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REPORTS
BY
THE LORDS COMMITTEES

APPOINTED

A SECRET COMMITTEE

TO ENQUIRE INTO THE STATE OF

THE BANK OF ENGLAND;

WITH REFERENCE TO THE EXPEDIENCY OF

The Resumption of Cash Payments:

WITH

MINUTES OF EVIDENCE,

AND

AN APPENDIX.

Ordered to be printed 7th May 1819.

PARLIAMENTARY PAPER.

An account of all distributions made by the Bank of England amongst the proprietors of Bank Stock, whether by money payments, transfer of 5l. per cent. annuities, or otherwise, under the heads of Bonus, Increase of Dividend, and Increase of Capital, betwixt the 25th Feb. 1797, and 1st May, 1819, in addition to the ordinary annual dividend of 7l. per cent. on the capital stock of that corporation existing in 1797, including therein the whole dividend paid since June, 1816, on their increased capital; stating the period when such distributions were made, and the aggregate amount of the whole:—
In June, 1799, 10 per cent. Bonus in 5 per cents. 1797, is £1,164,240
In May, 1801, 5 per cent. Bonus in Navy 5 per cents. on 11,642,400l. is 582,120
In Nov. 1802, 2½ per cent. Bonus in Navy 5 per cents. on 11,642,400l. is 291,060
In Oct. 1804, 5 per cent. Bonus, in Cash on 11,642,400l. is 582,120
In Oct. 1805, 5 per cent. Bonus in Cash on 11,642,400l. is 582,120
In Oct. 1806, 5 per cent. Bonus in Cash on 11,642,400l. is 582,120
From April, 1807, to April, 1810, both inclusive: Increase of dividend at the rate of 3 per cent. per annum on 11,642,400l. is 12½ years, or 371. 10s. per cent. is 4,365,900
Increase of capital, at 25l. per cent. is 2,910,000
From Oct. 1816, to April, 1819, both inclusive: Dividend at the rate of 10l. per cent. per annum, on 2,910,000l. increased capital, is three years' dividends, or 30l. per cent. on 2,910,000l., is 873,180
Aggregate amount of the whole is £11,933,460
Annual Dividend payable on Bank Stock, in 1797, on a capital of 11,642,400l., at the rate of 7l. per cent. per annum is 814,968
Annual Dividend payable since June, 1816, and at present, on a capital of 14,563,000l., at the rate of 10l. per cent. per annum is 1,456,300

An account of the price of Bank Stock, on the 1st of March, 1st of June, 1st of September, and 1st of November, in each year, from 1807 to 1819, or on the subsequent days on which there was a price.

Year	2d March	22d June	1st Sept.	3d Nov.
1807	225½	232	233½	224½
1808	231½	238½	239	236
1809	245½	250	267½	266
1810	274½	262½	266	262½
1811	243½	240	238½	232½
1812	230½	223½	225½	214½
1813	219½	215	217½	219½
1814	261	248	253½	247
1815	256½	227½	253½	241
1816	251½	223½	216½	216½
1817	248½	236	275½	266½
1818	287	272½	266½	273½

FIRST REPORT.

SECOND REPORT.

MINUTES OF EVIDENCE

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APPENDIX

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FIRST REPORT.

BY THE LORDS COMMITTEES appointed a Secret Committee to enquire into the State of the BANK OF ENGLAND, with reference to the Expediency of the Resumption of Cash Payments at the Period now fixed by Law, and into such other matters as are connected therewith; and to report such information relative thereto as may be disclosed without injury to the public interest, with their observations:

ORDERED TO REPORT,

THAT, in the prosecution of the enquiries directed by the House, the attention of the Committee has been drawn to a circumstance which they think it material to submit to the consideration of the House.

The state in which the Bank found itself in the Years 1816 and 1817, appears to have induced the Directors, in the latter year, to signify by two successive notices (pursuant to the powers reserved to them by Act of Parliament), their intention to pay in Cash all Notes of dates antecedent to the 1st of January 1817.

The effect of this measure has been to produce a considerable drain of the Treasure previously collected by the Bank, without any real advance being made by such partial payments towards the desirable object which the Bank seems to have had in view.

The Committee hope that the House will allow them to abstain for the present from entering into any particulars which might anticipate the detailed Report, which they trust shortly to be enabled to lay before the House, on the whole result of their Enquiries as to the mode and period which may be most advantageously adopted by Parliament for ultimately bringing back the Currency of the Country to its ancient standard.

But the Committee are decidedly of opinion, that all practicable and advantageous operations for that purpose would be impeded instead of being promoted, by a continuance, under the present circumstances, of the partial payments to which the Bank is at present liable; and they presume therefore most strongly to recommend to the House, that such payments should immediately be suspended by legislative authority; but for such a period only as shall be necessary to bring the whole subject distinctly under the consideration of Parliament.

SECOND REPORT.

BY THE LORDS COMMITTEES appointed a Secret Committee to enquire into the State of the BANK OF ENGLAND, with reference to the Expediency of the Resumption of Cash Payments at the Period now fixed by Law, and into such other matters as are connected therewith; and to report such information relative thereto as may be disclosed without injury to the public interest, with their observations :

ORDERED TO REPORT,

THAT the Committee have, pursuant to the instructions given to them by the House, proceeded to inquire into the several matters referred to them, and have collected from the examination of witnesses, and from the accounts laid before them, the information, which will be found in the Minutes of Evidence, and in the Appendix.

The Committee think it right to premise, that in this investigation they have taken as their guide the decided opinion of Parliament, as declared by many repeated enactments, that the removal of the restriction upon cash payments by the Bank, or in other words, the restoration of the currency of the country to a state of regulation by its ancient metallic standard, is an object which ought to be accomplished at as early a period as shall be found safe and practicable.

The first act, confirming and continuing the restriction contained in the Minute of Council of the 26th of February 1797, was passed on the 3d of May 1797, and was to be in force till the 24th of June 1797. The restriction was further continued by an Act passed on the 22d June 1797, until one month after the commencement of the then next Session of Parliament. By another Act, passed on the 30th of November in the same year, the restriction was further continued until one month after the conclusion of the war by a definitive treaty of peace. On the 3d of January 1799, the Directors of the Bank, in pursuance of a power reserved to them by the Acts of Parliament referred to, gave notice that on the 14th instant they would pay in cash all fractional sums under five pounds; and on the 1st of February 1800 would pay cash for all notes of one and two pounds, dated prior to the 1st of July 1798, or exchange them for new notes of the same value, at the option of the holders.

Appendix, A. 6.

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issue of gold increased till August in the same year; and the demand during this period is stated to have arisen decidedly for the purpose of exportation. It appears from the evidence of Mr. Harman, that during the whole of the year 1817, that the Bank did not think it necessary to make any reduction of its issues, either in consequence of the effect of the foreign loans upon the exchanges, or of its payments in gold, made in conformity to the notices above referred to. In fact, the average issue of Bank Notes in 1817 exceeded by £1,700,000 that of 1816; the average issue of the last six months of 1817 exceeded the average issue of the first six months of that year by 1,870,000; and this increase, combined with the revival of Country Banks from their previous depression, probably raised the circulating medium of the kingdom in the last six months of 1817, considerably beyond the amount at which it had stood in the preceding year.

Appendix, B. 2.

Appendix, B. 2.

A great reduction has been made in the issue of Notes of the Bank of England since the commencement of the year 1818; they had been, on the average of six months from July to December 1817, at 29,210,000; on the average of six months from January to July 1818, at 27,954,000; from July to December 1818 they were reduced to 26,487,000, and have since been further reduced to about 25,000,000; and during the last three months of 1818 the issues of Country Banks are stated by persons much conversant with the subject, to have certainly not increased, and probably to have declined; but the price of gold and the state of the exchanges have continued to be such, as to have drawn from the Bank, in addition to the gold demanded previously to March 1818, amounting to 2,022,000, a further sum of 4,787,000, making in the whole an issue of 6,809,000, in consequence chiefly of the liability with which the Directors had under different circumstances voluntarily charged themselves to pay the fractional parts of dividends, and a certain proportion of their notes in cash. Their treasure was by these drains very considerably reduced; and they were still liable, in consequence of the same measures, to an additional demand for cash to the amount of several millions.

Appendix, D. 3.
No. 7.

This unfavourable state of the exchanges and of the price of gold is attributed to different causes by different persons examined before the Committee. By some, to an excess in the circulating medium of the country; by others, to the effect of the late regulations of the Mint respecting the new silver coinage, by which the proportions between the relative value of gold and silver are stated to have been so varied as to have occasioned the exportation of Gold; by others it is attributed to the continued operation of foreign loans, to the temptation held out by a high rate of interest to the investment of British capital in foreign funds and foreign speculations, and to the large purchases of corn from abroad; a great proportion of which is paid for in advance, and must therefore in their opinion have had a material effect upon the balance of payments, and of course upon the exchanges, during the year 1818. //

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It is under these circumstances that Parliament is called upon to deliberate, whether it will be most for the public interest to adhere to the decision it had taken in May 1818, or to allow a further delay for the preparations necessary to carry this important measure into execution, in order, as far as possible, to secure its ultimate accomplishment, and at the same time afford the means of taking such precautions, as may diminish the pressure of whatever public inconvenience may be felt or apprehended.

Much difference of opinion upon almost all the questions, whether of theory or of practice, to which the attention of the Committee has been drawn, will be found in the evidence. Upon one point only there is nearly an unanimous opinion, grounded indeed by different persons upon different lines of argument, but concurring in the same result; viz. that it would not be safe and practicable for the Bank to resume cash payments on the 5th of July 1819; and, as the Committee see sufficient reason to agree thus far with the practical result of these opinions, viz. that in the state of things which now exists, there is a necessity for some further postponement, they need only refer to the evidence, in which the different reasons which lead to this conclusion are fully stated.

It can hardly be necessary for the Committee to remark, that this opinion does not rest upon any ground which can intimate the slightest doubt as to the credit or solidity of the Bank; that body possesses at the present moment the means of discharging, out of the treasure actually in its coffers, every demand which could have been made upon it for payment in cash in consequence of the notices referred to; and the only object of the measure which, at the recommendation of the Committees of both Houses, has been already adopted by Parliament, during the course of the present session, was to prevent the continuance of a drain of the existing treasure, and thereby to facilitate such operations as the Committee might feel it to be their duty to recommend, in preparation to a final removal of the restriction.

Of the ultimate sufficiency of the Bank no doubt has been or can be entertained; but as Parliament thought proper, at the period when it imposed the first restriction upon the Bank, to direct an enquiry into the actual state of its affairs, and as a similar injunction is contained in the order by which this Committee is appointed, they have thought it their duty to lay before the House the Statement in the Appendix; by which it appears, that exclusive of the debt from Government, at three per cent., of £11,686,800, and of the advance to Government at three per cent. of £3,000,000, making together £14,686,800 the balance in favour of the Bank, on a comparison of its debts and credits (including in the former the Government balances in the hands of the Bank,) is £5,231,190.

The next subject to which the attention of the Committee has been directed, was the consideration of what time might now safely be fixed for the ultimate restoration of the currency of the country to the ancient metallic standard of value, and what were

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the measures, if any, which it might be expedient to adopt, in order both to facilitate and to ensure the complete attainment of this great object.

Unless the market price of gold shall be, at the time so fixed, and shall continue to be afterwards, so near the Mint price as not to afford a profit upon the exportation of that metal, it has been abundantly proved by past experience, that no law can prevent such exportation, and the consequent demand upon the Bank. The main question therefore is, by what means, and within what time, the reduction of the price of gold to the mint price, or, which is nearly equivalent, such a favourable state of the exchanges as will prevent a profit on exportation, may best be attained.

It is strongly contended by some of the witnesses, and is admitted by most, that a considerable, and, (as was expressed by one of them,) forcible reduction of the issues of the Bank, accompanied by what some consider as a necessary, and others as a probable, consequence, a diminution in the issues of Country Bank Paper, would produce a favourable turn in the exchanges, and a reduction in the price of gold. But many of those who are most deeply impressed with the necessity of the earliest possible recurrence to the ancient standard of the country, state, in the strongest terms, the general distress which a large and sudden diminution of the paper currency, now the only circulating medium of the country, must occasion; while others are of opinion, that a very small reduction of the circulating medium will be sufficient to produce these effects, and that little distress would be occasioned. There are some also who hold that the present Mint regulations respecting silver are the sole cause of the high price and consequent exportation of gold, and of course are of opinion, that there need be neither reduction nor distress.

The general result of all the varying sentiments of the witnesses upon the subject of the foreign exchanges, and of the price of gold, may perhaps be thus stated:

Many of those who maintain, that it is at all times in the power of the Bank to exercise a complete controul over the rise and fall of the exchanges, and of the price of gold, nevertheless think, that the great loans contracted for since the peace, by foreign states; the investments made by persons in this country in foreign securities, to the amount, as has been conjectured, of ten or twelve millions; the pressure which took place in the money market at Paris and other commercial towns on the Continent, and in America; and the great importation of corn during the last year, have of late concurred in lowering the exchanges. They hold indeed, that when our circulation was in its former state of payments in specie, no payments abroad could bring the exchanges materially below their par; but with a paper, that has no such regulator of its value, they think that the necessity of payments abroad, from whatever cause, does undoubtedly produce a considerable effect upon the exchanges, which might however, as they state, be always counteracted by a sufficient diminution of paper.

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On the other hand, many of those who attribute the high price of gold, and the unfavourable state of the exchanges, chiefly to the operation of these latter causes, and who deny or doubt the fact that the issue of the notes of the Bank of England has been excessive, nevertheless think that an excessive increase or diminution of their issue might affect the exchanges; but they doubt whether a small increase or diminution would produce any marked effect upon them.

Those, again, who maintain that the proportion betwixt the Mint price of gold and silver, as settled by the recent change in our Mint regulations, is the sole cause of the nominal high price of gold, think that the real exchange has, for the last two years, been in favour of this country; that there has been during that period no over issue of bank paper; that had it not been for the Mint regulations, gold must have continued to flow into this country, as it did in 1816; that there could, therefore, have been no demand on the Bank for coin of that metal, for the purpose of exportation; and that the Bank could have found no difficulty in resuming payments in cash at the time now fixed by Parliament.

It appears to the Committee, upon the whole, that so long as the Bank continued liable to pay in cash, it might be concluded from reasoning, and has been proved by experience, that the variations in the market price of gold, and also in the exchanges, would be confined within much narrower limits, than they have been since the restriction upon cash payments.

Under the ancient system, if an unusual demand were made upon the Bank for cash, when the exchanges were above par, and the price of gold below the Mint price, as such a demand could only be occasioned by some sudden panic, or by a failure in commercial credit, and could not, under such circumstances, arise from the profit to be derived from the exportation of gold, there might be occasions in which the Bank might think, that with a view to its own interest, so closely connected with that of the commerce and manufactures of the country, the best mode of checking such a demand might be, to make a more liberal issue of its notes, and thereby to revive that credit, the want of which had produced the embarrassment; but if an unusual demand took place, at a time when, from the state of the exchanges and of the price of gold, it evidently arose from the profit to be made by the exportation of that metal, the Bank always found itself under the necessity of contracting its issues for its own security. In the latter case therefore, whether the Directors did or did not adopt the principle, that the increase or diminution of the paper currency has a decisive influence upon the exchanges, they necessarily acted in the same manner as if they had fully adopted it.

There is a difference however, not to be disregarded, in the impression likely to be produced upon the public mind, by any pressure arising from the measures to be taken by Parliament for ensuring the restoration of a metallic standard, as distinguished from those pressures which might be occasionally experienced under the former system. These would be felt to be the necessary result of the precautions, which, under particular circumstances, might be taken by the

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the Bank for its own security; and if any temporary inconvenience were produced by them, they would manifestly have for their object, to avert an evil universally acknowledged to be still greater, viz. the stoppage of payment by the Bank; whereas any pressure which might now be experienced by too rapid a progress towards the resumption of cash payments, might be thought to be an evil voluntarily and unnecessarily incurred, from an impatience to attain an object, respecting which there was more difference of opinion, and therefore less readiness to make any considerable sacrifice for its speedy attainment.

It has also been stated to the Committee, that there exists at this present moment a considerable degree of embarrassment in commercial transactions, which is attributed by some of the witnesses to the over-trading which has taken place, encouraged, in the opinion of one witness, by the increase of the circulating medium in 1817, and is attributed by others to the subsequent diminution of that medium. Very different opinions have also been stated respecting the probable duration of this embarrassment; but as all agree respecting its actual existence, a more than ordinary degree of caution is required in the adoption of any legislative measures which may, even by a temporary operation, in any degree aggravate or prolong it.

These considerations have united to incline the Committee, in the proposal which they will submit in the conclusion of their Report, rather to extend the time at which the ultimate resumption of cash payments should be required to take place, beyond the period at which, according to the best opinion they can form, there would be a probability of its easy accomplishment under ordinary circumstances, than to hazard the ultimate success of that measure, by assigning to it the earliest period, within which, according to such opinion, it might be safely practicable. The measure had better not be begun at all, unless there be a determined purpose to carry it to its completion, as an ineffectual attempt might create great mischief and distress, and would not leave any beneficial result to repay the country for what it may have suffered.

From thus extending the period, it seems to the Committee, that considerable advantages would arise. Those who think that the object is to be accomplished only by the means of a considerable reduction of the notes of the Bank of England, and that the inconveniences, which they acknowledge to be the necessary result of such reduction, would be amply compensated by the restoration of the ancient metallic standard, feel considerable anxiety to diminish the extent of these inconveniences. Those who expect little or no inconvenience to arise from the measures necessary for the attainment of this object, are nevertheless sensible of the difficulties which are opposed to its early accomplishment by the present state of the Bank's treasure, and by the existing (though as they hope temporary) commercial pressure. They are on this latter account particularly desirous to allay even those apprehensions which they deem unfounded or exaggerated, and are satisfied that, provided the ultimate object be secured, the intermediate pressure, whatever may be its degree, would be materially lightened by being spread over a greater length of time.

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Those, on the other hand, who feel less confident in the effect of such a reduction, who think, that even were its effect certain, it could only be produced by the creation of a greater degree of distress than the public could well bear—who look to the cessation of those temporary causes, to which they attribute the largest share in producing the unfavourable state of exchanges and the high price of gold, as the natural remedy for the evil—and who expect that in no long space of time, the favourable balance of payments (the usual result of the extent and nature of our commerce,) will, without incurring any distress by taking measures for the forcible production of such a change, lead insensibly, but with sufficient certainty, to the attainment of the object in view—all persons who entertain these opinions, must feel still more anxiety for the extension of the period.

There are, however, some measures of preparation which, whatever time may be fixed, appear desirable, if not indispensable.

It is well known that the Bank has always been in the habit of making large Advances to the Government for the public service. These advances are partly made under special Acts of Parliament, upon securities therein provided. There is another species of accommodation which has also been afforded by the Bank, viz. the Purchase of Exchequer Bills to a large amount. For the state of the law upon this subject the Committee beg to refer to a paper which has been laid before them, and which is inserted in their Appendix. The amount of the Exchequer bills and other Government securities, either held or purchased by the Bank at different periods, will also be found in the account which is there inserted. The different applications made by the Treasury to the Bank for accommodation are fully detailed in the annexed accounts and correspondence. The principles upon which the Treasury has acted in making these applications during the last four years, are explained in a memorandum delivered to the Committee by the First Commissioner of that Board; and important information respecting these transactions will be found in the evidence of Mr. Harman, who, during the greatest part of the period last referred to, was either Governor or Deputy Governor of the Bank.

Appendix, A. 3.

Appendix, A. 4, 5.

Appendix, A. 1, 2.

Appendix, A. 7.

The Committee think it proper to remark, that whatever effect the extent of the advances here referred to might have had upon the power of the Bank, at any given moment, entirely to resume cash payments, supposing other circumstances had not intervened to prevent such resumption, they do not appear to have had any influence in diminishing the extent of the accommodation received by the public for commercial purposes. In the opinion of most of the witnesses who have been examined, the abundance of circulation produced by the liberal issue of Bank notes, upon whatever securities they were issued, has produced indirectly as great facilities to commerce, as if they had been directly issued in commercial discounts. A transfer, to a considerable degree, of the discount trade from the Bank to private bankers and merchants is stated to have taken place; but the facilities afforded to commerce were at

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least as great in the latter case as in the former, as the discounts made by the Bank were more restricted in point of time; were limited by the necessity imposed upon the applicant of bringing two and sometimes more securities, and were granted only at five per cent. at a time when private merchants and bankers were discounting at a lower rate.

