and silver. The general circulation of Ireland consists of, first, the issues of the Bank of Ireland of three different descriptions, Bank notes payable to bearer on demand, Bank post bills, and dollars promising payment of six shillings Irish, have been issued to the amount of £. 200,000. private bankers notes payable on demand to bearer, and private bankers post bills. The obligation of payment of all issues of private bankers is in Bank of Ireland notes. I have observed, all private bankers as well in the country parts of Ireland as in Dublin, issue a vast number of post bills, all their issues above three pounds are at seven days sight. Except the two new banks lately established at Belfast, and Mr. Brownlow's bank at Lurgan, I know of no country banks the paper of which is payable in Dublin; the consequence is, that they are circulated only within a given district from the place where they are issued, and the circulating medium of that district is confined to the issue of that particular bank. Within these two or three years, the issues of all the banks are in pounds, not in guineas. I understood, all through the South of Ireland, that persons employed by the Merchants of Limerick, Cork, and Waterford, to purchase butter of the farmers through the country on commission, who are commonly called butter factors, received a commission from the different bankers, for circulating their paper.

Is not that the case with the corn factors too?—I believe it is. I observed at Ballinasloe fair, which I have attended the last two years, that it has been attended by gentlemen from four banks in the county of Galway, who have given their own notes for any bills drawn upon Dublin, at sixty-one days; and it appeared to be a matter of competition amongst them, who could give out the greatest quantity of their bank paper in exchange for those bills. There is an Act of Parliament, or a regulation in some way, I believe, to prevent the paymasters of regiments from circulating private paper, and they now receive from Dublin national £. 40. Bank notes which they break in the country, and pay their respective regiments with the private paper of the district in which they are. The private bankers who issue notes in Dublin, charge only five per cent. discount upon their bills, the legal interest of the country being six per cent.; the National Bank by charter are confined not to pay more than five per cent. and that is the rate they charge. An opinion generally prevails, of guineas being hoarded; I have only been able to collect a few instances; Mr. Morley Saunders, who possesses an estate in the Queen's County, which was lately out of lease, let it to the immediate tenants, taking from them a fine of one thousand guineas, which was paid by the tenants to him in tarnished Gold; his rents have since been regularly paid with Bank notes. In the North I observed two prices asked for every thing, a paper price and a metallic price. I had occasion to examine there the accounts of two agents of property belonging to gentlemen who were

E. Wakefield, Esq.

were absentees from Ireland, who had stated to their principals, and afterwards to me, that they received nothing but guineas for their rent; I however discovered that they supplied a shopkeeper in their neighbourhood with a small number of guineas on the day they were to receive the half-year's rent, and that when a tenant came with Bank notes in his hand, excusing himself from the payment of guineas, saying that he had not been able to procure them, they sent him to this shopkeeper whom they had supplied with the guineas, ordering the tenant to buy guineas of that shopkeeper, which were travelling backwards and forwards from the agent to the shopkeeper the whole day; and thus a very small number of guineas paid a large rent; in fact, the agent through the shopkeeper receiving a discount upon the Bank notes which at the end of the day he found in his desk. I saw an instance in the county of Clare, of Gold being brought out upon the arrival of a smuggling vessel, the master of which would not sell his goods for any thing but Gold, and which was paid for in 24 hours in Gold.

What was the difference between the metallic and paper price of commodities? — Seven pence in a guinea. I am speaking of last November.

Do you mean to say, that in all the shops in Belfast and other towns in the North of Ireland they have a paper and metallic price for the articles in which they deal? — I have observed it in all dealings which I have witnessed in the North of Ireland, particularly in the linen market, and the purchase of horses. The next article of circulating medium are unstamped dollars, I believe generally imported from Liverpool, and issued by individuals; they vary in price according to the price of silver; they passed from 4s. 6d. to 4s. 11d. while I was in Ireland. I understood the price to depend upon Government buying them up for the army going abroad, or the demand from England when the East India Company's ships were sailing. The next object of circulating medium are Bank tokens; they consist of five-penny, ten-penny, and thirty-penny pieces; six ten-penny and one five-penny weigh a dollar; or thirteen five-pennies, or two thirty-pennies and one five-penny; and they have been issued to the amount of £. 950,000. British of the same alloy as dollars. I consider them in the nature of exchequer bills not bearing interest, as the same Act of Parliament which authorized their issue, obliged the Exchequer to receive them in payment of revenue; they are current by Act of Parliament and not by proclamation. I observed in the counties of Kerry, Clare, Cork and Limerick, a considerable circulation of what is there termed silver notes, which are in fact promissory notes for payment of small sums; it is directly contrary to law, they are issued without being written on stamps, and are generally done in some sort of way to evade the penalties attached to the persons who circulate them. Throughout Ireland, except in the city of Cork, English shillings are not current.

" To the Chairman of the Bullion Committee,

" Sir, " 4, Piccadilly, 5th April 1810."

" Thinking that I can give to the Bullion Committee a more detailed and accurate account of the facts which have come to my knowledge, relating to the circulating medium of Ireland, in a letter, than it was possible for me to do in the conversation which I had with the Committee last Wednesday, I take the liberty of addressing you upon the subject, leaving it to your judgment whether to suppress or lay this letter before them.

" The limited and inadequate circulation of Ireland is aided by various expedients; and I will endeavour to give you a list of the items which compose the circulating medium of the sister island, and the means by which transfers are effected without the intervention of that medium.

" 1. — Issues of the National Bank:—Which are partly paper and partly tokens. The paper consists of notes payable to bearer on demand, and amounts to £. 200,000; and notes payable to order seven days after sight, which amount to £. 200,000. The tokens are Spanish dollars, stamped as tokens for six shillings Irish currency, and amount to £. 200,000. This last issue is partly a credit medium, for the dollar is worth only about 4s. 3d. or 4s. 6d.; and the difference between this intrinsic value and the sum of six shillings, at which they are issued, is completely a credit given by the public, and rests on the same foundation as an issue of paper.

" I have

E. Wakefield, Esq.

" I have not been able to fill up the blanks with the amount of Bank of Ireland paper; but a return of that amount is readily procured, if the Committee think it requisite. The total of both blanks is, I believe, about three millions.

" Issues of Private Bankers:—The banking houses in Dublin, except those of Messrs. Larouche & Sir Thomas Newcomen & Co. issue notes payable to bearer as well as the country banks.

" The issues of private bankers are, notes payable in Bank of Ireland notes, and not in specie.

" Private bankers post bills are likewise made payable in Bank of Ireland notes; and as they require acceptance ten days before they are payable, they are kept in a forced circulation. The Lurgan, Londonderry, and two Belfast banks, make their notes payable in Dublin, as well as at their own house; but nearly all the other private bankers make their notes only payable at the place whence they are issued.

" The notes of both the Bank of Ireland and of private bankers, are now for one or more pounds; not for a guinea, or £. r. 2s. 6d. currency, as they were formerly.

" All private bankers are in Ireland compelled, by the 29 Geo. II. cap. 16. to take out a licence, and prohibited from trading; which has thrown the banking trade into the hands of a wealthier class of persons than it would otherwise have been in. The prohibition against bankers trading, has deprived them of some of their means of forcing paper into circulation; but this obstacle has been more than overcome by the increased activity and use of those left.

" Private bankers have, for a long time, regularly collected the specie in circulation, but on no occasion voluntarily issue it; which has caused guineas to disappear from three provinces, and heightens the premium on them. The recent establishment of two banks at Belfast threatens the same consequences in the North.

" It is common for private bankers to pay a commission to butter factors, corn-buyers, and other dealers, on the amount of the paper they can issue. Though the paymasters of regiments are prohibited from this practice, and are supplied with Bank of Ireland notes, yet these notes are exchanged for smaller ones by the country bankers, and are thus withdrawn from circulation and replaced by private paper.

" At Ballenasloe Fair all payments are made in bills on Dublin at sixty-one days date; and although the business done there is immense, the Galway bankers attend, and are ready to exchange these bills at par for their own notes.

" The Bank of Ireland is restrained by their charter from taking a larger discount than five per-cent.; and those Dublin bankers who issue paper, discount at that rate in their own notes; but the two banking houses which do not issue paper, charge the legal rate of discount, which is six per-cent.

" Under this head of Issues of Private Banks, I wish to add, that there is in Ireland a circulation of forged notes, of which no one here can form an idea, and the amount of which it is impossible to guess, although it is known to be enormous; indeed so large as to deserve a place in every calculation of the amount of the circulating medium of the sister island.

" In the city and neighbourhood of Dublin, Bank of Ireland, and Dublin private bankers paper, constitutes the circulating medium.

" Kilkenny, Wexford, Waterford, Youghall, Clonmiel, Fermoy, Cork, Mallow, Limerick, Ennis, Galway, and Tuam, have private bankers, whose paper is the prevailing, and in most instances the entire circulating medium of their respective neighbourhoods. Each of these private banks have by them some quantity of Bank of Ireland paper, which, however, they never issue when they can avoid doing so. They all draw bills upon Dublin at thirty-one days, which is a premium of one-half per-cent.; and some cause of their only paying their notes at their own banks, is to secure this profit.

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" 3.—Promissory

E. Wakefield, Esq.

3.—Promissory Notes, called Silver Notes—Are in circulation in the counties of Kerry, Limerick, Clare, and Cork, in direct violation of the law, which prohibits the issue of notes for small sums. But great art is used to evade the penalties to which the issuers of such notes are liable. They are drawn as if they were the weigh-bills of corn buyers, as I. O. U., or bearing a date previous to the Act. The amount of this species of paper is inconsiderable.

4.—Bills of Exchange—Greatly aid transfers, and supply the place of circulating medium; especially those drawn on Dublin, which pass from hand to hand till they fall due.

5.—Tally Payments:—There is a considerable transfer of property and payment for labour, in various parts of Ireland, by tally between landlords and their tenants, the work of the latter being set against the rent and property of the former.

6.—Guineas:—It is a general opinion that guineas are hoarded, and there are some facts, with which I am acquainted, that seem to support it.

Mr. Morley Sanders having let an estate in the Queen's County, for a fine of one thousand guineas and an annual rent, was paid the fine in tarnished gold; but the rent, which arises annually from the produce of the soil, has invariably been paid him in paper.

In October last, a smuggling vessel at Miltown Malby, in the county of Clare, had her whole cargo, amounting in value to some hundred pounds, paid for in guineas in the course of twenty-four hours.

A girl was tried at Trim summer assizes 1808, for robbing her father of 800 guineas, which he had hoarded.

I have been assured by several, that they always lay by every guinea they receive, looking upon them as a rarity; and I am sure that in consequence many affix an ideal value to coin. One person told me he had borrowed bank notes at an interest of twelve per-cent. with which to pay his rent, though he had gold by him, which he would not part with.

In that part of Ireland in which guineas still circulate, two prices are put on every article offered for sale; and it is common to buy at the coin price and pay in paper, when the buyer pays in addition what is called the discount, which however is the premium of guineas.

The quantity of gold in the North of Ireland has been much over-rated. I have known the agents of absentee proprietors supply a shopkeeper with a few guineas, to sell to the tenants at a premium on the day that their rents are payable, which, on the rents being paid, were again given to the shopkeeper to resell; and this operation, to the profit of the agent and the shopkeeper and to the delusion of the public, has been repeated with the same guineas several times in one day.

I have not heard of this trick any where but in the North, where it is supposed guineas circulate, and the agents pretend that their employers insist on being paid their rents in gold.

The effect is extremely oppressive to the tenants, and injurious to the landlords.

7.—Spanish Dollars—Are imported by individuals from Liverpool chiefly, and circulate without a stamp at an uncertain value, according to their weight and the market price of silver.

8.—Bank Tokens—Are issued by the Treasury to the Bank of Ireland, who issue them to the public; they are of silver, and are for five pence, ten pence, and thirty pence. The Act which makes it an offence to coin them, directs them to be received at the Exchequer, and thus secures their value to the public. They were stamped Bank Tokens, because the bank had previously issued dollars so stamped, and it was therefore deemed a less innovation. They were issued for the above sums, both as forming change for the stamped dollar, and to confine their circulation to Ireland. These tokens are a sort of silver Exchequer bills for small sums.

sums payable without interest, and their amount is £. 955,000 British; they are not current by the King's proclamation like Mint coin.

9.—Copper Coin—Consists of pence and halfpence. There was a new coinage of six hundred tons since the year 1804. Thirteen of these pence represent a British shilling.

10.—English Mint Silver—is seldom seen, and not current, except in Cork and its neighbourhood; which I apprehend arises from the frequent communication with English shipping.

11.—In the King's County, Lord Charleville has issued a piece of copper about the size and weight of a penny piece, promising the payment of 13d. every Tuesday in Tullamore; which is the currency of small payments in that neighbourhood.

It would be interesting to know the amount of guineas which have passed between this Country and Ireland, from 1804 to this time: the amount from 1797 to 1804 was given by Mr. Burrows to the Irish Exchange Committee in 1804.

The colliers, who used to make all their payments in gold, now pay for their coals in bills of exchange.

In the foregoing letter, I have confined myself to facts, as I wish to avoid misleading the Committee by conjectures; and do not feel I can aid their researches by adding any theory of my own to the facts I have stated for their consideration.

I have the honour to subscribe myself,

Your most obedient and humble servant,

EDWARD WAKEFIELD.

Jovis, 5^o die Aprilis, 1810.

DAVIES GIDDY, Esq. in the Chair.

William Irving, Esq. Inspector General of Exports and Imports, called in, and Examined.

HAVE you any reason to suppose that the official value of imports from the East Indies and China, in the year ending 5th of January 1810, which is left in blank in the annual Account rendered this year to Parliament, will very materially differ as to its amount from what it was in former years?—There is a considerable increase in cotton from the East Indies, but it is probable that the aggregate amount may be nearly similar to the former years.

Please to state in what manner the value both of imports and exports is computed.—The value of both exports and imports is calculated upon an official valuation established a century ago, which better serves the purpose of a comparison of the trade of one year with another, than that of shewing the true balance as affecting the courses of exchange with foreign countries.

What do you conceive to be the probable difference between the official value of goods as stated by you, and the present actual value?—It would be difficult to give an immediate answer; probably an advance of from forty-five to fifty per cent. may be added to the official value of British goods exported, and very considerably more to the value of foreign goods imported.

Are West India articles less under-rated than other articles?—In the official books they are.

How much less?—I consider them as rated nearer to the actual value than any other branch of the imports.

Do you mean that forty-five or fifty per cent. is the average amount of the undervaluation of all exports, including West Indian articles?—I confine my estimate of from forty-five to fifty per cent. to British produce and manufactures exported only.

Do you include West Indian articles in the articles imported?—Yes, certainly.

Do you consider the undervaluation of imported articles to be much more than fifty per cent. taking West Indian articles into the estimate?—I do; the undervaluation would be still greater, if it were not for those articles on which the official value approaches nearer to the real value.

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X See London Pool in coin No 0 Note -

W. Irving, Esq.

How near to the real value do West Indian articles imported approach?—In some instances they exceed the present prices, in others they are rather less; upon the whole, they may be estimated at not more than fifteen to twenty per cent. over the official value.

Is Gold or silver imported or exported included in your annual Account?—Bullion or coin are not included either in the account of goods imported or exported, because there is no obligation on the part of the importers to state the quantities imported; we therefore do not include the quantity exported in the commercial accounts of goods exported.

Are there any other articles which can be exported or imported without being stated to the Custom-house?—None, with the exception of Government stores, which do not require an entry, not being subject to duty.

Are not stores sent on Government account by persons contracting to send them, entered among the exports?—Where they are charged with duty they are, but not otherwise.

Are they not generally charged with duty?—I believe a very small proportion of them are charged with duty, the duty being only charged on such as are sent on account of individual officers.

Are the stores taken on board merchantmen and men of war sailing from this Country, included in your account of exports?—Stores for the use of the crew are not required to pass an entry, consequently the Searchers account of exports delivered over to the Inspector General cannot include any articles contained in the victualling bill for the ship's use.

Are all captured vessels included among your imports, as well ship as cargo?—All prize ships and cargoes are included, except they are applied to the use of Government.

When was the official value of goods exported and imported made?—In the year 1696, when the office of Inspector General of Exports and Imports was established, since when there has been no alteration.

You have stated, that probably considerably more than from forty-five to fifty per cent. should be added to the official value of goods imported, in order to give the actual value, but that it is difficult to say how much; could you furnish any tolerable estimate of the amount of the addition to be made in the course of a few days?—It would be difficult to furnish a tolerably accurate account, inasmuch as the actual value upon many great articles is not easily to be supplied, there being a great variety in the qualities of many of those articles, and the proportion of the several qualities not being known at the Custom-house; the accounts which I deliver in contain a number of general heads, and the articles under each head are very various in their value.

In the Account delivered in by you up to the 5th of January 1810, you state, that the official value of exports of British produce and manufactures amount in official value to £. 35,107,439. and that the real value amounts to £. 50,247,761; how do you estimate that real value from the official value?—I estimate the real value of goods subject to duties *ad valorem*, by the declarations of the exporters on oath.

Have you any means of ascertaining the real value of foreign merchandize imported?—I have no official means of ascertaining it, or any other means that could be satisfactory to the Committee.

Has your estimate of the difference between the official value and the actual value of exports being from forty-five to fifty per cent. been founded upon your actual observation of the difference between the official value and the actual value, taken from the declaration of the exporters in the course of several years, or only in the last year?—The prices of the goods have fluctuated in different years, but the difference between the official value and the actual value of British produce and manufactures exported in the year 1809, appears to have been from 45 to 50 per cent.

Vincent Stuckey, Esq. called in, and Examined.

Vincent Stuckey, Esq.

In what branch of trade are you concerned?—I am concerned in three country banks, viz. Bristol, Bridgewater, and Langport, all in the County of Somerset.

Do all those banks issue notes?—Yes.

State to the Committee the nature of their circulation.—Their circulation of course is chiefly confined to the neighbourhood from whence they are issued; but we

Vincent Stuckey, Esq.

we conceive they have a more extensive circulation than many other banks, because every note, of whatever value, is made payable in London as well as at the place from whence it is issued.

Has the amount of the circulation of those banks much increased in late years?—We have only opened the Bristol Bank about three years; from that period, till within these six months, the circulation has been increasing; now it is almost stationary. The Langport Bank has been opened nearly forty years, the circulation of that has considerably increased within these last seven years. The Bridgewater Bank has been opened about seven years, and the circulation of that continued increasing for the first six years.

It therefore appears that the circulation of those banks has considerably increased of late years; has it been within your own observation that other banks in the same district have increased in their circulation in the same proportion?—We know but little of the increase of circulation of other banks, and we conceive ours in a considerable degree to have arisen from an increased credit and the liberality with which we have treated our customers.

Do you think that the increased circulation of your notes has tended to diminish the circulation of other paper in their vicinity, or do you not think that other banks have also added to the amount of theirs?—It is very probable that other banks have added to the amount of their circulation; but we conceive ours to have arisen, and to continue, for the reasons I have before stated.

Have you the means of knowing whether there has been any material increase in the number of banks in the West of England, and the amount of the circulation of the paper of country banks in that district, during these few years last past?—There is no doubt but a very considerable increase has taken place in the number of banks, I cannot speak so positively as to their circulation; but although many banks have been opened in our immediate neighbourhood, we have not found our own circulation decreased.

Is it the practice of the banks in your district to issue notes upon real security upon mortgage?—We are not fond of lending upon mortgage, and seldom do it; we generally issue our notes by discounting good bills, or by lending cash for a short period to agriculturists upon their own security, or the best that under all circumstances we might think proper.

Do country banks find it necessary to keep a deposit of Bank of England notes in proportion to the issues of their own paper, and to the probable demands which may be made upon them for the payment of that paper?—We have hitherto kept but a small quantity of Bank of England notes, but a large proportion of guineas.

Have you lately found any material increased demand for guineas?—At Bristol we have found an increased demand, but very little increased at Bridgewater or Langport.

Do guineas to any great extent circulate in the West of England?—I should imagine not to any considerable extent.

Do you know whether Bank of England notes circulated in the country have increased or diminished since 1797?—I have no means of ascertaining that fact; but the circulation of Bank of England notes is very small, the people in the country generally preferring the notes of country bankers, whom they conceive to be men of responsibility in the country.

Is it not your interest as a banker, to check the circulation of Bank of England notes, and with that view do you not remit to London such Bank of England notes as you may receive beyond the amount which you may think it prudent to keep as a deposit in your coffers?—Unquestionably.

You have stated, that you have a considerable deposit of guineas; would you give guineas in exchange for your own notes to any stranger who might require them?—We should not give them guineas for the whole of the notes, but we certainly should give them some, and at this present time.

Do you at present receive in the currency of your trade many payments in guineas?—At Bristol very few, at Bridgewater and Langport we frequently receive them.

What is the principle by which you regulate the issue of your notes?—We always keep assets enough in London, consisting of Stock, Exchequer bills and other convertible property, sufficient to pay the whole of our notes in circulation.

Supposing that the amount of the notes of the Bank of England were to be materially diminished, is it your opinion that the notes of country banks would

Vincent Stuckey, Esq. take their place?—As a matter of opinion, I should imagine that in those parts of England where Bank of England notes circulate, if they were to be withdrawn their places would be immediately filled up by the notes of country banks; and I would illustrate this opinion by the example of the County of Lancaster, where the notes of the Bank of England are the chief circulation for small payments.

Has it been a subject upon which you have formed any opinion, how the circulation of paper generally throughout the kingdom has affected the nominal price of commodities?—I have always paid some attention to the subject, and lately particular attention, and it does appear to me that the increase of paper circulation has tended to increase the price of commodities; but I think that increase to have arisen chiefly from the increase of the circulation of Bank of England paper.

What different effects, in your view of the case, arise from the paper of the Bank of England and country banks?—I think the Bank of England have been the means of giving facilities to circulation, which could not have been done by country banks to the extent it has been done by the Bank of England.

Is it your opinion that a country bank regulates its issues in proportion to its deposits of Bank of England notes or specie?—We regulate ours by the affects we have in London (as I have before stated) to pay them, without much reference to the quantity of Bank of England notes or specie which we have, although we always keep a quantity of both of the latter in our coffers to pay occasional demands made in the country.

Is it your opinion that country banks generally keep any great proportion of their funds, whether consisting of Bank of England notes or specie, in the country?—I cannot speak positively as to the practice of others, I can only speak as to our own.

Lune, 9^o die Aprilis, 1810.

HENRY THORNTON, Esq. in the Chair.

John Henton Tritton, Esq. a Partner in the Banking-House of Barclay & Co. called in, and Examined.

J. H. Tritton, Esq.

CAN you state the number of country banks in 1797, and at subsequent periods?—It appears from the evidence of Mr. Ellison, before the Committee of Secrecy in 1797, that there were then 230; in the year 1808, I observe there were something more than 600, and it seems by the list lately published that there are now 721.

Can you state whether many of these are different branches of the same principal bank?—I am not able to distinguish, but I apprehend it in a degree to be the case.

Have you any means of judging of the amount of their circulation?—I can only conjecture, as I have not any means of judging of the amount of their circulation, but it is probably not an unreasonable supposition that it may amount to as much as twenty millions.

On what do you found that conjecture?—Estimating the circulation of each at the average amount of about £. 30,000. the total would be what I have stated; I am aware, however, that there are several country banks which issue no notes, but many issue considerably more than that sum.

Do you include Scotland in your estimate?—Yes, I do.

Can you guess what proportion of their paper may consist in one and two pound notes?—I am not able to form an opinion on that subject.

Or, under five pounds?—I am not able to form an opinion as to the proportions.

Do they not issue an increasing quantity of optional notes, that is, of notes payable either in London or in the country?—I have no doubt they do.

Do you conceive that the quantity of Bank of England notes circulating in the country has been diminished, through the increase of country bank paper?—I conceive it has.

Do you think the stock of Bank of England notes, kept by country bankers, is somewhat diminished?—I have not the knowledge of it. I should imagine that it was so, but it is only conjecture.

Can you state whether the new country banks are as respectable a class of people

as the old ones?—I should consider that several of those which have lately been established consist of respectable persons. J. H. Tritton, Esq.

Have there been many failures among them?—I do not think there have been many, there have been some.

Do you conceive that the quantity of Bank of England notes held by the London bankers, in order to effect their payments, has increased in the same degree with the amount of their payments during the last few years?—It would appear to me probable, that the quantity of Bank notes held by the bankers was greater than formerly, but that it was less in proportion to the quantity of business done.

Do you conceive that the number of traders in London who employ bankers has much increased?—I should think that it was increased, and that rather considerably.

Do you mean that there are fewer private individuals, both traders and others, who keep any quantity of Bank of England notes at home?—I presume there are fewer who keep considerable sums at home.

Do you apprehend then that the quantity of Bank of England notes employed in the metropolis by other persons than bankers is much reduced?—I should think that the quantity is not less, because of the greater diffusion of wealth generally, and the diminished circulation of specie.

Have there many country banks been lately established in the neighbourhood of London, where Bank of England notes antecedently circulated?—I consider that to be the case; that there are additional banks established in the vicinity of London is a fact; and I imagine that Bank of England notes have heretofore circulated there, but that those of the banks so established are now substituted for them.

Are not guineas much more seldom received in payment lately than they have been heretofore?—Certainly.

Are there not several country banks which keep accounts at your house?—Yes, there are.

Are their transactions in general much increased within these few years?—I think they are considerably.

Are the notes they issue, which come under your observation, particularly optional notes, of much greater amount than a few years ago?—Yes, they are.

Is it not the practice of the country banks to remit you bills and to draw against them?—Yes, it is.

Are not such bills many of them bills which have been sent from other parts to discount?—Many bills which are remitted to us are such as I believe have been sent to them from other parts for that purpose.

Are any such bills drawn in London upon another house in London?—I have no doubt of it.

Are you of opinion that the issues of country notes render the facility of obtaining currency so easy, as to induce persons to borrow them for the purposes of various speculations?—I am not prepared to give an answer to that question, but persons with whom I am connected endeavour to take such paper only as is founded on real mercantile transactions.

If those issues of notes were less, are you of opinion that it would tend to lower the price of commodities?—I think such effect is to be expected.

Could the country banks issue as much paper as they now do, if they were liable to be called upon to pay in Gold as before the restriction?—I think they certainly could not.

Will you state the grounds on which you think they could not?—I think there would not be a possibility of obtaining Gold to answer the demands to which they would be subject.

Supposing the Bank to be open, would they not obtain Gold from the Bank in whatever degree they had occasion for it?—Certainly they would.

Would they have any greater difficulty in obtaining Gold than they now have of obtaining Bank of England notes, supposing a run to be made upon them?—I apprehend there would be no other than the increased difficulty of carriage, and the expence attending it.

Would they not be more liable to a run, inasmuch as persons holding their notes, in case of an alarm, would be more eager to exchange those notes for Gold than they now are to exchange them for notes of the Bank of England?—I have no doubt that effect would take place.

Supposing no alarm to take place, do you not conceive that any excess in the quantity

120

J. H. Tritton, Esq.

quantity of country bank notes which may be pushed into circulation, is now removed by an application of the holders to exchange those notes for Bank of England notes or bills on London, in the same manner as a similar excess would be prevented by a demand for guineas or for bills on London, in the event of there being no suspension of cash payments?—I incline to think that is not so restrained, I conceive that there is country bank paper in circulation to a larger amount than there would be if payments were made in Gold; I mean, for example, that if twenty million of country bank paper is now issued, and that Gold went into circulation, a less sum in Gold and in notes than the amount of the whole paper now in use would be found sufficient.

What inducement has the holder of a country bank note to exchange that country bank note in his possession for a Bank of England note?—I conceive that he has no inducement except want of confidence in the country bank, unless he may have occasion to make a payment at a distance where the notes of the bank in question are not negotiable.

115
120

The Bank restriction now existing, if the notes of the Bank of England were reduced one half in amount, how would it effect the country banks?—I do not feel prepared fully to answer that, but it is to be inferred, I believe, that they would feel a necessity to abridge their issues.

Do you know if the Bank of England notes have increased or diminished in the country considerably since the restriction?—I do not know that sufficiently well to answer the question; but I conceive that inasmuch as the same regard is not paid to the effect which an increased quantity may have on the public welfare, in the issues of private paper, it is so far at least susceptible of more inconvenience than is likely to result from those of the Bank of England, particularly as in all cases the same regard may not be had to the facility of converting into money the securities on which it has been issued.

What different effects, in your view of the case, arise from the paper of the Bank of England and the country banks?—I do not feel competent to give an immediate answer to so extensive a question.

Supposing that the amount of the notes of the Bank of England was to be materially diminished, is it your opinion that the notes of the country banks would take their place?—I presume not.

Supposing the issues of the Bank of England to be diminished one half, what effect would that produce upon the general confidence and credit of the country?—It would be very injurious; and it would be very difficult, if not impossible, to conduct the affairs of the metropolis, if the large notes were to be diminished in that proportion.

Would that effect take place, supposing the diminished quantity of Bank notes were supplied by a corresponding quantity of Gold?—I do suppose in a very considerable degree it would, because the large payments in business have not heretofore been made in Gold.

Supposing the circulation of the country, whether consisting of paper or of Gold, to be very materially diminished, in a greater proportion even than has been stated in the former question, would not individuals concerned in trade find out some other method of carrying on their interchange, so as to remedy the inconvenience that would result from such a diminution of circulation?—It is a question which I have not contemplated.

Jeremiah Harman, Esq. Director of the Bank of England, and General Merchant, called in, and Examined.

