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26 April 1811.

PROPOSITIONS
RESPECTING
MONEY,
BULLION AND EXCHANGES.

I.

THAT the right of establishing and regulating the legal Money of this Kingdom hath at all times been a Royal Prerogative, vested in the Sovereigns thereof, who have from time to time exercised the same as they have seen fit, in changing such legal Money, or altering and varying the value, and enforcing or restraining the circulation thereof, by Proclamation, or in concurrence with the Estates of the Realm by Act of Parliament: and that such legal Money cannot lawfully be defaced, melted down or exported.

II.—THAT the Promissory Notes of the Governor and Company of the Bank of England are engagements to pay certain sums of Money in the legal Coin of this Kingdom; and that for more than a century past, the said Governor and Company were at all times ready to discharge such Promissory Notes in legal Coin of the Realm, until restrained from so doing on the 25th of February 1797, by His Majesty's Order in Council, confirmed by Act of Parliament.

III.—THAT the Promissory Notes of the said Company have hitherto been, and are at this time, held to be equivalent to the legal Coin of the Realm, in all pecuniary transactions to which such Coin is legally applicable.

IV.—THAT at various periods, as well before as since the said Restriction, the Exchanges between Great Britain and several other Countries have been unfavourable to Great Britain: and that during such periods, the prices of Gold and Silver Bullion, especially of such Gold Bullion as could be legally exported, have frequently risen above the Mint price; and the coinage of Money at the Mint has been either wholly suspended or greatly diminished in amount: and that such circumstances have usually occurred, when expensive Naval and Military operations have been carried on abroad, and in times of public danger or alarm, or when large importations of Grain from foreign parts have taken place.

V.—THAT such unfavourable Exchanges, and rise in the price of Bullion, occurred to a greater or less degree during the wars carried on by King William the 3d. and Queen Ann; and also during part of the Seven years war, and of the American war; and during the War and Scarcity of grain in 1795 and 1796, when the difficulty increased to such a degree, that on the 25th of February 1797, the Bank of England was restrained from making payments in Cash by His Majesty's Order in Council, confirmed and continued to the present time by divers Acts of Parliament; and the Exchanges became afterwards still more unfavourable, and the price of Bullion higher, during the scarcity which prevailed for two years previous to the Peace of Amiens.

VI.—THAT during the period of 75 years, ending with the 1st of January 1796 and previous to the aforesaid restriction whereof, with the exception of some small intervals, Accounts are before the House, the price of Standard Gold in bars has been at or under the Mint price 34 years and 5 months; and above the said Mint price 39 years and 7 months; and that the price of Foreign Gold Coin has been at or under £. 3. 18. per oz. 31 years and 2 months, and above the said price
42 years

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42 years and 10 months. And that during the same period of 75 years, the price of standard Silver appears to have been at or under the Mint price, 3 years and 2 months only.

VII.—THAT the unfavourable state of the Exchanges, and the high price of Bullion, do not, in any of the instances above referred to, appear to have been produced by the restriction upon Cash payments at the Bank of England, or by any excess in the issue of Bank Notes; inasmuch as all the said instances, except the last, occurred previously to any restriction on such Cash payments; and because, so far as appears by such information as has been procured, the price of Bullion has frequently been highest, and the Exchanges most unfavourable, at periods, when the issues of Bank Notes have been considerably diminished, and to have been afterwards restored to their ordinary rates, although those issues have been increased.

VIII.—THAT during the latter part and for sometime after the close of the American war, during the years 1781, 1782 and 1783, the exchange with Hamburgh fell from 34. 1 to 31. 5, being about 8 per cent.; and the price of foreign gold rose from £. 3. 17. 6. to £. 4. 2. 3. per oz. and the price of Dollars from 5s. 4½. per oz. to 5s. 11¼. and that the Bank Notes in circulation were reduced between March 1782 and December 1782, from £. 9,160,000 to £. 5,995,000, being a diminution of above one third, and continued (with occasional variations) at such reduced rate until December 1784: and that the exchange with Hamburgh rose to 34. 6, and the price of Gold fell to £. 3. 17. 6. and Dollars to 5s. 1½. per oz. before the 25th February 1787, the amount of Bank Notes being then increased to £. 8,688,000.

IX.—THAT the Amount of Bank Notes in February 1787 was £. 8,688,000, and in February 1791 £. 11,699,000; and that during the same period, the sum of £. 10,704,000 was coined in Gold; and that the Exchange with Hamburgh rose about 3 per cent.