The effect, however, of the extent of the advances to Government upon the situation of the Bank, when preparing for a resumption of cash payments, is evidently to cramp its operations, by placing a large proportion of its issues beyond its controul. The advances made directly to Government are only repaid at the period fixed by law. The Exchequer bills purchased by the Bank could not be sold in large quantities without reducing them to a considerable discount; and this discount would bring them into the Exchequer in payment of the taxes, to such an extent as might materially derange the provisions for the public service. An understanding therefore, without express agreement, appears to have prevailed, that, when thus purchased, they should not be sold by the Bank. On the other hand, the issues of notes upon discount revert to the Bank at periods so short, that any reduction of the paper so issued, which circumstances may render necessary, is always within their reach; with this controul over their issues they are enabled to feel their way, and to restrict or enlarge them, either as the wants of the country may permit or demand, or as the state of the exchanges and the price of gold may appear to require.

It appears therefore to the Committee to be highly expedient, that means should be taken to repay to the Bank a large amount of these advances at an early period.

In considering the means of providing for the future a safe and sufficient circulating medium for the country, the Committee were naturally led to make enquiries as to what had been its amount, previously to the Bank restriction, when it consisted partly of gold coin and partly of paper; what has been its amount during the interval, when there was little or no gold coin in circulation; and what is likely to be its amount, and what ought to be its composition, when a metallic standard is restored.

Upon the first of these heads they neither found, nor indeed could they expect to find, any ground, from which a satisfactory conclusion could be drawn. The only certain data at any period are the notes of the Bank of England. The amount of coin rests only upon estimates formed in a great degree upon conjecture; and the official accounts offer little information respecting the issues of country banks at that period, as the stamps upon these notes were not then sufficiently distinguished in those accounts from other stamps. It is known that in 1792 those issues had been considerably extended; that after the commercial difficulties of 1793 they were greatly reduced; and in 1797 had not reached their former amount.

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See Com. H. of L.
1797.
Journals, vol. 41.
p. 261.

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Taking however the amount of the gold coin in circulation at five millions below the estimate made by the late Lord Liverpool, viz. at - - - - - £25,000,000

The notes of the Bank of England at * - 10,500,000

* Vid. Rep. Com.
H.L. 1797, p. 261.

The Country notes, including Scotland, may
be conjectured to have been - 7,000,000

The amount of circulating medium before }
the Bank restriction will be - } 42,500,000

Exclusive of silver, and other means of circulation.

Upon the second head, viz. the amount of the circulating medium since the restriction, there are undoubtedly, at least as to a portion of the period, somewhat better materials for calculation. That part which is certain, viz. the amount of the notes of the Bank of England, has borne so much higher a proportion to the whole of the circulating medium, that the uncertainty which rests upon the remainder, has less proportional effect upon the general result. The details of these issues appear in the accounts in the Appendix.

The variations in the amount of these issues, in the week immediately preceding, and in that immediately following the payment of the dividend upon the National Debt, are so considerable (being from three to five millions in January and July, and from two to three millions in April and October), that in considering the general circulation of the country, it seems better to take an average of the issues for six months, than to form any calculation upon a shorter period. Stated upon this principle, it appears that they did not reach fifteen millions before the first six months of 1800; that they never reached twenty millions before the first six months in 1810, in the latter six months of which year they exceeded 24 millions. The variations for the next three years were not considerable; but the rise during the year 1814 was rapid, and carried their amount, upon the average of the last six months, to above 28 millions. The lowest point to which they fell, was between 26 and 27 millions, in the first six months of 1816. The highest to which they rose was in the last six months of 1817, when they were at their greatest average amount, viz. 29 millions, and from that period they have gradually decreased nearly to 25 millions, previously to the issue of the last dividends.

The amount, however, of Bank of England paper actually in circulation, is not always to be measured by the extent of its issues. When credit is flourishing, the reserve of Bank of England notes kept by country bankers will be considerably less, than when any local or general difficulties oblige them to make more ample preparations against large and sudden demands; and this reserve must, in the present state of our circulating medium, consist in a great proportion of notes of the Bank of England, into which their own notes are legally convertible. It will consist also, to some extent, of notes of other country banks, in exchange for which they can demand from those banks notes of the Bank of England. In a state of imperfect credit, the country banks will also reduce their own

own issues, and will either never issue at all, or refrain from re-issuing a larger proportion of their own notes, which they keep by them ready stamped; so that even if the amount of stamped notes actually in existence in any given year could be ascertained with certainty (which is very far from being the case), the proportion of such notes at that time actually in circulation could not from thence be inferred with accuracy. A similar degree of uncertainty, as to the amount of the circulating medium, must exist, as far as it arises from the varying reserves of all bankers, even when that circulating medium consists in part of gold, and will then equally apply, which it does not now, to the reserve of the Bank of England.

With respect however to that part of our currency, which has consisted of Country Bank Notes; the Committee have endeavoured, from such accounts as have been furnished them from the Stamp Office, to form some estimate of their amount. The difficulties of various descriptions, which throw a great uncertainty upon any calculations founded upon these accounts, are explained in statements delivered in by Mr. Sedgewick, which are to be found in the Appendix. From these materials two calculations have been drawn. The grounds upon which each of them rest are to be found in the Appendix. The Committee are inclined to think that of these two approximating estimates, the second is the best adapted to their view of the subject: but they submit them both to the House with a full sense of the imperfection to which they are necessarily liable.

F. 7.		F. 8.	
21,374,000	- 1810	- 21,819,000	
20,977,000	- 1811	- 21,453,000	
20,047,000	- 1812	- 19,944,000	
22,342,000	- 1813	- 22,597,000	
21,672,000	- 1814	- 22,709,000	
20,378,000	- 1815	- 19,011,000	
15,525,000	- 1816	- 15,096,000	
15,862,000	- 1817	- 15,898,000	
20,044,000	- 1818	- 20,507,000	

These estimates must indeed be not only far removed from accuracy, respecting any particular year, but many causes of uncertainty attach to them even if they were considered merely as affording data for calculating the relative circulation of different years. In this respect, however, they derive confirmation, especially the latter, from their correspondence with the general tenor of the evidence of persons connected with the country banks. The estimates which these persons have formed, as to the amount of the country notes, grounded upon local knowledge, and extended by inference to the whole kingdom, will be found in the Minutes.

Much important information respecting the nature of this circulation will be found in the Evidence, and particularly as to the different practice which obtains in different parts of the kingdom, more especially in Norfolk and in Lancashire.

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The calculations founded upon the accounts from the Stamp Office, (which afford no distinct data prior to the year 1809), would leave the Committee to suppose that the amount has varied, between 1810 and 1818, from below 16 to above 22 millions; that it was at the highest in 1814; at the lowest in 1816 and 1817; and that it has again risen in 1818.

Combining the accurate statements of the issues of the Bank of England upon the average of each year, with the result of the enquiry into the issues of country banks, the account would stand thus:

	F. 7.	F. 8.
1810. Bank of England	- 22,541,000	22,541,000
Country Banks	- 21,374,000	21,819,000
	<u>44,915,000</u>	<u>44,360,000</u>
1811. Bank of England	- 23,282,000	23,282,000
Country Banks	- 20,977,000	21,543,000
	<u>44,259,000</u>	<u>44,825,000</u>
1812. Bank of England	- 23,237,000	23,237,000
Country Banks	- 20,047,000	19,944,000
	<u>43,284,000</u>	<u>43,181,000</u>
1813. Bank of England	- 24,023,000	24,023,000
Country Banks	- 22,342,000	22,597,000
	<u>46,365,000</u>	<u>46,620,000</u>
1814. Bank of England	- 26,901,000	26,901,000
Country Banks	- 21,672,000	22,709,000
	<u>48,573,000</u>	<u>48,610,000</u>
1815. Bank of England	- 26,886,000	26,886,000
Country Banks	- 20,378,000	19,011,000
	<u>47,264,000</u>	<u>45,897,000</u>
1816. Bank of England	- 26,574,000	26,574,000
Country Banks	- 15,525,000	15,096,000
	<u>42,099,000</u>	<u>41,670,000</u>
1817. Bank of England	- 28,274,000	28,274,000
Country Banks	- 15,862,000	15,898,000
	<u>44,136,000</u>	<u>44,172,000</u>
1818. Bank of England	- 27,220,000	27,220,000
Country Banks	- 20,044,000	20,507,000
	<u>47,264,000</u>	<u>47,727,000</u>

To this must be added about £271,000 for the average circulation of unstamped small notes issued by the three Chartered Banks in Scotland; which are not included in the Stamp Office accounts.

The result of this estimate would be, that the circulating medium of England, as far as it consists of notes of the Bank of England or of Country Bank notes, between 1810 and 1818, both years inclusive, has varied from about 42 millions to above 48 millions; and that it was highest in 1814, and lowest in 1816.

With respect to the numerical amount of circulating medium necessary to carry on with facility the transactions of the country, whatever may be the composition of such circulating medium, it is evidently impossible to form any judgment.

The great increase of the transactions of this country in every part of its home trade and agriculture; the rise of the amount of

Journals, v. 41.
p. 255.

Appendix, G. 5.

Appendix, G. 2.

its exports and imports (even according to the official value, which is much below the real value) from 51,231,000, on the average of three years preceding 1797, to 82,750,000, on the average of the three last years of which the accounts have been given in; the increase of the charge of the national debt from 13,430,000 in 1797 to 43,819,000 in 1819; and the amount of the taxes, which since 1792 have risen from about 16 to 50 millions (an increase occasioned not merely by an increased rate of taxation upon the same articles, but by the imposition of new taxes upon a great variety of articles), might have been expected to require a much larger increase of circulating medium. It is, however, obvious that such amount would not have necessarily borne any specific proportion to the amount of transactions of every kind, or to that of revenue. The flourishing state of commerce and of credit producing a greater rapidity of circulation, will have enabled the same quantity of circulating medium to carry on a much greater amount of transactions; and the various modifications of credit to which such a state of things gives birth, together with the successive improvements in the arrangements of commercial and banking business, must have had the same effect to a great extent. There must also obviously be a great difference in the required amount of a currency consisting of paper only, and that of a currency consisting partly of paper, and also, in a large proportion, of gold. It is to these circumstances, (co-operating possibly with others) that we may perhaps attribute the sufficiency of the circulating medium actually existing to perform functions to so much larger an amount than were performed in 1797 by the circulating medium then existing, which was probably not many millions less than at present.

What proportions the various component parts of the circulating medium may bear to each other, after the resumption of cash payments, it is difficult to conjecture. They must evidently be influenced by the future regulations of Parliament, with respect to the nature and description of the paper currency.

If the paper currency is to be confined, as it was within a short period before the Bank restriction, to the issue of notes of £10 and upwards by the Bank of England, and of £5 and upwards by the Country Banks, the necessity for a very large amount of gold coin for smaller payments is evidently indispensable. Should Parliament think proper to continue both to the Bank of England and to Country Banks the liberty of issuing notes of a lower denomination, and particularly of £1 and £2, this permission would probably have the effect of keeping up a paper circulation, bearing a much larger proportion to the whole, than in the former case, and would so far diminish the necessity of an extensive circulation of gold coin. But although it would diminish that necessity, the degree in which it would diminish the demand for gold coin can only be stated as matter of conjecture. The established habits of the public may operate so decidedly in favour of a paper circulation, that there might be only a very small demand for gold coin; and as far as any judgment can be formed from the short interval during which the Bank issued gold coin in exchange for their notes,

notes, before the rise in the market price of gold occasioned a demand for exportation, this might probably be the case; the period was however too short to afford sufficient grounds for any decisive inference as to the future; and it is on the other hand the opinion of some of the witnesses, that the new coin would be preferred to paper.

The Committee attaching great importance to the restoration of the paper currency to a metallic standard, are also deeply impressed with the great advantages of such a currency, when so regulated; and they think it highly desirable that a large proportion at least of the transactions of the country should be carried on by that medium. But the question, what proportion ought to be so carried on, (if it were a point capable of solution, or could be the subject of regulation), wherever a mixt circulating medium is permitted, is very different from the question, what proportion the different classes of such a mixt circulating medium will actually bear to each other, when left to be decided by the supposed interest, or even by the inclination of the public.

The latter question, however, is one, upon the result of which, one way or the other, the most serious practical consequences depend. Any judgment to be formed beforehand must unavoidably be conjectural, and yet upon such judgment we must be forced in some degree to act. Upon the greater or less probability that, in the event of the opening of the Bank upon the ancient system, paper would still be preferred to coin, must depend the extent of the accumulation of such coin with which the Bank must be prepared to meet that demand. Unless this point be rightly estimated, the Bank, on its first re-opening, might experience a demand, against which it would be difficult, if not impossible, to guard.

If the Bank is to make preparation, in the interval between the present time and the expiration of the restriction, to fill with gold coin all those channels of circulation which might possibly require to be so filled, the very extent of the purchases of bullion, necessary to be made for such a purpose, must, in some degree, whatever may be the interval, and in a very great degree if that interval be short, tend to obstruct the attainment of the ultimate object,—the equalization of the market price of gold to its Mint price; and unless the effect of these purchases were counteracted by a rapid reduction of the issues of the Bank, for commercial discounts and other purposes, to an extent of which the mischief has been so frequently referred to, the price of gold might be such at the very moment of the resumption of cash payments (supposing that moment to be previously and unalterably fixed), as to render the continuance of such payments difficult and hazardous.

These considerations have led the Committee to examine, with particular attention, a plan which has been suggested to them, and which, as it will appear by the Evidence, is viewed in a very favourable light by many persons well qualified to form a judgment upon such a subject.

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The leading principle of this plan is, to restore to the country, by the speediest and safest means, a metallic standard, as the regulator of its paper currency, by permitting the Bank to pay its notes in gold bullion, at the Mint price, instead of gold coin.

Various advantages appear to the Committee to attend this plan, in preference to a simple resumption, in the first instance, of cash payments by the Bank. It establishes, equally with cash payments, the principle and the salutary controul of a metallic standard, while it affords the best prospect of avoiding or diminishing many of the inconveniences which are by many persons apprehended from that measure. It exempts the Bank from the obligation of providing a quantity of gold necessary to replace, in case the public should prefer coin to paper, all the smaller notes, to the amount probably of 15 or 16 millions, which are now circulated in London and in the Country; and therefore, by relieving the bullion market from this demand, it prevents that augmentation of the price of gold, which might be the consequence of large purchases of that article made in a short space of time, under the pressure of a necessity publicly and previously known. And it continues to the Bank, and therefore to the nation at large, all the advantages to be derived from the employment of a capital equal to the amount of all the small notes in circulation, whether of the Bank of England or Country Banks. In the one case, this capital would still be, as it now is, employed in the support and extension of agriculture and of commerce, whether foreign or domestic; in the other, it would be merely an addition to the dead stock of the country, producing neither profit nor advantage.

It seems probable also, that when the Bank is made liable to pay only in bullion, and that only in exchange for notes to a certain amount, it would be chiefly subject to such demands as might arise from the excess of the market price of gold above the mint price, and the consequent profit upon exportation. To a demand resulting from this source, every Bank issuing paper convertible into either of the precious metals, must at all times be liable; and unless the market price of gold can be kept within certain limits of deviation from the mint price, either by the reduction of the issues of paper, or by the effect of a favourable balance of payments upon the exchanges, the whole system of banking must necessarily fall to the ground. It is no objection, therefore, to this plan, that it does not provide against a possible inconvenience, which is, under such circumstances, an inseparable attendant upon all paper currency so convertible; that is, upon all paper currency, which is secured from great and inconvenient variations. The plan however contains in itself, during the period which may elapse before the market price of gold falls to the Mint price, a considerable guard even against this danger, a guard which did not exist in the mixed state of our currency. As it would be impossible for any person to draw bullion from the Bank, except in exchange for Bank notes, no demand could be made upon the Bank to any great extent for gold without occasioning a scarcity in the currency, which would tend to raise the value of those notes, and to remove the temptation to present them in exchange for bullion. The same circumstance would operate to

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to check any demand, which might arise from a sudden panic; and the rapidity of such demand, in which its chief danger consists, might be somewhat diminished by the necessity of collecting notes to that amount, in exchange for which payment in bullion would be demandable. And in whatever degree a disposition may have existed to hoard coin, there would probably be less disposition to demand bullion from the Bank for that purpose.

The Committee, in recommending the principle of this plan of resumption to the favorable consideration of the House, think it nevertheless their duty to suggest such provisions as have occurred to them, by which, in their opinion, without weakening its efficacy, or impairing any of its advantages, its operation would be facilitated and ensured.

In the first suggestion of the plan, it was proposed that the Bank, upon the removal of the present restriction, should immediately pay in bullion at the mint price, instead of paying in coin. The Committee have laid before the House, in the former part of this Report, the considerations which induce them to think that it must be desirable upon the whole to allow a considerable interval of time before the Bank should be required to resume cash payments upon the ancient system. These considerations would operate in a great, although not an equal degree, against the too early adoption of the plan for bullion payments at the mint price. The objection to the prolongation of the period in the former case was chiefly this; that the country would be left during that period, whatever it might be, without the certainty of any progress being made towards the re-adoption of a metallic standard of value. The interposition of bullion payments affords means of obtaining this security, which cannot be provided with equal advantage under the simple resumption of cash payments. The resumption of bullion payments may, if Parliament should think proper, commence at an earlier time, and at the present market price of gold. Successive periods might, if thought necessary, be fixed, at which the rate of bullion payments should be gradually lowered, until it should finally be brought down to the mint price. The same principle of gradation could not be applied to payments in coin, without the great and obvious inconvenience which must result from successive variations in its circulating value.

The effect of this graduated scale would be, to re-establish from the first commencement of its operation, the principle of a metallic standard. It would indeed not at once be a recurrence to the ancient standard; but an approximation would be gradually made towards it, and at no distant period it would be attained. The necessity, under which the Bank would be placed of regulating its proceedings with a view to the commencement of bullion payments upon this system, would give a security, perhaps unnecessary, but satisfactory to the public, that some progress was actually making towards the ultimate object. As the Bank would at the same time be relieved from an early recurrence to cash payments upon the ancient system, it would gain a longer interval for the gradual accumulation

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accumulation of its treasure ; any reduction of its issues, which might be found necessary, might be gradually made ; and all persons engaged in commerce would also be enabled to accommodate their transactions to the new state of our circulation.

It has been suggested that the Bank might have the option of paying in bullion or in coin ; but the Committee are inclined to think, that even at the time when this scale shall have reached the mint price, the Bank should begin to pay in bullion only. If there is any weight in the argument that one of the great advantages of the proposed plan, with the modification suggested, is this, that it would render it safe for the Bank to open with a much smaller amount of treasure than might be thought necessary for the resumption of cash payments upon the ancient system, and therefore that it might begin its operation at an earlier period, it is evident, that were the Bank, from a preference to the ancient system, to determine to avail itself at that period of the option between bullion and cash payments by paying in coin only, it must, in consequence of such determination, make more rapid and more extensive purchases of gold in the interval, and thereby impede the gradual progress of its reduction to the Mint price, which is the main object to be attained.

There is also another evil against which it would be expedient to provide a guard ; viz. the possibility of an excessive reduction of the circulating medium, during the operation of this plan. This might be prevented by imposing upon the Bank the obligation of giving their notes in exchange for gold bullion (if tendered to them) at fixed prices, either taken somewhat below the mint price, or, in the first instance, somewhat below the price at which the Bank should commence to pay in bullion ; or further, if it should be thought proper to introduce more than one point in a graduated scale, at prices somewhat below those which might successively be fixed. Either of the latter expedients would afford a greater security against any excessive reduction of the issues of the Bank, but they might introduce a degree of complication into the system, and might cramp the operations of the Bank in an inconvenient manner ; and the Committee think that, on the whole, a preferable security would be afforded by leaving the Mint open to the public, by which any considerable deficiency in the paper currency would be supplied, and its effects counteracted by the coinage of gold.