J. Harman, Esq.

Please to state what you conceive to be the principle by which the Bank of England regulates the extent of its issues: do you conceive it to be their practice, for example, to discount bills to the extent to which they are required, supposing the bills to be good, and to appear to be for real transactions, and the party applying to make application for no more than a reasonable amount, or do you take at all into consideration the state of the exchanges, and in any degree diminish the total amount of discounts afforded, and consequently also the paper issues when the exchanges are particularly unfavourable?—One of the first objects we have in view is the solidity of the paper brought in, and although we have no precise limit, we constantly keep in view the aggregate amount, as well as the amount of every individual account. With regard to the other part of the question, though the state of the exchanges is constantly watched,

watched, the amount of our discounts is not regulated with any reference to that circumstance.

In saying that you have an eye to the total amount of the discounts, do you not mean that you have an eye to the total amount of the paper in circulation?—Certainly, the paper in circulation under the different heads.

Do you not mean then that you endeavour to keep the total amount of paper at nearly its accustomed standard, allowing for particular variations at the periods of the dividends?—The calls for paper necessarily vary periodically.

Do you conceive that the diminution of the paper of the Bank would, either immediately or remotely, tend to an improvement of the exchange?—None whatever.

Was it not the practice of the Bank, antecedently to the restriction of the cash payments, to lessen in some degree the amount of its issues, when a material demand for guineas was made upon it?—It has been occasionally, and at one period in particular, according to my view of the subject, it accelerated very much the mischief which ensued.

Was not the case in which that mischief resulted, the case of a run made upon the Bank for guineas, in consequence of an alarm in the Country, the exchanges not being then unfavourable?—Certainly, at the time to which I allude there was a very great alarm in the Country, and the exchanges were above par.

Do you not mean then that the diminution of discounts increased that alarm?—The diminution of discounts, and consequently of Bank notes, increased that alarm, and I think consequently increased the run.

Supposing a demand to be made upon the Bank for guineas in consequence of the high price of Bullion and an unfavourable exchange, there being nevertheless no alarm in the Country, do you conceive that a limitation of the Bank paper would in like manner increase the drain?—I think, in as much as it would occasion distress in the public, it would probably have that effect.

Supposing the Bank to be now paying in cash, and the exchanges as well as the price of Bullion to be as they now are, and consequently a drain upon the Bank for guineas to take place, would it be your opinion that the Bank ought to diminish its paper or not?—I am decidedly of opinion that it would and ought to make the Bank very cautious.

Do you not mean by caution, that it ought in some degree to restrain its paper, and that such restriction of the paper might tend to lessen the drain?—That must depend very much upon circumstances.

Supposing the Parliament to enact that the Bank of England should again pay in Gold at a distant period, say one, two or three years, would it be your opinion that the Bank ought to resort to the measure of restraining its issues, as a means of preparing itself to meet that event, supposing the exchanges and the price of Bullion to continue as they now are?—I conceive that they must necessarily, if the exchanges were to continue as they now are, which, however, I deem barely within possibility.

Do you not conceive that an augmentation of the quantity of Bank of England notes tends to increase the price of commodities, and a diminution of their quantity to reduce it?—An augmentation of the paper currency generally perhaps may; but, as far as I have been able to consider the subject, not so greatly as is generally supposed; I see very few symptoms of it.

Do you not apprehend that there is a disposition in persons keeping accounts at the Bank, to apply for a larger extent of discount than it is on the whole expedient for the Bank to grant?—Very many do, and we treat them accordingly.

Do you not think that the sum total applied for, even though the accommodation afforded should be on the security of good bills to safe persons, might be such as to produce some excess in the quantity of the Bank issues if fully complied with?—I think if we discount only for solid persons, and such paper as is for real bona fide transactions, we cannot materially err.

Supposing you were to afford your accommodation at four-per-cent. instead of five-per-cent. interest, the current interest being five per cent. would there not be danger of excess?—Perhaps so.

Does it not then follow, that, provided money is now worth something more than five-per-cent, and being in general difficult to be procured at that rate, you may fall into some excess by granting it at five-per-cent. on the principle which you

J. Harman, Esq.

have stated?—I think not, because we should discover the superabundance very soon.

What should you consider the test of that superabundance?—Money being more plentiful in the market.

What do you consider to be the causes of the unfavourable state of the exchanges with Europe and the high price of bullion during the last twelve or fifteen months, upon the best view that you have been able to give to that subject?—I must suppose that the balance of payments has been materially against this Country, and I have moreover understood that very high prices have been paid for Gold on the Continent for particular purposes.

Do you merely infer this to be the case from the state of the exchanges, or do you happen to know the fact from any documents?—I know generally that our imports have been much larger than usual, and that we have had to pay large sums to foreign countries for the maintenance of our own troops, and for various other services.

Supposing the exchange to continue long and greatly unfavourable, should you not be disposed to refer this circumstance in some measure to an excess of paper currency, or should you assume that the balance of trade had continued during that long period unfavourable?—I must very materially alter my opinions, before I can suppose that the exchanges will be influenced by any modifications of our paper currency.

Have you ever known the exchange to fall to twelve or fifteen-per-cent. in any part of Europe, in which it was computed in coin containing a fixed quantity of gold or silver, or in paper or bank money exchanged at a fixed agio, either for such gold or silver coin, or for gold or silver bullion of a definite amount?—I really cannot from recollection answer that question.

In what degree do you conceive the exchange to have been lately against this Country?—When at the lowest it was full 17-per-cent. below par.

What is it now?—I think about 10-per-cent.

Could the exchange have been so unfavourable as it has been for the last twelve or fifteen months, supposing the Bank to have been paying in cash?—If there had been more Gold in the country, that would of course in so far and no further have lessened the effect, by furnishing a means of remittance which would lessen the unfavourable balance.

If the quantity of Gold now locked up was brought into circulation, would it not in such degree have tended to have benefited the exchange?—If it was remitted, it naturally would have that effect.

Lundæ, 16^o die Aprilis, 1810.

FRANCIS HORNER, Esq. in the Chair.

William Irving, Esq. Inspector General of Exports and Imports, again called in, and Examined.

Acc. No 73.

[Mr. Irving delivered in "An Account, shewing the Total Balance of Trade in favour of or against Great Britain, in her Commerce with all Parts of the World, during the last Five Years."]

W. Irving, Esq.

IN what manner have you calculated the actual value of imports into this Country, in the paper you have now delivered in?—I consider the Account objectionable in some respects. The values are calculated at the prices in this market, of course the imports include the mercantile profits and the freights inwards; the exports are exclusive of the freights outwards, consequently the actual balance in favour of Great Britain will be much more considerable than appears upon the face of the Account. The correct principle would be, to estimate the imports at the first cost of the goods in the foreign country, adding thereto, the freights in foreign vessels, and the exports according to the real value at the port of exportation, adding the freights in British vessels as so much additional value on the goods, to be paid for by the foreign consumers. I have no means of ascertaining those particulars.

Can you state the difference between the official value of imports, as given in your other Account, and the actual value of imports as now given?—It is in the proportion

tion of the sum of £. 59,851,352. real value, to the amount of imports as stated in my annual account of official value.

W. Irving, Esq.

It appears, by the Account now delivered in, that the average balance of trade in favour of Great Britain, during the last five years, has been something more than nine millions per annum; how do you account for the existence of so large a balance of trade during so many successive years, and to what purposes do you consider this balance to have been applicable?—I consider that either bullion has been imported towards defraying the balance, or that a debt has been created from foreign countries to this Country, or partly both, to the amount of the balance, except so far as the balance may have been cancelled by means of the foreign expenditure of Government. The maintenance of British troops abroad, and loans to foreign powers, must, as I consider, diminish the favourable balance.

Have you any information of the amount of bullion that may have been imported into this Country within the last five years?—I have none; but I apprehend an account might be procured of the receipts and issues of foreign coin and bullion at the Bank of England, which might afford the Committee a tolerably correct idea of the quantity retained in the Country.

In your opinion has there been more bullion exported or imported?—I believe there has been an increase in the imports, but I cannot speak as to the amount retained in Great Britain.

In the last six months of the last year 1809, do you think there was an excess of imports or of exports of bullion?—I should be speaking without data, having no knowledge of the quantity imported. Some bullion has been imported from Spain which has been since drawn for, and appears as an export from this Country to Spain, in the Account of Bullion exported delivered in by me to the Committee.

Can you state nearly the amount of bullion which has been so re-exported?—I have no official knowledge of the amount.

You have intimated an opinion, that the state of trade in the last five years must have brought bullion into this Country; in what manner do you conceive that to have been effected?—It has been in consequence of the great extension of our commercial intercourse with the foreign colonies on the Continent of America, direct as well as circuitously, through the medium of the British free ports in the West Indies.

Must not the balance of trade between Ireland and all foreign countries, be added to the balance of England, in order to afford a just view of the total amount of the fund, which is applicable to the purpose of supplying the means of discharging the expences of Government in the support of our foreign military and naval establishments?—The favourable balance on the Irish trade with foreign countries, ought unquestionably to be added to the favourable balance of this Country.

Do you know what the balance is?—I have no knowledge of the amount of the Irish favourable balance with foreign countries.

In the Account just delivered in, you have specified three articles, which are deducted from the value of the imports, namely, first the amount of fisheries, secondly the surplus of imports from British colonies, and thirdly the surplus of imports from British India, amounting together to about eight or nine millions in each year; can you state the amount of each of those three several articles?—The average amount of each of these heads, is as follows, viz.

1st. Fisheries	£. 1,253,000
2d. Surplus of Imports from British Colonies and Plantations	3,120,000
3d. British India	4,217,000
	£. 8,590,000

In calculating the real value of imports, have you estimated every article of which those imports are composed, according to the prices current of this Country?—Yes, I have on an average of several years.

Of how many articles did they consist?—Perhaps from a thousand to twelve hundred.

Supposing

W. Irving, Esq.

Supposing the same article to be of various qualities, how did you estimate the average value of the whole article?—By consulting with some of the principal importers as to the probable relative quantity of each sort.

Are you confident that your calculation has been a pretty accurate one?—I believe it to be accurate.

Has the Account been carefully checked in the office?—The accuracy of the Account there can be no doubt of so far as respects calculations, it being a document prepared and regularly proceeding from my office; but I cannot answer for the accuracy of the prices quoted in the price currents.

Mercurij, 18^o die Aprilis, 1810.

FRANCIS HORNER, Esq. in the Chair.

Mr. John Humble, called in, and Examined.

Mr. J. Humble.

IS there not an office called the Bullion-office, in the Bank?—There is. Are you the Clerk in that office?—Yes.

What is the business of that office?—The business of the office is divided into two branches, and is to be considered under two heads; the first is for the purpose of weighing and ascertaining the value of the bullion in which the Bank is concerned; the other, in which individuals only are concerned.

What do you mean by ascertaining the value?—By weighing, calculating the fineness according to the Assayer's reports, and casting up the value according to the prices.

Where do you get the prices?—From the Brokers reports made to the office, either on account of the Bank or of individuals.

Does the Broker give you a general price, or the price of every transaction?—The price of every transaction.

What form of accounts do you keep in the office?—Every transaction which is done for the Bank is daily reported to the Cashiers, passes through the Bank books and into the Bank balances; the weight and fineness, price and value is entered in the Bank books; it is daily reported to the Cashiers, and passes consequently into the Bank balances. I speak now merely of the transactions which are made for the Bank only; the transactions between individual merchants are not entered in the Bank books at all, but merely entered in waste or memorandum books.

Do you, for the Bank, keep an account of the bullion issued from the Bank, as well as that received?—Yes, the bullion certainly, both gold and silver, but not the current coin.

Then would your accounts shew for any one year, the total value of bullion purchased by the Bank and issued by the Bank?—Certainly, by the Bank only, but not by individuals.

How came this office at the Bank to have any cognizance of bullion transactions between individuals?—It has been so long established that I cannot answer that question with certainty; it has been established upwards of 100 years. I understand it to have been instituted merely for the purpose of accommodation and safety between merchant and merchant, as a place of deposit; it used formerly to be called the Warehouse, it is only of late years that it has been called the Bullion-office.

Do you keep any account of those transactions which pass between individuals?—Only memorandums in a waste-book. The bullion is deposited generally by ship-masters, and lies in that office for the owners to whom it is consigned; we keep separate books for entering those deposits, one of which we call the packet book, and the other the man-of-war book, and in those books we enter what may be called a manifest of the deposit, the name of the ship-master and the consignee, the name of the vessel by which the importation has been made, the number of packages and what those packages are said to contain, for we receive them only as packages. When a sale takes place, that is transacted by the Broker between the seller and buyer, he giving a contract to each; the parties come to the office, and in their presence the package is opened, the bullion weighed, we deliver the quantity sold to the buyer, and receive from him the price, which we deliver over to the seller; in a waste book we make a memorandum of what has thus passed.

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Mr. J. Humble.

We keep only a waste book, and do not transfer these memorandums to any more regular account, because the whole transaction passes as between the parties, who keep their own accounts, we being merely an umpire between them. The whole of this is done by the Bank gratuitously. There is no report made to the Bank, of these deposits or sales.

What establishment of Clerks is there in the Bullion-office?—A principal and deputy and an assistant.

From your situation, do you know any thing of those sales which are made for exportation?—With respect to bar gold we do know, because the certificate of an oath before the Court of Aldermen accompanies the bars from our office as a passport.

Is there more than one broker?—Only one house, there are several partners in the firm, the house of Mocatta and Goldsmid.

Have they, in your opinion, any power of controul over the prices?—None in the world, I believe.

Then the price is fixed entirely between the seller and the buyer?—I cannot take upon myself to say in what manner the prices are fixed, because I have nothing to do with that.

Does the Bank at any time purchase bullion without the intervention of a broker?—Very seldom.

Can you assign any reason to the Committee, why, in so extensive a commodity as bullion, there should be only one broker employed?—I cannot.

Would not any other broker be permitted to act as broker, with respect to bullion deposited in your office?—Not without orders from the Court of Directors, upon application.

Have any such transactions ever taken place?—Never, to my knowledge.

Are you acquainted whether Messrs. Mocatta & Goldsmid at any time deal in bullion for their own account?—I believe never, I am confident they never do.

Can you state to the Committee the quantity, or nearly the quantity, of gold bullion imported, that has been deposited in your office in the course of the last year?—I have no conception of it.

Have you any accounts that will shew it?—We can ascertain from our books the quantity said to be brought by the ships in the last year, but that might mislead the Committee, if they take that as the amount of what had actually been imported, because there is a great deal imported which does not come to our office.

Would not your books, in the same manner, enable you to state how much gold bullion has been delivered out from your office for exportation in the last year?—

We could ascertain it with respect to the bar gold, but with respect to the foreign gold coin only by conjecture; there is a great deal of bar gold exported, which does not come to us.

Could you not state from your books also the amount of sales of gold of all sorts for the last year?—Probably we might.

Martis, 22 die Maij, 1810.

HENRY THORNTON, Esq. in the Chair.

Thomas Richardson, Esq. again called in, and Examined.

T. Richardson, Esq.

HAVE you the means of knowing whether the bankers in London, use any greater economy than formerly in respect to the quantity of notes kept in their possession?—Yes; I should guess that they do not keep so much by one-eighth as they did eight years ago, in proportion to the amount of payments made.

To what cause do you ascribe that diminution?—To the more ready method in which they can borrow bank notes for the day, through the means of brokers.

Is it your practice to be an intermediate person for these purposes?—Very frequently, not unfrequently to the amount of twenty or thirty thousand pounds a day.

Has that practice increased?—No doubt of it, very considerably.

Are there any other causes to which you can ascribe the use of the very diminished quantity of notes?—There are a great many more bills in circulation than formerly, so that a banker can at all times take a bill or bills to suit his purposes.

349.

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T. Richardson, Esq.

What you mean, is, he can thus get rid of any superfluity of cash at a short notice?—Yes.

Do you know of any alteration in the hour at which the Bank now takes from the bankers the sum daily due to them on the ground of Bank charge?—Yes; at four o'clock.

At what hour were they used to take it some years ago?—As soon after nine as they could agree upon the sum.

Is it not one consequence of that change, that the banker is able to pay the Bank in a great measure by the medium of drafts upon the Bank, which have been paid in by his customers for bills discounted by them on the same day, instead of paying the Bank in Bank of England notes?—It certainly is a very great saving in the use of notes to the banker.

How long has this change taken place?—I do not think more than four or five years.

Do you not conceive that the increased amount of bills discounted by the Bank for the mercantile world, has afforded increased means to the bankers of obtaining a supply of notes at short notice, through the medium of the bills sent to the Bank to be discounted by their customers?—Yes.

Is it not now the practice at the Bank to give money for Navy Bills on all days in the week, instead of discounting them only as heretofore on the Thursday?—Yes, they are taken every day.

Do you think that, from the transactions which you carry on with bankers in London, they are enabled to lend a larger proportion of their deposits than formerly?—Yes.

Why?—Because from our general intercourse with them, we can borrow of one to pay the other at an hour's notice.

Do you not conceive, that it is a more general custom for tradesmen and individuals to keep bankers now than some few years ago?—Yes.

Would it not naturally result from that, that in general fewer persons keep an amount of notes by them than heretofore?—I think people keep a smaller amount at home than formerly, but perhaps the notes may not be less, as having no cash they must keep notes for their daily traffic, though formerly they used to have guineas.

Is any other mode of payment than Bank of England notes and specie accepted of in London?—Drafts upon bankers.

In consequence of the ready means of providing notes for all persons holding the undeniable securities necessary, do you think ten millions of bank notes will keep afloat the same quantity of business as fifteen millions would have done ten years ago?—Not quite so much perhaps ten years ago.

Are you sufficiently acquainted with the banking business to state the mode of their making their daily payments?—If a person has a sum of money at his banker's, he draws his drafts, and of course receives the notes at any moment he pleases; but if in the course of the day he has, for instance, £10,000 to pay, with perhaps only £1,000 at his banker's, he pays in the drafts he receives that day from others, to make up the sum he requires, for which he also draws; which drafts the bankers do not usually pay the bank notes upon, but take them to the clearing house at four o'clock, when each banker settles the difference between him and each other banker, and the balance is uniformly paid that evening in bank notes.

How is the practice of settling with the bankers at the west end of the Town? The clerks of the City bankers, and the bankers at the west end of the Town, bring their demands mutually upon each other, which are always discharged on both sides in bank notes.

How many bankers are there that clear their drafts at the clearing house?—Forty-five.

Has the number much increased of late years?—Only increased three in the last ten years.

Can you tell the average amount, or near it, of the transactions of one day at the clearing house?—No, but from the best conjecture, which must be a vague one, about five millions, reckoning both received and paid.

When was the system of the clearing house first established?—About thirty-five years ago.

You know the present number of country banks?—About 720 or 730.

T. Richardson, Esq.

How many were there in 1796, 1800, 1805, and 1808?—I cannot tell, but in the last two years they have increased about a hundred.

Have you any data to enable you to guess the amount of promissory notes in circulation by the country bankers?—No, but I have heard it calculated at thirty millions.

Can you inform the Committee if any one house circulates £100,000 of one and two pound notes?—I should think not, I think that I have heard of as much as £70,000.

Do you know whether any manufacturers issue their notes in payment to their labourers?—Some do, only a few of those are made payable in London.

Has it not been a custom for young men of inconsiderable property to buy goods for manufacturers at unusually long credits, for the purposes of carrying to Saint Domingo or South America upon speculation, and for which they give in payment bills at from twelve to eighteen months date?—It is the custom.

How do persons receiving those bills contrive to convert them into money for the purposes of their own trade?—By lodging them with good houses, and drawing other bills against them at two or three months, and renewing them when they become due, and so on till the payment is fulfilled.

Does not the public money paid in by the taxgatherers previous to the dividends, create for the time a considerable scarcity of notes?—Yes, there is a period prior to the dividends, in which large sums of money are paid to the Bank from the taxgatherers, which at such time occasions great scarcity, and is an inconvenience to the trade.

Can you form any idea what would be the consequence of reducing the amount of the circulating paper in the country by refusing to discount so largely as at present?—A more steady and regular price of all commodities, with more confidence in all money transactions.

Are you not of opinion that the Bank of England notes are at present more confined to the circulation of the metropolis and its neighbourhood, than they were a few years ago?—They are very much so, from the country bankers substituting their

Veneris, 25 die Maij, 1810.
FRANCIS HORNER, in the Chair.
Charles Grant, Esq. (a Member of the House) Examined.

C. Grant, Esq.

CAN you inform the Committee, of the state of the exchange between this Country and India for some time past?—The East India Company have drawn no bills upon India for many years past, but they are continually drawn upon from India; the rates of exchange of the bills drawn upon from India and China are pretty much fixed in consequence of particular regulations; those regulations with respect to India have arisen from the conditions on which money has been borrowed for the public there, optionally payable in England, at certain fixed rates of exchange; those rates of exchange are for the sicca rupee, generally from 2s. 6d. to 2s. 4d. per sicca rupee, according to the term of payment; from Fort St. George the exchange is upon the pagoda, which is a Gold coin, from 7s. 8d. to 8s. 6d. according to the term of payment; from Bombay the exchange has been for the Bombay rupee, for a series of years past, at 2s. 6d.; from China the exchange has been usually at the rate of 5s. 6d. the Spanish dollar.

Are those the present rates?—Yes, the Account I have spoken from comprehends a period of ten years, up to the year 1808-9.

Has there been no variation in the exchange for some years past?—Not in bills drawn upon the Company, any further than I have already mentioned.

Can you state whether there has been a variation on the part of drawers and remitters not bound by the regulations you have spoken of?—I have information upon that point from two of the principal houses in London acting as agents for merchants resident in India: I find from one of those houses, that from the year 1800 to 1804 they passed their bills on London at 2s. 6d. per sicca rupee at six months sight, and 2s. 3d. at three months sight; but from 1804 to 1809 their bills were pretty uniformly granted at 2s. 7d. at twelve months date; and from the beginning of last year, that is, from the beginning of 1809, they reduced their exchange

Charles Grant, Esq.

change to 2s. 6d. and in some instances to 2s. 5d. per sicca rupee. Another eminent house has informed me, that from the year 1800 to 1807 inclusive, they were drawn upon from Bengal at six months sight, at 2s. 6d. the sicca rupee, in 1808 they were drawn upon at 2s. 7d. the sicca rupee, and in 1809 at 2s. 6d. all at the same sight.

Can you state the reasons of this variation in the exchange?—I understand that these houses in India draw upon London for greater or less sums, according to the exports of goods from India; and the exports having diminished in the two last years, which produced a diminished demand upon them for bills; they in consequence lowered the exchange: and the reason why one house drew at 2s. 8d. when the other drew at 2s. 7d. I understand to have arisen from the former of those houses having a much larger concern in the way of consigning goods, and drawing bills in consequence.

Can you state the comparative quantity of Silver or Bullion which has gone to India for some years past?—I am informed by one of the houses already mentioned, that in the years 1803, 4, and 5, when there was little produce to remit back to India, the exchange was so low as 1s. 9d. the current rupee, or 2s. the sicca rupee; and according as the private trade increased, it rose to 2s. 5d. and in some instances to 2s. 6d. when the price of bullion was high: within these few months it has been as low as 2s. 1d. and 2s. 2d.; the present rate is from 2s. 2½d. to 2s. 3½d.; but there are very few inclined to draw under 2s. 4d. From the other house I have the following table of the rates of exchange for bills from London upon Calcutta: 1800, bills at 60 days sight, 1s. 11d. at 2s. the current rupee; 1801 & 2, two shillings to 2s. 1d.; 1803 & 4, 2s.; 1805, 6, 7, 8, and 9, 1s. 11d. to 2s.

Can you state the amount of Bullion exported from London to India, and China, for some years past, and also the amount of Bullion imported into India from all parts?—I will send the Committee the Accounts.

Has the quantity of silver contained in the sicca rupee remained the same during the years you have mentioned, in quantity and fineness?—Yes, in the sicca rupee of which I have spoken; but there has been no variation of the standard of any of our Indian coins of late years.

Can you state the quantity and fineness of the silver in those coins compared with our standards here; and also what the sicca rupee, coined from Bullion sent from England, costs in English money?—I will lay before the Committee the Accounts which state those particulars.

Can you state the relative value of Gold and Silver in India, whether it has undergone any change within the years you have mentioned?—I believe it has undergone no change within the years I have mentioned; in China the relative value of Gold and Silver was as late as the year 1730, about 10 to 1; but now it is about 16 to 1. I apprehend the change took place many years ago, from the continual accumulation of Silver in China, and probably an increased demand, and a diminished supply of Gold.

What do you conceive to be the relative quantity of Gold and Silver in circulation in India and China?—In China, I believe, there are neither Gold nor Silver coins; but I understand Silver to be the great medium of all transactions there. In India Silver coin is also the great medium of circulation. I do not understand that Gold is a legal tender any where, except upon the Coast of Coromandel, in pagodas, and in a very limited way in Gold mohurs at the principal British Settlements.

Have the relative quantity of the pagoda and the sicca rupee sensibly altered within modern times?—The proportion between the star pagoda and the Arcot rupee is, according to the Account I have already referred to, 13,872 of silver to one of Gold, but in exchange there are now about 3 Arcot rupees and an half given for a pagoda; this exchange is generally between the Coast of Coromandel and Bengal.

Has the exchange varied much as calculated between the rupee and the pagoda of late years?—Yes, it is rather fallen; that is, less has been given for the pagoda than for Arcot rupees.

Has the intrinsic value of the pagoda varied at all?—No, neither the pagoda nor the rupee.

Can you state the quantity of coin issued from the Mints of Calcutta and Madras, in any given period?—I will furnish the Committee with an account of it.

What

Charles Grant, Esq.

What is the expence of sending Silver from hence to India?—Including charges of shipping, interest, insurance, and the expence of coining in the Indian mint, the sicca rupee has cost the Company 2s. 6d. and 837 decimals, of which the charge has amounted to 2,941; making about 10 per cent.

What is the price you have paid for dollars, in London, for a series of past years?— [Mr. Grant delivered in two Papers.]

Acc. N^o. 12. 13.

Have you any idea of the quantity of silver circulated in India?—I find, by a record of about the year 1750, before we possessed Bengal, when that country was supposed to be in a flourishing state, that very year, upon the transmission of the tribute paid to the emperor of Delhi, they were left with hardly any circulating medium; and that their circulation, next year, was filled by the Bullion which was then annually imported from Europe. In our own time, at that season of the year when the collections of the revenue run very low, there is likewise generally a scarcity of circulating medium. From these and other circumstances, I conclude with respect to Bengal, and suppose the same may be concluded with respect to the other parts of British India, that the quantity of circulating medium is no more than sufficient for the necessary transactions of the year, and suppose it cannot be estimated beyond the annual amount of the public revenue of all kinds paid to the Company, probably less.

Can you state to the Committee what is the general state of Importations of Bullion into China?—The Company have ceased of late years to send any Bullion there; the chief of the Importations from abroad I take to be through the medium of the Americans, and from the Spaniards at Manilla. The Company have ceased to send Bullion, because they have increased their export of goods from this country, and their Prefidencies in India have increased as well as the private traders in India have increased their Importations into China, which are available by means of bills of Exchange for the provision of that part of their returning investment which their exports of this country do not purchase.

Mr. William Thomas, called in, and Examined.

You are Inspector of the Clearing-house in Lombard-street?—Yes.

Mr. W. Thomas.

How many bankers send their clerks there every evening?—46.

Can you form an average of the amount of drafts brought into the house daily, with the exception of settling days and India prompts?—About 4,700,000 daily.

121

Are not those drafts so brought, exchanged with each individual banker for others which may be drawn upon them?—Just so.

Of course they cannot be exactly even, how are the differences paid?—By Bank notes.

What average amount of Bank notes is sufficient to pay all the balances of this £. 4,700,000?—About £. 220,000 in Bank notes.

Upon particular days as above specified, are not the accounts much greater?—Yes, sometimes to the amount of about £. 500,000.

And what is the amount upon the whole of those days?—Upon the settling days at the Stock Exchange the whole amount of the drafts paid would be about 14 millions.

Does it not appear to you, that a little more than one-tenth of Bank notes is sufficient to settle the whole amount of the drafts that come through the Clearing-house?—Yes.

Has there been any great increase of late years in the Clearing-house?—It is a point that was never enquired into before.

Has the quantity of business done at the Clearing-house been much encreased of late years?—Very considerably.

How long has the system you have described existed?—The present system only about 14 months; the system of clearing has been in existence about 35 years; the 14 months is a new arrangement, but it does not at all alter the amount of Bank notes passing.

Has there been any material improvement in the system of late years, so as to reduce the quantity of Bank notes necessary for making payments?—Not any.