X.—That between the 25th of February 1795, and the 25th of February 1797, the amount of Bank Notes was reduced from £. 13,539,000 to £. 8,640,000, during which time the exchange with Hamburgh fell from 36 to 35, being about 3 per cent., and the said amount was increased to £. 11,855,000, exclusive of £. 1,542,000 in Notes of £. 1. and £. 2. each on the 1st of February 1798, during which time the Exchange rose to 38. 2, being about 9 per cent.

XI.—THAT the average price of Wheat per quarter in England, in the year 1798 was 50/3; in 1799, 67/5; in 1800, 713/7; in 1801, 118/3; and in 1802, 67/5:

The amount of Bank Notes, of £. 5. and upwards	
in 1798, about £. 11,527,000. & under £. 5. -	£. 1,810,000 = £. 13,337,000.
in 1799 - - - 12,408,500. - - - - -	- - - 1,653,800 = - 14,062,300.
in 1800 - - - 13,421,900. - - - - -	- - - 1,831,800 = - 15,253,700.
in 1801 - - - 13,454,300. - - - - -	- - - 2,715,100 = - 16,169,400.
in 1802 - - - 13,917,900. - - - - -	- - - 3,136,400 = - 17,054,300.

That the Exchange with Hamburgh was, in January 1798, 38/2; January 1799, 37/7; January 1800, 32/; January 1801, 29/8; being in the whole a fall of above 22 per cent.—In January 1802, 32/2; and December 1802, 34/; being a rise of about 13 per cent.

XII.—THAT during all the periods above referred to, previous to the commencement of the war with France in 1793, the principal States of Europe preserved their independance, and the trade and correspondence thereof were carried on conformably to the accustomed law of nations; and that although from the time of the invasion of Holland by the French in 1795, the trade of Great Britain with the Continent was in part circumscribed and interrupted, it was carried on freely with several of the most considerable ports, and commercial correspondence was maintained at all times previous to the summer of 1807.

XIII.—THAT since the month of November 1806, and especially since the summer of 1807, a system of exclusion has been established against the British trade on the Continent of Europe, under the influence and terror of the French power,

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power, and enforced with a degree of violence and rigor never before attempted; whereby all trade and correspondence between Britain and the continent of Europe has (with some occasional exceptions, chiefly in Sweden and in certain parts of Spain and Portugal) been hazardous, precarious and expensive, the trade being loaded with excessive freights to foreign shipping, and other unusual charges; and that the trade of Britain with the United States of America has also been uncertain and interrupted; and that in addition to these circumstances, which have greatly affected the course of payments between this country and other nations, the Naval and Military expenditure of the United Kingdom in foreign parts, has for three years past, been very great; and the price of Grain, owing to a deficiency in the crops, higher than at any time, whereof the accounts appear before Parliament, except during the scarcity of 1800 and 1801; and that large quantities thereof have been imported.

XIV.—THAT the amount of Currency necessary for carrying on the transactions of the Country, must bear a proportion to the extent of its Trade and its public Revenue and Expenditure; and that the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th of January 1797, was £. 51,199,141: official value; the average amount of Revenue paid into the Exchequer, including the Profit on the Lottery, £. 19,495,945.; and the average amount of the Total Expenditure of Great Britain, £. 42,855,111.; and that the average amount of Bank Notes in circulation (all of which were for £. 5. or upwards) was about £. 11,262,000.; and that £. 57,274,617, had been coined in gold during His Majesty's reign, of which a large sum was then in circulation.

That the annual amount of the Exports and Imports of Great Britain, on an average of three years, ending 5th January 1810, was £. 70,554,719.; the average amount of Duties paid into the Exchequer, £. 59,960,525.; and the average amount of the Total Expenditure of Great Britain, £. 77,802,674.; and that the amount of Bank Notes, above £. 5. on an average of the years 1808 and 1809, was £. 13,763,000. and of Notes under £. 5. about £. 4,500,000.; and that the amount of Gold Coin in circulation was greatly diminished.

XV.—That the situation of this Kingdom, in respect of its political and commercial relations with foreign countries, as above stated, is sufficient, without any change in the internal value of its currency, to account for the unfavourable state of the foreign Exchanges, and for the high price of Bullion.

XVI.—THAT it is highly important that the restriction on the payments in Cash of the Bank of England, should be removed, whenever the political and commercial relations of the Country shall render it compatible with the public interest.

XVII.—THAT under the circumstances affecting the political and commercial relations of this Kingdom with foreign Countries, it would be highly inexpedient and dangerous, now to fix a definite period for the removal of the restriction of Cash payments at the Bank of England, prior to the conclusion of a definitive treaty of peace.

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