In order to bring before the view of the House, with more distinctness, the whole of the plan which the Committee beg leave to recommend to their consideration, they will state shortly the different parts of which it consists :

1. That provision should be made by Parliament for a repayment of the debt of Government to the Bank to a considerable amount, and that a part of that repayment should take place some time antecedent to the first period which may be fixed for the commencement of bullion payments by the Bank :

2. That

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2. That from and after the 1st of December 1819, or at latest the 1st of February 1820, the Bank of England shall be required to pay its notes in gold bullion duly assayed and stamped in His Majesty's Mint, if demanded, in sums of not less than the value of 60 ounces, at the price of £4 1s. per ounce of standard bullion ; that on the 1st of November 1820, or at such other period as may be fixed, the price shall be reduced to £3 19s. 6d., unless the Bank shall have previously reduced it to that rate, it being always understood that the price, when once lowered, shall not again be raised by the Bank ; and that on the 1st of May 1821, the Bank shall pay its notes, if demanded, in gold bullion, in sums of not less than the value of 30 ounces, at the price of £3 17s. 10½d. per ounce of standard bullion :

3. That a weekly account of the average amount of notes in circulation during the preceding week, shall be transmitted to the Privy Council ; and a quarterly account of the average amount of notes in circulation during the preceding quarter, shall be published in the London Gazette :

4. That for two years, from and after the first of May 1821, the Bank shall pay its notes in gold bullion only at the Mint price ; and that whenever Parliament shall think proper to require the Bank to pay its notes in coin, notice thereof shall be given to the Bank one year before hand, such notice not to be given before the first of May 1822.

Should Parliament think proper to adopt this plan for the regulation of the Bank of England, it is evident that provisions must be made for applying the same principle to the Bank of Ireland.

The Committee are perfectly aware of an objection which may be stated to this plan, viz. that during its operation the country will probably have no currency except paper, for payments beyond 40 shillings, and that the advantage resulting from the convertibility of Bank notes into bullion appears to be given, at least in the first instance, only to the holders of large sums.

In answer to this it must be remembered, that so long as the price of gold shall continue high enough to afford a profit upon the melting and exportation of coin, framed according to the present Mint regulations, there can be no circulation of gold coin in the country. Under such circumstances any further issue of gold coin would be useless. It would indeed be worse than useless, as the purchase of the bullion to be coined would raise the price of gold, and the expence of coining it would be a waste of public money. Such an issue could only be useful whenever the price of gold is so far below the Mint price as to compensate for the interest lost during the time of coinage. But, although the Committee entertain great hopes that, during the operation of the plan in question, the price of gold will fall to the Mint price at an earlier period than what is fixed for its completion, yet the plan itself presumes that such fall may not take place and have been established before the 1st of May 1821.

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Under this uncertainty it would be difficult, if not impossible, to foresee any moment previous to that date at which it might be expedient to make such an issue, or at which the public would be able to avail itself of the power of resorting to the Mint for the conversion of bullion into coin. But it will be able to avail itself of that power under the operation of this plan at as early a period as could reasonably be expected under any plan for the simple resumption of cash payments. In the interval the currency must consist (as it has long consisted) of paper alone; but, from the moment this plan begins to operate, this paper would have what it has not had since the Bank restriction, and what it could not have in the interval preceding a simple resumption of cash payments, a metallic standard for its regulator. The holder of large sums in notes would indeed have the power of converting them into bullion at a fixed price by presenting them at the Bank; but the holder of a small sum in notes has not now, and could not have the power of converting it into coin, under circumstances when, as has been before stated, no coin could remain and circulate in the country: The latter, therefore, is exposed to no disadvantage whatever during the operation of the present plan, to which he would not be exposed during the interval which must precede a simple resumption of cash payments. But he derives from the first moment of its commencement a participation in the security against fluctuation afforded to the holder of large sums.

This detail of the plan now proposed by the Committee will, they hope, be sufficient to explain both its nature and its objects. Above all, they trust it will be manifest that the plan is now recommended by them as a temporary measure, as the mode which appears to them at once the most desirable, and the most effectual for the attainment of the object which Parliament has in view,—the restoration of our currency to its ancient standard of metallic value. They think it probable, as they have already stated, that this object may thus be attained at a period comparatively earlier than that for which they have ultimately provided. But they entertain a confident expectation that in this mode it will be effected at that period, if not before, and with the least practical inconvenience to any of the interests which it may affect.

After the attainment of this first and great object, many important questions will still remain to be determined by the Legislature, respecting the system on which our currency, when regulated by a metallic standard, may in other respects, with most advantage, be ultimately and permanently founded. But in these points the Committee think they should have exceeded the limits of their duty, if they had ventured at the present period even to form, much more if they had submitted to Parliament, any final or decisive opinion.

Whether the whole of our circulation and currency shall thenceforth be replaced either entirely on its ancient footing, or with what degree of alteration, particularly in respect of the smaller notes, the issue of which was formerly prohibited; whether the payments of the Bank shall be made at their option in bullion or in coin; or those

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those payments continuing to be made in bullion only, the Mint shall be open to the public for coining such bullion into gold coin, with or without a seignorage or brassage; or whether, with a view to realize to the country a profit equal to the whole value of the gold employed as dead capital for the purpose of circulation, an endeavour shall be made to confine the whole of our currency (except for the small payments now made in silver) to paper only, but to paper regulated by convertibility into bullion—these, with the numerous details connected with and dependent on them, are points, upon which the House will find much useful information in various parts of the Evidence contained in the Minutes, and upon which the Committee are satisfied that a better judgment than can be formed at present, will be derived from the experience of the operation of the plan immediately in question.

With respect to the decision to be taken as to the future circulation of the smaller notes, the Committee are fully sensible that all views of expediency or profit in this respect must be combined with another most important consideration, that of the comparative facility with which such paper, or the coins for which it is substituted, may respectively be counterfeited. This point is essential to the success of any measure on this subject, and it is of great weight in the opinion of the Committee, as connected with the comparative degree of temptation or encouragement, which any of these systems may afford to crime, and the consequent necessity of frequent and severe punishment.

Under these impressions the Committee have endeavoured with much anxiety to obtain information as to the progress and probable results of the enquiries which have lately been made, under the authority of His Majesty's Commission, into the means of preventing, or rendering much more difficult than at present, the forgery of Bank paper. They have learnt that these results are not yet sufficiently matured to be brought with this view in a complete shape under the consideration of Parliament; but they find that the very able persons whose attention has been so beneficially employed in the examination of this subject, entertain sanguine expectations that the principles which they have adopted for this purpose will, in their application, provide, if not a complete, at least a much more effective check than has been provided by any means yet adopted for the security of the Bank and of the Public. In so far as the Committee has felt itself competent to judge of the probable operation of those principles, they fully partake in this hope; and it is much strengthened by learning, from the testimony of the Governor of the Bank of Ireland, that the application even of a part of those principles has been found there, in a very great degree, effectual for that purpose.

There is another point to which the Committee think it of great importance that Parliament should advert. The large amount and nature of the advances made by the Bank for the public service, have been stated, on different occasions, as opposing considerable obstacles to the measures which would otherwise have been

Appendix, A. 9.

Appendix, A. 5.

adopted by the Bank ; and the plan now recommended essentially depends upon a previous reduction of them. But the inconvenience of this mode of habitually providing for the public exigencies, to so great an extent, is not merely temporary. It involves principles of considerable moment, with reference to the relation in which Government and the Bank are thereby placed towards each other. This system is not however of recent date. It had been acted upon to a large extent, for a long period of years before the first restriction upon the Bank. The amount of the advances appears to have subsequently increased with the succeeding embarrassments of the public service, and the extraordinary exertions of the concluding years of the last war naturally produced an unprecedented extension of them. A considerable reduction of these advances has since been effected, and a still further diminution of them is recommended in this Report. It will be for the wisdom of Parliament to determine, whether in order to guard against the unobserved recurrence of this practice, some permanent regulation ought not to be established, extending the very narrow restraint, under which the Bank was originally placed in this respect ; but imposing some new principle of limitation, so as on the one hand to allow the Bank such a free use of its capital, as might enable it, (as it appears to have done previously to the Bank Restriction) to invest either the whole or some limited proportion thereof if not demanded for commercial discounts, in the purchase of government securities, and on the other, to prevent it from engaging in such purchases for the accommodation of Government, when its own convenience or interest did not require them, or from entering into any engagement, express or implied, which shall prevent its bringing those securities freely into the market. It is obvious, that in imposing any new principle of limitation, exception must be made for cases of great emergency, to be stated to Parliament and provided for by its express authority.

Whatever may be the decision of Parliament upon all or any of the measures now in contemplation, the Committee think it will be desirable to repeal the laws which prohibit the melting and exportation of the coin, and which enact that all bullion intended for exportation shall be sworn to consist of foreign gold or silver. The policy of these laws has long been held by the best writers on the subject to be at least dubious. From the nature of the article, so portable and so easily concealed, they could hardly be expected to be efficacious, and experience has abundantly proved their inefficacy. Notwithstanding the existence of these laws, the whole, or nearly the whole of the gold coin of this kingdom, amounting, probably, to between 20 and 30 millions, has entirely disappeared, and scarcely a remnant now remains of the sovereigns which were issued in the year 1817. The prohibition, indeed, adds something to the difficulty, and consequently to the expence of exportation, and may, therefore, be supposed to operate, in some degree, as a seignorage upon our coin—but it is a seignorage perpetually varying, according to the greater or lesser facilities for smuggling which may at different moments exist, and affording therefore an uncertain, and in point of fact, an inadequate protection.

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The means also, by which this protection is afforded are highly objectionable, there being no possibility of distinguishing between bullion produced by the melting of Foreign or of English coin. The only security is that of an oath ; and the law, therefore, has no other operation than to offer a great, and, as experience proves, a successful temptation to perjury.

Even upon our ancient system of coinage, in which the value of the metal in coin is equal to that of the metal in bullion, and the whole expence of the coinage falls upon the public, it may be doubted whether the prohibition does not increase rather than diminish that expence ; although the latter was probably one of the chief objects which the law had in view. As our coin is now either melted previously to exportation, or melted in the country to which it is exported, because it is not there known or current, when it returns, it returns in the shape of bullion, and if the Mint is open, and the price such as to make it worth coining, it is carried to the Mint and coined at the public expence. Whereas, if our coin were legally exportable, it would probably return into this country as coin, whenever the state of the exchanges rendered it a more profitable remittance than bills or merchandize. No country in Europe has maintained so large a metallic currency as France, without any prohibition upon the melting, the export, or the sale of the coin.

The Committee cannot conclude their Report without adverting to the opinions which have been expressed and very fully explained by some of the witnesses, that the present regulations of the Mint for the coinage of silver must of themselves occasion a perpetual drain of gold from this country, and thereby oppose an insurmountable obstacle to the resumption of metallic payments by the Bank at the ancient standard of value. These opinions have been directly and strongly controverted by other witnesses. The Committee more particularly refer to the evidence of Mr. Page and Mr. Fletcher on one side, and Mr. Mushett on the other ; and to a paper received from the Master of His Majesty's Mint : but much important information on this part of the subject may likewise be collected from the testimony of others, whose sentiments and authority upon such matters must be of great weight. The Committee being fully sensible, that if the opinions of the two first witnesses be well founded, any attempt to remove the restriction upon the Bank must prove ineffectual, unless the Mint regulations for the coinage of silver were first altered, according to the principle upon which that opinion appears to be founded, have given this part of the subject full consideration ; and they think it their duty to state, that they see no ground to apprehend that the present Mint regulations respecting the Silver coinage, so long as such Silver Coin shall not be a legal tender beyond the amount of forty shillings, and the Mint shall not be open to the public for the coinage of that metal, will oppose any obstacle to the successful execution of the plan, which they have ventured to recommend.

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Appendix, D. 10.

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The House will find in various parts of the Evidence, and, in the Appendix, a great mass of valuable information, illustrating not only those points which the Committee have dwelt upon in their Report, but also many other points of considerable importance, to which they did not think it necessary to advert. They have judged it best to confine themselves as much as possible to a practical view of the question referred to them by the House, and to rest the proposal which they have brought forward upon grounds which might recommend it sufficiently, if not equally, to persons widely differing in opinion upon many of the considerations involved in any discussion upon so extensive and complicated a subject.



MINUTES OF EVIDENCE

TAKEN BEFORE

THE LORDS COMMITTEES,

APPOINTED

A SECRET COMMITTEE to enquire into the State of THE BANK OF ENGLAND, with reference to the Expediency of the Resumption of Cash Payments at the Period now fixed by Law, and into such other Matters as are connected therewith, and to report such Information relative thereto as may be disclosed without Injury to the Public Interest, with their Observations.

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Die Sabbati, 6° Februarii 1819.

The LORD PRESIDENT in the Chair.

ORDER of Reference read.

Ordered, That this Committee be adjourned to Monday next, at Twelve o'Clock.

Die Lunæ, 8^o Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. GEORGE DORRIEN, the Governor, and Mr. CHARLES POLE, Deputy Governor of the Bank, were called in, and examined as follows:

*Mr. Dorrien and
Mr. Pole.*

1. Whether, in the Opinion of the Bank, it would be practicable and safe for the Bank to resume Payments in Cash on the 5th of July next?
(By both.) Under the present Circumstances certainly not.

2. Do you state this as your individual Opinion, or as the Opinion of the Court of Directors of the Bank of England?
(Both.) As our individual Opinion.

(Mr. Dorrien.) I think I may say it is the Opinion of the Court of Directors.

(Mr. Pole.) I should qualify that Statement, and say, that it was not the Result of a direct Vote. But I should draw my Conclusion from what passed in the Court, that they rather approved that Opinion.

3. Has there been any direct Resolution of the Court of Directors to that Effect?
It has never been a direct Question.

4. Has there been any Proceeding in the Court of Directors which led you to form that Conclusion?
A Paper was delivered in to the First Lord of the Treasury and the Chancellor of the Exchequer, on Friday the 22d of January 1819; a Copy of which we lay before the Committee.

Then the said Paper is delivered in, and is read, and is as follows:

“ At a Committee of Treasury, 20th January 1819, confirmed and altered 21st January.

“ The Governor having reported the Substance of the Conversation at a Conference at Five House on the 15th Instant, which was attended by several Members of the Committee, as well as the Chairs of the Bank;

“ Resolved,

“ This Committee having deliberately weighed the Subject, and considered the Improbability that the Foreign Exchanges will be turned and permanently settled in favour of Great Britain by March 1820, (the Time to which it is proposed to limit the Duration of the Restriction of Cash Payments), think it a Matter of the highest Importance that the Public shall not be deluded with an Expectation which is not likely to be realized.

“ That it appears preferable to submit to the Consequences of a Parliamentary Enquiry, rather than pass a Bill for a Time inadequate to the Circumstances in which the Country may be placed.”

Then

Then Mr. Dorrien further said,

And afterwards, on the Monday following, a Meeting took place, which was attended by Lord Liverpool and Mr. Vansittart, and on the Part of the Bank, by as many of the Members of the Committee of Treasury as could attend. In consequence of what passed there, it was thought advisable to call a Court of Directors on the following Morning. At which Court the Substance of the different Conferences with His Majesty's Government was laid before the Court of Directors, and the above Resolution was approved.

5. Was there a formal Resolution of Approbation?
There was.

The Witness delivers in the said Resolution, which is read, and is as follows:

“ At a Court of Directors at the Bank, on Tuesday the 26th January 1819.
“ The Governor having laid before the Court the Particulars of the Conferences which the Chairs and the Committee of Treasury had held with His Majesty's Government, relative to the Renewal of the Bill for the Restriction on Cash Payments;

“ Resolved, That the Court entirely approve the Conduct of the Committee of Treasury upon this Occasion.”

6. What are the Circumstances to which you refer, in your Answer to the First Question?

The Witnesses are directed to withdraw.

After some Time they were called in again, and informed, that the Committee thought it advisable to examine them individually, as to the argumentative Parts of the Question.

And Mr. Pole was directed to withdraw.

And Mr. Dorrien was asked,

6. What are the Circumstances to which you refer, in your Answer to the First Question? *Mr. Dorrien.*

The Advances of the Bank to Government are so large, that without considerable Repayments, the Bank would not be able to withdraw such a Portion of its Notes as to give it a Command of its Resources.

7. Is that the only Circumstance?
I think it sufficient.

8. Whether, if that Difficulty was removed, you are of Opinion that the Bank could safely resume its Cash Payments on the 5th of July next?

There is no means of judging till that Difficulty is removed. But it is not likely it would have such an immediate Operation on the Circulation of the Country, and the Foreign Exchanges, as to enable the Bank to open on the 5th of July.

9. Is it probable in your Opinion that it would enable the Bank to resume Cash Payments about March 1820?
Much would depend upon the Sum repaid.

10. What do you mean by a considerable Repayment by Government of the Advances?

The Circumstance of re-opening must be a Question of Experiment; and in the first Instance I should think not less than £9,000,000 would be sufficient to make the Trial.

11. What Amount of Advances has been repaid by Government since April last?
In order to answer that Question, I should like to refer to a Memorandum included in a Note from Mr. Vansittart and Lord Liverpool, dated the 22d of May 1818.

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Which

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Mr. Dorrien.

Which the Witness delivers in, and it is read, and is as follows :

“ Lord Liverpool and Mr. Vanfittart's Note, which accompanied the following Memorandum, is dated 22d May 1818.

“ Memorandum.

“ The Sum necessary for the Supply of the Year 1818, beyond the ordinary Revenues of the Year, may be estimated at about Fourteen Millions ; and it has been agreed that a Sum of from Eight to Nine Millions shall be repaid to the Bank on Account of their Advances to Government, of which Repayment the Loan of Six Millions advanced in 1816 shall form a Part.

“ To meet these Charges, and to effect a further Reduction of the Funded Debt, Provision has been made by a Loan of Three Millions in Money, and a gradual funding of Exchequer Bills to the Amount of about Twenty-seven Millions, with a Power to the Subscribers of making Money Payments instead of bringing in Exchequer Bills.

“ The Nature of this Arrangement makes it impossible to foresee exactly at what Periods and in what Proportion it may be practicable to discharge the Bank Advances ; but it is thought desirable to pursue the following Plan so far as Circumstances may allow.

“ 1st. That the Repayments should be gradual, and as nearly as may be at the Rate of about One Million per Month, beginning with the Month of May.

“ 2dly. That if in the early Part of a Quarter more than One Million per Month shall have been paid, the Payments might be reduced, if thought desirable, in the latter Months of the Quarters.

“ 3dly. That for the Purpose of effecting such Repayments, the Bank might retain One Half of the Monies paid in on Account, as well of the Loan as of the Exchequer Bill Payments, to the Extent of Monthly Payments above mentioned.”

The Amount of the Advances repaid is £5,146,400.

12. When you stated a Repayment of £9,000,000 as necessary, do you include that Sum of £5,000,000 which has been already repaid, in it?

That 5,000,000 forms a Part of the £9,000,000 to which I alluded ; but I beg Leave to add, that there is a large Accumulation of Interest, to the Amount of £1,055,806, for Interest upon Exchequer Bills, and from other Items, as appears by the Paper delivered in.

The Witness delivers in the said Paper, which is read, and is as follows :

“ Interest due on Sundries, &c.

Interest due on	£11,441,800	Exchequer Bills purchased,			
		over due, and advertised, to 6th February			
		1819	£	s.	d.
			636,409	—	—
Ditto	- on	£2,900,000, Remainder of £6,000,000, at			
		£4 per Cent., from the 10th October 1817,			
		to 6th February 1819	153,819	—	—
Ditto	- on	£3,000,000, at £4½ per Cent., from 5th			
		April 1818, to the 6th February 1819	113,547	—	—
Ditto	- on	£550,000, Irish Treasury Bills, at £5 per			
		Cent., from 4th January 1817 to 6th			
		February 1819	57,486	—	—
Ditto	- on	Silver Bullion, sold to the Lords Commis-			
		sioners of His Majesty's Treasury, to the			
		6th February 1819	94,545	—	—
			£1,055,806	—	—

13. Are

(31)

Mr. Dorrien.