APPENDIX of ACCOUNTS:

P. 12.

- No. 1.—Gold and Silver Coin, and Bullion and Wrought Plate, exported from Great Britain to Foreign Countries, in each of the last ten years, to 1st February 1810 - p. 155.
- No. 2.—Gold and Silver Coin and Bullion, and Wrought Plate, exported from Great Britain to Ireland, in each of the last seven years, to 5th January 1810 - ibid.
- No. 3.—Bullion or Coin which has been seized under the authority of the Statutes which regulate the exportation thereof, in two years ending 1st February 1810 - ibid.
- No. 4.—Coin or Bullion imported in His Majesty's Packets, for four years ended 5th January 1810 - p. 160.
- No. 5.—Quantity of Coin imported by the Victualling Department, during the present War - p. 161.
- No. 6.—Monthly Sales of Gold and Silver, by private Dealers, in the Bullion Office of the Bank of England; from 1st January 1809 to 1st April 1810 - ibid.
- No. 7.—Gold which has been delivered out from the Bullion Office of the Bank of England, as Sales and Purchases by private Dealers; from 1st January 1809 to 18th April 1810 - p. 162.
- No. 8.—Gold and Silver deposited in the Bullion Office of the Bank of England, as having been imported from Abroad; from 1st January 1809 to 30th March 1810 - ibid.
- No. 9.—Gold and Silver exported by the East India Company to China and the East Indies, from 1788 to 1809 - p. 163.
- No. 10.—Annual Exports and Imports of Gold and Silver Coin or Bullion between China and the several Settlements of the East India Company; from 1763 to 1808 - p. 164.
- No. 11.—Bullion imported into the Company's Presidencies in India, from 1802 to 1807-8; and Cost of Bullion imported by the Company to India and China, from 1800-1 to 1809-10 - p. 167.
- No. 12.—Comparative Value of Gold and Silver at the several Presidencies in India, and at China - ibid.
- No. 13.—Average Price paid by the Company for New Dollars; from 1791 to 1808-9 - p. 168.
- No. 14.—Amount in Ounces, of Sales of Silver Pieces of Eight and Silver Ingots, by the Bank of England; from 1797 to 1810 - ibid.
- No. 15.—Annual Amount in Ounces, of Sales of Silver Pieces of Eight and Silver Ingots, by the Bank of England; from 1797 to 1810 - p. 169.
- No. 16.—Gold and Silver stamped and marked at the Assay Office at Goldsmith's Hall, in the city of London; from May 1800 to the end of January 1810 - ibid.
- No. 17.—Gold and Silver stamped and marked at the different Assay Offices in Great Britain; from 1801 to 1810 - p. 170.
- No. 18.—Gold and Silver Wrought Plate, assayed and marked at the Assay Office, Dublin; from 1808 to 1810 - p. 171.
- No. 19.—Gold imported into His Majesty's Mint, and Gold Monies coined; from 1797 to 1810 - ibid.
- No. 20.—Experiments made by the Officers of the Mint, to ascertain the Deficiency in Weight of the Gold Coins in circulation - p. 172.
- Nos. 21. & 22.—Portuguese Accounts of the productions of Gold from the Mines of Brazil, from 1751 to 1795; and an Account of Portuguese Coin - p. 173.
- Nos. 23. & 24.—Coinage of Mexico, in Silver, from 1733 to 1794; also from 1795 to 1804 - p. 175.
- No. 25.—Mines of Peru; Coinage of Lima; Mines of Chili, and Coinage of Spanish America - p. 177.
- No. 26.—Spanish Mint, and Importation of Gold and Silver into Spain - p. 179.
- No. 27.—Estimate proportional quantities of Gold and Silver extracted annually from the Mines of Spanish and Portuguese America - ibid.
- No. 28.—Royal Duties collected at Potosi, from 1556 to 1800; and Coinage of Gold and Silver of the Royal Mint of Potosi, from 1773 to 1790 - p. 181.

- No. 29.—Prices of the fanega of Wheat and Barley, from 1675 to 1764, at Seville - p. 182.
- No. 30.— - - - D° - - - D° - - - from 1765 to 1787, at Castille - - - p. 183.
- No. 31.— - - - D° - - - D° - - - from 1788 to 1792, at the two Castilles, and also at Andalusia and Estremadura - - - p. 184.
- No. 32.— - - - D° - - - D° - - - from 1793 to 1804, at Medina de Rio Seco, in the Kingdom of Leon - - - p. 185.
- No. 33.—Estimate of the Quantities of Gold and Silver, added annually to the commerce of Europe, from 1790 to 1802 - - - p. 186.
- No. 34.—Weekly Amount of Bank of England Notes out in circulation, for the years 1795, 1796, and to the 1st of March 1797; distinguishing the Bank Post Bills - - - p. 188.
- No. 35.—Notes of the Bank in circulation, including Bank Post Bills, on 1st February, 1st May, 1st August, and 1st November 1798 & 1799, 1808 & 1809; distinguishing the amount of Bank Post Bills under £.5. - - - p. 189.
- No. 36.—Bank Notes in circulation of £.5. and upwards, including Bank Post Bills, for 1801 & 1802; also Notes under £.5. for the same two years - - - ibid.
- No. 37.—Bank Notes in circulation of £.5. and upwards, on the 7th and 12th days of each month, from December 1808 to January 1810; distinguishing Bank Post Bills and Notes under £.5. - - - p. 190.
- No. 38.—Bank Notes out in circulation each day (Sundays and Holidays excepted) from 12th January to 4th February 1810; &c. - - - p. 191.
- No. 39.—Weekly Amount of Bank Notes in circulation, from January to March 1810; distinguishing Bank Post Bills, &c. - - - p. 192.
- No. 40.—Bank Notes in circulation, of £.5. and upwards, on Saturday Night, from the beginning of March to the 12th May 1810; distinguishing Bank Post Bills, &c. - - - ibid.
- No. 41.—Dollars issued by the Bank, to the 8th February 1810 - - - ibid.
- No. 42.—Bank Notes lying in the Exchequer, in each month from December 1806 inclusive, to December 1808, exclusive - - - p. 193.
- No. 43.—Bank Notes lying in the Exchequer from December 1808 to February 1810 - - - ibid.
- No. 44.—Highest and lowest Prices of Bank Stock in each year, from January 1796 to May 1810; also, the Price on the 1st January and 1st July in each year; from Castaigne's Tables - - - p. 194.
- No. 45.—Advances made by the Bank to Government, on Land and Malt, Exchequer Bills, and other Securities; from 1798 to 1810 - - - ibid.
- No. 46.—Issues of Coin from the Bank, since the 1st May 1803 - - - p. 196.
- No. 47.—Bank Notes in circulation, on Saturday Night in each week of the year 1797; and the Course of Exchange on Hamburg the following Tuesday - - - p. 198.
- No. 48.—Bank Notes in circulation of £.5. and upwards, including Bank Post Bills; in January, February, and part of March 1795 and 1810 - - - p. 199.
- No. 49.—Comparisons of Hamburg Exchanges with Amount of Bank Notes at various periods - - - ibid.
- No. 50.—Notes and Bills of the Bank of Ireland, in circulation from 1st January 1805, to 1st January 1810 - - - p. 200.
- No. 51.—Silver Tokens issued by the Bank of Ireland, to 3d March 1810 - - - p. 202.
- No. 52.—Number of Licences for the issue of Promissory Notes, granted by the Commissioner of the Stamps; for the year ending 10th October 1809 - - - ibid.
- No. 53.—Duties on Promissory Notes reissuable; from January 1798 to the latest period, &c. - - - ibid.
- No. 54.—Duties on Bills of Exchange, and Promissory Notes not reissuable; for 1806, 1807, 1808, and 1809 - - - p. 203.
- No. 55.—Number of Stamps of Promissory Notes reissuable, from 10th October 1808 to 1st June 1810; distinguishing the Amount issued in each Quarter, and the correspondent Produce in Money - - - p. 204.
- Nos. 56, 57, & 58.—Letter and Enclosures from Mr. Greffulhe, relative to the Weight and Standard of Gold and Silver - - - p. 205.
- No. 59.—Relative Value between Gold and Silver in England and in Foreign Countries, according to their respective Mint Regulations; with the Par of Exchange of each of those Countries on England - - - p. 206.
- No. 60.—Price of Gold and Rate of Exchange, at Hamburg, on the first Post day in every month - - - p. 207.

154 APPENDIX to The Minutes of Evidence taken before the

- No. 61.—Average of Exchange, New York on Great Britain, from 1804 to 1808, inclusive: Also, the Exchange at Bolton, in several of the months of 1809, and in January 1810 - p. 208.
- No. 62.—Extracts from a Book, entitled, "The Massachusetts Register, &c. for 1808;"—Viz. Table of the Value and Weight of Coins as they pass in the respective States of the Union, with their Sterling and Federal Value - - - - - ibid.
- No. 63.—Tables for receiving and paying the Gold Coins of France and Spain, Great Britain and Portugal, according to Act of Congress - - - - - p. 209.
- No. 64.—Table of the Weight and Value of the American Coins - - - - - p. 210.
- No. 65.—Course of Exchange at Gothenburg, on the 30th April and 4th May 1810; and in Sweden for the year 1809 - - - - - ibid.
- No. 66.—Exchange, London on Dublin, and Dublin on London; from January 1804 to March 1810 - - - - - p. 211.
- No. 67.— - D^o - Dublin on London; 16th May 1810 - - - - - p. 212.
- No. 68.— - D^o - between Belfast and London, and between Belfast and Dublin; from January 1804 to January 1810 - - - - - ibid.
- No. 69.—Money issued by the Paymasters General to certain persons for the purchase of Dollars - - - - - p. 217.
- No. 70.—Bills of Exchange drawn on the Treasury, for Expences Abroad, accepted by order payable at the Bank of England, and which became due in each year since 5th January 1804; distinguishing the Sums, the Places, and the Services:—Also, Bills of Exchange, drawn as above, &c. other than those accepted by order; distinguishing, &c. - - - - - p. 219.
- No. 71.—Annual average Price of Wheat, in Scotland, also in England, and Wales, from 1770 to 1809 - - - - - p. 227.
- No. 72.—Annual average Prices of Wheat in Ireland, from 1784 to 1809 - - - - - ibid.
- No. 73.—Balance of Trade in favour of, or against Great Britain, in her Commerce with all parts of the World, during the last five years - - - - - p. 228.
- No. 74.—Official Value of the Exports from Great Britain to the Continent of Europe, to the West Indies, to America, to Africa, and to Asia respectively, during the last five years - p. 229.
- No. 75.—Official and Real Value of the Exports from Great Britain to the Continent of Europe, in each of the last five years - - - - - ibid.
- No. 76.—Official and Real Value of the Imports into Great Britain, from the Continent of Europe, in each of the last five years - - - - - ibid.
- No. 77.—Quantity of Grain, Meal, and Flour imported from the Continent of Europe into England; from September 1809 to April 1810 - - - - - p. 230.
- No. 78.—Value of Imports and Exports of Ireland, for five years, to January 1810 - - - - - ibid.
- No. 79.—Monies sent from this Country by the Paymasters General of the Forces, for Army Services and Foreign Succours, from the commencement of the present War to 1st February 1810; distinguishing the Coin, when and where sent, &c. - - - - - p. 231.

COMMITTEE on the High Price of GOLD BULLION.

Appendix, Nos. 1, 2, & 3.

RETURN to several Orders of the Committee on the High Price of Gold Bullion, dated the 20th and 26th February 1810—for

1st. An ACCOUNT of the Quantity of Gold and Silver exported as Merchandize, or otherwise, from the different Ports of Great Britain to Foreign Ports in each of the last ten years, to the 1st of February 1810, distinguishing Gold and Silver; distinguishing Bullion, Wrought Plate, and Coin; and distinguishing the Ports and Places from and to which the said Exportations were made (so far as the same can be ascertained at the Custom House.)

2nd. An ACCOUNT of the Export of Gold and Silver from Great Britain to Ireland, from the Year 1803 to the 5th of January 1810, distinguishing Gold and Silver, and distinguishing Bullion Wrought Plate and Coin.

3rd. An ACCOUNT of the Quantity of Bullion or Coin which has been seized in the two years ending the 1st February 1810, under the authority of the Statutes which regulate the Exportation of Bullion and Coin.

No. 1.—ACCOUNT of GOLD and SILVER COIN and BULLION, and

GOLD COIN AND BULLION.

PORTS from whence exported.	Years ending the 1st February.									
	1801.	1802.	1803.	1804.	1805.	1806.	1807.	1808.	1809.	1810.
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Dover			1,601 16	2,001 17						
Falmouth									619 0	14,050 0
Harwich		3,022 6	17,323 16			9,297 0		1,000 0		10,426 0
Liverpool										
London	10,842 10	75,755 0	4,496 3	1,051 14		7,170 0	751 0	2,549 0	5,182 13	44,612 7
Plymouth										86 0
Portsmouth	6,000 0	700 0	251 0			540 0	2,268 0	9,459 0	8,915 0	250 0
Yarmouth	11,270 0	23,900 0								
TOTAL	28,112 10	103,377 6	23,673 15	3,053 11		17,007 0	3,019 0	13,008 0	14,716 13	69,964 7
COUNTRIES to which exported.										
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Heligoland										
Sweden								1,000 0		2,000 0
Prussia						2,920 0				
Germany	22,112 10	54,718 16	665 9			12,777 0				9,050 19
Holland		1,978 10	16,732 7							14,157 16
Walcheren										4,374 8
France			1,601 16	2,001 17						190 0
Portugal & Azores		500 0							5,997 14	561 11
Spain									1,983 0	
Canaries										1,161 0
Gibraltar						240 0	2,268 0	9,459 0	3,777 0	
Malta						300 0				
British West Indies	6,000 0	200 0	2,567 7							557 0
Foreign West Indies										155 0
Spanish America										1,412 0
Brazils										21,171 6
East Indies & China		45,980 0	1,846 16	530 14						5 19
Africa			160 0	521 0		770 0	751 0	2,549 0	1,235 0	6,167 0
TOTAL	28,112 10	103,377 6	23,673 15	3,053 11		17,007 0	3,019 0	13,008 0	14,716 13	69,964 7

WROUGHT PLATE, exported from Great Britain to Foreign Countries.

SILVER COIN AND BULLION.

PORTS from whence exported.	Years ending the 1st February.									
	1801.	1802.	1803.	1804.	1805.	1806.	1807.	1808.	1809.	1810.
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Cores										27,000 0
Del	34,203 0									
Dover									50 0	
Falmouth										
Harwich										547,579 0
Hull										934 0
Liverpool										114,000 0
London	19,632 87 0	483,694 0	3,107,817 0	5,725,039 0	4,570,496 1	5,610,161 0	1,505,607 13	443,474 9	1,804,411 15	1,206,252 7
Plymouth										
Portsmouth	72,000 0 & 134 Bars.	1,586,262 0	82,710 0	676,000 0	29,800 0	2,340,800 0	1,553,487 0	61,865 0	1,544,849 0	1,095,795 0
Whitehaven										10,800 0
Glasgow, Greenock & Leith	935									4,950 0
TOTAL	207,042 5 & 134 Bars.	2,123,884 0	3,793,156 0	6,434,039 0	4,600,296 11	7,951,261 9	3,063,094 13	506,273 5	3,370,783 3	3,190,742 7
COUNTRIES to which exported.										
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Heligoland										
Sweden										1,000 0
Prussia										
Germany										1,000 0
Holland										86 10
Walcheren										102,270 0
France										73,583 0
Portugal & Azores										59,345 16
Mizira										
Spain										950,831 0
Canaries										1,392,869 0
Gibraltar										360,390 10
Malta										269,072 10
British West Indies										516,103 0
Foreign West Indies										13,075 0
Spanish America										5,000 0
Brazils										14,464 0
East Indies & China										88,828 0
Africa										17,000 0
United States of America	35,942 0		55,000 0							200,000 0
British North American Colonies										12,990 0
British West Indies										10,000 0
Foreign West Indies										1,423 0
Spanish America										43,250 0
Brazils										5,369 8
East Indies & China										18,764 0
Africa										137,420 0
United States of America										420,186 0
British North American Colonies										226,297 1
British West Indies										850 0
Foreign West Indies										15,200 0
Spanish America										44,288 7
Brazils										
East Indies & China										
Africa										
TOTAL	207,042 5 & 134 Bars.	2,123,884 0	3,793,156 0	6,434,039 0	4,600,296 11	7,951,261 9	3,063,094 13	506,273 5	3,370,783 3	3,190,742 7

No. 1.—continued.—ACCOUNT of GOLD and SILVER COIN and BULLION,

WROUGHT GOLD PLATE.

PORTS from whence exported.	Years ending the 1st February,									
	1801.	1802.	1803.	1804.	1805.	1806.	1807.	1808.	1809.	1810.
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Liverpool										4 12
London	16 8	58 4	11 10	5 11	10 2	14 7	36 12	14 4	2 0	33 7
Southampton	5 0			14 0	11 10	10 02	11 9.	3 10	6 0	46 11
TOTAL	21 8	58 4	11 10	19 11	21 12	24 73	48 0	17 14	8 0	84 18
COUNTRIES to which exported.										
Russia		10 10		3 10			15 0			
Germany		7 15								
Holland		8 0								
Portugal & Azores										
Gibraltar			2 0		2 5		7 0			
Turkey		8 11								
Isles, Guernsey & Jersey	5 0			14 0	15 0	10 02	11 9.	3 10	8 0	46 11
United States of America	0 6		1 5							12 11
British North American Colonies	1 14	1 6	1 8	2 1	2 0			0 9		1 11
British West Indies	14 8	20 2	1 15		2 7	14 7	12 15	13 15		7 9
Foreign West Indies										8 11
East Indies and China		2 0	5 2							
Africa							1 16			
TOTAL	21 8	58 4	11 10	19 11	21 12	24 73	48 0	17 14	8 0	84 18

and WROUGHT PLATE, exported from Great Britain to Foreign Countries.

WROUGHT SILVER PLATE.

PORTS from whence exported.	Years ending the 1st February,									
	1801.	1802.	1803.	1804.	1805.	1806.	1807.	1808.	1809.	1810.
	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.	Oz. dwts.
Bristol	501 10	213 11						245 15	120 0	545 15
Harwich										418 3
Liverpool	1717 0	4598 0	3897 0	610 0	1910 0	937 0	1403 0	2141 0	3298 0	2686 0
London	83,182 13	86,588 18	74,769 19	66,951 2	91,372 5	89,454 14	76,756 11	69,240 15	66,646 4	74,293 4
Portsmouth	420 0	378 0	1,486 0			4,305 0		4,106 0	480 0	677 0
Southampton	5,800 11	3,739 0	5,287 10	5,917 3	4,067 1	3,749 17	5,910 4	5,526 6	5,351 0	6,548 10
Yarmouth			583 0							
Glasgow, Greenock & Leith	258 0	559 0	157 0	32 0	40 0	38 0	802 0	237 0	445 0	1,609 0
TOTAL	91,879 14	96,076 9	86,180 9	73,510 5	97,389 6	98,730 6	84,991 15	81,796 16	76,220 4	86,285 17
COUNTRIES to which exported.										
Holland									444 0	352 0
Denmark	733 0	221 16		684 0	8,382 9	3,260 0	1,070 0	893 0		
Russia	6,016 0	9,754 5	9,765 2	11,379 4	16,698 10	17,811 0	12,979 0	6,260 0		507 0
Sweden	138 0				1,884 0				2,660 0	257 0
Poland	147 10	142 0		417 9						
Prussia		283 5	164 0	120 0	250 0	2,487 0		311 0		
Germany	9,488 1	2,029 17	4,746 5	1,018 10	700 0	784 0	485 0			
Holland	206 0	896 0	4,454 0	82 0	684 0					180 0
Flanders			410 0							
France			300 0	2,022 16						
Portugal & Azores	2,133 5	1,347 19	2,084 9	1,397 0	388 0	2,455 4	4,588 0	868 5	1,401 0	172 0
Madeira	429 0	1,639 8	2,294 15	699 10		173 0	1,083 0	942 0	2,792 15	5,011 12
Spain			1,018 0	1,067 0	243 0		40 0	290 0	4,570 0	35 0
Canaries			98 0		205 0					435 0
Gibraltar	2,057 16	2,195 12	4,183 17	3,685 15	6,011 0	2,862 1	4,309 13	5,108 3	992 2	16,605 14
Sicily	1,583 18		799 0	201 0		8 0	130 0	511 4		570 0
Malta				74 0	130 0		719 13	285 0	2,360 7	1,148 6
Turkey	240 10	246 10	141 18	79 0	104 0	7,010 0	1,174 0			
Isles Guernsey, Jersey & Man	6,248 11	3,952 0	5,789 10	6,025 3	4,801 1	3,749 17	6,130 4	6,296 6	6,373 0	6,548 10
United States of America	17,447 17	23,521 0	14,795 0	13,988 1	15,769 5	10,706 5	10,695 0	8,879 17	999 0	3,598 10
British North American Colonies	1,930 0	3,525 5	1,442 7	1,435 18	1,415 13	895 10	482 1	2,007 15	1,101 18	5,168 16
British West Indies	29,738 15	34,095 2	20,618 6	16,333 18	23,960 1	25,364 5	28,574 8	29,849 13	31,180 11	35,951 15
Foreign West Indies			801 10		484 4	260 0			1,244 0	2,626 0
Spanish America							722 0	250 0	264 0	
Brazil									4,887 4	5,321 0
East Indies & China	13,096 11	13,450 16	10,218 10	12,809	14,705 12	21,288 6	8,078 5	16,509 10	9,756 9	8,756 14
Africa	245 0	978 0	2,056 0		544 0	415 10	3,731 11	2,735 0	5,194 10	2,981 0
TOTAL	91,879 14	96,076 9	86,180 9	73,510 5	97,389 6	98,730 6	84,991 15	81,796 16	76,220 4	86,285 17

No. 2.

ACCOUNT of GOLD and SILVER COIN and BULLION and WROUGHT PLATE, Exported from Great Britain to Ireland.

	Coin and Bullion.		Wrought Plate.	
	GOLD.	SILVER.	GOLD.	SILVER.
	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.
Year ending 5th January 1804	-	631 0	8 0	14,267 7
1805	-	22,747 0	-	14,329 5
1806	15 0	23,636 0	-	23,030 19
1807	-	-	-	10,637 16
1808	-	132,996 0	-	10,103 11
1809	-	7,680 0	-	10,151 0
1810	-	-	-	20,412 9

No. 3.

ACCOUNT of BULLION or COIN which has been seized under the Authority of the Statutes which regulate the Exportation thereof.

	British Coin.		Foreign Coin and Bullion.	
	GOLD.	SILVER.	GOLD.	SILVER.
	Value. £. s. d.	Value. £. s. d.	Oz. dwts.	Oz. dwts.
Year ending 1st February 1809	81 4 0	44 19 0	-	-
1810	11,963 14 0	-	1,224 14 { and 54 1/2 doubloons.	8,856 0

Custom-House, London, }
3d March 1810.

William Irving,
Inspector Gen^l of Imports and Exports.

No. 4.

AN ACCOUNT of the Quantity of COIN or BULLION imported in His Majesty's Packets, for Four Years, ended 5th January 1810; distinguishing Coin from Bullion, Gold from Silver, and the place from whence the said Importations were respectively made; as well as the same can be made out.

Years ended 5th of January,	1807.	1808.	1809.	1810.
From Jamaica, and Leeward Islands	£. s. d. 23,447 8 4	£. s. d. 35,810 5 0	£. s. d. 68,363 0 2	£. s. d. 541,084 10 1
Lisbon	130,646 6 2	46,581 6 0	996 0 0	66,399 16 0
The Brazils	-	-	-	29,050 Dollars, 691 Joes, and a box of Gold, valued at £. 8,648. 7
Mediterranean	-	-	-	808 18 0
Cuxhaven	Oz. 139,584 Silver Bullion.	Oz. 3,100 0 0	-	-
Tonningen	-	Oz. 535,754 Silver Bullion.	-	-
Hafum	Oz. 2,214,452 Bullion.	Oz. 657,452 Bullion.	-	-

* The Gold and Silver Coin and Bullion cannot be distinguished, as a separate Account of each has never been kept either by the Agents or Captains.

Examined per
Tho^s Church, Dep^y Acc^t General.
March 17th, 1810.

No. 5.

Victualling Office, 12th April 1810.

AN ACCOUNT of the Quantity of COIN imported by this Department, during the present War.

Time.	Place.	By what Ship.	On whose Account.	Spanish Silver Coin.
1810: 9th January	Walcheren	{ His Majesty's Ship Caesar, Captain Richardson - - }	Government	Ounces, dwts. 24,991. 10

J. C. Searle. G. P. Towry. Nich^s Brown. Tho^s Welsh. J. Aubin.

N. B.—A part of this Coin was the residue of a sum sent by this Board to the Agent Victualler at Walcheren, and returned by him; and a part was for account of the Commissioners of the Navy, and the Value repaid to that Board.

No. 6.

AN ACCOUNT of the Amount of Monthly Sales of GOLD and SILVER, by Private Dealers, in the Bullion Office of the Bank of England; from the 1st January 1809 to the 1st April 1810; distinguishing Gold from Silver, and Bars from Coin.

	Silver Coin.	Gold Coin.	Bar Gold.	Bar Silver.	TOTAL.
1809:	£.	£.	£.	£.	£.
January	130,380	35,443	-	5,210	171,133
February	108,200	58,286	-	2,520	169,006
March	92,750	15,495	-	1,190	109,435
April	135,130	44,749	-	-	179,879
May	108,730	110,461	-	160	219,351
June	103,050	41,064	2,647	3,610	150,371
July	191,200	28,257	-	607	220,064
August	224,030	60,725	-	17,205	301,960
September	86,104	27,228	15,502	875	129,709
October	206,870	68,545	4,270	3,885	283,570
November	76,310	64,760	12,565	1,145	154,780
December	187,480	20,332	12,326	24,220	244,358
1810:					
January	187,000	36,645	6,302	606	230,553
February	141,130	36,107	-	-	177,237
March	126,180	34,970	7,255	4,918	173,323
	£. 2,104,544	683,067	60,867	66,251	2,914,729

Note.—This Account of the Sales of Gold and Silver, comprehends Bullion brought to the Bank by private persons, as well as that brought by men of war, and Post-Office packets, as per Account herewith delivered.

J. Humble.

Bullion Office, Bank,
2d May 1810.

No. 7.

AN ACCOUNT of the Amount of GOLD which has been delivered out from the Bullion Office of the Bank of England, as Sales and Purchases by Private Dealers; from the 1st January 1809 to the 18th April 1810:—Distinguishing Bar Gold from Foreign Coin; and specifying how much Bar Gold has been delivered out as for Exportation.

	£.	s.	d.
In Foreign Gold Coin	702,991	13	7
Bar Gold	592	8	11
Bar Gold, for Exportation	101,984	6	9
	£. 805,568	9	3

Note.—The above is the amount of Gold which has passed the Bullion Office in the time above named, as Sales and Purchases by private Dealers; but which may have passed more than once, the Bullion Office having no information generally from whence the seller procures his Gold.

J. Humble.
Bullion Office, Bank,
2d May 1810.

No. 8.

AN ACCOUNT of the Amount of GOLD and SILVER deposited in the Bullion Office of the Bank of England, as having been imported from Abroad; from the 1st January 1809 to the 30th March 1810.

	Silver.		Gold.		TOTAL.
	£.	l.	£.	l.	
Per Men of War	1,369,971		176,958		1,546,929
Per Post-Office Packets	601,071		343,267		944,338
		£.		£.	2,491,267

J. Humble.
Bullion Office, Bank,
2d May 1810.

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No. 9.

AN ACCOUNT of the Quantity of GOLD and SILVER Exported by The EAST INDIA COMPANY to CHINA and the EAST INDIES, whether on Account of the COMPANY or of PRIVATE PERSONS; from the year 1788 to the latest Period to which the same can be made up:—Distinguishing the Export to CHINA, and BULLION from COIN.

Year	EXPORT by the EAST INDIA COMPANY.				EXPORT by PRIVATE PERSONS.				
	Foreign Gold Coin to India.	Foreign Silver Coin to India.	Bullion to India.	Foreign Silver Coin to China.	Foreign Gold Coin to India.	Foreign Silver Coin to India.	Bullion to India.	Foreign Silver Coin to China.	Total Exported Acc. of private Persons.
1788	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.	oz. dwts.
1789	1,594 16	76,736 0	0	2,417,184 0	11,361 0	19,106 10	0	2,997 13	19,106 10
1790	530 13	76,736 0	0	1,820,735 0	901,966 0	2,997 13	0	51,175 0	251,339 13
1791	2,080 0	266,016 0	0	2,804,352 0	977,989 5	9,307 10	0	1,408,376 15	93,071 0
1792	1,584 16	2,078,848 0	0	1,464,960 0	757,206 0	9,866 0	0	8,559 02	1,408,376 15
1793	1,584 16	592,900 0	0	41,856 0	278,559 0	1,200 0	0	2,797 59	8,559 02
1794	1,584 16	41,856 0	0	0	116,585 0	1,200 0	0	14,110 0	2,797 59
1795	1,584 16	0	0	0	147,601 0	0	0	4,191 0	14,110 0
1796	1,584 16	76,736 0	0	146,495 0	111,660 0	0	0	32,681 0	4,191 0
1797	1,584 16	85,645 0	0	756,866 0	110,932 0	0	0	38,116 0	32,681 0
1798	1,584 16	2,818,304 0	0	1,658,866 0	753,270 0	0	0	526,860 0	38,116 0
1799	1,584 16	353,440 0	0	84,766 4	1,988,595 0	0	0	82,447 11	526,860 0
1800	1,584 16	1,995,749 5	0	93,778 4	323,531 6	0	0	82,447 11	82,447 11
1801	1,584 16	1,503,356 10	0	1,992,749 5	323,531 6	0	0	93,972 16	82,447 11
1802	1,584 16	1,503,356 10	0	1,605,738 2	886,428 16	0	0	44,579 2	93,972 16
1803	1,584 16	2,441,011 0	0	6,175,683 15	1,353,376 6	0	0	175,968 7	44,579 2
1804	1,584 16	609,174 0	0	609,174 0	1,424,347 3	0	0	371,810 0	175,968 7
1805	1,584 16	5,883,066 7	0	749,797 10	1,046,321 0	0	0	1,900,238 0	371,810 0
1806	1,584 16	1,582,614 0	0	735,968 0	679,449 0	0	0	182,114 4	1,900,238 0
1807	1,584 16	0	0	727,866 0	46,923 10	0	0	13,993 2	182,114 4
1808	1,584 16	0	0	0	30,821 12	0	0	25,677 0	13,993 2
1809	1,584 16	0	0	0	0	0	0	0	25,677 0
	4,205 9	20,805,910 2	0	17,661,685 10	12,010,573 2	0	0	57,737 11 4	15,227,775 6
	4,205 9	20,805,910 2	0	17,661,685 10	12,010,573 2	0	0	57,737 11 4	15,227,775 6

Memorandum:
In December 1805 and January 1804 there were shipped in America \$86,249 Dollars, on account of the Company to Bengal;
In the year 1808, the Company exported 299,943 oz. 19 dwts. of Bullion to India, on account of the Navy Board, for the purchase of Hemp:—number of which amounts are included in the above Account.

