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THE DEPRECIATION OF BANK NOTES DEMONSTRATED.

FOR the sake of perspicuity and the satisfaction of those who have not paid much attention to this subject, it may be proper to premise,

That in England accounts are kept in pounds, and fractional parts of a pound :

That the pound is not represented by any single coin or piece of money ; but that ever since the reign of Queen Elizabeth, the value of the pound has been fixed and ascertained, and is equal to the quantity of pure silver contained in twenty shillings of standard silver of a known weight :

That whoever stipulates to pay or receive a sum of money in pounds, stipulates in effect to pay or receive after the rate of twenty such shillings for each pound.

These things being premised, I proceed to the proof of the proposition ; viz.—

The sum expressed in a Bank note of the lowest denomination is one pound.

If the pound is altered in value, the Bank note, which represents it, must also be altered in value. If the pound is debased or depreciated, the Bank note must also be of less worth or depreciated.

But the Directors of the Bank of England have altered the value of the pound, by issuing base coins (deficient both in weight and fineness), which contain one-fifth* less pure silver than the lawful money of the realm; and further, by continuing the old denominations, and by declaring that they will only pay or allow after the rate of twenty of their base pieces for one pound.

Thus the name remains the same, but the substance is changed; and a pound at the Bank is no longer equal to a pound sterling, or twenty shillings of lawful money, but to one-fifth less, or sixteen shillings.

Therefore a Bank note, which represents one Bank pound, is worth no more; in other words, it is depreciated; which was to be proved.

Corollary 1st. It follows that every public creditor, whose stock was purchased with lawful money, or with Bank notes before they were depreciated, has

* This assertion is not correctly true, but nearly so.

	<i>dwt.</i>	<i>grains.</i>
Three shillings of lawful standard silver weigh	11	14 $\frac{3}{4}$
A Bank three-shilling token weighs	9	11

But standard silver is also better than the silver of which Bank tokens are made in the proportion of 222 to 215. These things being known, it is not a laborious calculation to find the absolute quantity or weight of pure silver contained in three shillings of lawful money and of Bank money; from which it will appear that one-fifth is very nearly the true ratio or measure of the deficiency.

suffered a loss of twenty per cent. on the capital of his debt, and of four shillings in the pound on every dividend which he receives.

Corollary 2d. It also follows, that a guinea, which by the King's proclamation, 13th Jan. 1718, is ordered to pass for twenty-one shillings of lawful standard silver, must at that rate be worth 26 shillings and 3 pence in Bank tokens or in Bank of England notes; for as 16:20 :: 21:26 $\frac{1}{4}$.

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