13. Are you of Opinion, that if the additional Sum of £4,000,000 was repaid, and the £1,000,000 of Interest, to which you have just alluded, that the Bank would be in a State to try fairly the Experiment, with a View to the Resumption of Cash Payments in March 1820?

I cannot say that the Repayment of those Sums would be sufficient ; but I am inclined to think that after the Repayment, a very good Opinion might be formed of the Quantity of Circulation necessary for the general Commerce of the Country.

14. Has the Repayment of the £5,000,000 already made, afforded you any Means of forming a Judgment upon this Subject?

The Effect of the Repayment from Government has been to increase the Demand for Discounts.

15. How has it increased the Demand for Discounts?

In proportion as the Bank Notes which were lent upon Exchequer Bills are repaid, the Bankers and Merchants make Application to the Bank, to supply the Deficiency in the Circulation.

16. Whether the Amount of Discounts on good Bills now, is greater than it was before much Progress was made in these Repayments?

To the best of my Recollection they are greater, but a Scale might be delivered in, if required.

[The Governor of the Bank was desired to deliver in such Scale at his next Attendance.]

17. Did the Bank, in consequence of the Repayment made by Government, of the Sum of £5,000,000, make any Alteration in the Regulation of their Proceedings respecting Discounts?

None.

18. Referring to your Answer to the Question No. 10. What do you mean by the Words “ Experiment ” and “ Trial ” in that Answer?

The Advances of the Bank to Government upon Exchequer Bills cannot be recalled at the Pleasure of the Bank. But when Money is lent at short Periods the Bank has a Controul over an Excess of Circulation, so as to check any improper Speculation, and the Means of sending Bullion out of the Country ; and thus the Bank would have an Influence over the Foreign Exchanges ; and the Experiment would be tried, whether the Foreign Exchanges could by this Means be turned in favour of Great Britain, and maintained in that Course.

19. Do you mean that the mode of trying the Experiment must be by a Diminution of the Number of the Notes of the Bank of England in Circulation?

If the Bank had a Controul over its Issues, by lending for short Periods, they could act according to Circumstances ; and would reduce the Circulation if they perceived any improper Speculation going forward, or Payments to Foreign Countries which they thought injurious to Great Britain ; otherwise they would supply every reasonable Demand for the Accommodation of the Trade of the Country.

20. Would not the Effect upon the Exchanges be the same by a given Number of Notes in Circulation, however issued, whilst they are out?

If a certain Number of Notes are to remain out in Circulation, it is not material, as to their Effect upon the Exchanges, upon what Account they are issued.

21. Are you then of Opinion that the Exchanges are affected by the Increase or Diminution of the Number of Bank Notes in Circulation?

A Scarcity of Circulating Medium, of whatever it may consist, will oblige Merchants to draw their Funds from Foreign Countries, and the Superabundance of it will send the precious Metals out of the Country.

22. Putting out of your Consideration any Degree of Public Inconvenience or Distress which might result from a considerable Diminution of the Circulation of the Notes of the Bank of England, are we to understand it to be your Opinion, that by such a Diminution the Exchanges would be rendered favourable to this Country?

The

(32)

Mr. Dorrion.

The Consequences of a Scarcity of Money would be, to force an Export of Merchandize and Manufactures, which would render the Exchange favourable to this Country.

23. How would a Scarcity of Money produce the Effect of forcing an Export of Merchandize and Manufactures?

Merchants who have Engagements to fulfil, and Payments to make, must seek for Means of paying them by a Sale of Merchandize; or if England is in want of Money, it will send its Manufactures and Merchandize abroad in order to bring it in.

24. Could the Scarcity of Money force the Export of Merchandize or Manufactures beyond the Demands or Wants of Foreign Countries?

A low Price will always occasion increased Demand; and if England sells cheaper than any other Country, it will have a Preference.

25. Then do you mean that a Scarcity of Money will produce a low Price?

A Person who is in want of Money must sell his Merchandize for what he can get.

26. If, as you have stated, there is an increased Demand for Discounts, in consequence of Repayments made by Government to the Bank, and the Bank, as you have stated, makes no Alteration in consequence in the Principle which regulates their Proceedings as to Discounts, in what way can the Repayment made by Government to the Bank affect the Amount of the Circulating Medium?

Because the Notes that are lent upon Discount can be withheld if necessary; but if the Application for Discount is in the regular Course of good Mercantile Bills, the Bank would not be disposed to lessen the Amount of their Circulation.

27. Do you mean to say that the Bank do not now regulate the Amount of their Discounts by Reference to the Goodness of Mercantile Bills presented to them?

Not entirely by Reference to the Goodness of the Bills, but frequently with Reference to their Origin.

28. Do you mean that there would be any Difference adopted by the Bank, with respect to the Mode of regulating their Discounts, after the Repayment of Advances made by them to Government, from that which they now pursue?

I do not apprehend there would be any Difference.

29. Of what Nature are the Objections to the Origin of Bills, which makes the Bank refuse to discount them although the Bills are good?

The Monopoly of any particular Article; Speculations in Corn; Foreign Loans; and Bills of that Description. That is, Bills drawn or accepted by Persons who the Bank suspects are engaged in such Speculations.

30. Then are we to conclude, that you mean to say, that if 30 Millions were advanced to Government, the Bank would not have the same Power of checking Speculations of this Nature, as they would if 30 Millions were advanced on Discounts?

If 30 Millions were advanced to Government, the Bank would have no Power whatever over Mercantile Speculation.

31. Could the Bank in that Case assist any Mercantile Speculation, however unobjectionable?

It is not likely that the Bank would be applied to under such Circumstances, as the Private Bankers would be able to accommodate the Trade.

32. Are you of Opinion that the Loans, which have been contracted for since the Peace by Foreign States, have had an unfavourable Effect upon our Exchanges, and in what Degree?

The Foreign Loans are generally supposed to have had an unfavourable Effect upon the Exchanges, and in a considerable Degree. It is a general Opinion in the City, and I concur.

33. Have you any Reason to believe that many Persons in this Country have made considerable Investments in the Securities of Foreign Countries since the Peace?

It is generally reported to be so, but I have no personal Means of Knowledge.

34. Are

(33)

Mr. Dorrion.

34. Are you of Opinion that the great Pressure, which manifested itself in the Money Market of Paris and other great Commercial Towns on the Continent, and in America, towards the Close of last Year, has had an unfavourable Effect upon our Exchanges?

Certainly; because the Rate of Discount abroad was generally much higher than in this Country.

35. Are the Consequences of that Distress still operative, and likely to continue for a considerable Time?

I rather think it is declining; for the Discount which was at Hambourgh 10 per Cent. is now about 4 per Cent.

36. Do you think the Exchanges are in the Course of becoming less unfavourable? There has been no material Alteration in the Course of the Exchanges lately. But on Friday last the Exchange upon Paris was higher; more in favour of this Country.

37. Do you know what was the Rate of Exchange at Paris on Friday?

23 fr. 90 c.

38. Is that a favourable or unfavourable Rate of Exchange?

Unfavourable.

39. What do you reckon the Par of Exchange?

It is not in my Line of Business.

40. Has the Bank at any Time since the Peace possessed such an Amount of Treasure, as according to the Experience of past Times would have enabled them to resume Cash Payments with Safety, provided there had been a Prospect of the Exchange continuing favourable?

As far as the Bank was concerned, the Directors had in their Opinion made an ample Provision.

41. About what Time?

That will be explained by a Scale which shall be produced.

42. It appears by Accounts before the Committee, that the Exchanges with the Continent were not unfavourable to this Country from the Month of March 1816 to about the Month of July 1817. State the Causes which in your Judgment produced the favourable State of Exchanges during the above Period, from March 1816 to July 1817, and the unfavourable State of the Exchanges from July 1817 to July 1818?

I do not know what were the particular Causes of the Prosperity of the Exchanges; but in the latter Period the unfavourable State of the Exchanges may be accounted for by the Importation of Corn, and by the Foreign Loans.

43. Was not the Amount of Bank Notes in Circulation during the favourable Exchange as considerable as at present?

The Amount was about the same then as it is now.

44. It further appears that the Exchanges, though somewhat unfavourable, were improving from July 1818 to about the End of October last, and since that Period that they have very materially declined; state what in your Judgment is the Cause of these Changes?

The usual Exportation of Merchandize to the Continent ceases towards Winter; besides, about that Time (the End of October) Silver was in great Demand for Russia, and several Cargoes of Corn arrived.

45. Did not the Events that occurred at Paris and other great Commercial Towns produce an unfavourable Effect?

Yes; the Failures at Paris had a considerable Effect on all Commercial Towns on the Continent, and were very much felt upon the Royal Exchange.

46. During the Period when the Exchanges were favourable, and the Amount of the Treasure of the Bank at its highest, were not the Advances of the Bank to Government as large as they were before any Part of the £5,000,000 were repaid?

I rather believe they were.

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47. Were

(34)

Mr. Dorrion.

47. Were not the Advances of the Bank to Government considerably greater in the Month of July last, than they are at present?
Yes, there have been several Repayments.

48. By what?

By about £4,000,000, making Allowance for the Interest.

49. Is it your Opinion that the Exchanges are affected by the Increase or Diminution of the Circulation of the Country Banks?

The Circulation of the Country Banks must be included in the total Circulation of the Country.

50. Have you any Information respecting the probable Amount of the Circulation of Country Banks at different Periods?

I have no means of knowing the Circulation of Country Banks.

51. Would not an Increase of the Country Bank Paper, as affecting the general Quantity of the Circulating Medium, affect the Exchange as much as a similar Increase of Bank Paper?

I should rather think not, because the Exchanges with Foreign Countries are regulated in London, where Country Bank Paper does not circulate.

52. Do you think that it is an Increase or Diminution of Circulating Medium in London that affects the Exchanges, and not an Increase or Diminution in the general Circulating Medium of the Country?

I conceive that the State of the Money Market in London may have an Effect upon the Exchange; but that the Abundance of Country Bank Paper will not affect those Transactions which relate to Foreign Countries.

53. Does not the Abundance or Scarcity of Country Bank Paper, in the Experience of the Governor of the Bank of England, affect the Money Market in London?

I should rather think not, as it seldom makes its Appearance in London. But, as Governor of the Bank, I have no particular Experience upon that Point.

54. In what Degree are you of Opinion, that during the Operation of the Bank Restriction, the Amount of the Circulation of Paper of the Bank of England may be considered as regulating the Amount of Paper issued by the Country Banks?

I conceive the Amount of Circulation issued by Country Banks will be regulated by the Amount of Issues of the Bank of England, because every Country Banker, if he is called upon so to do, must pay the Bearer of his own Notes in Bank of England Notes.

55. Do you then conceive that the Amount of Circulation of Country Bank Paper has at all Times, since the Bank Restriction, been highest at the Times when the Circulation of Bank of England Paper has been highest?

I should conceive so, but I have no Means of knowing.

Witness is directed to withdraw.

Adjourned till To-morrow at Twelve o'Clock.

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Die Martis, 9^o Februarii 1819.

The LORD PRESIDENT in the Chair.

THE Deputy Governor of the Bank (Mr. POLE) is called in again, and further examined as follows:

1. We understood you to have said in your Answer to the Question (Number 1.) in Yesterday's Examination, Whether it would be practicable and safe for the Bank to resume its Payments in Cash on the 5th of July next? "Under present Circumstances certainly not." The Committee wish you to state what are those Circumstances to which you refer?

Mr. Pole.

1st, It appears from Experience, that every Piece of Gold Coin issued by the Bank vanishes from our Sight, and is, as I understand, sent out of this Kingdom. 2d, Considering the present Standard of Gold Coin, compared with the Price of Bullion in the Market. And 3dly, That the Issues of the Bank are so large upon those Securities not immediately within the Controul of the Bank. And 4thly, That should it be found requisite to make any very material Reduction in the Issues of Bank Notes, the Time between this and the 5th of July would be so short, that the Consequences might prove so very injurious to the Public in general, as to induce me to think that it would be impossible for the Public to support it. And also taking into Consideration the relative State in which the Balance of Payments to be made by this Country to Foreign Countries appears to act upon the Bullion Market of this Country.

2. Whether the Gold appearing to vanish and going out of the Country does not proceed in your Judgment from the unfavourable State of the Exchanges?
Certainly.

3. During the Period from the Month of March 1816 to about July 1817, when the Exchange appears to have been favourable to this Country, was not a great Amount of Bullion or Foreign Coin imported into it?

From Recollection I conceive the Exchanges were as stated, and also by my Recollection I believe Bullion was introduced into this Country; not having the Papers about me, I cannot speak positively as to Quantities.

4. Has the Bank at any Time since the Peace possessed such an Amount of Treasure as, according to the Experience of past Times, would have enabled them to resume their Cash Payments with Safety, provided there had been a Prospect of the Exchange continuing favourable?
Yes.

5. Is it your Opinion that the Exchanges are affected by the Increase or Diminution of the Circulation of Bank of England Notes?

Inasmuch as that in case the Interest of Money becomes so reduced in this Country, as to hold out a beneficial Prospect to Persons in sending their Capitals from this Country to be invested in Foreign Securities, where a larger Interest is made, consequently a Debt is created from this Country payable to Foreign Countries.

6. Do you conceive then that a considerable Increase in the Amount of Bank Notes must have the Effect of lowering the Interest of Money in this Country?

That in my Opinion depends very greatly upon the Securities on which such Advances are made.

7. Would

(36)

Mr. Pole.

7. Would not the same Amount of Bank Notes produce the same Effect upon the Interest of Money, upon whatever Securities they are issued?

I think not.

8. Why not?

If Advances are made upon Securities very shortly reverting to the Bank, I consider the Effect would be different from their being upon Securities not likely shortly to be paid.

9. Are you of Opinion that if the Circulation of the Bank were kept up uniformly at 30 Millions on short Securities, it would have a different Effect upon the Market Rate of the Interest of Money, from what would take place if the same Sum of 30 Millions was uniformly kept in Circulation upon Landed or Government Securities?

I think it would.

10. Putting out of your Consideration any Degree of Public Inconvenience or Distress, which might result from a considerable Diminution of the Notes of the Bank of England, are you of Opinion that by such a Diminution the Exchanges would be rendered favourable to this Country?

I have great Difficulty in answering that Question, as the Exchanges must be governed more by the Balance of Payments and Receipts being either against or in favour of this Country. It would have that Effect, if it incapacitated the Persons who under the present Circumstances have to fulfil Payments upon the Continent.

11. When you stated, that it might be requisite before Cash Payments were refused, that a material Reduction should take place in the Issue of Bank Notes, greater than it was possible for the Public to bear before the 5th of July, in what Mode did you anticipate that such Reduction would take place?

By the Repayment of the Advances to Government.

12. Do you conceive that the Repayment of any considerable Part of the Advances made by the Bank to Government (supposing for Example Nine Millions in the whole, including the Five Millions already repaid) would facilitate the Resumption of Cash Payments, without any Alteration in the Rules now adopted by the Bank with respect to Discounts?

Yes; but I cannot say that a Repayment to the Extent of Nine Millions would be sufficient; as Experience would be the only Means of ascertaining the Effect of a Reduction.

13. Has it appeared that the Repayment, which has already taken place of Part of the Advances of the Bank to Government, has increased or diminished the Demand upon the Bank for Discounts?

It has had the Effect of increasing them.

14. In what Manner do you conceive that it has produced that Effect?

Because it at all Times requires Time for Commercial Persons to face a Reduction of Circulating Medium, in consequence of their Capitals being invested in Securities not immediately convertible.

15. Do you then conceive that after the Lapse of some Time, the Demand which you have described would of itself diminish, so as to occasion a permanent Diminution in the Amount of the Circulating Medium?

Yes; inasmuch as Persons who have been enabled to avail themselves of Money at a low Interest, would be less induced to engage in many Transactions of Business at a high Rate of Interest.

16. Do you believe that Bankers in London, when the Issue of Bank Notes is considerable, discount at a lower Rate of Interest than the Bank of England?

I am induced to think so, in consequence of the Application to the Bank for Discounts being generally reduced, when Money is abundant in the Market.

17. If Money is supplied by Bankers at a lower Rate of Interest than by the Bank of England, are not Mercantile Speculations, undertaken, which would not be undertaken if Money was only to be obtained at the high Rate of Discount required by the Bank?

I conceive generally a low Rate of Interest conduces to Speculation.

18. Referring

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18. Referring to the Question and Answer No. 10; I wish to know if Persons having Payments to make upon the Continent, would not be benefited by an Improvement in the Exchanges?

Certainly, those who remained competent to discharge their Debts to the Continent, would be benefited.

19. Are you of Opinion that the Loans which have been contracted for since the Peace by Foreign States, have had an unfavourable Effect upon the Exchanges between this Country and other Countries?

In so far as English Capital has been therein employed.

Witness is directed to withdraw.

Then Mr. JEREMIAH HARMAN, was called in, and examined as follows:

After stating himself to have been late Governor of the Bank, he is asked,

1. Whether it would be practicable and safe for the Bank of England to resume its Payments in Cash on the 5th of July next?

I should think decidedly not.

2. State the Grounds upon which you come to that Conclusion?

The depressed State of the Exchanges, and the little Probability there is of their rising sufficiently to bring Gold into the Country, or to prevent its going out: My Recollection of the Amount of Gold Currency which was considered to be in Circulation before the Restriction Bill; whereas at present I believe there is little either of Gold Currency or Bullion in the Country, except what may be in the Coffers of the Bank of England. I think, moreover, the very extended Scale of Expenditure, Public and Private, will require at least as much Gold as there was before the Restriction; unless we could anticipate, what does not seem very probable, the almost Certainty of the Exchange continuing favourable for a long Time to come.

3. Has the Bank at any Time since the Peace possessed such an Amount of Treasure as, according to the Experience of past Times, would have enabled them to open with Safety, provided there had been a Prospect of the Exchanges continuing favourable?

The Bank, I may boldly assert, possessed a Sum of Treasure since the last Peace, equal at least to any Amount of former Times; if then we could suppose that the Exchanges would have continued favourable, the Restriction might possibly have been taken off without much Risk. But I must repeat that, as I did not look for that, there would have always been more or less Risk from the Alarm which a Fall in the Exchanges would have occasioned, and which would have operated much more powerfully than any thing of the same Kind before the Restriction.

4. When you say that the Treasure was at least equal in Amount to any which had existed at any former Period, do you mean *positively*, or *in proportion* to your Circulation?

I meant it positively, but I believe I might even say compared with our Circulation.

5. It appears by an Account before us, that the Exchanges with the Continent were favourable from the Month of March 1816, to about the Month of July 1817; state the Causes which in your Judgment produced the favourable State of Exchange during the above Period, and the unfavourable State of Exchange from July 1817 to July 1818?

I presume we may account for the favourable State of Exchange by the Balance of Trade being favourable to this Country. But I cannot help thinking, though I might find it difficult to explain my Reasons, that the Rise in the Exchange alluded to was chiefly owing to artificial Means. I thought at the Time, and I

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still

*Mr. Pole.**Mr. Jeremiah Harman.*

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*Jeremiah Harman,
Esq.*

still think, that the Operations by Means of which the Exchanges were advanced, and consequently Gold brought into this Country, were very much forced. With respect to the unfavourable Turn, I have no Hesitation to believe that it was in consequence of Continental Financial Operations.

6. Were not the Exchanges improving from July last till about the Month of October, and have they not since that Period materially declined; state what in your Judgment were the Causes of these Changes?

It appears to me, that the Advance in the Exchanges at the Period alluded to, was one of those Fluctuations which we frequently witness, without being able to attribute it to any specific Cause; it was very inconsiderable. I conceive that the same Answer will apply to the Fall since October.

7. Are you of Opinion that the great Pressure, which manifested itself in the Money Market of Paris, and in those of other great Commercial Towns on the Continent, and in America, towards the Close of last Year, have had an unfavourable Effect upon our Exchanges; and are the Consequences of that Distress still operative, and likely to continue for a considerable Time?