(Errors excepted.)
Chas. Cantwright, Accountant General.

East India House,
the 2d March 1810.

No. 10.

AN ACCOUNT of the Annual Exports and Imports of GOLD and SILVER COIN, or BULLION, between China and the several Settlements of the United East India Company in the East Indies, from the year 1763 to the latest period to which the same can be made up; distinguishing the several Settlements, and Gold from Silver.

IMPORTED into CHINA.

Season.	Where from.	Bullion.		Silver Coins.			
		Gold.	Silver.	Dollars.	Rupees.	Number.	oz.
1763.	Madras - - -	oz.	oz.	Number.	oz.	Number.	oz.
	Manilla - - -	- - -	3	6,924	- - -	932,760	- - -
1764.	Bombay - - -	- - -	- - -	- - -	7,868	199,258	- - -
	Sooloo - - -	- - -	- - -	- - -	- - -	64,000	- - -
	Tellicherry - - -	- - -	- - -	- - -	- - -	32,323	- - -
	Bengal - - -	- - -	69,550	- - -	- - -	322,280	- - -
	Madras - - -	3,882	- - -	40,516	- - -	- - -	- - -
1765.	Bengal - - -	- - -	59,707	- - -	250,857	97,569	10,695
	Sooloo - - -	- - -	- - -	- - -	- - -	56,000	- - -
	Manilla - - -	- - -	- - -	16,000	- - -	- - -	- - -
	Bencoolen - - -	- - -	- - -	20,169	156,761	113,926	300,411
	Madras - - -	- - -	- - -	- - -	- - -	- - -	- - -
1766.	Bengal - - -	- - -	- - -	- - -	197,978	31,737	- - -
	Madras - - -	- - -	- - -	314,759	118,193	1,430,412	- - -
	Bombay - - -	- - -	- - -	- - -	52,298	413,177	- - -
	- - -	- - -	- - -	314,759	368,460	1,877,326	- - -
1767.	The Canton general books for this year are mislaid.	- - -	- - -	- - -	- - -	- - -	- - -
1768.	Madras - - -	- - -	7,110	124,982	3,936	136,395	53,784
	Bombay - - -	- - -	- - -	- - -	- - -	1,090,400	- - -
1769.	None.	- - -	- - -	- - -	- - -	- - -	- - -
	- - -	- - -	- - -	- - -	- - -	- - -	- - -
1770.	Bombay - - -	- - -	- - -	- - -	- - -	271,032	- - -
	Madras - - -	- - -	- - -	- - -	19,833	18,267	- - -
1771.	None.	- - -	- - -	- - -	- - -	- - -	- - -
	- - -	- - -	- - -	- - -	- - -	- - -	- - -
1772.	Madras - - -	- - -	- - -	- - -	- - -	225,474	- - -
1773.	Bombay - - -	- - -	- - -	- - -	- - -	160,000	- - -
	Bencoolen - - -	- - -	- - -	27,997	- - -	- - -	- - -
	Madras - - -	- - -	- - -	17,119	- - -	- - -	- - -
- - -	- - -	- - -	45,116	- - -	- - -	160,000	- - -

No. 10.—Annual Exports and Imports of GOLD, &c.—continued.

Season.	Where from.	Bullion.		Silver Coins.			
		Gold.	Silver.	Dollars.	Rupees.	Number.	oz.
1774.	None.	oz.	oz.	Number.	oz.	Number.	oz.
1775.		- - -	- - -	- - -	- - -	- - -	- - -
1776.	Bombay - - -	- - -	- - -	- - -	- - -	291,686	- - -
	Bengal - - -	- - -	- - -	- - -	- - -	966,666	- - -
	Bencoolen - - -	- - -	- - -	- - -	- - -	28,485	- - -
- - -	- - -	- - -	- - -	- - -	- - -	1,286,837	- - -
1777.	Madras - - -	- - -	- - -	208,870	- - -	70,800	- - -
1778.	Madras - - -	- - -	- - -	122,000	- - -	- - -	- - -
	- - -	- - -	- - -	- - -	- - -	- - -	- - -
1779.	Bengal - - -	- - -	- - -	- - -	- - -	976,056	- - -
1780.	None.	- - -	- - -	- - -	- - -	- - -	- - -
1781.		- - -	- - -	- - -	- - -	- - -	- - -
1782.		- - -	- - -	- - -	- - -	- - -	- - -
1783.		- - -	- - -	- - -	- - -	- - -	- - -
1784.		- - -	- - -	- - -	- - -	- - -	- - -
1785.		- - -	- - -	- - -	- - -	- - -	- - -
1786.		- - -	- - -	- - -	- - -	- - -	- - -
1787.		- - -	- - -	- - -	- - -	- - -	- - -
1788.	Bencoolen - - -	- - -	- - -	5,253	- - -	- - -	- - -
	P. W. Island - - -	- - -	- - -	135,000	- - -	- - -	- - -
1789.	None.	- - -	- - -	- - -	- - -	- - -	- - -
	- - -	- - -	- - -	- - -	- - -	- - -	- - -
1790.	None.	- - -	- - -	- - -	- - -	- - -	- - -
1791.		Bombay - - -	- - -	- - -	209,280	- - -	- - -
1792.		- - -	- - -	- - -	- - -	- - -	- - -
1793.		- - -	- - -	- - -	- - -	- - -	- - -
1794.		- - -	- - -	- - -	- - -	- - -	- - -
1795.		- - -	- - -	- - -	- - -	- - -	- - -
1796.		- - -	- - -	- - -	- - -	- - -	- - -
1797.		- - -	- - -	- - -	- - -	- - -	- - -
1798.		- - -	- - -	- - -	- - -	- - -	- - -
1799.		- - -	- - -	- - -	- - -	- - -	- - -
1800.		- - -	- - -	- - -	- - -	- - -	- - -
1801.		- - -	- - -	- - -	- - -	- - -	- - -
1802.		- - -	- - -	- - -	- - -	- - -	- - -
1803.		- - -	- - -	- - -	- - -	- - -	- - -
1804.	- - -	- - -	- - -	- - -	- - -	- - -	
1805.	- - -	- - -	- - -	- - -	- - -	- - -	
1806.	- - -	- - -	- - -	- - -	- - -	- - -	
1807.	- - -	- - -	- - -	- - -	- - -	- - -	
1808.	- - -	- - -	- - -	- - -	- - -	- - -	

EXPORTED from CHINA.

Season.	Where to.	Bullion.	Dollars.	Rupees.
1801.	Bengal - - -	- - -	500,000	- - -
	Molucca - - -	- - -	36,636	15,000
1807.	P. W. Island - - -	- - -	38,903	- - -
	Bengal - - -	to the value of Tales } 162,336	3,165,000	- - -
1808.	- - -	162,336	3,203,903	- - -
	Bengal - - -	- - -	1,870,000	- - -

166 APPENDIX to The Minutes of Evidence taken before the

Memorandum.—The preceding Account comprehends the Imports into and Exports from Canton only on the account of the East India Company, as there are no records received from China, by which the transactions of Individuals can be ascertained. But as the Reports of the Reporters of External Commerce at Bengal, Fort Saint George, and Bombay, state the Imports into and Exports from those places respectively to and from China, on account of Individuals, the particulars are stated as follow, so far as the Reports of those Officers have been received at this House.

BENGAL.	IMPORTED from CHINA.			EXPORTED to CHINA.	
	Dollars.	GOLD. Value in S ^r R ^s .	SILVER. Value in S ^r R ^s .		
From 1st June 1795 } to 31st May 1796 }	31,000	—	—	—	—
1796-7	16,000	30,978	—	—	—
1797-8	37,936	93,145	7,791	—	—
1798-9	8,000	278,696	—	—	—
1799-1800	180,363	138,800	8,246	—	—
1800-1	13,600	376,698	2,000	Treasure not distinguished: val. S ^r R ^s 7,872	—
1801-2	290,443	367,492	34,965	Do	42,000
1802-3	424,446	377,309	101,000	—	—
1803-4	582,249	417,986	840	—	—
1804-5	1,650,912	495,778	69,047	—	—
1805-6	776,236	188,872	—	—	—
1806-7	949,090	110,165	61,753	—	—

FORT ST. GEORGE.	IMPORTED from CHINA.					Exported to China.	
	Dollars.	Rupees. No.	Bullion. Value in S ^r R ^s .	Gold Bullion. Value S ^r R ^s .	Gold Mohurs. No.	Dollars. No.	Rupees. No.
From 1st January to } 31st December 1802 }	46,164	176	612	1078,382	433,004	8,899	4,244
- D ^o - - 1803	—	—	—	1,391	—	4,000	—
- D ^o - - 1804	44,327	—	—	3,250	—	—	—
- D ^o - - 1805	140,000	—	—	4,118	—	6,532	—
- D ^o - - 1806	114,480	435	—	143,000	—	—	—

BOMBAY.	IMPORTED from CHINA.				Exported to China.	
From 1st May 1801 } to 30th April 1802 }	—	—	—	value R ^s 505,032	value R ^s 20,937	—
1802-3	—	—	—	603,954	—	9,000
1803-4	—	—	—	109,626	—	—
1804-5	—	—	—	4,160,600	—	—
1805-6	—	—	—	6006,113	—	—

In Account, the Tale is taken at 6s. 8d. and the Rupee at 2s. 6d.

East India House, }
the 14th March 1810. }
(Errors excepted.)
Chas Cartwright, Accountant General.

COMMITTEE on The High Price of GOLD BULLION. 167

No. 11.

BULLION imported into the Company's several Presidencies in INDIA, in the following Years:—Extracted from The Reports of External Commerce, which exclude the Company's own Imports.

Year	Unit	Value	Year	Unit	Value
1802-3	Sicca Rupees	2,52,59,805	1805-6	Sicca Rupees	3,38,66,483
1803-4	-	2,13,23,047	1806-7	-	3,11,94,786
1804-5	-	2,91,79,089	1807-8	-	2,67,59,192

Note.—The Accounts from Madras are not complete for the Year 1807-8, owing to some of the Returns not having been received.
The Reports of External Commerce for all India, only commence with the Year 1802-3.

COST of BULLION exported by the Company to INDIA and CHINA, in the following Years:

Year	INDIA.	CHINA.
1800-1	£ 599,056	£ —
1801-2	435,766	—
1802-3	1,138,313	568,806
1803-4	599,815	188,082
1804-5	1,743,473	201,500
1805-6	499,503	200,505
1806-7	None Exported.	—
1807-8	279,317	—
1808-9	None Exported.	—
1809-10	None Exported.	—

No. 12.

Comparative VALUE of GOLD and SILVER at the several Presidencies in INDIA, and at CHINA.

BENGAL	According to the Standard of the Bengal Coin, the Gold Mohur contains of pure Gold, troy grains 189,402; which compared with the standard English Guinea, or 21 shillings, the value of the Gold Mohur is	£ s. d. 1 13 6 2/3	* That is, the Mint price of £. s. d. 17s. 10d. per oz. for standard Gold of 22 carats fine; and 5s. 2d. per oz. for standard Silver of 22s dwts. fine.
	The Sicca Rupee contains of pure Silver, troy grains 175,927; which compared with the standard Shilling, the value is	0 2 0 5/6	
	And at the average price of Dollars	0 2 2 9/37	
	The proportion between the Mohur and the Sicca is 14,861 of Silver to 1 of Gold.		
MADRAS	According to the standard for the Madras Coin, the Star Pagoda contains of pure Gold, troy grains 42, which compared as above, the value is	0 7 5 2/3	
	The Arcot Rupee contains of pure Silver, troy grains 166,477, and compared as above, the value is	0 1 11 2/7	
	And at the average price of Dollars	0 2 1 4/9	
	The proportion between the Star Pagoda and the Arcot Rupee is 13,872 of Silver to 1 of Gold.		
BOMBAY	According to the standard for the Bombay Coin, the Gold Rupee contains of pure Gold, troy grains 164,74; which compared as above, the value is	1 9 1 2/3	
	The Silver Rupee contains of fine Silver, troy grains 164,74, and compared as above, the value is	0 1 11 6/7	
	And at the average price of Dollars	0 2 1 2/4	
	The proportion between the Gold and Silver Rupees is 15 of Silver to 1 of Gold.		
CHINA	In the China Diaries of 1805-6 and 1806-7, the price of Gold is stated at 16 taels of silver for 1 tael of Gold of 100 fouch, or pure Gold; if the 16 taels of silver is so much of fycee, or pure silver, then the proportion is 16 of silver to 1 of Gold; but as it appears that in the years 1805-6 and 1806-7, some Gold was imported from China into Bengal and Fort St. George, where the proportions are only near 15 to 1 at the former, and near 14 to 1 at the latter place, it would seem that 16 tael weight of fycee silver, or 16 to 1, was not intended as the price of Gold in the China market. If it should be considered that 1 tael weight, or 4,208 oz. troy of pure Gold, fold for the equivalent of 16 taels in new dollars of the average weight of 1,000 dollars to 866 oz. and of the average fineness of 7 1/2 dwts. worse than English standard; in this case the proportion is 14,237 of silver to 1 of Gold. But if the tael weight of Gold is now considered in the proportion of 100 new dollars to 72 taels, as it formerly was, at 100 old dollars to 72 taels, the weight of the tael will now be 1,203 oz. troy, and the proportion will be 14,296 of silver to 1 of Gold.		oz. dwts. 22. 222.

Gold

168 APPENDIX to The Minutes of Evidence taken before the

Gold coined in the Calcutta Mint, in Eight Years, from 1799-1800 to 1806-7:	Sicca Rupees.
Value - - - - -	144,47,108
Silver - - - - - Ditto - - - - -	Value - - - - -
	584,70,809
Total - - - - -	729,17,917
Average per Annum - - - - - S ^r R ^s	91,14,739
Gold coined in the Madras Mint, in Seven Years, from 1800-1801 to 1806-7:	Value - Arcot R ^s
	86,84,143
Silver - - - - - Ditto - - - - -	Value - - - - -
	359,63,298
Total - - - - -	446,47,441
Average per Annum - - - - - Arcot R ^s	63,78,206
or - - - - - Sicca R ^s	60,27,425
Total Average per Annum of Gold and Silver } Value - Sicca R ^s	151,42,164
coined in the Mints at Calcutta and Madras }	
Or nearly £. 2,000,000 per Annum.	
In the five Years from 1802-3 to 1806-7, according to the Return of the Calcutta Mint, 1 Sicca Rupee coined from dollars, sent from Europe, cost the Company, exclusive of charges:	s. d. decs.
Charges in England, Shipping $\frac{1}{2}$ per cent. - - - - -	1 39
Interest, 12 months, at 5 per cent. - - - - -	1 40
Risk $\frac{1}{2}$ per cent. - - - - -	4 20
	1 960
Expense of coinage to the Company in the Calcutta Mint, on the average of the above five years - - - - -	9 81
Total cost and expense of one Sicca Rupee - - - - -	2 6 837

Memorandum.—The value of the Gold coins of the Indian Mints is not calculated at the average price of Gold in the London market, because such average is not yet ascertained. The present price of standard Gold is £. 4. 6. per ounce. Only one instance of the value of Gold and Silver in China, in the year 1730, is given above, because there has not been time to complete the investigation for other years, which has only been begun this morning. The coinage of the Bombay Mint is not at present ascertained, but it is supposed to bear a very small proportion to the coinages of the Bengal and Madras Mints. The coinages of the subordinate and country Mints are not known.

No. 13.

AVERAGE PRICE paid by the Company for NEW DOLLARS, from 1791.

Year	Per Oz.	Year	Per Oz.
	s. d.		s. d.
1791	5 1 $\frac{1}{2}$	1802-3	5 5 $\frac{1}{2}$
1792 to 1796 } None purchased.		1803-4	5 6
1797	5 1	1804-5	5 3 $\frac{1}{2}$
1798	5 1 $\frac{1}{2}$	1805-6	5 5 $\frac{1}{2}$
1799	5 3 $\frac{1}{2}$	1806-7	5 5
1800-1	5 7 $\frac{1}{2}$	1807-8	5 4
1801-2	5 9	1808-9	5 5
		1809-10.—None purchased.	

No. 14.

ACCOUNT of the Amount in Ounces of Sales of SILVER PIECES of EIGHT and SILVER INGOTS made by the Governor and Company of the BANK of ENGLAND; from the 1st of January 1797, to the 1st of March 1810 inclusive.

Silver Pieces of Eight	Ounces.
	58,916,937.
Silver Ingots	
	12,954,291.

Bank of England, }
12th March 1810. } *Will^m Dawes, Ch. Acc^t.*

COMMITTEE on the High Price of GOLD BULLION. 169

No. 15.

AN ACCOUNT of the Annual Amount in Ounces of Sales of Silver Pieces of Eight and Silver Ingots, made by the Governor and Company of the Bank of England, from the 1st of March 1797, to the 1st of March 1810, inclusive.

	Pieces of Eight.	Ingots.
	oz. dwts.	oz. dwts.
From 1st March 1797, to 1st March 1798	2,235,905 0	—
1st March 1799	4,196,771 5	446 10
1st March 1800	7,409,814 13	2,686,697 7
1st March 1801	1,939,926 5	80,875 14
1st March 1802	2,812,751 4	—
1st March 1803	2,345,147 18	—
1st March 1804	4,096,133 15	1,606,813 5
1st March 1805	4,893,603 5	2,785,657 12
1st March 1806	10,263,310 3	24,688 7
1st March 1807	5,271,268 0	302,170 4
1st March 1808	1,257,917 15	166,540 5
1st March 1809	10,315,394 15	4,005,550 8
1st March 1810	1,748,793 2	1,204,851 8
	58,786,737 0	12,954,291 0
From 1st January to 28th February 1797	130,200 0	—
	58,916,937 0	—

N. B. This is added to correspond with an Account delivered of the gross Amount of Sales from 1st January 1797 to 1st March 1810.

Bank of England, }
16th March 1810. } *William Dawes, Ch. Acc^t.*

No. 16.

AN ACCOUNT of the Quantity of GOLD and SILVER stamped and marked at the Assay Office at Goldsmith's Hall, in the City of London, in each of the last Ten Years (ending on the 28th of May 1809, on which day the Working Year ends, and the marks are changed):— Distinguishing the several Standards of Gold.

In the YEAR ending on	Old Standard Gold.			New Standard Gold.			SILVER.		
	lbs.	oz.	dwts. grs.	lbs.	oz.	dwts. grs.	lbs.	oz.	dwts.
28th May 1800	601.	8.	15. 19.	729.	11.	9. 11.	102,599.	2.	16.
28th May 1801	487.	6.	1. 6.	904.	10.	19. 5.	101,029.	0.	15.
28th May 1802	542.	3.	17. 2.	994.	10.	11. 2.	103,726.	1.	15.
28th May 1803	596.	11.	10. 13.	1,015.	3.	18. 5.	119,139.	11.	16.
28th May 1804	491.	8.	13. 0.	733.	3.	11. 3.	96,624.	2.	1.
28th May 1805	582.	1.	6. 19.	923.	6.	3. 4.	114,751.	0.	9.
28th May 1806	520.	8.	11. 6.	1,153.	11.	19. 0.	117,336.	7.	15.
28th May 1807	537.	6.	14. 7.	1,508.	3.	10. 16.	122,450.	5.	1.
28th May 1808	551.	9.	19. 23.	1,811.	7.	0. 6.	125,834.	3.	0.
28th May 1809	579.	11.	11. 2.	1,677.	9.	6. 4.	126,961.	0.	10.
To the end of January 1810	411.	4.	12. 3.	1,258.	6.	17. 10.	91,859.	1.	15.

The Goldsmith's Company in London have not any means of ascertaining the quantities of Gold or Silver stamped and marked at any Assay Office in Great Britain, other than the Assay Office at Goldsmith's Hall.

Tho. Lane,
Clerk to the Goldsmith's Company,
23d February 1810.

No. 17.
AN ACCOUNT of the Quantity of GOLD and SILVER stamped and marked at the different Assay Offices in GREAT BRITAIN, in each of the last Ten Years; distinguishing the several Standards of Gold.

Year ended	TOWN.				COUNTRY.				SCOTLAND.					
	Net Weight Assayed.		Drawback.		Re-imported.		Weight remaining after deducting the Plate Re-imported from the Drawback, and again, the remainder of the Drawback from the Net Weight assayed.		Duty received by Assay Offices.		Net Weight.		Drawback on	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold and Silver.	
5th January 1801	5,221 15 17	864,942 0 0	77 12 14	141,220 5 0	2,766 0 0	5,144 3 3	726,487 15 0	4,780 19 3	23 14 9	30 18 10	38,024 15 23	30 7 1		
5th January 1802	4,605 4 6	888,456 11 16	19 13 15	115,917 6 16	2,143 15 0	4,585 10 15	774,783 0 0	5,066 19 6	57 0 6	14 14 16	37,426 0 22	25 8 0		
5th January 1803	5,118 5 7	941,028 3 8	66 16 23	126,783 10 0	3,104 0 0	5,951 8 8	817,348 13 8	5,437 9 8	75 11 2	19 17 23	45,333 4 6	5 19 5		
5th January 1804	5,420 15 15	999,919 16 16	10 1 1	99,295 0 0	4,659 8 8	5,410 14 14	905,284 5 0	6,371 13 7	162 4 0	25 15 23	48,950 15 10			
5th January 1805	4,854 9 19	856,010 6 16	21 0 12	114,829 11 16	2,229 11 16	4,513 9 6	743,410 6 16	4,469 10 0	49 0 3	20 6 7	46,778 7 2			
5th January 1806	5,382 6 21	1,005,056 0 10	9 1 23	122,082 6 16	1,651 4 0	5,173 4 21	884,625 7 8	6,674 15 8	40 9 9	26 1 21	51,637 0 0			
5th January 1807	5,349 10 5	1,026,317 0 0	43 10 0	120,613 2 16	3,200 16 0	5,306 5 0	908,904 13 8	7,205 14 7	39 2 9	23 19 16	58,208 0 0	62 3 10		
5th January 1808	6,018 1 3	1,083,643 1 8	20 18 0	134,507 13 8	2,787 17 8	5,997 3 2	954,923 5 8	7,228 19 1	20 5 6	38 16 1	58,166 16 21	9 4		
5th January 1809	6,150 2 17	1,101,562 8 0	18 1 23	90,335 6 16	8,938 12 0	6,132 0 17	1,020,165 13 8	7,419 11 11	12 17 6	39 1 6	57,859 11 8	11 6 3		
5th January 1810	6,345 10 5	1,179,527 18 16	53 13 0	70,763 4 0	2,624 4 0	6,291 17 4	1,111,388 18 16	8,573 6 4	12 2 6	37 15 20	69,212 4 12	22 1 3		

Note.—The Assay Offices in England for the Country do not give the total quantity of Gold and Silver assayed separately; it would be exceedingly difficult to extract the several Articles of each. The Amount of Gold is, however, very final. The product of the Duties on Gold and Silver conjointly is therefore given.

Comptroller's Office, Stamps; }
5th March 1810.

Ch. Steadman,
Depy Compt and Account Genl.

No. 18.

AN ACCOUNT of the Quantity of GOLD and SILVER WROUGHT PLATE assayed and marked at the Assay Office, DUBLIN; commencing 5th of January 1808, and ending 2d January 1810.

	oz.	dwt.	gr.
Gold, at the Standard of 22 Carats	-	-	6 17.
D° - - - D° - 18 Carats	-	-	529 1.
Silver	-	-	236,440 7.

Tho. Nuttall, Assay Master.

No. 19.

AN ACCOUNT of all GOLD imported into His Majesty's MINT, and the Amount of Gold Monies Coined, from the year 1797 inclusive, to the 1st day of March 1810; distinguishing the INGOTS received in each year produced from Guineas and from Foreign Gold, with the Value of each.

Importations in each Year.	GOLD in Ingots produced from				Amount of Gold Monies Coined in each Year.
	GUINEAS.		FOREIGN GOLD.		
	Weight.	Value.	Weight.	Value.	
1797.	lb. oz. dwt. gr.	£. s. d.	lb. oz. dwt. gr.	£. s. d.	£. s. d.
	2,321 5 9 12	108,470 10 0	53,213 8 8 22	2,486,410 6 0	2,000,297 0 0
8.	- - - - -	- - - - -	58,179 3 0 0	2,718,425 9 0	2,967,504 15 0
9.	- - - - -	- - - - -	5,818 0 3 8	271,846 12 8	449,961 15 0
1800.	6,258 2 14 6	322,405 12 0	- - - - -	- - - - -	189,837 6 6
1.	14,403 5 13 19	673,002 0 0	- - - - -	- - - - -	450,240 2 0 0
2.	- - - - -	- - - - -	- - - - -	- - - - -	437,018 18 6 6
3.	12,838 8 17 22	599,890 3 8	- - - - -	- - - - -	596,444 12 6 6
4.	13,104 0 17 4	612,287 14 9	3,532 6 1 7	165,056 6 2	718,396 17 6 6
1805.	- - - - -	- - - - -	- - - - -	- - - - -	54,615 15 0 0
6.	- - - - -	- - - - -	8,778 4 5 11	410,168 13 8	405,105 15 0 0
7.	- - - - -	- - - - -	4,981 7 12 6	232,766 17 2	- - - - -
8.	- - - - -	- - - - -	3,009 1 18 22	140,603 2 0	371,744 2 0 0
9.	- - - - -	- - - - -	9,223 0 1 16	430,944 17 4	298,946 11 0 0
2d March 1810.	- - - - -	- - - - -	4,024 9 15 8	188,059 8 6	- - - - -
	48,925 11 12 15	2,296,056 0 5	150,760 5 7 4	7,044,282 11 6	8,960,113 11 0 0

C. F. Mott, Dy Warden.
Jas. W. Morrison, Dep. Mast. & W.
J. B. Davis, Depy Compt.

Note.—No Silver Monies have been coined at His Majesty's Mint since the year 1797, excepting some small Silver Grains, Twopences, Threepences, and Pence, coined for the use of King's Maundy Monies or Ealer Bounty, and which upon an average may amount to about £. 100. per annum.

In 1798, 9,895 lbs. 7 oz. 2 dwt. 23 gr. or £. 30,576. 6s. 11d. of Standard Silver Ingots, were imported into the Mint, the coinage of which was subsequently prohibited by Act of Parliament.

Mint Office, March 8th, 1810.

0392

No. 20.

EXPERIMENTS made by the Officers of the Mint, by order of the Lords of the Committee for Coin, dated 18th April 1807, to ascertain the Deficiency in Weight of the Gold Coins of the average quality now in circulation.

Table with columns: Number of Pieces taken to weigh, Actual Weight, Heavy Number of Pieces of the current Weight, Light Number of Pieces under the current Weight, Computed Weight, Deficiency in actual Weight, Average lofs on each Piece, and Lofs Per-Cent. Includes sections for GUINEAS and HALF GUINEAS.

No. 21.

PRODUCE of the Quinto do Ouro, collected in the Captain Generalship of Minas Geraes and Minas Novas of Brazil, from 1st of August 1751 to 31st December 1794.

Table with columns: From 1st August 1751 to 31st July 1752, 1st January to 31st Decr, and columns for Arrobas, Marcas, Onzas, Outavas, Graos, and Quintos. Includes summary rows for amounts and annual averages.

The preceding statement, as far as 1777, was copied from a manuscript in the possession of the Portuguese Government, entitled "Instrucao para o governo da Capitania de Minas Geraes por Jozé Joao Teixeira Dezembargador da relacao do Porlo, 1781. The statement from 1777 to 1794 was taken from another manuscript, also in the possession of the Portuguese Government, called "Rendimento do Quinto do Ouro das 4 comarcas de Minas Geraes e Minas Novas de 1752 a 1794." The statements in these two manuscripts were found to agree perfectly as far as they coincided in time.

No. 22.

Quinto do Ouro from the district of Goiazes in Brazil, from the year 1788 to 1795.

Year	Arrobas.	Marcos.	Onzas.	Quarav.	Grab.
In 1788	9	13	5	0	0
1789	8	19	0	6	56
1790	7	47	0	6	12
1791	7	46	2	5	9
1792	9	8	3	7	15
1793	11	19	0	7	0
1794	7	39	7	1	61
1795	7	24	5	7	10

There are other mines of Gold in Brazil, as in Cuiaba, Jacobina, and Matogropo, but their produce is inconsiderable when compared with that of Minas Geraes.

The Quinto do Ouro is one-fifth of the Gold dust carried to the *casas da fundicao* or smelting houses, of which there are four in the *Minas Geraes*. The Gold is there assayed, weighed, melted into bars and stamped, one-fifth being retained as the royal duty. In the mining district, Gold dust is the common medium of exchange, but till it is stamped and converted into bars it passes for only $\frac{4}{5}$ or $\frac{7}{8}$ of its real value, the remaining fifth or $\frac{2}{5}$ being due to the crown before it can be legally exported from the district. An *outavo* of Gold, for example, which is worth 1,500 rees, when stamped passes for no more than 1,200 rees before it has undergone that operation. There are *registos* or custom-houses on all the roads leading from the *Minas Geraes*, where strict search is made to prevent Gold that has not paid the *Quinto* from being carried out of the country. *Minas Geraes* is about 100 leagues from Rio de Janeiro, which is the nearest sea port.