I conceive the whole of those Operations and their Consequences have affected, and probably will continue to affect, disadvantageously our Exchanges; indeed I am very apprehensive the Consequences will be of long Continuance.

8. Have you reason to believe that many Persons in this Country, since the Peace, have made considerable Investments in the Securities of Foreign Countries; to what Extent, with what Effect, and does the Disposition to make these Investments still continue?

Having no Connection whatever myself with any of the Transactions alluded to, I can only report what I have collected from others. I have no Doubt, however, of British Capital to a very large Amount having lately been invested in Foreign Securities; and from the Pains which are taken, and the Temptations held out, it is I fear not to be expected that the Evil, for such I must call it, will be diminished; this has unquestionably had an unfavourable Effect upon the Exchanges.

9. Is it your Opinion that the Exchanges are affected by the Increase or Diminution of the Circulation of the Notes of the Bank of England?

An excessive Increase or Diminution might, in my humble Opinion, affect the Exchanges; but I do not conceive (and I think I am borne out by a comparative View of both) that a small Increase or Diminution of the Amount of Bank Notes would have any marked Effect upon the Courses of the Exchange.

10. Putting out of your Consideration for the Moment any Degree of Public Inconvenience or Distress which might result from a considerable Diminution of the Notes of the Bank of England, are you of Opinion that by such a Diminution the Exchanges would be rendered favourable to this Country?

I really am at a Loss to answer that Question. I do suppose however, but I speak doubtfully, that by withdrawing a very large Part of the Paper Currency, the Exchange might be forced upwards; but I hardly know how to divest myself of a Regard to the Public Interest in considering this Part of the Subject.

11. If a considerable Part of the Advances of the Bank to Government, say £9,000,000 including the 5,000,000 already paid off, were repaid by the Month of April next, would such Repayment enable the Bank to diminish their Circulation without Injury to the Public Interest?

I cannot answer that it would, because that involves the Question as to Quantum of Circulation necessary. The Government can only pay the Bank off, I presume, by raising Money in another Quarter; and we are yet to learn whether the Public, from whom the Money must come with which the Bank is to be paid, can without the most serious Inconvenience afford it, without the Assistance of the Bank. It appears to me, that the chief Advantage which would result from the Government repaying to the Bank any Portion of the Advances, would be the rendering the Bank more independent, and then the Bank would be better qualified to ascertain
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in how far the Public could bear a Reduction in the Amount of its Currency. It is likely that the Operation alluded to might occasion so much Inconvenience as to render further Discounts necessary. *Jeremiah Harman,
Esq.*

12. Exclusive then of the Consideration of the Advantage which would result from the Bank having a more complete Command of its own Resources, are you of Opinion, that it is not material with a View to the State of the Exchange and the Money Market, provided the Amount of Notes in Circulation are the same, whether they are issued upon Government Securities, or in Discount of private Bills?

With the Exception in the Question, I do not conceive it would make any Difference.

13. Is it your Opinion that the Exchanges are affected by the Increase or Diminution of Country Banks?

Assuming that the Exchanges are affected by the Circulation of the Notes of the Bank of England, as the Country Bank Notes form equally a Part of the general Currency, I presume they must equally operate.

14. In what Degree do you conceive that the Amount of Notes in Circulation of the Bank of England regulates the Amount of the Notes issued by the Country Banks?

I really do not feel myself qualified to answer; I have no means of judging.

15. Can you explain to the Committee the Nature of the artificial Means, to the Employment of which you are inclined to ascribe the Improvement in the Exchange in Part of 1816 and Part of 1817?

I have stated the Difficulty I should feel in explaining it. But nevertheless I found my Notion upon that Subject on my Knowledge of the Powers which certain Individuals can exercise over the Exchanges for a Time; and I do believe that, being in complete Possession of the Field, they did exercise that Power in order to create, I might say, a fictitious Advance over and above the natural Course. I allude to those Houses who occupied themselves almost wholly in importing the Gold into this Country at the Period alluded to.

16. Do you then conceive the favourable State of the Exchanges, at the Period referred to, to have been in no way connected with any Diminution of the Circulating Medium which may, from accidental Causes, have taken place at the same Time?

I do not believe it had any Connection with that Diminution.

17. What do you consider the Par of Exchange between London and Paris? 25*l.* 20*s.*

18. Do you not mean that this is the Par of Exchange estimated upon a Comparison between our Gold Coin and the French Gold Coin?

I do.

19. Can you state the Par of Exchange between the French Silver Coin and our Silver Coin?

I do not immediately recollect it.

20. When our Gold Coin has disappeared, and there is nothing but Paper or Silver in Circulation, upon what Principle do you estimate the Par of Exchange? I must candidly confess, that this is a View of the Subject which I have not taken.

The Witness is directed to withdraw.

Adjourned to Friday.

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Die Veneris, 12^o Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. WILLIAM HALDIMAND is called in, and examined as follows :

*Mr.
W. Haldimand.*

1. Are you a Bank Director?
I am not; I have been a Director Ten Years, but I am now out by Rotation.
2. What is your Line of Business?
I am a Foreign Merchant, trading principally with Italy, and doing some Exchange Business with France and other Parts of the Continent, but particularly with Paris.
3. Would it, in your Judgment, be practicable and safe for the Bank of England to resume Payments in Cash on the 5th of July next?
In my Opinion it would not be practicable for the Bank of England to resume its Payments, until it has a Controul over a much larger Portion of its Issues than it unfortunately has at the present Moment.
4. Over what Portion of its Issues do you think it would be necessary for the Bank to have a Controul to enable it to open with Safety?
That is a Point upon which I have not made up my Mind; but I should think it desirable that that Portion should be very considerable at the Moment the Bank resumes its Payments, though I am not prepared to name the Amount.
5. For what Purpose do you think it essential that the Bank should have, at the Moment of opening, a Controul over a greater Portion of its Issues than at present?
In order that it might withdraw that Excess of its Issues, which I consider must be withdrawn, before it resumed its Payments in Cash.
6. Do you conceive that by a considerable Reduction on the Part of the Bank of the Amount of its Issues, the Bank would be enabled to resume with Safety its Payments in Cash?
Most decidedly.
7. Are we to understand, then, that in your Judgment the Effect of such a Reduction of its Issues, would be to render the Exchange favourable to this Country?
I certainly have always considered the Amount of the Issues of the Bank of England to act as a powerful Lever upon all our Foreign Exchanges, so as to regulate their Rise and Fall.
8. Have you formed any Opinion as to about what Amount of Reduction in the Circulation of the Bank of England would turn the Exchange in our Favour?
If I was obliged to hazard an Opinion, I should state that a much less considerable Reduction, than the Public in general imagine, would effect that desirable Object. If I were called upon to name an Amount, I should state it to be between Three and Four Millions Sterling; I mean Three or Four Millions forcibly taken out of the present Amount of Circulation; it is impossible to say whether a much larger Sum would not be required at One Moment, and a smaller at another, in order to produce the same Effect.
9. You are probably aware, that in the Course of the last Six or Eight Months the Bank have reduced their Circulation about Three Millions, and that Exchanges have become more unfavourable during that Period; do you mean that

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that a further Reduction of Three or Four Millions, subject always to the Qualification you have stated, would be likely under present Circumstances to turn the Exchanges in our Favour?

*Mr.
W. Haldimand.*

I am perfectly aware of the Reduction to which the Question refers, but I conceive that Reduction to have taken place from the Circulation at this Moment not requiring so large an Issue as before, in consequence of the State of the Commerce of the Country; and I am of Opinion that if a further and forcible Reduction had taken place to the Amount of Three or Four Millions, the Exchanges might have been at the present Moment in Favour of this Country. But that Reduction, as I have before expressed it, must have arisen from the Bank of England positively refusing to accommodate either the Public or Government with an Issue to that Extent, although it shall have been demanded with much Earnestness, and the Refusal of it would produce considerable Distress.

10. Would that Distress be the same if the Reduction was wholly made in the Issues to Government, or partly in those to Government, and partly in Discounts?

If the Reduction took place wholly in the Issues upon Government Securities, the Distress in the Mercantile World would certainly be considerably less, than if the same Diminution took place partly in Reduction of Discounts to Merchants, and partly in Issues upon Government Securities.

11. Of what Nature would the Distress to which you allude in the Mercantile World be?

I have always considered that a Reduction in the Amount of the Currency, whether Paper or Metallic, would produce a proportionate Fall in the Prices of all Commodities, which in fact the Paper and Gold represent; and a Fall in the Price of Commodities cannot but create great Distress among Commercial Men, who have a Stock of such Commodities for Sale to the Public, a great Proportion of which are bought on Credit.

12. Would that Distress in your Judgment be likely to continue, or prove only temporary?

I conceive the Distress would be temporary; for when once the Prices of the Commodities circulated by this diminished Amount of Currency should be settled, the relative Value of all Property would be the same as before, although it might not be in the same Hands.

13. If the Prices of all Commodities should fall, would not the Consequence be a proportionate Diminution in the nominal Income of all those Classes of the Community, whose Income depends upon the Sale of any Commodity whatever, i. e. Landholders, Merchants, Shopkeepers, &c.?

Yes, certainly in the nominal Income.

14. If the Taxes of the Country continued the same as at present, must not they become a much greater proportionate Burden on a decreased nominal Income? Undoubtedly, if the nominal Amount of Taxes continued the same.

15. Would not the Public Creditors, and all Annuitants, have the Advantage in the supposed Case over Persons whose Income depends upon the Price of Commodities?

The Position of the Public Creditors would become much better; for as, in my Supposition, the Prices of Commodities would fall; or, in other Terms, the Value of the Currency be raised; if they received the same nominal Amount of that Currency so raised, it would enable them to command a greater Quantity of Commodities. I do not however presume to give an Opinion upon the Propriety of restoring the real Incomes of this Description of Persons to its former Value.

16. Can you state, if the Measures you have mentioned were now taken to restore the Currency to its ancient Value, what Per-centage the Public Creditor would be likely to acquire on his Income by the Resumption of Cash Payments?

It would be about 7 per Cent. in my Estimation; that is to say, the Difference between the present Market and Mint Price of Gold.

17. Would not, in your Conception, the Difference be greater or less in proportion to the Price of Gold?

In my Opinion it would vary with every Variation of the Market Price of Gold.

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18. Have

Mr. W. Haldimand.

18. Have not then the Public Creditors, Annuitants, and all Persons whose Wages cannot keep pace with the increased Price of Commodities, been placed in a Situation of great comparative Disadvantage with those whose Incomes rise or fall with the Prices of Commodities, during the Prevalence of the Excess of the Circulating Medium which you have described?

They certainly have; and I attribute Part of the over-trading of this Country to Families having sent their Sons into the Commercial World, from their Income being diminished by the Rise of all the Necessaries and Luxuries of Life, which has disabled them from living in the usual Manner upon their fixed Incomes.

19. Has not the Market Price of Gold, within these last Three or Four Years, varied considerably?

It has, very considerably; but I conceive, that when any Man wishes to make a real Estimate of his Income or Fortune, he can do it in no better Manner than by estimating it in Gold, at the Market Price of the Day.

20. Can you state what has been the Amount of that Variation since the End of the Year 1814?

I think I recollect Gold at the Price of 110s. and 78s. 6d.; but I am not quite sure of the former.

21. Do you not know that the Price of Gold would at one Time have been below 78s. 6d. if the Bank had not given that Price, in order to promote the Measure they were then taking, for accumulating a Treasure?

I have every Reason to believe, that as the Exchanges were at one Moment in Favour of this Country, the Market Price of Gold would have fallen to the Mint Price, or possibly a Fraction below it, had it not been for the Purchases of the Bank of England.

22. Taking into your Consideration the Rate of the Exchanges, how low at any Time ought the Price of Gold to have fallen?

If I am right in supposing that any Person may carry his Gold to the Mint to be coined without Charges, I conceive that the Market Price might have fallen sufficiently to compensate the Loss of Interest arising from the Time taken to convert it into Coin.

23. Whether, therefore, this Variation in the Price of Gold has not already produced as great Variation in the real Value of fixed Incomes, as would be produced by the Resumption of Cash Payments in the Manner Witness has described?

In my Opinion, it has produced a greater Variation, inasmuch as the Difference between 110s. and 78s. 6d. is greater than the Variation between 83s. and 77s. 10d., which would be the Difference we have got to effect.

24. Whether that Difference was not to the Disadvantage of the same Class of Persons whom he has described as likely to be benefited by the Resumption of Cash Payments?

Precisely.

25. Does the Witness conceive that a favourable Exchange can ever be restored, by whatever Measures, without producing that Effect?

Never.

26. Ought a forcible Reduction of Bank Paper, for the Purpose of making the Exchange favourable, to be in proportion to the Extent to which the Exchange is unfavourable at the Time the Reduction is made?

As I conceive that, beyond a certain Limit, the Depression of the Exchange arises from the excessive Issues of Paper Currency; I should think it expedient to reduce those Issues, till the Exchange had been restored within the Limit to which I allude; viz. the Expence of transmitting Bullion or Specie from one Country to another.

27. Must the forcible Reduction be sudden, in order to be effectual?

I do not see why a sudden Diminution of Paper Currency should effect the Object more effectually than a slow and progressive Reduction.

28. Would not the Distress be felt less if it were gradual?

Most undoubtedly.

29. What Reason have you for thinking that the State of the Commerce of the Country for the last Eight Months required a less Issue of Bank Notes than before that Period?

Because

Because I am not aware that the Issues of the Bank of England have been made upon any new Principle, and from seeing a less Amount issued, I conclude that a less Amount has been called for.

Mr. W. Haldimand.

30. Does the Bank then make its Issues in proportion to the Extent which the Commerce of the Country appears to require?

I must refer the Committee to the Governor and Deputy Governor for an Answer to this Question.

31. Is it possible to ascertain the Quantum of Reduction of Bank Notes necessary to prepare the Bank for resuming Payments in Cash with Safety, otherwise than by Experiment?

If the Question applies to the Safety of the Bank, I have no Hesitation in saying, that had the Bank the Controul over the whole of its Issues, or, in other Words, were the whole or nearly the whole of its Paper issued upon Commercial Discounts, by diminishing such Issues it might pay its Notes in Specie within the most limited Period, and with the most perfect Safety to itself. If the Question of Safety applies to the Public, I conceive the Distress that would be produced in the Commercial World by the Reduction of the Currency would be much greater than even Commercial Men themselves apprehend. I have stated this last Opinion thus confidently, because I happened to be at Paris in the Month of October 1818, when the Bank of France was forced suddenly, from the great Demand that was made upon it for Specie, to reduce its Discounts, by discounting Bills having Sixty Days to run, instead of Ninety Days; and finding that not sufficiently effectual, it further limited its Discounts to Bills having not more than Forty-five Days to run. This Measure was called for on the Part of the Directors of the Bank of France, at a Period when it was the direct Interest of every Individual engaged in French Loans in Paris to give every possible Facility and Accommodation to the Money Market, with a View of raising the Price of the Public Securities which every Banker in France possessed to a considerable Amount. The Directors found themselves placed in this unfortunate Alternative; for had the Bank of France not adopted the Measure to which I have alluded, it is very possible it might have been obliged to suspend its Payments; the Bank of France had at that Period more than doubled its Issues upon Commercial Paper, as compared with the highest Amount ever before known. It is however proper here to observe, that the Run upon the Bank of France arose principally from the very great Demands for Gold in Russia, which offered a Profit of nearly 8 per Cent. upon its Exportation to Petersburg. The Expence of transmitting 600,000 Francs was One per Cent.

32. What is the Expence of transmitting Gold between Paris and London?

The Expence in Per-centage differs of course with every different Quantity. My House has received a Consignment of Gold from a Banker at Paris, to the Amount of £30,000 Sterling; the whole Expence from Paris to London was something under a Third per Cent.; there was no Insurance by Sea or Land.

33. Is it possible to ascertain the Quantum of forcible Reduction which would be necessary previous to the Bank resuming Cash Payments, otherwise than by Experiment?

I do not conceive it possible to ascertain the Quantum of Reduction otherwise than by Experiment, as the Quantity of Currency required when the Bank pays its Notes in Specie would in my Opinion vary from Day to Day.

34. What Length of Time do you suppose it would require to make such gradual Reduction in the Amount of Paper Circulation, without much Public Inconvenience, as would restore the Currency to its ancient Value?

I think I have already stated it as my Opinion, that it never could be done without great Public Inconvenience; the slower the Operation of the Reduction should be, the less intense the Evil would be at any one Moment; and upon the whole, I should think the Distress arising from the Reduction would be less, if it were spread over a long Period. If the Bank had the Controul over a greater Portion of its Notes immediately, in order that it might immediately commence its Operation of Reduction, I would hazard an Opinion, and state, that from Nine to Twelve Months

Mr.
W. Haldimand.

Months might be sufficient to produce the desired Effect of restoring the Currency to its ancient Standard. I mention this after much Consideration, as the shortest Period at which it could be done with due Regard to the Interest of the Commercial World.

35. Does the Witness think, that that gradual Reduction would be secured by compelling the Bank of England to sell Bullion at the Price of 82 s. during the first Three Months; 81 s. during the next Three Months, and so on in Succession, reducing it in Fifteen Months to the Mint Price?

Although the Proposition appears to me, on the first View of it, as desirable; I see some Objections which might render it inexpedient. I should wish to have further Time to consider it.

36. When you state your Expectation that a forcible Reduction in the Issues of the Bank of England would so operate upon the Exchanges as to facilitate a Return to Cash Payments, do you do so under the Persuasion that it would be necessarily attended with a corresponding Reduction in the Amount of Country Bank Paper?

I have always considered Country Bank Notes to be issued upon the Foundation of Bank of England Notes, as Bank of England Notes used to be issued upon the Foundation of Specie. Every prudent Country Banker should, I conceive, keep a certain Amount of Bank of England Notes in his Possession, for the Purpose of paying, if called upon, his own Notes. I therefore consider that a proportionate Reduction of Country Bank Notes would take place with the Reduction of the Notes of the Bank of England. This is, however, an Opinion I have gathered from the little Observation I have been able to make upon the Subject; and although I think the Principle correct, I do not speak with any Confidence upon it.

37. Are you then of Opinion, that no considerable Variation in the Proportion of Country Bank Notes and Bank of England Notes has taken place within the last Four Years?

I have stated in my previous Answer, rather what I conceive would take place in a wholesome State of Currency, than what has taken place within the last Four Years, with respect to the Issue of Country Bank Notes. It appears to me, however, that it is possible that the Proportion of the Issue of Country Bank Notes may be increased in Times of great Speculation and Prosperity; and may cause an Increase of Bank of England Notes. I think, however, that the true Proportions cannot long vary, otherwise Prices in the Country would remain for a Time higher than in London.

38. Might not such an Increase in the whole Circulating Medium of the Country, originating in the increased Issue of Country Banks, continue long enough to produce the same Effect upon the Exchanges that would be produced by a direct Increase in the Issues of the Bank of England?

I conceive the Exchanges to be affected by the aggregate Amount of the Issues of the Country Bank and Bank of England Paper.

39. Would not such an Increase in the Issues of Country Banks, were it to take place at the Time of that forcible Reduction of Paper of the Bank of England, to which you have before referred, counteract the beneficial Effect of that Operation upon the Exchanges?

I doubt whether, for any Length of Time together, as I have stated, Country Bank Paper can remain in Circulation very much out of Proportion with Bank of England Paper. I therefore apprehend, that if Country Bankers were so imprudent as to increase their Issues at the Moment of the Decrease of the Issues of the Bank of England, the Proportion would soon be restored by the Failure of many of such Country Bankers.

40. From your Knowledge of the State of the Money Market on the Continent, are you of Opinion, if the Bank of England should resume its Payments in Cash, the Exchanges being favourable, a sufficient Quantity of Gold would be imported into this Country to answer the Purpose of Circulation, as before the Bank Restriction?

I can see no Reason why this Country should not possess a Currency partly metallic, when so many other Countries in Europe, possessing less Wealth, are able to enjoy it.

41. Does

Mr.
W. Haldimand.

41. Does there appear to be any Want of the precious Metals in those Countries on the Continent who have a metallic Currency?

I have heard no Complaint of the Want of Specie in those Countries in which I have travelled, or in which my House has any Correspondence. But it does appear, from all the Advices we have lately received from the Continent, that there is at this Moment great Scarcity of Dollars and Bar Gold, and generally of Bullion.

42. Does there appear to be at this Time a greater Scarcity of one of the precious Metals than of the other, and of which?

There are Persons in the City who could give you better Information upon this Subject. There has been a remarkable Scarcity of Dollars, owing to the great Shipments which have taken place for India.

43. Would not the Scarcity of Gold Bullion which is now felt abroad be considerably increased, if this Country was again to possess itself of as much Gold as it had previous to the Bank Restriction?

I am not exactly aware of the total Amount of metallic Circulation in Europe; neither do I know what has been the Amount of the metallic Circulation of this Country; therefore I cannot say how far the rest of Europe making over to us a Portion of its Currency, would distress it. But I must allude to my former Answer, and say, I cannot see any Reason why this Country should be the Country in Europe able to possess the least metallic Currency.

44. If Gold to the Amount of Fifteen Millions were to be imported into this Country from Europe, would not such an Importation materially increase the Scarcity of Gold Bullion now felt on the Continent of Europe?

That it would increase the Scarcity cannot be doubted.

45. In the Year 1817, and part of 1818, when there was a great Importation of Gold into this Country, did it produce any material Distress or Inconvenience to the Continent of Europe?

I never heard that it did.

46. You have stated that from about Nine to Twelve Months would be the shortest Time in which, without great public Distress, the Bank might resume its Payments, provided it was enabled to do so by an immediate Diminution of the Advances to Government; do you think that if such Repayment were made now, those Preparations might immediately be entered upon, so as to make it safe and practicable for the Bank to resume Cash Payments in Nine or Twelve Months from this Time?

I do not see any Reason why those Preparations should not be commenced immediately; I should however recommend a very small Reduction of the Amount of Issues being made at this Moment, as there is already great Commercial Distress in the City.

47. Does the Necessity of being thus guarded in the Amount of the present Reduction of Issues, afford any Reason for delaying that Part of the Preparation for resuming Payments in Cash which consists in a Reduction of the Advances to Government, or the contrary?

I think, in one of my former Answers, I have stated, that the Reduction of the Issues upon Government Paper would create great Distress in the Commercial World, although I think the Distress would be much greater if the Reduction took place in the way of Discounts. Any Reduction in the Amount of the Circulation of the Country must tend to lower the Prices of all Commodities.

48. If by spreading this Reduction over a considerable Period its Effect in producing public Distress would be diminished, does not this afford a Reason for beginning the Operation at the earliest Time; or are you of Opinion that, by deferring its Commencement, Circumstances more favourable to such an Operation are likely to arise?

I do not think that the State of the Commercial World is likely to improve for a considerable Time; this is also the Opinion of many sensible Men with whom I have communicated upon this Subject; therefore I do not foresee any much more favourable Period for the Commencement of the Operation.

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49. Advances

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Mr. W. Haldimand. 49. Advances of the Bank to Government having been repaid within the last Eight Months to the Amount of about Five Millions, if Three Millions more were to be repaid between this and the 5th of April, would that enable the Bank to make as rapid a Reduction in their Issues as you would judge expedient, Regard being had to the Consideration in your Two last Answers?

The Opinion I have formed upon this Part of the Question I will state to the Committee. If it were possible for the Bank to procure as many Millions in Repayment from Government as it might desire, I should think it expedient to reduce the Amount of Bank of England Notes in Circulation in the following Manner: Upon the Government repaying to the Bank of England One Million Sterling, I would on the other Hand recommend an Increase of Issues in the way of Discount of One-half the Amount, in order if possible to palliate the Evil in the Commercial World, where I conceive great Distress would arise. I do not mean to name the exact Proportion, but I would certainly recommend to the Bank to increase their Discounts at the Time Government was diminishing its Debt; and therefore I do not conceive that Three Millions paid by Government would be sufficient.

50. Putting out of the Question what might be done after the 5th of April, would a further Repayment of Three Millions between this and the 5th of April be as much as could be expected or desired?

I should think a further Repayment of Three Millions between this and the 5th of April would enable the Bank to commence the Reduction of its Notes. At the same Time I am decidedly of Opinion, that the Measure had better not be begun, until the Bank had ample Means of Reduction in its Hands; as an ineffectual Attempt would create very great Mischiefs and Distress, and would not leave us any beneficial Result.

51. What do you mean by the Bank having ample Means of Reduction in its Hands?

I mean that it should have ensured a Repayment from the Government to the Extent of Eight or Ten Millions beyond the Repayments which have been made up to the present Day. I do not mean that the Repayment of Eight or Ten Millions should be made immediately or at once, but that the Bank should have the Power to call upon Government for the Whole, or such Part of that Eight or Ten Millions as might be required from Time to Time.

Witness is directed to withdraw.

Adjourned to Monday at Twelve o'Clock.



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Die Lunæ, 15° Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. WILLIAM HALDIMAND is called in again, and further examined, as follows:

52. Are you prepared with an Answer to Question No. 35.?

I am; I have consulted Two sensible Men, whom I consider to understand the Subject; and I do think, in Concurrence with them, the Plan well calculated to secure to the Public a gradual and certain Restoration of the ancient Value of the Currency; I at first thought that some Difficulty might arise from a sudden and ill calculated Demand for Bullion or Specie for India; but upon Reflection, and from Information I have since been able to collect upon this Point, I do not apprehend that any great Mischiefs would arise from such a Demand from those Markets.

Mr. W. Haldimand.

53. Do you think it would be necessary, in order to secure a sufficient Supply of Currency, and to provide against a too sudden Diminution of Paper Circulation, that the Bank should be compelled to buy Gold Bullion at the Regulation Price of the Day, as stated in the former Question; or would it be more convenient that a Difference of about One per Cent. below should be allowed them in the Purchase?

I should wish to take Time to answer this Question; at the present Moment I do not see that it would be necessary or expedient to compel the Bank to buy Gold at any limited Price, in order to effect the Object we have in view.

54. Do you wish to give any further Explanation of your Answers on Friday last to the Question put to you, with respect to the Amount of the Repayments of Government to the Bank?

I do: With respect to the Amount of the Repayments of Government to the Bank, I beg to be clearly understood, that though I have stated, that a forcible Reduction of Bank of England Notes, to the Extent of Three or Four Millions, might bring the Exchanges to Par, and Gold to the Mint Price, yet I am of Opinion that it would be necessary for Government previously to discharge from Eight to Ten Millions of its Debt, so as to enable the Bank to increase its Issues upon Commercial Paper about Five or Six Millions, and thereby give it more Power to vary the Total Amount of its Circulation as Circumstances might render necessary; which Power Experience has proved the Bank not to possess over that Portion of its Advances made upon Government Securities. I have further to observe, that if the Money so to be repaid be raised upon Government Securities in London, it would, I conceive, create much more Distress, than if raised by an extraordinary Contribution through the Country.

55. In the Eight or Ten Millions to which you refer, do you include the Repayment of the Five Millions already made within the last Six or Eight Months?

I do not.

56. Do you then mean that Eight or Ten Millions should be repaid in addition to the Five Millions already repaid?

I do.

57. What do you mean by the Repayment being made by an extraordinary Contribution throughout the Country, instead of being raised on Government Securities in London?

(Instead of the Term *Contribution*, I perhaps should have used the Word *Tax*),
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*Mr.
W. Haldimand.*

in order to make every Individual in the Country bear his Proportion of the Difficulty according to his Means, instead of its falling upon the Merchants of the City of London.

58. Supposing the Five Millions had not been repaid by Government, would it be necessary to add that Five Millions to the Eight or Ten Millions which Witnes's propofes should be paid by Government to the Bank, for the Purpose of enabling it to refume its Cash Payments?

If called upon to anfwer this Queftion immediately, I fhould fay yes.

59. Will you explain your Anfwer to the Queftion No. 57.?

It feems to me nearly the fame Thing, whether the Bank diminifhes its Difcounts to the City of London, or whether the Government, by raifing a Loan, fhould create an extraordinary Demand for Money.

60. If the Money was raifed by an extraordinary Tax, would it not diminifh the Demand for Commodities in the Hands of the Merchants?

Undoubtedly it would; but I confider it to be a Choice of Evils; and the Method I have pointed out of raifing the Money, does appear to me to be upon the whole the leaft objectionable of the Two; as every Article in Life would fall, and moft Merchants hold Articles for which they have not paid, the Holders of thofe Articles would be the greateft Sufferers, and the Annuitants and Stockholders the greateft Gainers; therefore the raifing the Money as I have propofed would, as I conceive, palliate the Evil to the Mercantile World.

61. Would not the Plan you have propofed have the Effect of giving Eafe to the Monied Intereft, while it would increafe the Burden upon thofe who produced Commodities, who according to you would be the greateft Sufferers?

According to my View of the Subject, it would not be the Producers who would fuffer fo feverely, as the Holders of thofe Articles which had been produced, and which had been bought on Credit, and remained unpaid for.

62. Do you not think, that he who had bought or taken Land at a high Price, would be equally a Sufferer with the Holder of Commodities?

Certainly, the Individuals who had bought or rather rented Land at a high Price would be Sufferers, but not equally, I fhould fay, with the Merchants; Land is not generally bought upon Credit; and a Merchant often holds Ten Times the Amount of his Capital in Goods.

63. Would the Farmer who bought Farming Stock at a high Price be equally affected by felling it at a lower Price?

He would precifely, if fuch Farming Stock fhould not have been paid for.

64. Can you form any Idea of the comparative Value of Farming Stock in Great Britain, and of Goods in the Hands of the Merchant?

No.

65. If Gold were refuted to the Mint Price, would not Goods fold for £3 17s. 10½d., produce a real Value equal to that of a Payment of £4 2s. in our prefent Currency?

They would.

66. In what manner then would the Diffrefs arifing from the Fall of Prices, occafioned by the Reforation of the Exchanges, affect thofe Holders of Commodities who had previously paid the Purchase Money of thofe Commodities?

I imagine that thofe Perfons who had paid for thofe Commodities in the depreciated Currency would not be affected directly; but indirectly, I conceive that every Merchant in London would be a Sufferer, who has either lent his Money, or who has given any Credit to thofe who have bought Goods upon Time.

67. Would not the Diffrefs therefore fall upon thofe Perfons only, of whatever Clafs, who before the Reforation of the Exchanges had ftipulated for fixed Money Payments to be thereafter made?

Perfons fo circumftanced would certainly be the greateft Sufferers; but from my Experience in the Commercial World, I know that any great Commercial Calamity in any one Branch of Trade brings more or lefs Diffrefs upon the whole.

68. Are

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68. Are not all the Tranfactions of this Country, Commercial and Agricultural, fo connected, as that any great Commercial Diffrefs muft of Necessity extend itfelf to the Manufacturer and the Land?

I conceive that every Man in the Country would be either directly or remotely fo affected; but every different Clafs or Description of Perfons would fuffer in different Proportions.

69. Has any Clafs of Perfons fuffered more during the Depreciation, by the Fall of the real Value of nominal Payments previously ftipulated for, than the Landholder who had let his Land upon long Leafes?

I have always confidered that Clafs of Perfons as having been the greateft Sufferers by the Depreciation; and, on the other Hand, I have always confidered the Merchant as the greateft Gainer.

70. Is it not therefore juft, in dividing the Prefsure of Difficulty now to be incurred by a Return to our regular Money System, to confider thofe previously incurred by the Suspension of that System?

I did not think myfelf called upon to ftate my Opinion of the Juftice of the Queftion, when I obferved, that if the Money repaid by Government to the Bank fhould be raifed in the City of London, it would create more Diffrefs throughout the Kingdom, than if raifed in the Manner I have fuggelted. I am perfectly ready, if called upon to declare my Sentiments upon the Juftice of the Cafe, to allow that thofe who have been the greateft Gainers by the Depreciation, fhould be the Description of Perfons to bear the Difficulties, and perhaps upon Confideration in fome refpects they would be the beft able to bear them.

71. Referring to the Queftion and Anfwer No. 67, as long as the Taxes remain at their prefent nominal Amount, is not every Clafs of Perfons in the Community more or lefs in the Situation of Perfons having ftipulated for fixed Money Payments?

I conceive, that Part of the Taxes, in the Event of the Currency being refuted to its ancient Standard, might be done away with. Thofe Articles of Food and Clothing, for example, to be provided for the Army and Navy, would be lower in Price, and confequently if the Taxes remained the fame, and the Number of Perfons to be fed and clothed remained alfo the fame, Government would find itfelf with a Surplus in Hand. But in as far as applies to the Public Creditor, and all Servants of Government with fixed Salaries, it certainly is fo.

72. Has not the Government ftipulated to pay to the Stockholder a certain Sum, of fixed and defined Value?

I confider that at the Time the Government has raifed its Loans, it has ftipulated to pay £3 upon every £100 Confols fo raifed, and that it is a Part of the Contract that the Currency fhould be refuted to its ancient Value Six Months after the Peace.

73. Does the Repayment of Money of uncertain Value bonâ fide fulfil that Contract?

I confider it does not.

74. It appearing that the Market Price of Gold, from July 1813 to March 1814, was from £5 8s. to £5 10s., and the Market Price of Gold being now £4 2s.; do you apprehend that the Prices of Commodities in general have fallen in proportion to that Reduction of the Market Price of Gold, regard being had to the Proportion which the Mint Price of Gold bore to the Market Price in thofe Periods?

I fhould ftate it as an Opinion, that Gold and Goods did not follow that exact Proportion at all Times to which the Queftion refers, but in the long run I fhould think they would.

75. If there was a fudden and forced Reduction in the Price of Gold, occafioned by a fudden and forced Reduction of the Bank Notes in Circulation, would not fuch a Reduction in the Price of Gold tend to lower the Prices of Commodities at firft below their proper Level?

At firft, any fudden Change from One State of Things to another, would in all Probability tend to lower the Prices of Goods below their proper Level.

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76. Would

*Mr.
W. Haldimand.*

Mr.
W. Haldimand.

76. Would not a gradual Reduction of the Price of Gold produce a gradual Reduction of the Prices of Commodities, leaving the Prices at first above their proper Level?

I conceive Prices to be always above their proper Level, until the Currency is fully restored to its ancient Value. But if it could create Distress to lower the Price of Gold forcibly, by the Reduction of Bank of England Notes, from 83s. to 77s. 10d.; I conceive that Distress, though not so great, would be created by bringing down the Price of Gold from 83s. to 82s., so that the Prices of Goods would fall below the proper Level alluded to in the Question, though not in the same degree as if a greater Reduction had taken place in the Issues of the Bank.

77. Would not the Fall from 83s. to 82s. in a certain degree raise the real Price of Commodities?

I do not see how the real Price of Commodities would be raised by such a Fall.

78. Would it not be necessary for the Merchant to raise the real Price of his Commodities, in order to get the same Value he had given for them?

A Merchant always gets the highest Price he can; but a Man who had bought Goods upon Credit would not obtain Compensation, as the Buyer of the Goods would not care what he gave for them, and could not afford to pay for them at the nominal Cost Price.

79. Would not that Loss arise from a Diminution of the Demand in consequence of the Rise in the Value of the Currency?

The greatest Part of the Loss would arise from his having bought them upon Credit, and therefore paid too much for them. I do not imagine that, when once the new Prices were settled, any Diminution of the Demand would be felt. The general Distress to which we have so often alluded already, would I consider for a Moment diminish the Demand for every Article of Consumption.

80. My Question does not apply to the Period when the Currency has attained its ancient Value, but when it is in a Progress towards it?

I have already stated it as my Opinion, that the real Price of Goods would be lower during the Progress of this Operation, and that this would be in proportion to the Distress.

81. Is it not that Consideration which renders a gradual Diminution peculiarly desirable?

It is not that Consideration which in my Mind renders the gradual Diminution desirable; it is because a gradual Diminution upon the whole would produce less Distress.

82. If the nominal Price of all Commodities was reduced, must not this produce a Reduction in the nominal Income of all Classes, except Annuitants, and all Persons with fixed Salaries?

It would.

83. Referring to the Question and Answer No. 71, I would ask, whether the increased Burden which would thus be brought upon the whole Community, by an Increase in the real Value of the same nominal Amount of Taxation which is now paid, can in your Opinion be measured by any fixed Standard, and whether the Difference between the present Mint and Market Price of Gold is that Standard?

I do not think there is any better Measure in a given Period; if the exact Relation of Gold to Paper could be ascertained, I conceive it would be the exact Measure.

84. How can the exact Relation of Gold to Paper be ascertained, otherwise than by the Paper Price of Gold?

I have meant to state, that occasionally illgrounded Calculations have been made by Speculators and Merchants, which occasionally has raised the Market Price of Gold beyond what I conceive to be the exact Relation of Gold to Paper.

85. Though an Increase or Diminution of the Value of Paper has in the long run a Tendency to alter the Prices of Gold and Commodities in the same Proportion, is it not true, both in respect to Gold and each of these Commodities, that there will be from Day to Day Deviations from that Proportion by the Alteration of the Demand in the Market?

Undoubtedly.

86. You

86. You have stated in a former Day, that you always considered the Amount of Issues of Bank Notes to act as a powerful Lever upon all Foreign Exchanges, so as to regulate their Rise and Fall; do you apply this to the Price of Gold?

I do.

87. Do you ground this Opinion upon Reasoning, or upon what you have observed to have taken place?

I have grounded my Opinion formerly upon Reasoning, and my Observation has since justified that Opinion. I have brought with me a Document, which I think might be interesting to the Committee, viz. a Report of the Governor of the Bank of France, to the Proprietors of Bank Stock, and if the Committee will allow me, I will read that Part of the Report which applies to the Question.

The Witness reads as follows:

“ La Diminution non interrompue de la Réserve en Espèces le plaçait dans l'Alternative, ou de la Suspension forcée du Remboursement des Billets, ou du Refus absolu et prochain de tout Escompte, ou de la Vente intempestive & difficile des Rentes & des Actions. Le Remboursement des Billets ne saurait être mis en Question. Il n'y a point de Sacrifice qui n'ait été un Devoir pour que ce Remboursement soit assuré dans toutes les Circonstances. Il n'y avait donc à opter qu'entre la Cessation des Escomptes, & la Vente des Rentes & des Actions. Le Conseil General pour écarter ce dernier Moyen n'eut pas même à songer à l'Interêt des Actionnaires de la Banque; il se decida par le Sentiment de l'Interêt public. En effet toute Vente aurait été sans Resultat, si elle n'eut pas été considerable, et une Vente considerable eut été funeste alors même qu'elle eût été possible. En s'attachant au contraire à la Reduction des Echéances pour les Effets admis à l'Escompte, on a évité tous les Dangers, & l'on a recueilli tous les Avantages. La Baisse des Changes sur l'Etranger, que cette Mesure a amené d'une Manière simple & naturelle, a imprimé aussitôt un mouvement retrograde aux Espèces, qui dès cette Epoque ont cessé de fuir au-delà de nos Frontières.”

It appears from this Paper, which I had not seen when I last appeared before the Committee, that the Discounts of the Bank of France amounted to One hundred and thirty Millions of Francs, that Twenty-eight Millions of Francs were issued on Account of the Loan, making together One hundred and fifty-eight Millions of Francs. This is a Proof that an Excess of Paper Circulation does affect both the Exchanges and the Price of Bullion.

88. Do you ground the Opinion above referred to, upon what you have observed to have taken place in this Country since the Restriction Act?

I have observed very frequently, that the numerical Amount of Circulation of Bank of England Notes has increased, when the Price of Gold has fallen, and the Exchanges have risen; but that is no Criterion, as I have before stated, in my Opinion, of the excessive Amount or otherwise of the Bank of England Notes.

89. If therefore at any Period you have observed that a numerical Increase of Bank Notes was accompanied by a Fall in the Price of Gold, or a Rise in the Exchanges, would you conclude that the Issue of Bank Notes was not at that Period excessive?