TABLE of Portuguese Weights, compared with English Troy grains.

Arrobas.	Marcos.	Onzas.	Quarav.	Portuguese grains.	English Troy grains.
1	64	512	4,096	294,912	226,645 $\frac{2}{3}$
			1	72	55 $\frac{1}{2}$
			8	576	442 $\frac{2}{3}$
	1	8	64	4,608	3,541 $\frac{1}{2}$

PORTUGUESE COIN.

The legal standard of Portuguese Gold is of 22 carats fine and 2 carats alloy; but from an assay made by Sir Isaac Newton in 1777 it appears that the Portuguese moidore contains only 21 carats $3\frac{3}{4}$ grains fine, and 2 carats $\frac{1}{2}$ grain alloy. Calculating from this assay, the Portuguese six-mill four is intrinsically worth only 35 shillings and seven pence sterling. From one moidore of Portuguese Gold are coined 16 six-mill-fours, equal in value to 569 shillings and four pence sterling. An arroba of the same Gold is therefore equal in value to 36,437 shillings and four pence, or £. 1,821. 17. 4 sterling; and 100 arrobas are worth £. 182,186. 13. 4

No. 23.

COINAGE of Mexico from 1733 to 1792 inclusive, extracted from a Work entitled "Mercurio Peruano de Historia Literaria y Noticias publicas," published at Lima 1731-4, vol. x. p. 133.

YEAR.	Silver. Dollars.	Gold. Dollars.	Total. Value.
1733	10,000,795 4	151,561 3	10,152,356 6
1734	8,000,553 4	385,275 6	8,385,829 1
1735	7,837,772	477,203 4	8,314,975 4
1736	11,016,000	748,679 2	11,764,679 2
1737	8,122,132 4	313,947 4	8,436,080
1738	9,390,250	468,273 4	9,858,523 4
1739	8,680,548 4	310,615 4	8,991,164
1740	9,556,040	309,900 $\frac{1}{2}$	9,865,940 $\frac{1}{2}$
1741	8,036,000	605,551 1	8,641,551 1
1742	8,177,000	624,386 5	8,801,386 5
Average	8,998,209 $\frac{1}{8}$	434,950 $\frac{3}{8}$	9,433,159 $\frac{1}{8}$
1743	8,619,000	704,208 3	9,323,208 3
1744	10,285,000	818,907	11,103,907
1745	10,327,509	595,750 5	10,923,259 5
1746	11,509,000	428,149 2	11,937,149 2
1747	12,002,000	369,745 6	12,371,745 6
1748	11,628,800	327,411 4	11,956,211 4
1749	11,823,500	313,888 1	12,137,388 1
1750	13,209,000	476,233 6	13,685,233 6
1751	12,611,000	340,234 6	12,951,234 6
1752	13,625,500	266,560	13,892,060
Average	11,566,030	455,109 $\frac{7}{8}$	12,021,139 $\frac{7}{8}$
1753	11,594,000	452,064	12,046,064
1754	11,594,000	309,751	11,903,751
1755	11,959,150	216,746 4	12,175,896 4
1756	12,299,500	731,000	13,030,500
1757	12,529,000	554,880	13,083,880
1758	12,758,500	173,317 1	12,931,817 1
1759	13,022,000	450,168 4	13,472,168 4
1760	11,968,000	465,464	12,433,464
1761	11,879,711 $3\frac{1}{2}$	679,505 $6\frac{1}{2}$	12,559,217 2
1762	10,114,492 4	594,858 4	10,709,351
Average	11,971,835 $\frac{1}{2}$	462,773 $\frac{1}{4}$	12,434,608 $\frac{1}{4}$
1763	11,774,064 $3\frac{1}{2}$	859,982 4	12,634,047
1764	9,900,541 7	553,100 7	10,453,642 4
1765	11,609,496 4	778,428	12,387,924 4
1766	11,223,986 $7\frac{1}{2}$	524,512	11,748,498 $7\frac{1}{2}$
1767	10,455,484 4	599,214	11,054,698 4
1768	12,220,499 2	333,352	12,553,851 2
1769	11,585,427 2	497,770	12,083,197 2
1770	13,980,816 6	606,494	14,587,310 6
1771	12,852,166 3	501,266	13,353,432 3
1772	17,030,345 3	1,853,440	18,883,785 3
Average	12,303,763	770,742	13,074,494 $\frac{1}{2}$
1773	19,005,007 2	1,232,318	20,237,325 2
1774	12,938,060 1	728,891	13,666,951 1
1775	14,298,094 4	731,100	15,029,194 4
1776	16,518,935 5	796,602	17,315,537 5
1777	20,705,501 $7\frac{1}{2}$	819,214	21,524,715 $7\frac{1}{2}$
1778	19,911,460	818,298	20,729,758
1779	18,759,841 2	675,616	19,435,457 2
1780	17,006,909 $\frac{1}{2}$	507,354	17,514,263 $\frac{1}{2}$
1781	19,710,324 6	625,538	20,335,862 6
1782	17,180,388 $7\frac{1}{2}$	400,102	17,580,490 $7\frac{1}{2}$
Average	17,603,462 $\frac{1}{8}$	733,800 $\frac{3}{8}$	18,337,263 $\frac{1}{8}$

(continued.)

176 APPENDIX to The Minutes of Evidence taken before the

COINAGE of Mexico from 1733 to 1792 inclusive, continued.

YEAR.	Silver.	Gold.	Total.
	Dollars.	Dollars.	Value.
1783	23,105,799 1	610,858	23,716,657 1
1784	20,492,432 1	544,942	21,037,374 1
1785	18,002,956 7	572,252	18,575,208 7
1786	16,868,614 5½	388,499	17,257,114 5½
1787	15,505,324 7½	605,016	16,110,340 7½
1788	19,540,901 7	605,464	20,146,365 7
1789	20,594,875 6	535,036	21,129,911 6
1790	17,435,644 5	628,044	18,063,688 5
1791	20,140,937	980,776	21,121,713
1792	23,225,611 6	969,430	24,195,041 6
Average	19,491,309 7	644,040 ¾	20,135,340 5

Total Coinage in 60 years, 854,361,070. 2½.

z. The COINAGE of Mexico in the year 1793, according to the information which Captain Vancouver obtained from the Spanish Government of St. Jago de Chili, was

Silver.	Gold.	Total.
23,428,680.	884,262.	24,312,942.

The same statement is given in the Mercur. Peruano, vol. xi.

N. B. More than 1½ million was remitted on the King's account, to Old Spain, in Bullion, in the year 1796. Merc. Peruan. tom. ii.

No. 24.

ACCOUNT of the Coinage of Mexico in SILVER, from 1795 to 1804 inclusive, obtained [by Mr. Angibault Morney] from Don Manuel Sixto Espinosa, director of the Caja de Consolidacion at Madrid.

Por Menor de los pesos duros acunados en la casa de Moneda de Mexico, des de el ano 1795 hasta 1804 ambos inclusivos.

En.	1795	20,480,877
	1796	21,598,891
	1797	19,649,679
	1798	18,750,890
	1799	21,002,134
	1800	21,880,400
	1801	20,992,535
	1802	21,980,776
	1803	21,900,040
	1804	22,611,632
		210,847,874

COMMITTEE on the High Price of GOLD BULLION. 177

No. 25.

MINES of PERU; Coinage of Lima; Mines of Chili; and Coinage of Spanish America.

MINES of PERU.

	Marcas.	Oz.
Total amount of Silver melted in the Viceroyalty of Peru, from 1776 to 1785 inclusive, 10 years	2,979,365	0
Annual average during that period	297,936	4
Amount of d° in 1787	311,654	4
1788	374,153	7
1789	389,006	4
1790	412,117	7

(Extracted from the Mercurio Peruano, vol. 2d.)

PRODUCE of the MINES of PERU, computed from the Royal Duties, from 1780 to 1789 inclusive, 10 years.

	Duties.		Corresponding Sums.
	Dollars.	Reals.	Dollars.
Silver, made into plate, duty 10 per-cent.	60,213	2½	602,130
Silver, made into ingots, duty 11½ per-cent.	3,307,580	1½	29,126,024
Gold, duty 3 per-cent.	132,729	0	4,424,035
TOTAL	3,500,522	4	34,152,189

(Extracted from the Mercurio Peruano, vol. 4th.)

	Marcas.	Oz.
Average of the annual produce of Silver from 1780 to 1789	373,976	0
of Gold	3,536	7

(From the same.)

COINAGE of LIMA.

	Silver.	Gold.	Total.
	Dollars.	Dollars.	Dollars.
Annual average from 1780 to 1789	2,804,613	520,933	3,325,546
(From the same.)			
Coinage in 1790			5,206,906 2
1791			5,120,234 7
1792			5,605,581 6
1793			5,941,706 6
1794			6,093,037 1
(From a MS. Report of the Viceroy of Peru in 1796.)			
TOTAL			27,967,566 6
Annual Average			5,593,513 3

Mines of Chili, and Coinage of Spanish America—continued.

MINES of CHILI.

	Dollars.
Coinage of Santiago de Chili, from 1782 to 1786	2,508,220
Annual average	521,644
Coinage in 1789	971,241

(From MS. Journal of Malespina's Voyage.)

COINAGE of SANTIAGO de CHILI.

	Gold.	Silver.	Total.
	Dollars.	Dollars.	
Coinage of Santiago in 1790	721,754	146,132	867,886

(From Helm's Travels.)

Coinage of Santiago in 1794 - - - - - about 1,000,000.
(From Vancouver's Voyage.)

	Marc.	Dollars.
Annual produce of the Gold Mines	5,200	665,600
of the Silver Mines	30,000	240,000
TOTAL		905,600

(From Molina's Historia Civil del Reyno de Chile, published in 1787.)

GENERAL ESTIMATE of the Annual Coinage of Spanish America.

	Dollars.
In the Mint of Mexico	24,000,000
Guatemala	200,000
Lima	6,000,000
Potofi	4,600,000
Santiago of Chili	1,200,000
Popayan	1,000,000
Santa Fé	1,200,000
TOTAL	38,200,000

(From the Viagero Universal of Estala, vol. 20th, published in 1798.)

The same is estimated by Bourgoing (edition of 1806) from information communicated to him by Humboldt, at 35,000,000.

The same estimated by Malespina (MS), at 40,000,000.

No. 26.

SPANISH MINT.

THE Standard of Spanish Silver Coin, since 1785, has been 10½ ounces fine, and 1½ ounce alloy. The Mint gives 8 dollars for the mark of Silver of the fineness of 11 ounces, and after reducing it to the standard of 10½ ounces, coins it into 8½ dollars: that is, the Mint gives 3,885,176 Spanish grains of pure Silver for 4,128 grains of the same, and consequently gains more than 8 per cent. in the transaction. The price of Silver Bullion is, therefore, always higher in Spain than the Mint price, generally about 6 per cent.

The standard of Spanish Gold Coin, since 1785, has also been fixed at 21½ carats fine, and 2½ carats alloy; and the proportional value of Gold to Silver in the Mint has been as 16 to 1 during the same period.—The proportional value of Gold to Silver, in the Portuguese Mint, is also as 16 to 1. For the mark of pure Gold is there worth 104 ff. 727 1/2 reis, and the mark of pure silver is worth 6 ff. 545 1/2.

Importation of GOLD and SILVER into Spain.

	Dollars.	Reals.
Importation in the year 1794	17,648,878	7
1795	25,567,521	7
From 8th Dec. 1801 to 29th August 1804 - 2½ years	107,308,152	0
Annual Average during this period	39,021,146	0

(From the books of the Spanish Custom-house.)

DUTIES on SILVER.

The Tenths and Cobos collected in the Caxas reales amount to 11½ per cent.
The Mint duties amount to somewhat more than 8 p. %.
The duty on the importation of silver into Spain amounts to 6 per cent.
The duty on the exportation of silver from Spain amounts to somewhat more than 4½ per cent. viz. 3 p. % to the Crown, and 1½ p. % to the bank of San Carlos.
The aggregate of these duties on 100 parts of silver, from the time when it is brought into the Caxas reales till it is exported from Spain, amounts to about 27 p. %.

DUTIES on GOLD.

The duty on Gold in the Caxas reales is 3 per cent.
The duty on Gold imported into Spain is 2½ per cent.
The duty on Gold exported from Spain is 3 per cent. to the Crown, besides the duty to the bank of San Carlos, which, I believe, is the same with the duty on silver, that is 1½ p. %.

No. 27.

ESTIMATE of the proportional quantities of GOLD and SILVER extracted annually from the Mines of Spanish and Portuguese America.

	Dollars.
Bourgoing (edition of 1806) states, on the authority of Humboldt, that the whole of the annual Coinage of Spanish America amounts to about	35,000,000
Of which the proportion of Gold is	5,100,000
And consequently that of Silver	29,900,000

Gold and Silver extracted from the Mines of Spanish America, &c.—continued.

	Arrobas.	Marks.
The Royal quinto of Gold collected in Minas Geraes amounted in 1794 to	46	44
in Goiazes	7	39
As the other Mines of Brazil are, in comparison with these, of little moment, we shall suppose that the quinto from them amounts to no more than	5	55
TOTAL	60	00
The quantity of Gold corresponding to this amount of the Royal Duties	300	00

	Marks of Castille.	Oz.
300 Portuguese arrobas are equal to	19,158	3
5,100,000 dollars in Gold contain of Standard Gold	37,500	0
Total amount of the annual produce of Gold	56,658	3

29,900 dollars contain, of Standard Silver 3,517,647
 The proportional quantity of Silver annually obtained from Spanish America, is therefore, to the quantity of Gold obtained from Spanish and Portuguese America together, as 3,517,647 are to 56,658,4; or very nearly as 100,000 : 1607, or about 63 to 1.

ESTIMATE of the relative proportions of the GOLD and SILVER obtained from SPANISH and PORTUGUESE AMERICA, about the middle of the last century.

G O L D.		Arrobas.	Marks.
The quinto of Minas Geraes in 1753-4		118	50
That of the other Mines of Brazil estimated at		21	14
		140	0
Corresponding quantity of Gold		700	0

	Dollars.	Marks.	oz.
700 Portuguese arrobas amount in Spanish marks		44,703	0
Gold from Mexico in 1753-4	400,000		
from Santa Fé and Popayau, estimated at	1,200,000		
	1,600,000	11,764	5
Gold coined in Lima, average from 1780 to 1789		3,536	0
in Chili, average given by Molina in 1787		5,200	0
Potosi, average from 1780 to 1790		1,891	5
Total amount of the annual produce of Gold		67,095	2

S I L V E R.		Dollars.	Marks.	oz.
Silver from Mexico in 1753		11,594,000		
from Potosi, average		2,518,198		
		14,112,198	1,660,258	5
from Lima; average from 1776 to 1785			297,936	5
from Chili; average			30,000	0
		1,988,195	2	
Allowance for omissions			11,804	6
Total amount of the annual produce of Silver			2,000,000	0

The proportion of Silver to Gold, about the middle of the last century, was therefore as 2,000,000 : 67,095, or as 100,000 : 3354; or about 30 to 1.
 If the preceding calculations are well founded, the produce of Gold from America has diminished during the last half century, in the proportion of 67,095 to 56,658, or in the proportion of nearly 6 to 5; while that of Silver has increased during the same period in the proportion of 2,000,000 to 3,517,647, or very nearly as 2 to 3½.

No. 23.

STATEMENT of the amount of the ROYAL DUTIES collected at POTOSI, under the denominations of Fifths, Tenths, and Cobos; from the 1st of January 1556 to the 31st of December 1800; with the corresponding amount of Silver.

	Royal Duties.		Corresponding Silver.	
	Dollars.	Reals.	Dollars.	Reals.
From 1st Jan. 1556 to 1st Jan. 1579, 23 years, Royal Fifths	= 9,800,257	1	49,011,287	0½
1st Jan. 1579 to 1st Jan. 1736, 157 years, Fifths and Cobos	= 129,509,939	0	611,256,349	2
1st Jan. 1736 to 31st Dec. 1800, 65 years, Tenths and Cobos	18,618,927	0	163,682,874	5
Total	157,931,123	1	823,950,508	7½

(The above Statement was extracted from the Books of the Royal Chest of Potosi, by Don Lamberto de Sierra, Treasurer thereof, and Honorary Accountant; Major of the Tribunal of Accounts of the Vice-royalty of Buenos Ayres.)

Average of the Annual Quantity of Silver that paid the Royal Duties, from 1556 to 1800 inclusive	Dollars.
1556 to 1578 - 23 years	3,354,900
1579 to 1735 - 23	2,043,969
1736 to 1800 - 65	3,893,352½
	2,518,198

COINAGE of the ROYAL MINT of POTOSI: Of Gold, from 1780 to 1790; of Silver, from 1773 to 1790.

	Gold.		Silver.	
	Marks.	Ounces.	Marks.	
In 1773			231,853	
1774			377,965	
1775			396,196	
1776			480,981	
1777			485,328	
1778			577,579	
1779			544,762	
1780	3,532	2	581,020	
1781	1,674	0	447,994	
1782	2,204	0	410,267	
1783	1,841	2	485,547	
1784	1,529	2	485,344	
1785	1,628	6	428,978	
1786	2,451	4	438,266	
1787	1,874	6	503,544	
1788	1,936	2	420,340	
1789			420,340	
1790	2,204	0	468,609	
			34,471	(Error or omission.)
Total	20,806	6	8,219,384	
Annual Average	1,891	5½	456,632½	
Total Value in Dollars	2,829,718		69,864,764	
Average of the Annual Value	257,247	1	3,881,375	6
Coinage of 1791 reduced to its Value in Dollars	257,526		4,365,175	

(Extracted from the Mercurio Peruano, vol. 4th and 7th.)

No. 29.

PRICES of the *Fanega* of WHEAT and BARLEY, from 1675 to 1764 inclusive; taken from the Current Prices in the Market of Seville.

N. B. The *Tafa* was abolished in 1765.

In the year	WHEAT.		BARLEY.	
	Reals Vellon.	Reals Vellon.	Reals Vellon.	Reals Vellon.
1675	36	17	36	17
1676	30	10	30	10
1677	48	18	48	18
1678	40	13	40	13
1679	34	12	34	12
1680	21	14	21	14
1681	21	14	21	14
1682	21	14	21	14
1683	21	14	21	14
1684	20	8	20	8
1685	14	5	14	5
1686	11	6	11	6
1687	11	6	11	6
1688	11	6	11	6
1689	11	6	11	6
1690	11	6	11	6
1691	17	9	17	9
1692	18	8	18	8
1693	18	8	18	8
1694	15	8	15	8
1695	12	6	12	6
1696	11	7	11	7
1697	17	8	17	8
1698	23	11	23	11
1699	28	13	28	13
1700	18	9	18	9
TOTAL	538	253	538	253
Average Price	20 $\frac{23}{17}$	9 $\frac{28}{17}$	20 $\frac{23}{17}$	9 $\frac{28}{17}$

In the year	WHEAT.		BARLEY.		In the Year	WHEAT.		BARLEY.	
1701	14	7	1701	14	7	1727	15	8	
1702	12	7	1702	12	7	1728	20	8	
1703	12	7	1703	12	7	1729	17	9	
1704	11	7	1704	11	7	1730	13	7	
1705	10	6	1705	10	6	1731	12	5	
1706	17	10	1706	17	10	1732	17	8	
1707	11	7	1707	11	7	1733	25	12	
1708	17	7	1708	17	7	1734	23	10	
1709	28	12	1709	28	12	1735	11	6	
1710	28	13	1710	28	13	1736	13	7	
1711	22	10	1711	22	10	1737	22	13	
1712	22	10	1712	22	10	1738	17	10	
1713	24	12	1713	24	12	1739	21	9	
1714	20	8	1714	20	8	1740	21	9	
1715	19	8	1715	19	8	1741	23	13	
1716	14	9	1716	14	9	1742	15	7	
1717	11	6	1717	11	6	1743	12	5	
1718	11	6	1718	11	6	1744	11	7	
1719	10	5	1719	10	5	1745	13	8	
1720	7	3	1720	7	3	1746	13	8	
1721	8	4	1721	8	4	1747	20	8	
1722	12	6	1722	12	6	1748	21	8	
1723	12	6	1723	12	6	1749	25	9	
1724	12	5	1724	12	5	1750	17	8	
1725	12	5	1725	12	5	1751	18	9	
1726	12	8	1726	12	8	1752	24	13	
TOTAL	388	194	TOTAL	388	194	TOTAL	459	224	
Average Price	14 $\frac{31}{17}$	7 $\frac{15}{17}$	Average Price	14 $\frac{31}{17}$	7 $\frac{15}{17}$	Average Price	17 $\frac{22}{17}$	8 $\frac{20}{17}$	

Prices of the *Fanega* of Wheat and Barley, from 1675 to 1764, at Seville—continued.

In the year	WHEAT.		BARLEY.	
	Reals Vellon.	Reals Vellon.	Reals Vellon.	Reals Vellon.
1753	33	22	33	22
1754	17	12	17	12
1755	12	7	12	7
1756	13	7	13	7
1757	14	9	14	9
1758	16	10	16	10
1759	18	9	18	9
1760	22	10	22	10
1761	24	11	24	11
1762	24	10	24	10
1763	30	13	30	13
1764	39	13	39	13
TOTAL	252	133	252	133
Average Price	21	11 $\frac{2}{3}$	21	11 $\frac{2}{3}$

N. B. The *fanega* used in this and the following accounts is that of Castille, and 100 *fanegas* Castellanes make 152 English bushels. The *tafa* was a maximum of price fixed by the Government annually. The real vellon is a money of account, and one is equal to the $\frac{1}{20}$ th of a dollar; and is divided into 34 maravedis.

No. 30.

PRICES of the *Fanega* of WHEAT and BARLEY, from 1765 to 1787 inclusive; from a comparison of the Prices in the Market Towns of Castille, taking the medium between the highest and lowest Prices.

YEAR.	WHEAT.	BARLEY.
1765	26	12
1766	25	13
1767	25	14
1768	30	14
1769	30	15
1770	37	18
1771	26	11
1772	27	13
1773	26	17
1774	25	15
1775	27	10
1776	22	15
1777	25	16
1778	24	14
1779	26	13
1780	29	16
1781	26	15
1782	19	11
1783	22	11
1784	21	14
1785	24	20
1786	29	20
1787	35	19
23 Years. -- TOTAL	606	336
Average Price	26 $\frac{11}{17}$	14 $\frac{20}{17}$

No. 31.

Highest and Lowest Prices of the Fanega of WHEAT and BARLEY, from 1788 to 1792 inclusive, in the Chief Market Towns of the two Castillas, Extremadura and Andalusia; published by order of the Consejo de Castilla.

YEAR.	OLD CASTILLE.		NEW CASTILLE.	
	Wheat.	Barley.	Wheat.	Barley.
	Reals Vellon.		Reals Vellon.	
1788 - -	24 to 59	13 to 28	36 to 64	18 to 26
1789 - -	22 to 58	14 to 29	44 to 60	17 to 24
1790 - -	37 to 109	17 to 48	35 to 85	17 to 42
1791 - -	22 to 66	10 to 38	22 to 78	9 to 42
1792 - -	16 to 35	9 to 18	23 to 40	11 to 26
Average middle price	45	22 13 1/2	48 27 1/2	23 6 1/2

YEAR.	ANDALUSIA.		ESTREMADURA.	
	Wheat.	Barley.	Wheat.	Barley.
	Reals Vellon.			
1788 - -	26 to 68	16 to 38	37 to 60	20 to 30
1789 - -	26 to 70	17 to 40	37 to 50	19 to 26
1790 - -	34 to 70	21 to 36	38 to 66	16 to 36
1791 - -	25 to 64	15 to 36	19 to 57	11 to 39
1792 - -	25 to 65	14 to 35	19 to 42	14 to 28
Average middle price	47 10 1/2	38 6 1/2	42 17	23 30 1/2

No. 32.

Prices of the Load of four Fanegas of WHEAT and BARLEY, from the year 1793 to the year 1804, both inclusive, in the Market of Medina de Rio Seco, in the Kingdom of Leon.

YEARS.	Months.	Sort of Grain.	Low Prices.	High Prices.
1793 - - -	May - - -	Wheat - - -	120	140
	September - - -	Barley - - -	80	112
		Wheat - - -	130	154
1794 - - -	May - - -	Wheat - - -	140	179
	September - - -	Barley - - -	76	88
		Wheat - - -	140	191
1795 - - -	May - - -	Wheat - - -	160	194
	September - - -	Barley - - -	56	66
		Wheat - - -	96	123
1796 - - -	May - - -	Wheat - - -	100	126
	September - - -	Barley - - -	40	48
		Wheat - - -	104	139
1797 - - -	May - - -	Wheat - - -	125	174
	September - - -	Barley - - -	120	127
		Wheat - - -	158	200
1798 - - -	May - - -	Wheat - - -	244	270
	September - - -	Barley - - -	146	160
		Wheat - - -	180	205
1799 - - -	May - - -	Wheat - - -	120	172
	September - - -	Barley - - -	62	70
		Wheat - - -	83	106
1800 - - -	May - - -	Wheat - - -	100	130
	September - - -	Barley - - -	66	82
		Wheat - - -	140	260
1801 - - -	May - - -	Wheat - - -	146	198
	September - - -	Barley - - -	104	126
		Wheat - - -	160	206
1802 - - -	May - - -	Wheat - - -	216	310
	September - - -	Barley - - -	100	122
		Wheat - - -	150	244
1803 - - -	May - - -	Wheat - - -	220	275
	September - - -	Barley - - -	108	148
		Wheat - - -	286	330
1804 - - -	May - - -	Wheat - - -	600	640
	September - - -	Barley - - -	180	270
		Wheat - - -	400	424
		Barley - - -	192	200

ESTIMATE of the Quantities of GOLD and SILVER added to the Commerce of Europe, from 1790 to 1802:—Extracted from a work entitled, "Traité Élémentaire de Mineralogie, par Alexandre Brongniart; Paris, 1807."

	GOLD.		SILVER.	
	Kilograms.	Kilograms.	Kilograms.	Kilograms.
OLD CONTINENT:				
Afia—Siberia	1,700	—	17,500	—
Africa	1,500	—	—	—
Europe—Hungary	650	—	20,000	—
Saltzburg	75	—	—	—
Austrian States	—	—	5,000	—
Hartz and Hesse	—	—	5,000	—
Saxony	—	—	10,000	—
Norway	75	—	10,000	—
Sweden	—	—	—	—
France	—	—	5,000	—
Spain	—	—	—	—
TOTAL of the Old Continent	—	4,000	—	72,500
NEW CONTINENT:				
North America	1,300	—	600,000	—
South America:				
Spanish Possessions, including Choco, Popayan, Santa Fé, Peru and Chili	5,000	—	275,000	—
Portuguese Possessions	7,500	—	—	—
TOTAL of the New Continent	—	14,100	—	875,000
TOTAL	—	18,100	—	947,000

* This number does not agree with the sum of the numbers in the preceding column.

It appears from this Table, that

1. The produce of Gold from the New World is, to its produce from the Old, as 3.5 to 1.
2. The produce of Silver from the New World is, to its produce from the Old, as 12 to 1.
3. The total annual produce of Silver is, to the total annual produce of Gold, as 52 to 1.
4. The total annual produce of American Silver is, to the total annual produce of American Gold, as 62 to 1.

In the Estimate which I had the honour of submitting to the Bullion Committee on the 16th instant, of the quantities of Gold and Silver extracted annually from the American Mines, the proportion of Silver to Gold was stated to be as 63 to 1. But, notwithstanding their agreement in this result, the Estimate which I drew up for the Committee differs materially from that of M. Brongniart, in the statement which it contains, as will appear from the following Table, in which the French weights used by M. Brongniart are converted, for the purpose of comparison, into marks of Castille; and the corresponding value of the precious metals annexed in Spanish dollars, calculated according to the regulations of the Spanish mint. The French kilogram is converted into marks of Castille, at the rate of one kilogram to 4.352 marks.

TABLE

Gold and Silver added annually to the Commerce of Europe—continued.

TABLE of the annual produce of GOLD and SILVER, from 1790 to 1802; taken from Brongniart, and reduced from French Kilograms to Marks of Castille.

	GOLD.		SILVER.	
	Marks.	Value in Dollars.	Marks.	Value in Dollars.
OLD CONTINENT:				
Afia—Siberia	7,398 4	—	76,160	—
Africa	6,528	—	—	—
Europe—Hungary	2,828 8	—	87,040	—
Saltzburg	326 4	—	—	—
Austrian States	—	—	21,760	—
Hartz and Hesse	—	—	21,760	—
Saxony	—	—	43,520	—
Norway	326 4	—	43,520	—
Sweden	—	—	—	—
France	—	—	21,760	—
Spain, &c.	—	—	—	—
TOTAL—Old World	17,408 0	2,367,488 0	315,520	2,681,920
NEW CONTINENT.				
North America	5,657 6	—	2,611,200	—
South America	—	3,728,793 6	—	32,368,000
Spanish Possessions	21,760	—	1,196,800	—
Portuguese Possessions	32,640 0	4,439,040 0	—	—
TOTAL—New World	61,363 2	8,345,395 2	3,808,000	32,368,000
GENERAL TOTAL	78,771 2	10,712,883 2	4,123,520	35,049,920

Dollars.
Value of the Gold and Silver brought annually into circulation = 45,762,803
— from the Old World - - - 5,049,408
— from the New World - - - 40,713,395
— from Spanish America - - - * 36,096,736
— from Portuguese America - - - * 4,439,040

* A small error in M. Brongniart's Table affects the accuracy of these Sums.