I should consider that Amount as not so far exceeding the real Wants of the Country, supposing those Wants to be grounded upon the ancient Standard of Currency, as the Amount in Circulation, when the Price of Gold was higher, and the Exchanges lower.

90. During the Period when the Price of Gold was £3 18s. 6d., or rather when it would have been really at the Mint Price, if the Bank had not preferred keeping it somewhat higher, is there any Reason to conclude that the numerical Amount of Bank of England Notes was excessive?

I think that the numerical Amount of Bank Notes might at that Moment have been excessive, but the Exchange was driven up above Par for a Moment by Speculators, which enabled those Persons, who turned their Attention to Exchanges and Money Operations, to realize a Profit upon the Importation of Specie from France and other Countries. But in all Probability the excessive Issue of Bank Notes at that Time was not great.

91. It

Mr.
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Mr.
W. Haldimand.

91. It appearing that the Average Issue of Bank Notes, from July to December 1816, was £26,681,000, and that the Price of Gold Bullion varied during that Period from £3 18s. 6d. to £3 19s.; that from July to December 1817, the average Issue of Bank Notes was £29,210,000, and the Price of Gold varied from £3 19s. to £4 os. 6d.; and from July to December 1818, the average Issue of Bank Notes was £26,487,000, and the Price of Gold varied from £4 to £4 3s.; how do you account for the Rise of the Price of Gold, on the Average of each of these Periods, particularly the latter, as compared with the former, when the Issue of Bank Notes was so much diminished?

I account for it from a less Quantity of circulating Medium being required by the Country at the latter Period than at the former.

92. Supposing that from Failures or other Circumstances a considerable Diminution were to take place in the Currency of Country Bank Paper, might not at that Period a temporary and considerable Increase in the Issues of the Bank of England take place, without producing the Effect of an Excess of Circulating Medium upon the Exchanges?

I believe, upon the Failure of Country Banks, Bank of England Notes have occasionally been sent into the Country to replace the Notes of the Country Banks; and if the Bank of England Notes only replace the Country Bank Notes, I have no Hesitation in saying, that under those Circumstances they would not produce the Effect of an Excess of Circulating Medium upon the Exchanges. I am not aware however of the Extent to which Bank of England Notes have been sent into the Country at any Period.

93. It appearing from the Accounts before us, that the Exchanges were very near Par in the Month of September last, and afterwards became more unfavourable than they had been since 1815, to what do you ascribe the great Depression which has taken place since that Time?

It would be difficult to point out the particular Circumstances, independent of the great Principle of the Depreciation of our Paper Currency, which affect our Exchanges from Time to Time; I believe that the Investments in Foreign Stocks did for a Moment produce Part of that Fall, but I should attribute a very small Part of it to that Cause, and fall back upon my Principle of an Excess of Currency. I most certainly believe, that had the Bank at that Moment been paying its Notes in Specie, the Depression alluded to would not have taken place. I ground my Opinion upon what I observe to be passing between other Countries, with regard to their Exchange Operations: France has at this Moment nearly Twenty Millions Sterling to pay to Foreign Powers; and although Three Payments have been already made, and the whole are to be completed within Twenty-seven Months, no sensible Effect has been produced upon its Exchanges with other Countries equally paying their Notes in Specie, such as Holland and Hamburgh; nor does it appear that any inconvenient Diminution has yet taken, or is contemplated to take place in the metallic Currency of that Country. My Opinion is, that a very small Portion of this large Payment will be made in Specie or Bullion; when a certain Amount of the Circulating Medium has left France, the Remainder will rise in Value, and Goods fall in Price, when consequently it will become more advantageous to France to remit the Remainder in its Produce and Manufactures, from Time to Time. I conceive the Payment will be made in these different Ways; first in Bullion, then in Goods, as Prices happen to suit the Parties who have to make the Remittances. I consider the metallic Circulation of every Country as Merchandize: if it is allowed to be exported, it will naturally be that Article which will be exported from one Country to another, when the Prices of all Commodities in the Two Countries shall be equal; because the Creditor Country would find that the least expensive Article in which the Debt could be remitted. If the Specie of a Country is not allowed to be exported, it is then transferred from one Country to another, loaded with an additional Charge, equal to the Risk incurred by the Person exporting it.

94. How do you account for the extraordinary Depression of the Exchange and the high Price of Gold since September last, upon what you consider the great Principle of excessive Circulation, when it appears that the Bank of England Notes in Circulation from July to December last were only £26,400,000; from January

January to June, £27,900,000; from July to December 1817, £29,200,000; and from January to June 1817, £27,300,000?

I certainly do feel strongly convinced, as I have before stated, that that Depression would not have taken place if the Bank of England had been paying its Notes in Specie. I think that Investments in Foreign Stock (from my Experience on the Royal Exchange) do temporarily affect the Exchange more than the Exchange would be so temporarily affected if the Bank were paying its Notes in Specie. If my House were To-morrow to receive an Order from a Paris Banker to remit him, without Limit, so small a Sum as £100,000 Sterling, it would affect the Exchange in the common Scale of Business, I should say to the Extent of One or Two per Cent.; always supposing that an Order has not at the same Time been sent by another House at Paris to a House in London, to draw nearly a corresponding Sum. The Difficulty of finding Drawers or Takers to any considerable Extent, or to any considerable Amount, at the last fixed Rate of Exchange, when a considerable Sum is to be taken or drawn, is now exceedingly great; and the Rate at which a Drawer can be induced to give you his Bills is fixed, I might almost say arbitrarily: having lost our Standard, and Gold and Silver Bullion not being always to be found in the Market, we are no longer Judges of the Value of our Currency at any given Moment; and hence arise the considerable Fluctuations which have taken place from Post to Post in the Exchanges. When the Bank is paying its Notes in Specie, an exact Calculation can be made by those who have to draw or take Bills. It appears to me that very small Foreign Investments, keeping the Lead as it were of other Commercial Transactions, and throwing the Balance of Payments for even a short Time against us, do now produce a much more considerable Effect upon the Exchanges, than would take place under a wholesome State of Currency. Eventually, however, these Investments in Foreign Stocks must be paid for by the Transfer of real Property from this Country to those in which the Investments have been made; and when all such Payments have been made in real Property, the Exchanges, if not depressed by Paper Currency, should be restored to Par; but I have observed, that although the Exchange does become more favourable to this Country, when these Foreign Investments have ceased for a few Weeks, and consequently the Demand for Paper upon those Foreign Countries has also ceased, yet that favourable Turn has generally been limited in its Extent; these Payments, as well as all other Payments, have been made during the Depression of the Exchange in the metallic Currency of the Country, by those Persons who have been able to procure it, and have not cared about infringing the Laws of their Country. It is clear, in my Mind, that a Bonus or Premium has been offered to the Exporter of Gold Coin to the Continent, to the Extent of the Depression of the Exchange. Had the Restriction Act been accompanied with the Permission to melt or export Coin, it would have put our Produce and our Manufactures upon a Par with our Gold Coin for Exportation. I do not, at this Moment, recollect the Circumstances which produced the Fall which the Question refers to.

95. Although the first Part of your Answer may account for the Variation in the Exchanges and in the Price of Gold from Post to Post, or for very short Periods, do you conceive that it accounts for them during Periods of Six Months, to which the Question applies?

I conceive that I have accounted to you in my former Answers for the general State of the Depression of the Exchanges. I cannot but feel convinced, that if all other Circumstances are alike with respect to our Monetary System with other Countries, but that of our Notes not being payable in Specie, the Depression of the Exchanges must be attributed almost entirely to that sole Cause.

96. Can you prepare a Statement, by Wednesday, of the relative Market Value of Gold and Silver in the different Markets of Europe, to the latest Date to which such Statement can be made up?

I will endeavour to do so.

Witness is directed to withdraw.

Adjourned to Wednesday at Twelve o'Clock.

Mr.
W. Haldimand.

(54)

Die Mercurii, 17° Februarii 1819.

The LORD PRÉSIDENT in the Chair.

Mr. WILLIAM HALDIMAND is again called in, and further examined as follows:

*Mr.
W. Haldimand.*

97. Can you state to the Committee how much per Cent. Difference in Value there exists between our old Silver Coin and our new Silver Coin, in consequence of the Seignorage taken at the Mint by the last Mint Regulations?

I presume by the old Silver Coin is meant the old Silver Coin in its perfect State; if so, compared with the new Silver Coin, it would be rather more than 6 per Cent.

98. Is not that nearly the present Difference between the Market and Mint Price of Gold?

I am not aware of the last Market Price of Gold; but if between 82s. and 83s., the Difference would be about 5 per Cent. between that and the Mint Price.

99. Supposing there existed no Paper Currency in the Country, and that there was no Gold in Circulation, and further, that our present Silver Coin, depreciated 6 per Cent. by the Seignorage taken out of it, was the only Circulating Medium, would not the Market Price of Gold, measured by such a Currency, stand nearly 6 per Cent. above the Mint Price?

I conceive that it would.

100. Must not Paper, promising to pay Cash on Demand, always take the Value of the Coin into which de facto it was immediately convertible?

It must.

101. At present, when all Gold has disappeared from Circulation, and our Paper is solely convertible into Silver Coin, must not that Paper take the Value of the Silver Coin?

I do not conceive that the Gold Coin has totally disappeared at present; and as it is expected that the Paper will eventually be convertible into Gold Coin, I conceive that it holds a Value in relation to Gold Coin.

102. What Number of Ounces of pure Gold are contained in One thousand Sovereigns?

235 oz. 8 dwt. 9 $\frac{2}{3}$ gr.

103. That Quantity of Gold being delivered into the Paris Mint, what would you receive in France according to the Mint Regulations of France?

25,129 fr. 19 c. deducting the *retenue* of 10 fr. *per Kilogramme*, or 25,202 fr. 36 c. with the *retenue*.

104. What Number of Ounces of pure Silver are contained in One thousand Pounds worth of the Silver Coin of this Country?

At 5s. 6d., 3,363 oz. 12 dwt. 17 $\frac{2}{3}$ gr.

105. That

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105. That Quantity of pure Silver being taken to the Paris Mint, how many Francs would you receive for it, according to the French Mint Regulations?
22,882 fr. 91 c. deducting the *retenue* of 3 fr. 33 $\frac{3}{4}$ c. *per Kilogramme*, or 23,231 fr. 38 c. with the *retenue*.

*Mr.
W. Haldimand.*

106. What is the Difference between the Sum you would receive in Francs, by conveying to the Mint of France in this Manner One thousand Pounds in our Gold Coin, and One thousand Pounds in our Silver Coin?
2,246 fr. 28 c.

107. How much per Cent. is it in favour of our Gold Coin?
£8 $\frac{2}{3}$ or £8 18s. per Cent.

108. If Ten thousand Francs in Louis d'Or were carried to the Mint here, how many Sovereigns would you receive for them?

By "Louis d'Or" I suppose is meant the present Gold Twenty Franc Pieces; if so, 396 $\frac{1}{4}$ Sovereign or £396 15s. 10 $\frac{1}{2}$ d.

109. If Ten thousand Francs in the Silver Coin of France, say Five Franc Pieces, were carried to the Mint here, and a Value received in Silver Coin at 5s. 2d. per Ounce, what would be the Amount you would get in Pounds Sterling?

£404 7s. 3 $\frac{1}{2}$ d.

110. What is the Difference between the Sum you would receive in Pounds Sterling by conveying to the Mint here Ten thousand Francs in Louis d'Or, and Ten thousand Francs in the Silver Coin of France?

£7 11s. 4 $\frac{1}{2}$ d.

111. How much per Cent. Advantage is there then in favour of sending the Ten thousand Francs in Silver to our Mint, rather than the Ten thousand Francs in Gold?

£1 $\frac{1}{8}$ or £1 17s. 5d. per Cent.

112. Whenever the Balance of Trade or other Cause induces the Necessity of exporting Specie from this Country to France to be there coined, how much per Cent. Advantage is there in sending our Gold Coin rather than our Silver?

£8 $\frac{2}{3}$ or £8 18s. per Cent.

113. Whenever the Balance of Trade or other Cause creates a Desire to send Specie from France to England to be coined at our Mint, how much per Cent. Advantage is there in sending Silver Coin rather than Gold?

£1 $\frac{1}{8}$ or £1 17s. 5d. per Cent.

Witness is directed to withdraw.

Then Mr. WILLIAM WARD is called in, and examined as follows:

1. What is your Line of Business?

I have been a Bank Director for Two Years, and I am a Cambist and a Mediterranean Merchant.

*Mr.
William Ward.*

2. Would it be practicable and safe in your Judgment for the Bank of England to resume its Payments in Cash on the 5th of July next?

I conceive perfectly so, as applicable to the Bank of England, provided such Monies are repaid by Government as the Bank of England is entitled to expect. I conceive that considerable Inconvenience might occur to the Public from such a Measure being carried into Effect.

3. What is the Nature and Extent of the Inconvenience, which you conceive would result to the Public from this Measure?

I conceive

Mr. William Ward.

I conceive that one of the Means that the Bank of England must have recourse to, would be a Reduction of its Issues, and the Public may suffer considerable Inconvenience from such a Reduction.

4. State how that Inconvenience would operate?

Conceiving Habit to amount to almost a second Nature, I conceive that the Public, having been accustomed to an abundant Supply of Bank Notes, is very ill prepared to dispense suddenly with the Accommodation they afford.

5. Would a considerable Reduction in the Circulation of the Bank of England produce considerable Distress in the Commercial World?

That must depend a great deal upon the Discretion with which such Reduction shall be carried into Effect.

6. What Measures do you conceive could be adopted with a View of obviating that Distress?

I conceive that it would be necessary for the Bank of England to feel its Way as it proceeds, and by that Means stop short of such Point as would render the Amount of Distress great.

7. Do you conceive that a gradual Reduction of the Circulation of the Bank of England, to the Amount of Three or Four Millions, would have the Effect of turning the Exchanges in our Favour, and could be accomplished without material Distress?

I conceive that a Reduction of Four Millions would probably correct the unfavourable Exchanges. I think it would not be accomplished without considerable Distress, unless an Improvement should take place in the different Markets here and abroad; by the Word Improvement, I do not mean a great Rise in Prices here, but the Opportunities for Holders to sell their Commodities.

8. What is the Amount of the Repayment of Government to the Bank to which you consider the Bank entitled, with a View to the Operation above stated?

I really consider Sixteen Millions as the Sum necessary; by that Expression, I do not mean that less might not do, but that the Bank ought to have the Control which the Repayment of Sixteen Millions would give them.

9. Do you know what has been repaid by Government to the Bank within the last Eight Months?

Five Millions is said to be repaid, but is not in my Estimation. I conceive that it is only Five Millions less such an Amount as might be due for Interest. Four Millions would therefore have been repaid upon that Principle. If Four Millions have been paid into the Bank on one Side, and Public Balances considerably diminished on the other, I do not consider it as a real Repayment, as applicable to the Purpose of Reduction. It would not naturally operate a Reduction of their Notes.

10. Are you of Opinion that the Loans which have been contracted by Foreign States, since the Peace, have had an unfavourable Effect upon our Exchanges?

Yes, decidedly.

11. Are you of Opinion, that the great Pressure which manifested itself in the Money Markets of Paris, and of other great Commercial Towns upon the Continent and in America, towards the Close of last Year, has had an unfavourable Effect upon our Exchanges?

Yes.

12. Are the Consequences of that Distress still operative on the Exchanges of this Country, and likely to continue for a considerable Time?

They continue to be operative, though not quite to the same Extent as they were. It is a very difficult thing to say how long they will operate; more particularly without knowing whether the Result of this Inquiry will be favourable or unfavourable to Commerce.

13. What do you mean by the Result of this Inquiry being favourable or unfavourable to Commerce?

I conceive, the natural Course of Commerce is interrupted by the very Inquiry itself. Merchants, from a Principle of Prudence, embark more reluctantly in Adventures than they otherwise would do.

14. Do

Mr. William Ward.

14. Do you conceive that the Resumption of Cash Payments by the Bank of England at an early Period would be advantageous to Commerce?

I should wish to caution the Committee against acting upon any Opinion whatever upon the Subject, till a nearer Approach to a probable Cash Payment shall have enabled them to ascertain the Point more by Experience than Opinion. I am of Opinion that it would be prejudicial to Commerce during the Period of the Measure being carried into Effect. A Sacrifice would probably be made at that Time; after which Commerce might again regain its Tone.

15. That Sacrifice once made, do you conceive that the Resumption of Cash Payments would in itself be a Circumstance favourable or unfavourable to Commerce?

I conceive, in one Sense, it would be favourable to Commerce; it would improve the Quality, but diminish the Quantity of Trade.

16. You have stated the Inconveniences that result at the present Moment from Uncertainty, must not those Inconveniences continue so long as there is Uncertainty in the Value of the Currency, and therefore in Prices?

The Inconveniences would be greater in one Case, and for a shorter Period of Time; in the other Case, there would be a less Amount of Inconvenience for a longer Period of Time.

17. Must not therefore a Measure, which terminates that Inconvenience, be in itself, when completed, favourable to Commerce?

I conceive it would be favourable on the Principle I named before, viz. in Quality; what I mean by Quality, is a less Amount of Commerce on a more secure Principle.

18. Would the Effect of the Resumption of Cash Payments by the Bank, and the Reduction of their Circulation, be to occasion a considerable Depression in the Prices of all Articles?

It would occasion a Depression in the Prices of Articles, more or less so in proportion to the Discretion with which such Reduction should take place.

19. To what Extent do you conceive such Depression might go, if the Reduction took place with due Discretion?

It is possible it might go to a very great Extent. If the Reduction was to create a Want of Confidence, it is impossible to say to what Extent the Depression of Prices might go, unless the Bank were to stop for a Moment the Progress of such Reduction.

20. Supposing that from the Discretion with which the Measure was carried into Effect, no considerable Want of Confidence was thereby created, what Effect in your Judgment would then be produced in the State of Prices?

I conceive a Fall would take place, to the Extent of at least the Difference between the Market and Mint Price of Gold; perhaps to a greater Extent, inasmuch as it would remain to be seen how far Country Bankers would follow the Bank of England in diminishing their Issues.

21. What is the Difference between the Market and Mint Prices of Gold? The Difference between 77s. 10½d. and 82s.; about 5 per Cent.

22. Would it not be almost inevitable that the Country Bankers should reduce their Circulation in some Proportion to that of the Bank of England?

I think they would.

23. State the Ground of that Opinion?

Country Bankers at present paying their Notes by the Bank of England Notes, must necessarily issue less, when Bank of England Notes become more scarce.

24. Have you any Means of knowing whether in Fact, during the Continuance of the Restriction, the Country Bank Paper has increased and diminished with the successive Increase and Diminution of the Paper of the Bank of England?

I cannot say that I know it; I believe it has not in exactly the same Proportions.

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25. Do

Mr. William Ward. 25. Do you conceive that there has been always a Diminution of the Country Paper, when the Paper of the Bank of England has been diminished?
I have no particular Knowledge in that Line.

26. Has there been a considerable Advance in the Price of Commodities in consequence of the Advance of the Market Price of Gold?
I think so.

27. Has there been a proportionable Depression of those Prices, in consequence of the Market Price of Gold having fallen?

There is at present a considerable Depression of Prices; and I conceive Part of that Depression to be attributable to the Reduction that has taken place in Bank Notes, with a View of lowering the Market Price of Gold.

28. Has there been any considerable Depression in the Prices of any of the great Articles of Home Produce, Corn, Cattle, and Butcher's Meat, Wool, or Iron?
I am not in any Line of Business to enable me to answer that Question.

29. When you speak of Discretion in the Resumption of Cash Payments, do you mean Discretion in Point of Time, or in the Manner of effecting it?

In the Manner of effecting it; if it were to be required that the Resumption should take place within Two Years at all Events, then that Discretion must cease to be used, as if it were to ruin all the World, Reduction must still take place.

30. Do you think it prudent to fix any precise Period at which, at all Events, and under whatever Circumstances, the Resumption of Cash Payments must take place?
In a Country like this, where so much is sacrificed to Revenue, I would not recommend it.