The chief differences between the Statement of M. Brongniart, and that which I had the honour of laying before the Committee, are the following:

1st. M. Brongniart estimates higher the annual produce of Silver from Spanish America than, following the authority of Humboldt, I had ventured to do.

2d. He makes the annual produce of Gold from Spanish America less, and that from Portuguese America greater than I had estimated them.

Not having access to the facts on which Humboldt forms his opinion of the quantities of Gold and Silver extracted annually from the Mines of Spanish America, I cannot pretend to decide between his estimate as given by Bourgoing, and that published by Brongniart. But in the high statement which the latter has given of the produce of the Portuguese Mines, I am much inclined to think that he is mistaken; as I have understood from all persons conversant in the affairs of Brazil, that the produce of its Mines has decreased, instead of increasing, since 1794.

John Allen.

No. 34.

AN ACCOUNT of the Weekly Amount of BANK OF ENGLAND NOTES out in circulation, for the Years 1795, 1796, and to the 1st of March 1797; distinguishing the BANK POST BILLS.

Table with columns for Bank Notes and Bank Post Bills for years 1795, 1796, and 1797. Rows list months and specific dates with corresponding values.

Prior to March 1797, there were not any Bank of England Notes in circulation under the Value of Five Pounds.

Bank of England, 20th March 1810.

Willm Dawes, Ch. Acct.

No. 35.

AN ACCOUNT of the NOTES of the BANK OF ENGLAND in circulation, including Bank Post Bills, on the 1st of February, 1st of May, 1st of August, and 1st of November 1798 and 1799; also on the 1st of May, 1st of August, and 1st of November 1808; and on the 1st of February, 1st of May, 1st of August, and 1st of November 1809; distinguishing the amount of those under the value of Five Pounds.

Table with columns for Bank Notes of £. 5. and upwards, including Bank Post Bills, and Bank Notes under £. 5. Rows list dates from 1798 to 1809.

Bank of England, 25th April 1810.

Willm Dawes, Ch. Acct.

No. 36.

THE AVERAGE AMOUNT of BANK OF ENGLAND NOTES in Circulation of £. 5. and upwards, including Bank Post Bills, for the Years 1801 and 1802; also the Average Amount of Notes under £. 5. for the same two years.

Summary table showing average amounts for 1801 and 1802, categorized by note value (Notes of £. 5. and upwards, Under £. 5.).

No. 37.

AN ACCOUNT of the AMOUNT of the NOTES of the Governor and Company of the Bank of England, in Circulation on the 7th and 12th days of each Month, from December 1808 to the 12th January 1810 inclusive; Distinguishing the Bank Post Bills, and distinguishing the Amount of Notes under the Value of Five Pounds.

	Bank Notes of £. 5. and upwards.	Bank Post Bills.	Bank Notes under £. 5.
1809:			
January 7th -	£. 11,718,010	£. 796,250	£. 4,241,420
— 12th -	14,077,780	825,580	4,305,920
February 7th -	12,778,660	923,540	4,351,360
— 12th -	12,655,360	960,070	4,345,310
March 7th -	12,761,730	903,450	4,347,190
— 12th -	12,366,480	899,100	4,364,470
April 7th -	13,062,280	941,530	4,505,770
— 12th -	13,661,710	992,500	4,518,850
May 7th -	13,165,000	903,190	4,547,410
— 12th -	13,635,860	892,790	4,520,710
June 7th -	12,404,120	848,440	4,544,650
— 12th -	12,414,120	842,400	4,565,000
July 7th -	12,763,880	807,920	4,868,620
— 12th -	15,056,180	848,330	4,981,060
August 7th -	13,197,260	901,250	5,186,880
— 12th -	13,311,800	909,290	5,206,590
September 7th -	13,424,000	882,400	5,188,580
— 12th -	13,217,600	883,880	5,185,280
October 7th -	13,142,210	935,410	5,367,880
— 12th -	13,298,870	933,050	5,335,660
November 7th -	13,652,700	943,450	5,438,480
— 12th -	13,578,260	945,130	5,476,020
December 7th -	13,381,600	899,740	5,402,010
— 12th -	13,438,580	880,880	5,408,060
1810:			
January 7th -	13,013,790	851,160	5,663,080
— 12th -	14,668,640	884,120	5,854,170

Bank of England, }
9th February 1810. }
Willm. Dawes,
Acc. Genl.

No. 38.

AN ACCOUNT of the Amount of BANK NOTES out in circulation each day (Sundays and Holidays excepted) from the 12th of January to the 4th of February 1810, and on every Monday, Wednesday, and Friday in each Week, from the 4th to the 23d of February 1810; Distinguishing the BANK POST BILLS, and distinguishing the Amount of Notes under the value of £. 5.; and specifying for the 16th day of February 1810, the Amount of Notes of £. 5. and of £. 10. each, on that day.

	Bank Notes of £. 5. and upwards.	Bank Post Bills.	Bank Notes under £. 5.
1810.			
(Saturday) January 13.	£. 13,728,820	£. 892,010	£. 5,894,700
(Monday) - - - 15.	13,512,990	897,950	5,883,500
(Tuesday) - - - 16.	14,079,120	901,610	5,916,910
(Wednesday) - - - 17.	13,806,090	913,960	5,672,940
(Friday) - - - 19.	13,869,290	923,270	5,887,250
(Saturday) - - - 20.	13,766,330	932,760	5,914,400
(Monday) - - - 22.	13,234,440	921,460	5,893,900
(Tuesday) - - - 23.	13,867,630	942,210	5,871,800
(Wednesday) - - - 24.	13,260,760	927,300	5,857,580
(Friday) - - - 26.	13,873,000	939,440	5,878,470
(Saturday) - - - 27.	13,549,820	944,220	5,916,040
(Monday) - - - 29.	13,424,190	974,950	5,904,450
(Wednesday) - - - 31.	13,222,540	960,670	5,953,210
(Thursday) February 1.	14,069,370	970,990	5,894,640
(Saturday) - - - 3.	13,929,930	975,020	5,926,080
Monday - - - 5.	13,354,320	956,230	5,933,010
Wednesday - - - 7.	13,241,040	959,150	5,897,490
Friday - - - 9.	13,634,010	970,600	5,891,340
Monday - - - 12.	13,330,850	1,008,700	5,893,920
Wednesday - - - 14.	13,588,320	988,850	5,855,420
Friday - - - 16.	13,877,730	976,350	5,874,700
Monday - - - 19.	13,150,920	953,340	5,883,760
Wednesday - - - 21.	13,454,730	924,740	5,844,300
Friday - - - 23.	13,855,550	920,030	5,857,500

Amount of Bank Notes in circulation of £. 5. and £. 10. each on the 16th of February 1810.
Of £. 5. - - £. 2,310,840. Of £. 10. - - £. 2,372,100.

Bank of England, }
26th February 1810. }

Willm. Dawes,
Ch. Acc.

No. 39.

AN ACCOUNT of the Weekly Amount of BANK NOTES in circulation, from the 12th of January 1810; distinguishing the BANK POST BILLS, and the Amount of Notes under the Value of Five Pounds.

	Of £. 5. and upwards.	Bank Post Bills.	Under £. 5.
1810. January 19.	13,869,290	923,270	5,887,250
26	13,873,000	939,440	5,878,470
February 1.	14,069,370	970,990	5,894,040
9.	13,634,010	970,000	5,891,340
16.	13,877,730	976,350	5,874,700
23.	13,855,550	920,030	5,857,500
March 2.	14,205,760	900,600	5,892,350
9.	13,679,440	897,500	5,850,140

Bank of England, }
14th March 1810. }

Willm Dawes,
Ch. Acc^t.

No. 40.

AN ACCOUNT of the Amount of BANK NOTES in Circulation on Saturday Night, from the beginning of March to the 12th of May 1810.

	Of £. 5. and upwards.	Bank Post Bills.	Under £. 5.
1810. March 3.	£. 13,894,410	£. 900,700	£. 5,922,900
10.	13,482,240	895,980	5,893,760
17.	13,584,820	899,480	5,900,320
24.	13,957,710	932,830	5,939,110
31.	14,271,180	986,980	5,983,970
April 7.	13,714,680	988,900	6,104,170
14.	15,054,100	979,140	6,189,490
21.	14,361,370	1,006,380	6,219,450
28.	14,409,260	1,012,780	6,185,740
May 5.	14,180,090	963,820	6,161,020
12.	14,093,130	916,160	6,114,540

Bank of England, }
16th May 1810. }

Willm Dawes,
Ch. Acc^t.

No. 41.

AN ACCOUNT of all the DOLLARS issued by the Bank of England, to the 8th day of February 1810, inclusive.

	DOLLARS.
Dollars stamped in the Year 1797, and issued	2,325,099
D ^o - stamped in the Year 1804, and issued	1,419,484
D ^o - stamped in the Years 1809 and 1810, and issued	1,073,051
Dollars	4,817,634

Bank of England, }
9th February 1810. }

H. Hafe,
Chief Cashier.

No. 42.

AN ACCOUNT of the Amount of BANK of ENGLAND NOTES, lying in the Exchequer in each Month, from December 1806 inclusive, to December 1808 exclusive.

	£.	s.	d.
1806. December 5th	3,007,200	0	0
19th	3,012,200	0	0
1807. January 16th	12,400	0	0
February 6th	14,300	0	0
March 6th	15,700	0	0
27th	1,520,500	0	0
April 17th	16,300	0	0
May 15th	15,600	0	0
June 12th	2,025,600	0	0
July 10th	18,300	0	0
August 7th	3,017,800	0	0
September 4th	3,017,600	0	0
October 2d	6,013,800	0	0
30th	3,512,900	0	0
November 27th	6,289,100	0	0
December 18th	5,885,300	0	0
1808. January 15th	38,900	0	0
February 12th	1,042,600	0	0
March 11th	3,266,600	0	0
25th	3,294,200	0	0
April 14th	47,900	0	0
May 13th	49,600	0	0
27th	53,600	0	0
June 23d	20,100	0	0
July 22d	19,600	0	0
August 19th	17,600	0	0
September 16th	22,300	0	0
October 7th	2,701,600	0	0
28th	18,400	0	0
November 25th	16,300	0	0
	£. 48,005,900	0	0

Exchequer, the 21st }
day of March 1810. }

Wm Roje Haworth.

No. 43.

AN ACCOUNT of the Amount of the BANK of ENGLAND NOTES lying in the Exchequer in each Month, from December 1808 inclusive, to the 10th February 1810.

	£.	s.	d.
1808. 23d December	522,600	0	0
1809. 20th January	11,900	0	0
17th February	13,300	0	0
17th March	29,800	0	0
14th April	19,500	0	0
12th May	27,000	0	0
9th June	31,900	0	0
30th June	37,300	0	0
28th July	19,400	0	0
25th August	25,100	0	0
22d September	28,400	0	0
20th October	30,600	0	0
17th November	18,600	0	0
15th December	526,500	0	0
1810. 12th January	21,200	0	0
9th February	16,200	0	0
	£. 1,379,300	0	0

Exchequer, the 26th }
day of February 1810. }

Wm Roje Haworth.

No. 44.

AN ACCOUNT of the Highest and Lowest Price of BANK STOCK, in each year from 1796 to 15th May 1810: And also an Account of the Price on the 1st January and 1st July in each year: Taken from Callaghan's Tables.

Table with columns for Year, Highest, Lowest, and Price on 1st January and 1st July. Rows range from 1796 to 1810.

No. 45.

AN ACCOUNT of ADVANCES made by the Bank of England to Government, on Land and Malt, Exchequer Bills, and other Securities, at the following periods.

Table with columns for Year, Description, and Amount in £ s. d. Rows include 1798, 1799, and 1800.

* Advances by the Bank to Government... £ 11,718,730... £ 4,238,140... £ 7,460,590

Account of Advances made by the Bank of England—(continued.)

Table with columns for Year, Date, Description, and Amount in £ s. d. Rows include 1801, 1802, 1803, 1804, 1805, 1806, and 1807.

Account of Advances made by the Bank of England—(continued.)

		£. s. d.	
1808.	Jan ^y 5th.	Malt, 1806	273,000 0 0
		D ^o 1807	750,000 0 0
		Supply, 1807, £. 1,500,000. Exchequer Bills	1,500,000 0 0
		D ^o 1807	3,000,000 0 0
		D ^o 1807, £. 10,500,000. D ^o	600,000 0 0
	Advanced out of sums issued for the payment of Dividends	376,739 0 9	
		£. 6,499,739 0 9	
1809.	Jan ^y 5th.	Malt, 1807	358,000 0 0
		D ^o &c. 1808	98,000 0 0
		Supply, 1808, £. 1,500,000. Exchequer Bills	1,500,000 0 0
		D ^o 1807	3,000,000 0 0
		Bank Loan	3,000,000 0 0
	Advanced out of sums issued for the payment of Dividends	876,739 0 9	
		£. 8,832,739 0 9	
1810.	Jan ^y 5th.	Malt, &c. 1809	98,000 0 0
		Supply 1809, £. 1,500,000. Exchequer Bills	1,500,000 0 0
		D ^o 1808	3,000,000 0 0
		Bank Loan	3,000,000 0 0
		Advanced out of sums issued for the payment of Dividends	876,739 0 9
		£. 8,474,739 0 9	

Bank of England, }
14th March, 1810. }

H. Hulse,
Chief Cashier.

No. 46.

AN ACCOUNT of all Issues of the Coin of this Realm, from the Bank of England, since the 1st of May 1803, under any Orders in Council made for that purpose;—specifying the Date of each Order, and the Amount issued thereupon.

The DATES of the Orders in Council.	SUMS Issued.	To WHOM Issued.
Issued between 1st May 1803 and 8th March 1810, in pursuance of an Order in Council, dated 9th October 1799	£. s. d. 661,480 — —	The Treasurer of His Majesty's Navy.
1803 -- May 26 -- --	100 — —	The Ordnance Storekeeper at Woolwich.
— -- June 29 -- --	100 — —	D ^o .
— -- July 29 -- --	100 — —	D ^o .
— -- August 22 -- --	100 — —	D ^o .
— -- September 23 -- --	100 — —	D ^o .
— -- October 28 -- --	100 — —	D ^o .
— -- November 30 -- --	100 — —	D ^o .
— -- December 28 -- --	200 — —	D ^o .
1804 -- January 31 -- --	200 — —	D ^o .
— -- February 27 -- --	200 — —	D ^o .
— -- March 29 -- --	200 — —	D ^o .
— -- April 28 -- --	200 — —	D ^o .
— -- May 14 -- --	4,000 — —	The Treasurer of His Majesty's Ordnance.
— -- 24 -- --	1,400 — —	The Ordnance Storekeeper at Woolwich.

(continued.)

Account of Issues of Coin from the Bank—(continued.)

The DATES of the Orders in Council.	SUMS Issued.	To WHOM Issued.
1805 -- January 25 -- --	£. s. d. 2,000 — —	The Ordnance Storekeeper at Woolwich.
— -- March 1 -- --	2,500 — —	D ^o .
— -- 27 -- --	2,500 — —	D ^o .
— -- May 6 -- --	2,500 — —	D ^o .
— -- June 6 -- --	3,000 — —	D ^o .
— -- 22 -- --	3,000 — —	D ^o .
— -- August 6 -- --	3,000 — —	D ^o .
— -- 29 -- --	200 — —	D ^o .
— -- September 23 -- --	200 — —	D ^o .
— -- October 28 -- --	200 — —	D ^o .
— -- November 30 -- --	200 — —	D ^o .
— -- December 21 -- --	200 — —	D ^o .
1806 -- January 24 -- --	200 — —	D ^o .
— -- February 22 -- --	200 — —	D ^o .
— -- March 27 -- --	200 — —	D ^o .
— -- April 18 -- --	4,200 — —	The Treasurer of His Majesty's Ordnance.
— -- 28 -- --	200 — —	The Ordnance Storekeeper at Woolwich.
— -- May 31 -- --	200 — —	D ^o .
— -- June 30 -- --	200 — —	D ^o .
— -- July 29 -- --	200 — —	D ^o .
— -- August 23 -- --	200 — —	D ^o .
— -- September 27 -- --	200 — —	D ^o .
— -- October 30 -- --	200 — —	D ^o .
— -- November 24 -- --	200 — —	D ^o .
— -- December 26 -- --	200 — —	D ^o .
1807 -- January 23 -- --	200 — —	D ^o .
— -- February 23 -- --	200 — —	D ^o .
— -- March 25 -- --	200 — —	D ^o .
— -- April 23 -- --	200 — —	D ^o .
— -- 23 -- --	11,550 — —	The Treasurer of His Majesty's Ordnance.
— -- June 25 -- --	200 — —	The Ordnance Storekeeper at Woolwich.
— -- July 25 -- --	200 — —	D ^o .
— -- October 27 -- --	200 — —	D ^o .
— -- December 16 -- --	14,000 — —	The Paymaster General of His Majesty's Forces.
— -- 23 -- --	200 — —	The Ordnance Storekeeper at Woolwich.
1808 -- January 26 -- --	200 — —	D ^o .
— -- March 31 -- --	200 — —	D ^o .
— -- May 31 -- --	200 — —	D ^o .
— -- June 25 -- --	500 — —	Messrs. Potts & Johnson, Overseers of the Poor, Birmingham.
— -- 29 -- --	200 — —	The Ordnance Storekeeper at Woolwich.
— -- July 26 -- --	200 — —	D ^o .
— -- September 27 -- --	200 — —	D ^o .
— -- October 24 -- --	200 — —	D ^o .
1809 -- January 24 -- --	200 — —	D ^o .
— -- March 28 -- --	200 — —	D ^o .
— -- May 23 -- --	200 — —	D ^o .
— -- June 24 -- --	200 — —	D ^o .
— -- September 25 -- --	200 — —	D ^o .
— -- October 26 -- --	200 — —	D ^o .
	£. 72,130 — —	

Bank of England, }
20th March 1810. }

H. Hulse,
Chief Cashier.

No. 47.

The AMOUNT of BANK NOTES in circulation, on Saturday Night in each Week of the Year 1797; and the Course of Exchange on Hamburg, on the following Tuesday.

Table with columns for Year, Date, Amount, and Exchange Rate. Rows include months from December 1796 to January 1798.

N. B. The above Course of Exchange taken from Wettenhall's publication of Captain's Papers.

March 12th, 1810. John Whitmore.

No. 48.

AMOUNT of BANK of ENGLAND NOTES in Circulation of £. 5. and upwards, including BANK POST BILLS, on the under-mentioned Dates,—viz.

Table with columns for Year, Date, Amount, and Exchange Rate. Rows include months from January 1795 to March 1810.

The above extracted from the Account transmitted 21st March 1810.

Extracted from the Account presented to the House of Commons, 9th Feb. 1810. The remainder from the Account transmitted to the Bullion Committee, 14 March 1810.

No. 49.

COMPARISONS of HAMBURG EXCHANGES with amount of BANK NOTES at various Periods.

Table comparing Hamburg Exchanges with Bank Notes at various periods from 1787 to 1792.

From April to June 1793, the average of those three months was... 5th September 1795...

For the amount of Bank Notes from 1st January 1795 to 1st March 1797, vide account of Weekly Totals within those periods, delivered 19th March 1810.

May 3d, 1793, the highest Hambro' Exchange 37s. 6g. £. 11. 6s. per cent. above par. September 1st, 1795, the lowest D° D° - 32s. 6g. 3½ per cent. below par.

The par of the Hambro' Exchange is taken at 33s.—8½ being the par in common acceptance.

RESTRICTION BILL, 27th February 1797.

Table showing the Restriction Bill of 1797, including Total of Bank Notes and Rate of Hambro' Exch. for various periods.

The rate of the Hambro' Exchange is taken from Lloyd's List.

COMMITTEE on the High Price of GOLD BULLION. APPENDIX to The Minutes of Evidence taken before the

Table with columns for date, description (Notes, Ditto, Post Bills), and value in pounds and pence. Includes sub-header 'No. 50' and 'AN ACCOUNT of the Amount of the NOTES and POST-BILLS of the Bank of IRELAND in circulation on the 1st January, April, June and September, commencing the 1st January 1805, and ending the 1st January 1810; distinguishing the Notes from the Post Bills, and distinguishing the Amount under the Value of £.5.' Rows cover dates from 1805 to 1810.

COMMITTEE on the High Price of GOLD BULLION. 201

Account of Notes and Post Bills of the Bank of Ireland—continued.

Table with columns for date, description (Notes, Ditto, Post Bills), and value in pounds and pence. Rows cover dates from 1807 to 1810. Includes signature 'William Donlevy, Acct Genl.' and date '24th March 1810.' at the bottom.

No. 51.

AN ACCOUNT of the Value of SILVER TOKENS issued by the BANK of IRELAND, to the 3d March 1810.

	£.	s.	d.
Value of 6s. Tokens issued	232,052	—	—
Ditto of 2s. 6d. Ditto	395,263	—	—
Ditto of 10s. and 5s. Ditto	520,041	—	—
Total Value	1,147,356	—	—

For the Governor and Company of the Bank of Ireland,
Dublin, 3d March 1810. *William Donlevy*,
Acc. Genl.

No. 52.

AN ACCOUNT of the Number of LICENCES for the Issue of Promissory Notes payable on Demand, which were granted by, or by Authority of the Commissioners of Stamps, for the year ending the 10th of October 1809.

NUMBER OF LICENCES
735.

Comptroller's Office, Stamps, }
February 6th, 1810. } *Ch^r Steadman*,
Dep^y Comp^r & Accom^p G^l.

No. 53.

AN ACCOUNT of the Duties on Promissory Notes Reissuable, distinguishing the Rate of Duty, and the Amount received for each Class of Promissory Notes, in each Quarter, from 5th January 1798, to the latest Period to which the same can be made-up.

Quarter ended	DUTIES imposed by Act 44 GEO. III;			
	Not exceeding £. 1. 1s. and not exceeding £. 2. 2s. 3d.	Exceeding £. 1. 1s. and not exceeding £. 2. 2s. 3d.	Exceeding £. 2. 2s. 3d. and not exceeding £. 5. 5s.	Exceeding £. 5. 5s. and not exceeding £. 20.
Quarter ended 5th January 1805	7,807 13 6	194 15 6	5,458 18 3	3,517 14 —
5th April	7,781 4 6	285 12 —	5,032 11 6	2,042 16 —
5th July	6,610 1 3	143 2 —	6,794 12 6	3,065 7 —
10th October	14,121 10 3	176 19 6	13,595 4 3	6,504 5 —
Quarter ended 5th January 1806	12,066 16 9	494 — 6	12,537 15 —	6,705 14 —
5th April	9,397 9 9	387 5 6	8,689 10 9	4,068 14 —
5th July	6,443 3 —	432 10 —	6,323 15 6	3,713 — —
10th October	7,218 5 3	339 17 —	3,684 15 9	1,668 10 —
Quarter ended 5th January 1807	6,905 19 3	465 4 —	5,559 15 —	2,138 19 —
5th April	7,274 18 3	521 10 6	5,062 16 9	1,809 11 2
5th July	5,193 9 9	227 17 —	3,759 2 3	1,499 18 —
10th October	7,452 8 3	305 03 —	3,734 12 6	1,754 09 1
Quarter ended 5th January 1808	6,853 2 —	354 1 —	4,597 12 3	2,042 2 —
5th April	7,609 11 6	430 13 6	5,479 18 3	2,111 10 2
5th July	6,198 12 6	194 13 6	4,570 7 7	1,837 10 5
10th October	3,000 6 6	209 18 6	9,389 14 9	3,099 5 6

Account of the Duties on Promissory Notes Reissuable—continued.

Quarter ended	DUTIES imposed by Act 48 GEO. III;			
	Not exceeding £. 1. 1s. 4d.	Exceeding £. 1. 1s. 4d. and not exceeding £. 2. 2s. 8d.	Exceeding £. 2. 2s. 8d. and not exceeding £. 5. 5s. 1s.	Exceeding £. 5. 5s. 1s. and not exceeding £. 20.
Quarter ended 5th January 1809	28,978 1 11	1,429 19 2	14,742 10 —	9,217 11 6
5th April	15,101 12 —	1,659 2 8	11,053 2 —	6,378 10 6
5th July	23,519 8 4	1,551 — —	12,184 10 —	8,902 7 —
10th October	25,031 13 8	1,760 7 4	8,113 11 —	4,002 — —
Quarter ended 5th January 1810	15,858 15 4	1,049 17 4	10,573 16 —	5,186 9 6

Note—The Title above given is agreeable to the Order of The Honourable House of Commons; which cannot be fully complied with, by reason of the mode in which the Books were kept previous to 10th October 1804.

The Account rendered, is the Produce and Rates of the Stamps on Reissuable Promissory Notes applied for at the Head Office; which may be considered for the Supply of the Country in general, as it occurs but very seldom that these Stamps are assigned to the Distributors, except Scotland, the Produce for which is not distinguished.
Comptroller's Office, Stamps, }
6th February 1810. } *Ch^r Steadman*,
Dep^y Comp^r & Accom^p G^l.

No. 54.

AN ACCOUNT of the Produce of the Duties on BILLS of EXCHANGE (and Promissory Notes not reissuable) for the years 1806, 1807, 1808, and 1809; Distinguishing the Rates of Duty; and also distinguishing the first three Quarters of the year 1808, from the fourth Quarter of the same year.

Rate of Duty	YEAR ended 5th January 1807	YEAR ended 5th January 1808	Three first Quarters of Year ended 5th January 1809	Rate of Duty	Fourth Quarter of Year ended 5th January 1809	YEAR ended 5th January 1810
1 8	604 18 —	799 8 8	750 14 —	1 —	854 11 8	3,291 18 —
1 6	1,479 11 —	1,437 1 —	1,345 2 —	1 6	8,261 14 —	41,397 12 —
2 —	41,151 15 —	39,231 18 —	31,274 8 —	2 —	6,306 2 —	30,264 8 —
3 —	28,647 18 —	27,150 6 —	21,971 8 —	3 —	9,148 7 —	42,443 11 —
4 —	41,242 1 —	38,148 9 —	29,726 11 —	4 —	7,760 — —	37,854 16 —
5 —	34,409 8 —	32,149 — —	25,840 8 —	5 —	9,607 10 —	43,718 5 —
6 —	35,862 15 —	35,034 10 —	28,836 10 —	7 6	6,931 10 —	31,357 2 6
10 —	19,009 10 —	21,261 15 —	18,657 7 6	10 —	5,468 10 —	29,553 10 —
10 —	15,718 10 —	16,615 10 —	16,585 — —	1 —	3,881 — —	5,817 — —
Town Gross	218,126 6 —	211,827 17 —	174,386 18 6		57,259 4 8	265,698 2 6
Country Net	235,203 2 8	246,060 5 5	184,722 3 —		85,567 8 13	197,687 7 7
Of which Scotland	60,900 — —	68,450 — —	48,360 — —		22,900 — —	— —

Note—Scotland, for the first three Quarters of the last year, did not in its Remittances, distinguish Bills, from Notes; but their Produce is included in the sum of £. 197,687 7s. 7d.
Comptroller's Office, Stamps, }
6th February 1810. } *Charles Searle Lloyd*,
pro Comptroller.

No. 55.

AN ACCOUNT of the Number of STAMPS of Promissory Notes re-issuable, of each Class that have been issued, from the 10th day of October 1808 to the 1st day of June 1810, being the latest Period to which the same can be made up; distinguishing the Amount issued in each Quarter, and the correspondent Produce in Money.

Table with columns: Rate of Duty, Number of Stamps, Amount of Duty, Additional Duty by Act of the King, Number of Stamps, Amount of Duty, Total Number of Stamps, Total Amount of Duty. Rows include quarterly data for 1809 and 1810, categorized by stamp value ranges.

Note.—The foregoing Account does not apply to the Distributors, the Commissions being but few, and of no considerable amount. Comptroller's Office, Stamp, 5th June 1810. Ch. Siedman, Deputy Comptroller & Accountant General.

Nos. 56, 57, 58. LETTER received from Mr. GREFFULHE, 14th March 1810.—With two Enclosures marked A. and B. relative to the Weight and Standard of Gold and Silver.

Sir, According to your desire I have the honour to enclose a Statement of the Prices of Gold and Silver at Hamburg and Amsterdam since the commencement of the year 1804, shewing also the respective standards and weights of those places compared to the English standard and weights. The quotations at Paris, I am sorry to say, I find it impossible to procure here for any length of time back; but I have made the enquiry by letter in France, and hope to be soon enabled to transmit that information to you, together with the prices of Corn during the same period. With respect to an agio upon Gold against Silver, I find it regularly quoted at Paris at from 15 to 20 centimes per Ct. (i. e. 1/4 to 1/2 per Ct.). At Hamburg and Amsterdam there is no such established difference; but it may perhaps be worth your notice, that in the latter place the principal Gold coin, viz. the ducats, intrinsically worth guild. 5. 5. liv. fell at the rate of g. 5. 12. à 14 liv. The rate of such agio at Paris, prior to 1785, I have not yet succeeded in ascertaining, but the difference produced by the coinage of that year in the Louis d'or was, I understand, exactly in the proportion of 30 to 32, i. e. 32 Louis were coined in 1785 out of a marc of Gold of 22 carats purity, which before that year was coined into 30 Louis. There is no difference of value between the Gold coins prior and subsequent to 1803. I also take the liberty of annexing a Statement of the present value of Gold and Silver at the said places of Hamburg, Amsterdam, and Paris, in English money at the current rates of exchange, and for the English standard and weight; which may perhaps be useful for occasional reference, or for a comparison with similar calculations already before you.

Fall Mall, 14th March 1810. I have the honour to be, Sir, Your most obedient Servant, J. L. Greffulhe, Chairman of Bullion Committee, House of Commons.

Table titled 'No. 56. PRICES AT HAMBURG AND AMSTERDAM.' with columns for Gold and Silver prices at Hamburg and Amsterdam, including lowest and highest prices and advances.

No. 57. (A.)—Enclosed in Mr. Greffulhe's Letter of 14th March 1810. Comparative STATEMENT of Weights and Standards of GOLD and SILVER. In ENGLAND, Gold is sold by the ounce; the standard is 22 carats. Silver is sold by the ounce; the standard is 112 2/3 parts. In HAMBURG, Gold is sold by the ducat in fivers lubo banco, (16 to a marc banco)—67 ducats are a marc; 60 marcs are equal to 451 ounces English troy weight; the standard is 23 1/2 carats. Silver is sold by the marc in marcs banco.—Standard absolute purity. In AMSTERDAM, Gold is sold by the marc at a fetted price of 355 current guilders, with an agio or percentage upon that price; 80 marks are equal to 633 ounces English troy weight. Silver by the marc in current guilders.—Standard of both absolute purity.

In FRANCE, Gold is sold by the ounce in marcs; 3 ounces English by weight are 84 ounces French. Silver is sold by the marc; the marc is 8 ounces.—The standard of both absolute purity. 349. 3 G

No. 58.

(B.)—Enclosed in Mr. Greffulhe's Letter of 14th March 1810.
 VALUE of GOLD and SILVER at Hamburgh, Amsterdam, and Paris.

An Ounce of Gold, English weight and standard is worth
 (the foreign money reduced into sterling)

At Hamburgh	Price 101 — Exchange 29/	£. s. d.
At Amsterdam	Price 14½ — Exchange 31/6, Bank agio 1 per Ct.	4 17 0
At Paris	Price 105 — Exchange 20	4 18 6
		4 19 0

An ounce of Silver, as above,

At Hamburgh	Price 27. 10 — Exchange as above	0 6 3
At Amsterdam	Price 26. 8 — — — — —	0 6 5
At Paris	Price 53. 60 — — — — —	0 6 4½

No. 59.

Relative VALUE between GOLD and SILVER, in England and in Foreign Countries, according to their respective Mint Regulations; with the PAR of Exchange of each of those Countries on England.

- ENGLAND - - The relative value between Gold and Silver in England, is $15 \frac{2}{3}$ or $15 \frac{1}{3}$ to one, making no allowance for remedy, which by the trials of the pix has never been taken.
- AMSTERDAM - The relative value of those metals cannot be permanently determined, because the current value of the Gold is not fixed. Taking the ducat at five guilders five stivers, the price which it most commonly bore, the proportion is $14 \frac{7}{8}$ to one, according to the mint regulations, and $14 \frac{3}{8}$ to one, according to affays.
- HAMBURGH - The relative value between Gold and silver cannot be fixed here, for the same reasons as in Amsterdam, the price both of Gold in currency and silver coin in banco being variable; but taking the mean prices as follows, 6 marks banco per gold ducat, and $27 \frac{1}{2}$ marks banco per cologne mark of fine silver, the proportion will then be as $14 \frac{3}{8}$ to one.
- PARIS - - - (Old system) 15 to one, per mint regulations, allowing for the remedy, which was considerable, and of which the coiners fully availed themselves.
 Per affays $15 \frac{1}{8}$ to one.
 (New system) $15 \frac{6}{8}$ to one, according to mint regulations, without allowance for remedy.
 Per affays $15 \frac{4}{8}$ to one.
- CADIZ, &c. - - Sixteen to one, by mint regulations, without the remedy.
 Per affays $15 \frac{3}{8}$ to one (by doubloons of 1772.)
 $16 \frac{3}{8}$ to one (by doubloons of 1801.)
- LISBON - - - $15 \frac{7}{8}$ to one, per regulations.
 $15 \frac{3}{8}$ to one, per affays.
- NAPLES - - - $14 \frac{7}{8}$ to one, per regulations.
 $14 \frac{7}{8}$ to one, per affays.
- GENEVA - - - $15 \frac{3}{8}$ to one, per regulations.
 $15 \frac{1}{8}$ per affays.
- LEGHORN - - - $14 \frac{3}{8}$ to one, per regulations.
 $14 \frac{3}{8}$ to one, per affays.
- VENICE - - - $14 \frac{3}{8}$ to one, per regulations.
 $14 \frac{3}{8}$ to one, per affays.
 The reports here of the silver coins vary considerably, and have undergone several depreciations of late years.
- PALERMO - - - Fifteen to one, per affays.
- AMERICA - - - Fifteen to one, very nearly, per regulations, without allowance for remedy.
 $15 \frac{2}{8}$ to one, per affays.

INTRINSIC

182
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INTRINSIC PAR of EXCHANGE between Amsterdam, Rotterdam, Hamburgh, Paris, Geneva, Leghorn, Naples, Lisbon, Cadiz, Venice, and England.

	By Mint Regulations.		By Assays.		
	In Gold.	In Silver.	In Gold.	In Silver.	
Amsterdam Currency	37. 5. Flem.	38. 1. Flem.	37. 3½.	38. 7½.	For one Pound sterling.
D° - - Banco - -	† 35. 11. 6. guil. fl.	36. 7. 5. guil. fl.	35. 10½.	37. 2.	D°.
Rotterdam Currency -	11. 4. 5.	11. 8. 5.	11. 4.	11. 14.	D°.
Hamburgh Banco -	† 34. 3. Flem. liv. s. den.	35. 1. Flem. liv. s. den.	34. 2. liv. s.	35. 1. liv. s.	D°.
Paris, old Coins - -	25. 9. 11.	25. 1. 9.	25. 10.	25. 10.	D°.
Paris, new D° - -	25. 10. 6. or 25 fr. 21 cents.	25. 0. 9. or 24 fr. 73 cents.	25. 11. 6. or 25 fr. 26 cents.	25. 4. 5. or 24 fr. 91 cents.	D°.
Geneva - - -	pence sterl. 45. 52.	pence sterl. 46.	d. 45 ½.	d. 46.	For the pezza.
Leghorn - - -	49. 09.	46. 67.	49.	46 ½.	D°.
Naples - - -	42. 57.	43. 5.	42.	41 ½.	For the ducat.
Lisbon - - -	67. 4.	69. 4.	67 ½.	68 ½.	The milrea.
Cadiz - - -	37. 3. lire.	39. 22. lire.	37 ⅞.	39.	The dollar of exchange.
Venice - - -	46. 28.	47. 5.	46. reckoning the faquin at 22 lire.	49 lire in old coin. 56.4. in new currency.	For the pound sterling.

* Reckoning the Gold ducat at 5 guilders 5 stivers; which is, however, subject to variation.
 † Reckoning the agio at 4 per cent.
 ‡ Reckoning the Gold ducat at six marks banco, and the agio of the bank with currency at 23; but these data are subject to variation, as in Amsterdam.

No. 60.

The Price of GOLD and Rate of Exchange at HAMBURGH, on the first Post Day in every Month.

Year	Month	Gold.	Exchange.
1809	January	103 ⅞	30/8.
	February	103 ⅞	30/.
	March	104	29/11.
	April	104	29/4.
	May	103	29/.
	June	104 ½	28/.
	July	104 ½	27/10.
	August	104 ½	28/1.
	September	104	28/1.
	October	101 ½	27/8.
	November	101 ½	27/8.
	December	101 ½	27/8.
1810	January	100 ½	28/.
	February	100 ½	28/.
	March	100 ½	28/3.
	April	101	28/11.

The Gold is quoted in stivers banco per ducat, which, at par, is 96 stivers banco.

No. 61.

AVERAGE of EXCHANGE, NEW YORK ON GREAT BRITAIN.

MONTHS.	1804.	1805.	1806.	1807.	1808.
January	103	99½	96½	97½	102½
February	103½	99	98½	98½	103
March	102½	98	99	99	103½
April	103½	98½	100½	98	107
May	103	98	par	98	108
June	102½	95	par	98	106½
July	102½	95	99	97½	106
August	102	95	98½	96½	106
September	102	97½	par	97	106
October	102	98	99½	98½	106
November	101½	99	99	par	107
December	par	93	98½	102	110

EXCHANGE at BOSTON in 1809.

February	109 à 9½
March	109
April	104
June	101
August	102½ à 3
September	par
October, November, December	par à 98
1810. January	96 à 97

No. 62.

EXTRACT from Book, entitled, "The Massachusetts Register and United States Calendar, for the Year of our Lord 1808."

A TABLE of the Value and Weight of COINS, as they pass in the respective States of the Union, with their Sterling and Federal Value.

Names of Coins.	Standard Weight.	In Great Britain.		N. Hampsh. Mass. R. I. Conn. Virg.	N. York.	New Jersey. Penns. Dela. and Maryl.	S. Carol. Georgia.	Feder. Value.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	lbs. Dms. Cts. Mills.
English Guinea	5. 6.	1. 1. —	1. 8. —	1. 17. 6.	1. 15. —	1. 1. 9.	1. 1. 9.	0. 4. 6. 6. 7.
French Louis	5. 5.	1. — —	1. 7. 6.	1. 16. —	1. 14. 6.	1. 1. 5.	1. 1. 5.	0. 4. 6. 0. 0.
Johannes	18. 0.	3. 12. —	4. 15. —	6. 8. —	6. — —	4. — —	4. — —	1. 6. 0. 0. 0.
Hal. Johannes	9. 0.	1. 16. —	2. 8. —	3. 4. —	3. — —	2. — —	2. — —	0. 8. 0. 0. 0.
Moidore	6. 18.	1. 7. —	1. 16. —	2. 8. —	2. 5. —	1. 8. —	1. 8. —	0. 6. 0. 0. 0.
Doubleon	16. 21.	3. 6. —	4. 8. —	5. 16. —	5. 12. 6.	3. 10. —	3. 10. —	1. 4. 9. 3. 3.
Spanish Pistole	4. 4.	16. 6.	1. 2. —	1. 8. —	1. 8. —	1. 7. 6.	1. 7. 6.	0. 3. 6. 6. 7.
French Pistole	4. 4.	16. —	1. 2. —	1. 8. —	1. 8. 3.	1. 5. —	1. 5. —	0. 1. 1. 0. 0.
French Crown	19. 0.	5. — —	6. 7½	8. 9. —	7. 6. —	4. 8. —	4. 8. —	0. 1. 0. 0. 0.
Spanish Dollar	17. 6.	4. 6. —	6. — —	8. — —	7. 6. —	4. 1. —	4. 1. —	0. 0. 2. 2. 2.
English Shilling	3. 18.	1. — —	1. — —	1. 9. —	1. 8. —	1. — —	1. — —	0. 0. 2. 0. 0.
Pittareen	3. 11.	10½	1. 7. —	1. 7. —	1. 6. —	1. 11. —	1. 11. —	0. 0. 2. 0. 0.

All other Gold and Silver Coins of equal fineness are valued by weight.

RULES for reducing CURRENCIES.

- To reduce New York and North Carolina into New Hampshire, Massachusetts, Rhode Island, Connecticut, Vermont and Virginia, from the sum given; deduct ¼th thereof. Into Pennsylvania, New Jersey, Delaware; and Maryland, from the sum given, deduct 1/16th thereof. Into South Carolina and Georgia, to the sum given, add 1/6th and then take half of the whole.
- To reduce Pennsylvania, New Jersey, Delaware; and Maryland, into New Hampshire, Massachusetts, Rhode Island, Connecticut, Vermont, and Virginia, from the sum given, deduct 1/5th thereof. Into New York and North Carolina, to the sum given, add 1/5th thereof. Into South Carolina and Georgia, multiply by 3 and 1/9th and divide the product by 5; or multiply by 28 and divide by 45.
- To reduce South Carolina and Georgia into New Hampshire, Massachusetts, Rhode Island, Connecticut, and Virginia, to the sum given add 2/7th thereof. Into Pennsylvania, New Jersey, Delaware and Maryland, multiply the given sum by 45 and divide by 28. Into New York and North Carolina, from the given sum subtract 1/7th and double the remainder.

No. 63.

EXTRACTS from Book entitled, "The Massachusetts Register and United States Calendar for the Year of our Lord 1808."

TABLE for receiving and paying the GOLD COINS of France, Spain, and the Dominions of Spain, of their present Standard, according to the Act of Congress regulating Foreign Coins [passed the 9th February 1793]: calculated for the use of the Bank of the United States.

Grains.	Cents.	Grains.	Cents.	Grains.	Cents.
1	3	9	33	17	62
2	7	10	36	18	66
3	11	11	40	19	69
4	14	12	44	20	73
5	18	13	47	21	76
6	22	14	51	22	80
7	25	15	55	23	84
8	29	16	58		

Dwts.	Dolls.	Cts.	Dwts.	Dolls.	Cts.	Dwts.	Dolls.	Cts.
1	0	87	18	15	76	35	30	66
2	1	75	19	16	64	36	31	53
3	2	63	20	17	52	37	32	41
4	3	50	21	18	39	38	33	28
5	4	38	22	19	27	39	34	16
6	5	25	23	20	14	40	35	8
7	6	13	24	21	2	41	35	91
8	7	1	25	21	90	42	30	79
9	7	88	26	22	77	43	37	66
10	8	76	27	23	65	44	38	54
11	9	63	28	24	52	45	39	41
12	10	51	29	25	40	46	40	29
13	11	39	30	26	28	47	41	17
14	12	26	31	27	15	48	42	4
15	13	14	32	28	3	49	42	92
16	14	1	33	28	90	50	50	43
17	14	89	34	29	78			

N. B. The Number of Houses in Philadelphia and its Suburbs is 13,461; estimating Eight Persons at each House, it gives a Population of 107,688.—In 1749, the Number of Houses was 6,207. In 1783, 6,000.

In February 1806, New York City contained 57,770 Inhabitants.

TABLE for receiving and paying the GOLD COINS of Great Britain and Portugal * of their present Standard, according to the Act of Congress, regulating Foreign Coins [passed the 9th February 1793] carefully revised.

Grains.	Cents.	Grains.	Cents.	Grains.	Cents.
1	3	9	33	17	63
2	7	10	37	18	67
3	11	11	40	19	70
4	14	12	44	20	74
5	18	13	48	21	78
6	22	14	51	22	81
7	25	15	55	23	85
8	29	16	59		

Dwts.	Dolls.	Cts.	Dwts.	Dolls.	Cts.	Dwts.	Dolls.	Cts.	Dwts.	Dolls.	Cts.
1	0	89	14	12	44	27	24	00	40	40	55
2	1	78	15	13	33	28	24	80	41	36	44
3	2	67	16	14	22	29	25	78	42	37	33
4	3	55	17	15	11	30	30	67	43	38	22
5	4	44	18	16	00	31	27	55	44	39	11
6	5	33	19	16	89	32	28	44	45	40	00
7	6	22	20	17	78	33	29	33	46	40	80
8	7	11	21	18	67	34	30	22	47	41	78
9	8	00	22	19	55	35	31	11	48	42	67
10	8	89	23	20	44	36	32	00	49	43	55
11	9	78	24	21	33	37	32	80	50	44	44
12	10	67	25	22	22	38	33	78			
13	11	55	26	23	11	39	34	67			

* By Law of the United States, April 10, 1806, Gold Coins of Great Britain and Portugal are estimated at the weight of 27 Grains to a Dollar; and those of France and Spain at the weight of 27½ per Dollar.

No. 64.

A TABLE of the Weight and Value of the AMERICAN COINS.

NAMES.	Dwt.	Grs.	Dolla.	Cents.
Eagle	11	6	10	00
Half Eagle	5	15	5	00
Quarter Eagle	2	19½	2	50
Crown	18	17	1	10
Dollar	17	7	1	00
Half Dollar	8	16	0	50
Quarter Dollar	4	8	0	25
Dime	1	18	0	10
Half Dime	0	21	0	5

No. 65.

THE EXCHANGE by the last advices from GOTHENBURG, dated the 4th May, and received the 12th Idem, was at Rx. 5. 32.
 And by the previous, dated the 30th April, and received the 5th May, was at 5. 33.

The Par is supposed to be Rx. 4. 28. p. L.

$\begin{array}{r} 4.28 : 1.4 :: 100 : \\ 48 \quad 48 \\ \hline 192 \quad 52 \\ 28 \quad 100 \\ \hline 220 \end{array}$	$\begin{array}{r} 4.28 : 1.5 :: 100 : \\ 48 \quad 48 \\ \hline 192 \quad 53 \\ 28 \quad 100 \\ \hline 220 \end{array}$
at 5. 32. $\frac{5,200}{800} (23 \frac{1}{2} P' \%)$	at 5. 33. $\frac{5,300}{900} (24 P' \%)$

COURSE of EXCHANGE in SWEDEN during the Year 1809.

Month	Day	Rx.	Month	Day	Rx.
January	4	4.20	July	3	4.25
	18	4.21		10	4.26
	20	4.21		17	4.28
	23	4.22		21	4.29
February	10 & 11	4.22		24	4.29.31
	22	4.22		28	4.29
March	7	4.20½	August	7	4.30
	10	4.20		11	4.29
	24	4.21		18	4.32
April	4	4.26		23	4.32
	21	4.28		27	4.31
May	4	4.28.29	September	4	4.32
	5	4.30		8	4.34
	8	4.29		11	4.33
	9	4.30		15	4.32
	10	4.27		18	4.34
	12	4.28		19	4.32
	15	4.27	October	2	4.32
	24	4.24		13	4.32
	26	4.28		20	4.30
	29	4.28.30	November	4	4.29
	31	4.26		10	4.30
June	2	4.25½		13	4.29
	5	4.25	December	4	4.31
	16	4.26		7	4.32
	26	4.25.28		15	4.37
	28	4.24½		18	4.38
				22	4.39

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No. 66.

An ACCOUNT of the EXCHANGE between London on Dublin, and Dublin on London, from the first of January 1804 to the first of March 1810. London, 10th March 1810. Puget, Bainbridge, & Parnell.

	1804:		1805:		1806:		1807:		1808:		1809:		1810:	
	On Dublin.	From Dublin.	On Dublin.	From Dublin.	On Dublin.	From Dublin.	On Dublin.	From Dublin.	On Dublin.	From Dublin.	On Dublin.	From Dublin.	On Dublin.	From Dublin.
1st January	18	15½	10	8½	13½	11½	12	11	10½	9½	10	8½	9½	8
1st February	18½	16½	11	10½	12½	11½	12	10½	10½	9½	9	7½	9½	8½
1st March	18½	17	10½	9½	12½	11½	11½	10	10½	8	8½	7½	9½	8½
1st April	18½	16½	11½	11	12½	11½	10½	9½	10½	8½	8½	7½	9½	8½
1st May	16½	15	11½	11	11½	10½	10½	9½	11	9	9	8	9½	8
1st June	14	11	12	11	12½	11	10½	9½	10	10	10	9	9½	8
1st July	14½	12	12½	11½	12½	10½	10½	9½	11	9½	9½	8½	9½	8
1st August	13	11½	13	12	12	10½	9½	10½	10½	10½	10½	9½	9½	8
1st September	12½	11½	13½	12	12½	11	10½	9½	10½	10½	10½	9½	9½	8½
1st October	14	12½	12½	11½	12½	10½	9½	10½	10½	10	10	9	9½	8½
1st November	13½	12½	12½	11½	12½	11½	10½	9½	10½	9½	9½	8½	9½	8½
1st December	12½	11½	12½	11½	11½	10½	9½	10½	9	9	9	8½	9½	8½

No. 67.

DUBLIN, May the 16th, 1810.
 Course of Exchange on London
 7 1/2. 8. per-cent.

Robt Deey.

No. 68.

A TABLE of the Course of EXCHANGE between BELFAST and LONDON, and also of the Exchange between BELFAST and DUBLIN, commencing from and after the 1st January 1804, and continued every Change day until the 1st January 1810, as the same was collected and compiled from the publication of Exchanges in the Belfast Newspapers; no other Account having been kept, nor reference whereon to depend.

1804.			1804—continued.		
Date.	On London.	On Dublin.	Date.	On London.	On Dublin.
January 3.	6	11 1/2	July 3.	-	5 1/2
6.	5 1/2	-	6.	-	5 1/2
10.	5	11 1/2	10.	6 1/2 . 7	5 1/2
13.	4 1/2	11 1/2	13.	- . 6 1/2	-
17.	5 . 5 1/2	11 1/2	17.	6 . 7	5
20.	-	11 1/2	20.	6 . 7	3 1/2
24.	5 1/2 . 6 1/2	11 1/2	24.	-	-
27.	6 . 6 1/2	11 1/2	27.	-	5
31.	6 1/2	11 1/2	31.	-	5 1/2
Feb. 3.	6 1/2 . 6 3/4	11 1/2	August 3.	6 1/2 . 6 3/4	5 1/2
7.	6 1/2	11	7.	5 . 5 1/2	5 1/2
10.	6 1/2 . 7	10 1/2	10.	-	7
14.	7 1/2 . 7 3/4	9	14.	4 1/2 . 4 3/4	8 1/2 . 9
17.	-	9 1/2	17.	4 . 4 1/2	8 1/2
20.	-	11 1/2	21.	3 1/2 . 4	-
24.	-	11 1/2	24.	-	7 1/2
27.	-	10 1/2	28.	5 . 5 1/2	7
March 2.	7 1/2 . 7 3/4	10 1/2	31.	-	7
6.	-	10 1/2	Sept. 4.	-	7
9.	-	10	7.	4 1/2 . 5	7 1/2
13.	6 1/2 . 7 1/2	10	11.	4 1/2 . 5	8 1/2 . 9
16.	6 1/2 . 6 3/4	9 1/2	14.	4 . 4 1/2	8 1/2
20.	6	10	17.	4 . 4 1/2	10
23.	-	10 1/2	21.	-	8 . 8 1/2
27.	6 1/2	10 1/2	24.	-	-
30.	6 1/2 . 6 3/4	-	28.	4 . 4 1/2	-
April 3.	6 1/2 . 6 3/4	10 1/2	October 2.	5 1/2 . 6	6 1/2
6.	6 . 6 1/2	10 1/2	5.	6 . 6 1/2	7
10.	6	10 1/2	9.	6 1/2 . 7	7 1/2
13.	5 1/2 . 6	10 1/2	12.	6 1/2 . 7	7 1/2
17.	6 . 6 1/2	10	16.	6 1/2 . 7	7
20.	6 1/2 . 7	10 1/2	19.	6 1/2 . 7	-
23.	7 . 7 1/2	10	23.	5 1/2 . 6 1/2	7 1/2
27.	-	-	26.	5 1/2 . 5 3/4	7 1/2
30.	-	9 1/2	30.	5	8
May 4.	6 1/2 . 7	9 1/2	Nov. 2.	-	-
8.	-	-	6.	5 1/2 . 5 1/2	7 1/2
11.	-	-	9.	5 1/2 . 6	-
14.	-	9 1/2	12.	-	-
18.	-	-	16.	-	-
22.	5 1/2 . 6 1/2	-	20.	6 1/2 . 6 3/4	-
25.	6 . 6 1/2	8 1/2	23.	-	7 1/2 . 7 3/4
29.	-	-	27.	6 1/2 . 7	5 1/2
June 1.	-	7 1/2	30.	6 1/2	5 1/2
5.	6	7	Dec. 4.	6 . 6 1/2	5 1/2 . 6 1/2
8.	6 . 6 1/2	6 1/2	7.	6 1/2 . 7	5 1/2 . 6 1/2
12.	-	6 1/2	11.	6 1/2	5 1/2
15.	6 1/2 . 6 3/4	6 1/2	14.	-	5 1/2
19.	6 1/2 . 6 3/4	6 1/2	18.	-	-
22.	6 1/2 . 6 3/4	6 1/2	21.	6	-
25.	6 1/2 . 6 3/4	5 1/2	25.	6 1/2 . 6 3/4	5 1/2 . 5 1/2
29.	-	5 1/2	28.	5 1/2 . 5 3/4	5 1/2

(continued.)

No. 68.—Course of Exchange between Belfast and London, and between Belfast and Dublin—continued.

1805.			1805—continued.		
Date.	On London.	On Dublin.	Date.	On London.	On Dublin.
January 4.	5	5 1/2	Sept. 3.	6 1/2	6 1/2
8.	-	-	7.	7 1/2	-
11.	-	5 1/2	10.	-	-
15.	5	-	14.	-	-
18.	-	-	17.	-	-
22.	4 1/2	6 1/2	21.	-	6
25.	5 . 5 1/2	-	24.	8	5 1/2
29.	5	6 1/2	28.	7 1/2	5
Feb. 1.	-	-	October 1.	-	-
4.	-	-	4.	-	-
8.	5 1/2	-	8.	8	4 1/2
11.	-	-	11.	-	-
15.	5	-	15.	-	-
18.	5 1/2	-	18.	-	-
22.	-	-	22.	8	4 1/2
25.	-	-	25.	-	-
29.	-	-	29.	7 1/2	4 1/2
March 1.	-	-	Nov. 1.	-	-
5.	-	-	5.	-	4 1/2
8.	-	-	8.	-	-
12.	-	-	12.	-	4 1/2
15.	-	-	15.	-	4 1/2
19.	5 1/2	-	19.	-	-
22.	-	-	22.	8	-
26.	5 1/2	-	26.	-	-
29.	5 1/2	-	29.	8 1/2	-
April 2.	-	-	Dec. 3.	-	-
5.	-	6 1/2	6.	-	-
9.	5 1/2	6 1/2	10.	8	-
12.	-	-	13.	-	-
16.	5 1/2	6 1/2	17.	-	-
19.	5 1/2	6	20.	-	-
23.	6	6	24.	-	4
26.	6 1/2	-	27.	-	-
30.	6	6	31.	-	-
May 3.	6	6	1806.	-	-
7.	6 1/2	-	January 3.	8	4
10.	6 1/2	5 1/2	7.	8 1/2	4 1/2
14.	-	-	10.	-	4 1/2
17.	6 1/2	-	14.	-	4 1/2
20.	6 1/2	-	17.	-	-
24.	6 1/2	6	21.	-	-
28.	-	6 1/2	24.	-	4 1/2
31.	7	-	27.	9	4 1/2
June 4.	-	5 1/2	31.	-	-
7.	-	-	Feb. 4.	8 1/2	-
11.	-	-	7.	-	4
14.	-	-	11.	-	-
18.	7 1/2	4 1/2	14.	-	-
21.	-	-	18.	-	-
25.	-	-	21.	8 1/2	-
28.	-	-	25.	-	-
July 2.	-	-	28.	-	-
5.	-	-	March 4.	-	3 1/2
9.	-	-	7.	-	4
12.	-	-	10.	-	-
16.	-	5 1/2	14.	-	-
19.	7	-	17.	-	-
23.	7	-	21.	-	3 1/2
26.	6 1/2	-	24.	-	-
30.	7 1/2	6	28.	-	-
August 2.	-	5 1/2	31.	-	-
6.	-	5 1/2	April 4.	8 1/2	3 1/2
9.	-	5 1/2	8.	-	-
13.	7	6	11.	-	-
16.	6 1/2	6	15.	-	-
20.	-	-	18.	-	-
23.	6 1/2	6 1/2	-	-	-
27.	6 1/2	6 1/2	-	-	-
31.	-	-	-	-	-

214 APPENDIX to The Minutes of Evidence taken before the
No. 68.—Course of Exchange between Belfast and London, and between Belfast and Dublin—continued.

Table with columns for Date, On London, and On Dublin, covering the years 1806, 1807, and 1808. It lists exchange rates for various dates throughout the year.

COMMITTEE on the High Price of GOLD BULLION. 215
No. 68.—Course of Exchange between Belfast and London, and between Belfast and Dublin—continued

Table with columns for Date, On London, and On Dublin, covering the years 1807 and 1808. It lists exchange rates for various dates throughout the year.

No. 68.—Course of Exchange between Belfast and London, and between Belfast and Dublin—continued.

1808—continued.			1809—continued.		
Date.	On London.	On Dublin.	Date.	On London.	On Dublin.
11.	—	—	June 2.	8 $\frac{1}{2}$	2 $\frac{1}{2}$
15.	—	—	6.	9 $\frac{1}{2}$	3 $\frac{1}{2}$
18.	—	—	9.	9 $\frac{1}{2}$	—
22.	—	—	13.	9 $\frac{1}{2}$	2 $\frac{1}{2}$
25.	—	—	16.	8	2 $\frac{1}{2}$
29.	—	—	20.	8	1 $\frac{1}{2}$
Dec. 2.	—	—	23.	9 $\frac{1}{2}$	1 $\frac{1}{2}$
6.	5 $\frac{1}{2}$	3 $\frac{1}{2}$	27.	8 $\frac{1}{2}$	—
9.	5 $\frac{1}{2}$	—	30.	—	—
13.	5 $\frac{1}{2}$	3 $\frac{1}{2}$	July 4.	—	—
16.	—	—	7.	—	2
20.	5 $\frac{1}{2}$	—	11.	—	1 $\frac{1}{2}$
23.	—	—	14.	—	2 $\frac{1}{2}$
27.	—	—	18.	—	—
30.	—	—	21.	—	—
			25.	8	2
			28.	8 $\frac{1}{2}$	—
			August 1.	8	2 $\frac{1}{2}$
			4.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			8.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			11.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			15.	7 $\frac{1}{2}$	—
			18.	7 $\frac{1}{2}$	—
			22.	7 $\frac{1}{2}$	—
			25.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			29.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			Sept. 1.	7 $\frac{1}{2}$	3 $\frac{1}{2}$
			5.	7 $\frac{1}{2}$	—
			8.	7 $\frac{1}{2}$	—
			12.	—	3 $\frac{1}{2}$
			15.	—	—
			19.	7 $\frac{1}{2}$	3
			22.	—	—
			26.	7	3 $\frac{1}{2}$
			29.	—	3 $\frac{1}{2}$
			October 3.	—	3
			6.	6 $\frac{1}{2}$	3 $\frac{1}{2}$
			10.	7	—
			13.	—	—
			17.	—	—
			20.	6 $\frac{1}{2}$	3 $\frac{1}{2}$
			24.	6 $\frac{1}{2}$	—
			27.	6 $\frac{1}{2}$	—
			31.	6 $\frac{1}{2}$	—
			Nov. 3.	—	3 $\frac{1}{2}$
			7.	6	—
			10.	—	—
			13.	—	—
			17.	6 $\frac{1}{2}$	—
			20.	6 $\frac{1}{2}$	—
			23.	—	2 $\frac{1}{2}$
			27.	—	—
			30.	6 $\frac{1}{2}$	3 $\frac{1}{2}$
			Dec. 1.	6 $\frac{1}{2}$	2 $\frac{1}{2}$
			5.	—	—
			8.	—	Nothing done.
			12.	6 $\frac{1}{2}$	D ^o
			15.	—	D ^o
			19.	—	D ^o
			22.	7	D ^o
			26.	6 $\frac{1}{2}$	2 $\frac{1}{2}$
			29.	7	—

The foregoing Rates of Exchange of Belfast on London, and Belfast on Dublin, are computed for the payment in Gold, and the quotations are understood for Bills on London at 21 days sight, and Bills on Dublin at 61 days sight; such Bills as have a longer or a shorter time on Dublin as the case may be, take or give Interest at five per cent.
And it is to be observed that the Exchange on London indicates Premium while that on Dublin indicates discount.

Robt Deey } Exchange Brokers.
Wm Deey } Dublin.

No. 69.

STATEMENT of Money issued by the Paymasters General to the under-mentioned Persons, for the purchase of Dollars, &c.

Date.	Description.	£.	s.	d.
1804, August 17.	Paid Daniel Bailey, Esq. in part of a Warrant of 17th August 1804, for £. 200,000. for the purchase of Silver Bullion for the Public Service, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury	100,000	0	0
Sept. 12.	Paid D ^o to complete a Warrant of 17th August 1804, for £. 200,000. for the purchase of D ^o for D ^o , without Deduction and without D ^o , &c.	100,000	0	0
1805, March 14.	Paid William Mitchell, Esq. in part of a Warrant 13th March 1805, for £. 300,000. for the purchase of Dollars for the Public Service, without Deduction and without D ^o , &c.	51,327	12	8
26.	Paid D ^o in further part of a Warrant of 13th March 1805, for £. 300,000. for D ^o D ^o , without Deduction, and without Account, &c.	44,326	6	8
April 2.	Paid D ^o in further part of a Warrant, 13th March 1805, for £. 300,000. for D ^o D ^o , without Deduction and without Account, &c.	42,625	8	1
4.	Paid D ^o in further part of a Warrant, dated 13th March 1805, for £. 300,000. for D ^o D ^o without Deduction and without Account, &c.	50,401	13	10
8.	Paid D ^o in further part of a Warrant, of 13th March 1805, for £. 300,000. for D ^o D ^o , without Deduction and without Account, &c.	42,810	4	6
18.	Paid D ^o to complete a Warrant of 13th March 1805, for £. 300,000. for D ^o D ^o , without Deduction and without Account, &c. &c.	68,507	14	3
—	Paid D ^o in part of £. 400,000. for which a Warrant is to be granted, for the purchase of Dollars for the Service of Government, per Treasury Letter, 17th April 1805	26,108	19	7
25.	Paid D ^o in further part of £. 400,000. for which a Warrant is to be granted, for the purchase of Dollars for the Public Service, per Treasury Letter of 24th April 1805	53,970	6	4
May 4.	Paid D ^o in further part of a Warrant for £. 400,000. for the purchase of Dollars for the Public Service, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury	27,202	18	0
8.	Paid D ^o in further part of a Warrant of 18th April 1805, for £. 400,000. for the purchase of Dollars for the Public Service, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury	54,495	10	4
13.	Paid D ^o in further part of D ^o Warrant	39,246	18	9
June 14.	Paid D ^o in further part of D ^o D ^o	42,595	1	9
18.	Paid D ^o in further part of D ^o D ^o	23,602	16	4
20.	Paid D ^o in further part of D ^o D ^o	56,774	2	5
24.	Paid D ^o in further part of D ^o D ^o	28,382	13	6
July 3.	Paid William Mitchell, Esquire, in further part of a Warrant, 18th April 1805, for £. 400,000. for the purchase of Dollars for the Public Service, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury	42,587	8	7
5.	Paid D ^o to complete D ^o Warrant D ^o	5,033	4	3
—	Paid D ^o for the purchase of Dollars for the Public Service, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury, per Treasury Letter, 5th July 1805	30,448	13	11
25.	Paid D ^o for the purchase of Dollars for the Service of Government, per Treasury Letter, 25th July 1805	27,228	12	3
1807, June 3.	Paid George Ward, Esq. on account of Bar Silver, purchased for the Service of Government, per Treasury Letter, 3d June 1807	50,000	0	0
22.	Paid D ^o , for the purchase of Bar Silver for the use of Government, per Treasury Letter, 20th June 1807	100,000	0	0
July 10.	Paid D ^o , for the purchase of Dollars for the Service of Government, per Treasury Letter, 9th July	121,538	16	11

1807, March 14.	Paid Thomas Reid, Esq. in re-payment of Dollars supplied for His Majesty's Service, as follows, without Deduction and without Account, other than such as he may be required to render to His Majesty or the Commissioners of the Treasury, viz. value 1,400,000 Dollars, at the rate of 866 oz. for 1,000 Dollars, being 1,212,400 oz. at 5s. 6d. per oz. £333,410 0 0 Deduct Premium of Insurance of £. 3. 3s. per cent. £. 10,502 8 3 Carriage from Portsmouth to London, at 1/2 per cent. - 625 2 10 1/2	£. s. d. 322,282 8 10
19.	Paid D ^o for the value of 1,730,000 Dollars at the rate of 4s. 7d. per Dollar, £. 396,458. 6s. 8d. supplied for His Majesty's Service, and for Fees £. 6. 7s. without Deduction and without Account, other than such as he may be required to render to His Majesty or the Commissioners of the Treasury -	396,464 13 8
August 25.	Paid by George Ward, Esq. for Bar Silver purchased by him for the use of Government, without Deduction -	33,312 0 9
October 9.	Paid Messrs. Thomas Reid and Partners, for 450,000 Dollars delivered by them, at Jamaica, to Lieutenant General Sir Eyre Coote, for the use of Government, £. 103,920. and for Fees, £. 6. 7s. without Deduction -	103,926 7 0
23.	Paid Thomas Reid, Esq. in re-payment of Dollars supplied for the Service of Government -	429,771 13 11
1808, May 23.	Paid William Gordon, Esq. to John Murphy, Esq. for the Balance due to Thomas Reid and Partners, and the said John Murphy, for 900,000 Dollars in Gold and Silver, delivered by them to Sir Eyre Coote, at Jamaica, for the Military Service, without Deduction and without Account, other than such as may be required to be rendered to His Majesty or the Commissioners of the Treasury -	5,959 2 11
March 5.	Paid Mr. William Gordon, to John Murphy, Merchant, on account of the value of Doubleloons delivered by him for the use of the Government at Jamaica, without Deduction and without Account, other than such as he may be required to render to His Majesty or the Commissioners of the Treasury -	52,975 2 8
June 14.	Paid Thomas Reid, Esq. for the purchase of Dollars, in part of £. 50,000. ordered, per Treasury Letter of 14th June 1808 -	25,000 0 0
15.	Paid D ^o for D ^o to complete D ^o ordered per D ^o -	25,000 0 0
—	Paid William Gordon, Esq. for John Murphy, Esq. for the purchase of D ^o per D ^o of D ^o date -	50,000 0 0
23.	Paid D ^o for D ^o for the purchase of D ^o per D ^o of 22d June 1808 -	87,000 0 0
30.	Paid D ^o for D ^o for the purchase of D ^o per D ^o of 30th D ^o -	234,168 3 1
—	Paid Messrs. T. Reid and Co. for the purchase of D ^o per D ^o of D ^o date -	153,280 0 10
Sept. 15.	Paid Messrs. Taylor and Hughan in re-payment of the value of Dollars delivered by them, at Gibraltar, for the use of Government, £. 4,551. 15s. and for Fees £. 3. 8s. without Deduction and without Account, other than such as they may be required to render to the Commissioners of the Treasury, per Treasury Warrant -	4,555 13 0
1809, July 3.	Paid Messrs. Robert Taylor and Co. for Dollars, delivered by them at Jamaica, for His Majesty's Service, without Deduction -	48,494 1 3
August 5.	Paid D ^o for D ^o - - - D ^o - - - D ^o - - -	21,625 0 0
Nov. 17.	Paid D ^o for D ^o - - - D ^o - - -	13,244 18 8
1810, January 23.	Paid D ^o for the value of Dollars delivered by them to Commissary Drennan, at Jamaica, the 30th September 1809, on account of Government, £. 773. 11s. and for Fees £. 3. 3s. without Deduction -	776 14 0
1808, March 5.	Paid Mr. William Gordon to John Murphy, merchant, being on account of the value of 202,783 Dollars, to be delivered by him, for the use of the Government at Jamaica, without Deduction and without Account, other than such as he may be required to render to the Commissioners of the Treasury -	40,552 17 5
26.	Paid James Farrell, Esq. for the value of Dollars delivered by him for the use of the Government of Jamaica, without Deduction and without Account, other than such as he may be required to render to His Majesty or the Commissioners of the Treasury -	50,405 0 0

PAY-OFFICE,
Horse-Guards, 12th March 1810.

D^o Thomas,
Accountant.

No. 70.
(A 1.)—AN ACCOUNT of the AMOUNT of all BILLS of EXCHANGE drawn on the Lords Commissioners of His Majesty's Treasury, for Expenses Abroad, accepted by their order, payable at the Bank of England, and which became due in each year since the 5th January 1804; distinguishing the Sums, the Places, and the Services.

	£. s. d.
Amount in 1804 - per annexed Account -	1,565,900 --
— 1805 -	2,102,355 --
— 1806 -	3,189,715 --
— 1807 -	2,124,800 --
— 1808 -	1,935,767 --
— 1809 -	4,162,290 --
	£. 15,080,827 --

* For this and the five following Accounts, see below, and fo on to page 226 inclusive.

(A 2.)—AN ACCOUNT of the AMOUNT of all BILLS of EXCHANGE drawn on the Lords Commissioners of His Majesty's Treasury, for Services Abroad, other than those accepted by their order payable at the Bank of England, and which became due in each year since the 5th January 1804; distinguishing the Sums, the Places, and the Services.

From whence drawn.	Service.	Amount due in 1804.	Amount due in 1805.	Amount due in 1806.	Amount due in 1807.	Amount due in 1808.	Amount due in 1809.	TOTAL.
New South Wales	Purchase of Provisions, Hire of Vessels, &c. for the use of that Colony -	£. 24,646 18 10	£. 20,670 16 12	£. 21,410 9 5 1/2	£. 15,253 11 4 1/2	£. 25,817 9 11	£. 16,738 7 10	£. 122,537 3 6 1/2
Continent of Europe	Bills drawn by Lord R. S. Fitzgerald, His Majesty's Envoy at Lisbon -	6,000 --	--	--	--	--	--	7,847 6 --
	D ^o - by A. Briarly, from Cadix -	--	--	--	--	1,347 6 --	--	--
Mediterranean	Bills drawn by James Green—His Majesty's Consul at Tangiers -	--	--	700 --	50 8 --	--	--	750 8 --
West Indies	Bills drawn for Bounties on Fish -	--	--	500 --	249 7 --	149 16 --	--	50,595 6 --
	D ^o - by Governor and Council at Dominica, for losses by Fire at Roseau -	--	--	--	--	49,696 3 --	--	--
Coast of Africa	Bills drawn from Sierra Leone, for the Civil Expenses of that Colony -	--	--	--	--	3,161 5 6	25,804 7	28,967 6 1
								£. 210,697 9 7 1/2

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to £1,565,900, being the Sum advanced by the Paymaster General to the Bank of England for the discharge thereof, from the 25th December 1803 to the 25th December 1804.

Table with columns: From whence drawn, By whom drawn, Service, and Amount. Rows include Guernsey, Jersey, and Alderney; Gibraltar and Mediterranean; Continent of Europe; Coast of Africa, and East Indies; West Indies; North America, Newfoundland, Bahamas, &c.; North America, Newfoundland, Bahamas, &c.; and Off Ireland.

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to the Sum of £2,102,355, being the Sum advanced by the Paymaster General to the Bank for the discharge thereof, between the 25th December 1804, and the 25th December 1805.

Table with columns: From whence drawn, By whom drawn, Service, and Amount. Rows include Guernsey, Jersey, and Alderney; Gibraltar and Mediterranean; Continent of Europe; West Indies; North America, Newfoundland, Bahamas, &c.; Coast of Africa, and East Indies; and Off Ireland.

APPENDIX to the Minutes of Evidence taken before the

No. 70.—(A 1.) continued. 1806.

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to £3,189,715 10s. being the sum advanced by the Paymaster General to the Bank of England for the discharge thereof, from the 25th December 1805 to the 25th December 1806.

Table with columns: From whence drawn, By whom drawn, Service, and Amount. Includes entries for various military and administrative services across different regions like Gibraltar, Europe, West Indies, and North America.

COMMITTEE on the High Price of GOLD BULLION.

No. 70.—(A 1.) continued. 1807.

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to £2,124,800, being the sum advanced by the Paymaster General to the Bank of England for the discharge thereof, from the 25th December 1806 to the 25th December 1807.

Table with columns: From whence drawn, By whom drawn, Service, and Amount. Includes entries for various military and administrative services across different regions like Europe, West Indies, North America, and South America.

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to £. 1,935,767. being the Sum advanced by the Paymaster General to the Bank for the discharge thereof, from the 25th December 1807 to the 25th December 1808.

Table with columns: From whence drawn, By whom drawn, Service, £. s. d., £. s. d. Includes entries for Guernsey, Jersey, and Alderney; Gibraltar, Mediterranean, and Madeira; Continent of Europe; West Indies.

(continued)

Table with columns: From whence drawn, By whom drawn, Service, £. s. d., £. s. d. Includes entries for North America, East of Africa, Cape, East Indies, and South America.

1809.

ACCOUNT of BILLS drawn on the Lords Commissioners of His Majesty's Treasury, amounting to £. 4,162,200. being the Sum advanced by the Paymaster General to the Bank, for the discharge thereof, between the 25th December 1808, and the 25th December 1809.

Table with columns: From whence drawn, By whom drawn, Service, £. s. d., £. s. d. Includes entries for Guernsey, Jersey, and Alderney; Anhalt and Heligoland; Gibraltar and Mediterranean; Continent of Europe.

(continued)

No. 70. (A 1.)—Account of Bills drawn on the Lords Commissioners of His Majesty's Treasury, in 1809—continued.

Table with columns: From whence drawn, By whom drawn, Service, £. s. d., £. s. d. Rows include various military and administrative expenses across different regions like Europe, West Indies, North America, etc.

No. 71.

A RETURN of the Annual average Price of WHEAT in SCOTLAND, from the year 1750;—also, a RETURN of the Annual average Price of WHEAT in ENGLAND and WALES, from the year 1750:—Pursuant to an Order of the Committee on the High Price of Gold Bullion.

Table showing annual average prices of wheat in Scotland and England/Wales from 1771 to 1809. Columns include Year, SCOTLAND (Wheat Quarters), ENGLAND and WALES (Wheat Quarters), and No Return.

5th March 1810.

Jas. Catherwood, Receiver of Corn Returns.

N.B. The annual average Price of Wheat from the year 1750, cannot be given as required by the foregoing Order; the first Act, viz. 10th Geo. III. chap. 39, for registering the Price of Grain in Great-Britain not being passed till the latter end of the year 1770, which Act was very imperfectly carried into execution in Scotland, Returns of the Prices of Grain never being made but from a few of the Counties; and from 1785, the Returns entirely ceased till the Corn Act of the 31st of the King, ch. 30. came into operation, from which time Returns from Scotland have been as regularly made as those from England and Wales.

No. 72.

A RETURN of the Annual average Prices of WHEAT in IRELAND, commencing year 1784 and ending 1809.

Table showing annual average prices of wheat in Ireland from 1784 to 1809. Columns include Year ending, £. s. d., and per barrel of 20 stone.

Dublin, 6th March 1810.

John Moore, Register of Corn Returns.

No. 73.

An ACCOUNT, showing the Total Balance of TRADE in Favour of, or against, GREAT BRITAIN, in her COMMERCE with all Parts of the WORLD, during the last Five Years.

	1805.	1806.	1807.	1808.	1809.
Real Value of Imports as sold to the Consumers, including Mercantile Profit to the Importers, but exclusive of Duties:—	53,582,146.	50,621,709.	53,500,990.	45,718,698.	59,851,352.
1. Including the Freight, great part of which are paid to British Subjects	9,089,449.	8,026,553.	8,885,275.	8,390,242.	8,718,289.
2. From which is deducted:— 1st. The Value of the Newfoundland, Greenland, and Southern Whale Fisheries, &c. 2d. The Surplus of Imports from British Colonies and Plantations, considered as favourable Balance 3d. The Surplus of Imports from British India, likewise considered as favourable Balance.	44,492,697.	42,595,154.	44,615,715.	37,488,456.	51,133,065.
Real Value of Imports (exclusive of the above-mentioned Deductions)	51,109,131.	53,028,881.	50,482,661.	49,969,746.	66,017,712.
Real Value of Exports (exclusive of the Freight outwards)	6,616,434.	10,433,727.	5,866,946.	12,481,290.	14,884,649.
Balance in favour of Great Britain	Medium of 1805 & 6. £ 8,535,680.	Medium of 1806 & 7. £ 9,174,118.			

Custom-House, London, }
April 1810.

William Irving.

Real Value of Imports as sold to the Consumers, including Mercantile Profit to the Importers, but exclusive of Duties:—

No. 74.

An ACCOUNT, Showing the Official Value of the Exports from Great Britain to the Continent of Europe, to the West Indies, to America, to Africa, and to Asia, respectively; during the last five years.

	1805.	1806.	1807.	1808.	1809.
Continent of Europe	15,465,430	13,216,386	12,689,590	11,280,490	23,722,615
West India Islands	4,096,196	5,339,612	5,433,267	7,507,575	8,755,193
Continent of America	8,057,671	10,754,140	9,455,028	8,369,472	10,570,100
Africa	970,625	1,433,153	797,741	532,842	703,180
Asia	1,669,214	1,936,954	1,884,438	1,933,225	1,647,927
TOTAL	£ 30,289,136	32,680,245	30,260,064	29,623,604	45,399,015

Custom-House, London, }
7th May 1810.

Wm Irving,
Inspector General of Imports & Exports.

No. 75.

An ACCOUNT of the Official and Real Value of the EXPORTS from Great Britain to the Continent of Europe, in each of the last five years.

	Exports from Great Britain to the Continent of Europe.	
	Official Value.	Real Value.
1805	£ 15,465,430	£ 20,435,940
1806	13,216,386	17,547,243
1807	12,689,590	15,420,514
1808	11,280,490	13,983,123
1809	23,722,615	27,190,337

Custom-House, London, }
1st June 1810.

William Irving,
Inspector General of Imports & Exports.

No. 76.

An ACCOUNT of the Official and Real Value of the IMPORTS into Great Britain from the Continent of Europe, in each of the last five years.

	Imports into Great Britain from the Continent of Europe.	
	Official Value.	Real Value.
1805	£ 10,008,649	£ 21,744,762
1806	8,197,256	17,855,524
1807	7,973,510	17,442,755
1808	4,210,671	8,905,099
1809	9,551,857	19,821,601

Custom-House, London, }
1st June 1810.

William Irving,
Inspector General of Imports & Exports.

APPENDIX to The Minutes of Evidence taken before the

No. 77.
 AN ACCOUNT of the Quantity of GRAIN, MEAL, and FLOUR imported from the Continent of Europe into England, from the 1st September 1809 to the latest date to which the same can be made up, viz. 5th April 1810.

SPECIES.	Imported into England, between the 1st September 1809 and the 5th April 1810.	
	Corn and Grain.	Meal and Flour.
Barley	Quarters. 3714	Cwts. —
Beans	14,003	—
Indian Corn	246	—
Oats	149,597	—
Pease	12,966	—
Rye	12,974	—
Wheat	431,687	—
Wheat Flour	—	65,441
TOTAL	625,187	65,441

Custom-House, London, }
 23rd May 1810. }
 William Irving,
 Inspector General of Imports & Exports.

No. 78.
 AN ACCOUNT of the Value of all Imports into and all Exports from Ireland, for five years, ending the 5th January 1810; distinguishing each Year, and the Value of Irish Produce and Manufactures, from the Value of Foreign Articles exported; together with the difference between the Official Value and the declared Value of Irish Produce and Manufactures exported in the years ending 5th January 1808, 1809, & 1810.

	Official Value of Imports.	Official Value of	
		Irish Produce and Manufactures Exported.	Foreign and Colonial Merchandise Exported.
	£. s. d.	£. s. d.	£. s. d.
Year ending 5th January 1806	5,736,214 10 4	5,059,867 13 10	142,481 4 6
1807	5,605,964 16 1	5,030,722 15 10	157,443 2 11
1808	6,637,907 16 7½	5,307,806 16 4	150,370 3 8½
1809	7,129,507 11 12	5,696,897 5 5½	235,694 6 11½
1810	7,471,417 5 1	5,408,910 19 9½	330,933 5 4

Note.—The real Value of Irish Produce and Manufactures, computed at the average Prices Current, exported in the years ending 5th January 1808, 1809, & 1810:
 Year ending 5th January 1808 £110,110,395 3 6½
 1809 125,775,17 10 11
 1810 111,464,265 8 12½
 Irish Office, }
 May 22d, 1810. }
 C. W. Flint.

COMMITTEE on the High Price of GOLD BULLION. 231

No. 79.
 AN ACCOUNT of all MONIES which have been sent from this Country, by the Paymasters General of His Majesty's Land Forces, for the use of His Majesty's Armies Abroad, or for the Succour of His Majesty's Foreign Allies, from the Commencement of the present War to 1st February 1810, distinguishing GOLD from SILVER BULLION from COIN, and the Places to which the said Monies were sent respectively.

SPEGIE and BULLION purchased by the Paymasters General, and sent Abroad.

When sent.	Description of Coin.	Sterling Cost.	Where sent.
1805. May 9th.	Silver in Dollars	7,350 0 0	Newfoundland.
1806. June 15th.	Copper in Pence	150 0 0	
1807. June 8th.	Silver in Dollars	7,000 0 0	
1808. Apr 16th.	Copper	504 0 0	
1809. Apr 4th.	D° in Five Shilling Pieces	5,000 0 0	Hamburg.
1805. Oct 27th.	Silver in Dollars	100,000 0 0	
1807. Nov 3d.	D° D°	333,000 0 0	
1807. Oct 6th.	D° D°	333,000 0 0	Halifax.
1807. Oct 6th.	D° D°	334,000 0 0	
1806. May 6th.	Silver in Dollars	20,000 0 0	South America.
1807. Oct 6th.	D° D°	6,541 13 6	
1806. July 28th.	Silver in Dollars	12,000 0 0	Sicily.
1807. Aug 12th.	D° D°	7,718 14 3	
1807. Nov 5th.	D° D°	8,000 0 0	
1806. Aug 14th.	Silver in Dollars	20,000 0 0	Jersey.
1807. Feb 23th.	D° D°	200,000 0 0	
1807. Apr 23d.	Gold in French Louis	454 0 0	Guernsey.
	Silver in French Crowns	540 0 0	
1807. Dec 18th.	Gold in Half Guineas and Seven Shilling Pieces	6,000 0 0	
1808. March 18th.	D° D°	5,000 0 0	Goree.
1809. Sept 5th.	D° D°	8,000 0 0	
1809. June 20th.	Silver in Bank Tokens	2,000 0 0	Madeira.
1807. Apr 23d.	Gold in French Louis	40 0 0	
1807. Oct 6th.	Silver in Dollars	400 0 0	
1807. Nov 13th.	Silver in Dollars	5,458 6 6	Gothenburg.
1808. Apr 12d.	D° D°	15,000 0 0	
1808. Jan 7th.	D° D°	23,273 15 0	Quebec.
1808. March 26th.	Silver in Dollars	23,273 15 0	
1808. Apr 18th.	D° D°	100,000 0 0	
1808. May 21th.	D° D°	193,118 15 1	Spain and Portugal.
1808. June 22d.	D° D°	150,000 0 0	
1808. Oct 26th.	D° D°	143,181 16 0	[See Total next Page.]
1808. Apr 2d.	Silver in Dollars	116,454 10 9	
1808. Jan 13th.	Gold in Bullion	73,295 9 0	
1808. June 25th.	Silver in Dollars	23,273 15 0	
1808. July 5th.	D° D°	80,000 0 0	
1808. 10th.	D° D°	48,863 12 6	
1808. 17th.	D° D°	195,454 10 9	
1808. 17th.	D° D°	83,785 10 0	
1808. 17th.	D° D°	68 8 0	
1808. 17th.	D° D°	32 13 4	
1808. 17th.	D° D°	116,368 15 0	
1808. 30th July, and August 1d.	D° D°	74,553 2 6	
1808. August 1st.	D° in Bars	58,132 7 0	
1808. 8th.	D° in Dollars	69,821 5 0	
1808. 12th.	D° in Bars	116,301 11 8	
1808. 26th.	D° in Dollars	116,368 15 0	
1808. Sept 2d.	D° D°	116,368 15 0	
1808. Oct 4th.	Gold in Doubletons and Ports	50,000 0 0	
1808. Oct 4th.	Silver in Dollars	50,000 0 0	
1808. Oct 4th.	D° D°	232,737 10 0	

APPENDIX to Minutes of Evidence, &c.

No. 79.—Specie and Bullion purchased by the Paymasters General and sent Abroad—continued.

When sent.	Description of Coin.	Sterling Cost.	Where sent.
1808. Nov ^r 2d.	Silver in Dollars	£. 116,368 15 0	Spain and Portugal, £. 2,995,106. 6. 4.
12th.	D ^o - D ^o	349,106 5 0	
30th.	D ^o - D ^o	50,000 0 0	
	D ^o - in Bars	154,472 8 0	
	D ^o - D ^o	212,215 4 5	
	D ^o - D ^o	168,433 16 7	
Dec ^r 15th.	Gold { in Spanish and Portugal Coin in equal quantities }	100,000 0 0	
1809. Jan ^r 4th.	Gold in Doubloons	25,016 15 3	Walcheren, £. 203,459. 19. 1.
June 13th.	D ^o in D ^o and Portugal Coin	110,636 6 4	
	Silver in Dollars	50,000 0 0	
Aug ^r 8th.	Gold in Doubloons	70,000 0 0	
	Silver in Bars	80,000 0 0	
1808. Feb ^r 11th.	Silver in Dollars	1,136 12 6	Heligoland.
1809. Apr ^r 19th.	Silver in Bars	250,000 0 0	Malta.
1809. July 17th.	Silver in Dollars	9,479 3 11	Walcheren, £. 203,459. 19. 1.
18th.	D ^o - D ^o	50,000 0 0	
	Gold in Dutch Ducats	64,500 0 0	
Aug ^r 30th.	Silver in Dollars	43,187 12 8	
Oct ^r 21st.	D ^o - D ^o	11,636 17 6	
Nov ^r 8th.	D ^o - D ^o	24,356 5 0	
		£. 5,826,106 18 0	

SPECIE received by the Paymasters General, other than by Purchase, and sent Abroad.

Description of Specie sent.	No. of Ounces.	No. of Coin.	When and where sent.
Silver in Dollars	-	132,000	1806. May 6th.
D ^o - D ^o	-	74,993	1808. Feb ^r 8th.
D ^o - D ^o	-	100,000	1807. Apr ^r
D ^o - D ^o	-	1,500,000	1807. May
D ^o in Danish Crowns	-	124	1809. Apr ^r 10th.
D ^o in Dollars	-	800,358	Oct ^r 12th.
D ^o - D ^o	-	365,000	
Gold in Doubloons	-	15,937½	1810. Jan ^r 1st.
Silver in Dollars	-	1,000,000	
D ^o - D ^o	-	20,000	1807. July
D ^o - D ^o	-	500,000	1807. Aug ^r
D ^o - D ^o	-	708,263. 10.	1807. Aug ^r
D ^o - D ^o	-	500,000	1808. July 13th.
D ^o - D ^o	-	160,294	14th.
D ^o - D ^o	-	139,566	16th.
D ^o - D ^o	Oz. dwts.	-	Sep ^r 13th.
Gold in Doubloons	392,274. 14.	9,875½	1809. Ap ^r 12th.
Silver in Dollars	-	10,000	14th.
D ^o - D ^o	-	39,641	June 9th.
D ^o - D ^o	-	203,577	-
D ^o - D ^o	-	44,030	-
Gold, equal to Dollars	-	105,949	July 21st.
Silver in Dollars	-	500,000	1810. Jan ^r 20th.
D ^o - D ^o	433,000. 0.	-	1805. July 30th.
Silver in Dollars	752,000. 0.	-	1805. Sep ^r 19th.
D ^o - D ^o	750,000. 0.	-	21st.
D ^o - D ^o	402,761. 18.	-	22d.
D ^o - D ^o	432,117. 2.	-	1805. Oct ^r