31. Have you observed, in the Course of your Experience, that a Fall in Prices to the Amount of 5 per Cent., spread over the Space of a Year, or a Year and a Half, has produced any great Inconvenience to Commerce?

I have never experienced any great Inconvenience from such a Casualty. I do not believe that any such Circumstance precisely ever took place, though something approaching to it may.

32. If such a gradual Fall were to take place to that Extent, would it be productive of any serious Inconvenience?
I conceive the Inconvenience would be very limited.

33. Would then Fourteen or Fifteen Months, without any very extraordinary Circumstance intervening, afford a reasonable Length of Time to effect such a Reduction of Paper in Circulation as, without too sudden a Fall in Prices, would enable the Bank, if proper Use were made of the Time given, to resume Cash Payments?

I am unable to answer such a Question till I know the Extent of Means placed at the Disposal of the Bank, and applicable to such a Purpose.

34. Supposing the Sum which you should think necessary was repaid by Government to the Bank, in Specie or Bank Notes, would that enable the Bank to resume their Cash Payments according to the former Question?
I think it would; but it can only be ascertained by Experiment.

35. Could the Sum which you think necessary to be repaid by Government to the Bank be raised by a Loan, or in any other Way, without material public Inconvenience?

I conceive that material Inconvenience would arise. The very Circumstance of Money being known to be raised for the express Purpose of the Reduction of the Circulation, would render difficult the raising such a Sum.

36. Whether, in the present State of the Money Market of this Country, you think it would be impracticable or unsafe, with a View to public Credit, to raise a Sum by Loan to the Amount of from Ten to Sixteen Millions?

I think such a Sum could only be raised upon very disadvantageous Terms to the Public; it would create a very material Fall in the Stocks, and all the Consequences resulting from it.

37. On

37. On what Grounds have you calculated the Sum of Sixteen Millions as that to which it might possibly be necessary to carry the Repayment of the Advances to Government?

Mr. William Ward.

Five Millions and a Half I conceive necessary to replace the public Balances expected to be withdrawn. Ten Millions and a Half to increase Discounts; to replace Part of the Five Millions and a Half of Gold already issued, or to purchase Gold beyond that Sum; and to operate a Reduction of Notes, after paying Three Quarters of a Million Dividends to Bank Proprietors. This is independent of the Four Millions which, according to my View of the Question, is all that has been already repaid. I mention the Circumstance of Discounts, because, as Money comes in from Government, an increased Demand will occur for Discounts.

38. Therefore, independent of any Measure to be taken respecting the Public Balances, from Ten to Eleven Millions would, in your Judgment, be sufficient for the Purpose in View?

I think so; but Ten Millions raised without the Accommodation usually granted by the Bank, would be more difficult to be raised than the same Sum with that Accommodation, and would likewise be more applicable to the Purpose in View, inasmuch as the Pressure on the Money Market would take place at an earlier Period, and leave a longer Time for the Money Market to recover itself, previous to actual Resumption.

39. What would be the Effect of Loans to that Amount, raised by the Assistance of the usual Accommodation granted by the Bank?

The Money so raised would be considerably less applicable to the Purpose in View; or, in point of fact, would not be completely raised till about the Month of February in the Year following that in which the Loan was made.

40. Referring to Question and Answer No. 31, is not there a Difference between a casual Reduction in the Price of Commodities, and a forced Reduction of Price, in consequence of a forced Reduction of Bank Notes?

Yes, certainly.

41. Would not the latter be productive of severe Distress, though the Inconvenience of the former might not be materially felt?

Certainly.

42. It appears by Papers before us, that the Price of Gold in June 1815 was 104s., and in June 1816 was 80s., a Difference of from 20 to 25 per Cent.; did Prices fall to that Amount in general during that Period?

I cannot say.

43. Assuming that Fifteen Months was the Time prescribed for the Bank resuming Cash Payments, would an Importation of One Million Quarters of Wheat, in consequence of an unpropitious Season, be one of those extraordinary Causes intervening, which might make the Resumption of Cash Payments peculiarly embarrassing at that Period?

Assuming £4 to be the Price, it would be an Interruption, but not so great an Interruption as is generally supposed; because Money, to be made applicable for the Payment for Corn, must be withdrawn from effecting Payments for other exportable Products, and thereby reduce the Price of those Products, and thereby occasion Exportation. I think it right to apprise the Committee, that this is precisely one of the Cases that would render the Exercise of Discretion on the Part of the Bank extremely difficult.

44. If the Price were £5, would not the Difficulty increase in proportion to the Price?

Certainly, and also the Fall of Price of exportable Articles.

45. If the Quantity of Articles exported were to be increased, say, one-third, and the Price of such Articles diminished one-third, would not the Amount of Payments to be made to this Country be thereby rendered the same?

Certainly, it would have that Effect provided other Circumstances remained the same. But I conceive that the Difficulties arising in effecting Payments for Corn would diminish the Consumption, and consequently the Demand for Corn, by producing Economy in the Use of it.

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William Ward.

46. You have said that a forced Reduction of Prices at stated Periods may produce serious Distress, but that a casual Fall would not produce that Effect; would not such a forced Reduction, when foreseen, by stopping a Part of the Supply of Foreign Goods, afford the Means of avoiding even a Part of the Inconvenience, little as it was, which was felt in the casual Fall of Prices?
Certainly.

47. In the Event of great Mercantile Embarrassment, might not Bills which would otherwise be considered as good, become so discredited as to oblige the Bank to refuse to discount them?

It would have that Effect with the Bills of great Speculators, but not with others; because the Principle upon which the Bank acts; is to render its Discounts as beneficial as possible to the Public; and from a Spirit of Kindness it would probably extend the same Indulgence as usual, whenever it could discriminate between Speculators and regular Traders.

48. Would the Bank then be induced to discount the Bills of regular Traders, although under the supposed Case of general Mercantile Distress they might not be considered as safe?

They would not do so if they were decidedly considered as unsafe; but there being always Two and sometimes more Securities, they would hope for the best, and discount liberally; because if each Party could pay 10s. in the Pound the Bank would not ultimately lose. I am only giving this as my individual Opinion.

49. It appears by the Papers before the Committee, that independently of the Securities for Advances made to Government, the Bank holds and has for a long Time held Exchequer Bills purchased by them to very large Amounts; do you consider the Amount of those Bills as a Part of the Resources of the Bank over which they have a Controul?

Any Gentleman in the Committee of Treasury at the Bank would give a better Answer to that than I can. The Bank holds a large Quantity under the Head of Exchequer Bills purchased, which have been made out for Sums so large as to be unmarketable; and I conceive they have not that Controul over them that is desirable.

50. Whether the Object of such Repayment of the Advances made by the Bank to Government, as you have already stated to be necessary in your Opinion, might not be effected by the Bank reducing the Amount of the Exchequer Bills which they hold by Purchase?

No, I think not. I think it is desirable that the Government should know what Amount of Exchequer Bills the Bank is willing to hold without interfering with the Market.

51. It appears from the Accounts before us, that the Amount of Bank Notes in Circulation never exceeded Twenty Millions till the Year 1810. And you are probably aware, that for Two or Three Years previous to that Time, the Revenue was from Ten to Twenty Millions more than at present, and the Trade of the Country likewise was during a Part of that Time in a very flourishing State. Can you state any Reason why, Regard being had to the above Circumstances, a greater Amount of Bank Notes is necessary for Circulation now, than at the Period to which the Question refers?

I am not aware of the Amount of Country Bank Notes, and Gold, in Circulation at that Time; and therefore, as they had a Share with the Bank of England Issues in circulating Commodities, I have not the Data to answer this Question.

52. You have stated, that a Reduction of Four Millions in the Amount of Bank Notes in Circulation would probably produce a favourable Turn in the Exchanges; do you found such an Opinion upon Reasoning, or upon having observed, as a Cambist, that the Diminution or Increase in the numerical Amount of Bank Notes, has usually produced corresponding Effects upon the Exchanges, and the Price of Gold in this Country, since the Bank Restriction?

I ground my Opinion upon Reasoning; I do not rely upon the numerical Amount of Bank Notes exclusively.

53. If,

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William Ward.

53. If, in point of Fact, the Price of Gold has frequently sunk at a Time when there has been a considerable Increase in Bank Notes, and has risen when Bank Notes have been considerably diminished; can we confidently depend upon the Effect of a Reduction of Bank Notes, towards producing a favourable Exchange?

I would rely upon it in an Exchange Transaction, where my own Interest was at Stake; though I cannot undertake to say precisely at what Period, or in what Degree an unfavourable Exchange would be corrected by such Reduction. In making this Remark, I would qualify it by Reference to my former Answer, relative to the Discretion to be exercised by the Bank of England.

54. Supposing this Discretion to be limited to the Slowness or Rapidity with which the Reduction is to be made, but to be entirely taken away with respect to the precise Period at which (under whatever Circumstances of Disadvantage) the Bank must refuse Cash Payments, might it not happen that that Period would arrive at a Moment when the Exchanges might be so unfavourable as to make it impossible for the Bank to open with Safety?

It might certainly; at the Period appointed for the Resumption of Cash Payments, the Exchanges might require a stronger Controul than the Public would be well able to bear.

55. Supposing the Effect of the Reduction of Bank Notes upon the Exchanges to be morally certain upon the long run, might not there be an Interval between the opening of the Bank, and this favourable Turn, during which the Price of Gold might remain so much above the Mint Price, as to drain the Bank in a very short Period of a large Proportion of its Treasure?

Not if the Bank applies the Means it will possess at the Time of preventing it. I mean continuing the Reduction of its Notes till the Market Price of Gold is reduced to the Mint Price.

56. Is there any assignable Reduction which could with Confidence be expected to produce that Effect?

I cannot name the Amount of Reduction which would produce that Effect.

57. Whether, if the Difference between the Mint Price and the Market Price be only Five per Cent., any large Amount of Reduction beyond the Four Millions you have already spoken of, could probably be necessary for that Purpose?

That would depend partly upon the Circumstances which would occasion a high Market Price: I think that a Reduction of Four Millions would provide against all ordinary Contingencies for the present, excluding Panic or other extraordinary Circumstances.

58. You have already stated that the Exchanges might require a stronger Controul than the Public would be well able to bear, by which I conclude you mean, that such a Reduction might be necessary as would produce considerable Commercial Distress; would not Panic be more likely to take place, and produce more mischievous Effects, under such Circumstances, than while the Circulation was less reduced?
Certainly.

59. Would the Exchanges be prevented from being more unfavourable, and the Price of Bullion also be prevented from rising, if the Bank was compelled to sell Gold Bullion at the present Market Price?

Yes.

60. Would the gradual progressive Diminution of the Paper in Circulation, and the Restoration of the Currency to its former Standard, be secured by further compelling the Bank to sell Gold Bullion at the Price of 82s. per Oz. during the first Two Months, and after that Period by a Regulation directing the Bank to sell Gold Bullion at a constantly reducing Price of 1d. per Oz. in every succeeding Week, so as to effect the total Reduction of 62d. in Sixty-two Weeks, commencing after the first Two Months, during which it would be nearly stationary?

The Principle proposed in this Question is precisely the same as the unconditional Resumption of Cash Payments, only varying very much in the Degree in which you approach the Resumption; all Circumstances will apply to this

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Measure that likewise apply to the unconditional Resumption, excepting that by the proposed Mode a small Part of the Inconvenience would be obviated. It appears to me to alter the Degree in which the Public is to be pressed, which will be less by this Means, than by at once paying at the present Mint Price.

61. Is it not better to secure the certain and regular Approach towards that Mint Price, than to leave it at an Uncertainty?

I think not at present, nor until large Sums shall have been repaid to the Bank.

62. Does any other Plan occur to you for effecting this Purpose?

I have considered of a Plan, which I will deliver in Writing at a future Day.

63. Would not the Risk of such a Commercial Panic as you have referred to in your former Answer, be diminished in proportion as the Bank was enabled, by whatever Means, previously to effect a gradual and progressive Diminution of its Notes?

Certainly.

Witness was directed to withdraw.

Committee is adjourned to Friday at Twelve o'Clock.



Die Veneris, 19^o Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. SAMUEL THORNTON was called in, and examined as follows:

1. How long have you been in the Direction?

Thirty-nine Years; I left the Chair in 1801.

Mr. Samuel Thornton.

2. Would it be practicable and safe, in your Judgment, for the Bank of England to resume its Payments in Cash on the Fifth of July next?

Upon the best Consideration I can give the Subject, it would be impracticable to resume Cash Payments in July next, without bringing Embarrassments both upon the Commercial and Financial Interests of the Country, which are to me incalculable.

3. State the Grounds upon which you come to that Conclusion?

I form my Opinion principally upon the State of Foreign Exchanges, which cannot be expected to turn in Favour of Great Britain whilst the existing Payments remain to be made for Investments in Foreign Funds, and to liquidate Debts still outstanding for Corn imported, and many other Articles of staple Manufacture, of which the Revival of Commerce required the Importation.

4. When the Operations respecting Foreign Loans shall be at an End, particularly those respecting the Loans in France, are you of Opinion that the general Balance of Trade is likely to be so far favourable to this Country, as to secure, under ordinary Circumstances, a favourable State of Exchange?

I think it will secure a favourable Course of Exchange in no very distant Period of Time; unless we should have the Misfortune of a deficient Harvest.

5. Within about what Time do you think we may look for that Result?

I do not expect to see the Exchanges permanently settled in Favour of Great Britain sooner than the latter End of the Year 1820, more especially as the Payments of the French Loans are extended over a great Part of that Year, and it depends in a great Degree upon the Liquidation of the French Loans.

6. Is it your Opinion that the Exchanges are affected by the Increase or Diminution of the Circulation of the Notes of the Bank of England?

I think the Amount of the Notes in Circulation may have an Effect upon the Exchanges, but not to the Degree which is supposed by many Persons, inasmuch as Experience has proved, that the Exchanges have been in Favour of this Country when the Notes have been at the highest.

7. Might not the Fact of Exchanges being in Favour of this Country when the Notes of the Bank of England have been highest, have arisen from the Country Bank Paper being at that Time considerably reduced?

That Circumstance may have operated; but I have seldom had Means to know what was the Amount of the Country Circulation. I conceive that the Balance of Payments, either to or from this Country, from or to other Countries, will regulate the Exchange, though there may be an extended Paper Circulation at the Time.

8. Are you then of Opinion, that if a Reduction were now gradually to take place of about Three or Four Millions in the Amount of the Bank of England Circulation,

Mr. Samuel Thornton.

Circulation, that such a Reduction would not, under present Circumstances, produce a favourable State of the Exchange?

I think a Reduction to the Amount mentioned would produce a Turn in the Exchange in favour of this Country; but I much doubt whether a Reduction to that Amount would not so cramp the Energies of the Country, as to defeat the Object in View, and in a short Time to turn the Exchanges against us. The Amount of Bank Notes in Circulation on the Morning of Yesterday, was £25,294,000; from which, for the Sake of my Argument, I wish to deduct the Amount of One and Two Pound Notes, amounting to £7,545,000, and of Bank Post Bills, which are not used for the Purposes of Commerce, £1,686,000; these amount together to £9,231,000, leaving a Circulation for the Purposes of Commerce of £16,063,000. I find that the average Amount of Notes in Circulation for Ten Years before the Bank Restriction was £10,821,000, exclusive of One and Two Pound Notes, which did not then exist, and I believe, of Bank Post Bills; which makes an Increase of about £5,000,000; an Amount of Increase which I think is demanded by the extended Operations of the Country.

9. Will you state upon what Grounds you exclude the One and Two Pound Notes?

I exclude them in the Comparison I have made, from an Opinion that a Substitute for them existed in the Years antecedent to the Restriction in the Gold Coin then current. Having had Occasion to look at the Circulation at the earliest Period at which I had a Share in the Management of the Bank, I find the Amount of the whole Advances to Government to have been in some Periods One-third more than the whole Circulation of Notes, which Portion of Advances I conclude was made in Coin, and not in Notes; and I find that at those Periods there was a proportionable Diminution of the Specie in the Bank.

10. Why do you exclude the Bank Post Bills? Because they are not used for the Purposes of Commerce.

11. What are they used for? They are used for Remittances to Country Gentlemen, for the Purpose of Safety to Travellers, as they require Indorsement, and must be presented for Acceptance before they are paid, and Time is gained for the Detection of Fraud; antecedent to the Restriction their Amount was small.

12. Do not these Payments form a Part of the general Circulation of the Country? Undoubtedly they form a Part of the general Circulation of the Country; but as far as my Experience goes, I have seldom known them used for Commercial Purposes, either foreign or domestic.

13. It appears by the Accounts before us, that the Amount of Bank Notes in Circulation, including One and Two Pound Notes and Bank Post Bills, never exceeded Twenty Millions till the Year 1810, and yet that for several Years antecedent to that the Revenue was from Ten to Twenty Millions more than at present, and the Trade of the Country in a flourishing Condition; can you account for a much larger Circulation of Bank Notes being necessary now, than at the Period to which I refer?

Although, as I have already stated, I have not the Means of knowing the Amount of Country Bank Notes, it is the Belief of well-informed Men, that their Circulation was larger at that Time than it is now. With respect to the Collection of the Revenue, I would observe, that as the Amount in War Taxes, including Property Tax, was collected in large Sums, and the Expenditure was proportionably large, I can conceive it might be collected under the Circumstance of a less Circulation of Notes, than when the Collection is extended over a greater Portion of the Year, and the Expenditure more gradually made. When the Notes come into the Bank they are immediately cancelled; in the Payment of those Taxes they came in large Sums.

14. Would it not however be true, that in Time of War, when the Army, the Navy, and the Militia are to be paid, besides other Expences connected with the War, that the Expenditure in many of its Branches must be made in smaller Sums, than when the Interest of the National Debt forms so much larger a Proportion of the whole National Expenditure, than it does in Time of War?

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The Home Expenditure will be made in smaller Sums, but the great Expence of War being in Foreign Countries, it cannot be defrayed in small Payments.

15. Is it not probable, that during the Period when Individuals are called upon to make large Payments at once, as in the Case of the Property Tax and other Taxes to which you have alluded, a greater Portion of Notes will be accumulated in the Hands of Individuals, and locked up from general Circulation before they come into the Bank, than at the Time when their Payments are smaller and more multiplied?

I incline to think not; because when Payments are of large Amount, it is the Custom of the Mercantile Part of the Community to make Provision as near to the Time of Payment as possible, with a View to save the Interest of Money; this is an Object in a large Sum, but not equally so in a smaller. I will elucidate this Circumstance by the Practice of almost all Receivers General of Taxes, whose Agents almost invariably raise by Discount, or the Sale of Exchequer Bills and other floating Securities, the Sums that are paid into the Exchequer antecedent to each Quarter Day.

16. When you state, that the Increase, which you apprehend to exist of Five Millions in the Circulation of Bank of England Notes is not more than is demanded by the extended Operations of the Country, have you any Criterion by which you can judge what Amount of increased Circulation those extended Operations require?

I found my Opinion upon the Extension of the Trade of the Country, as evinced by the Amount of our Exports and Imports, the Increase of our Revenue, and of the Interest of the National Debt; the Extension of Mining, and the Improvement in the various Productions of the Country; among other Articles, an Importation of between 20 and 30,000 Tons of Iron took place from Sweden and Russia upon an Average of Years, which is now almost entirely produced by the Mines of this Country; to this I might add Tin, Copper, and many other Articles.

17. Are you of Opinion that the Amount of Currency, of whatever Description, necessary for the Uses of any Country, is governed by the Extent and Value of the Articles which it has to circulate?

I should think it is.

18. Must not this vary with many Variations in the Nature of Produce, Manufactures, and Trade, in the same Manner as you have described it to vary with the Variations in the Nature of the Public Receipt and Expenditure?

I think it would.

19. When you state that the Balance of Payments, either from or to this Country, to or from other Countries, will regulate the Exchanges, although there may be an extended Paper Circulation, do you conceive that any Merchant interested in effecting such Payments will not consider the relative Value of the Currency to that of the precious Metals, in the Terms on which he offers to sell or buy Bills?

I think he will.

20. When you compare the Number of Bank Notes now in Circulation with what they were previous to the Restriction, you deduct £7,545,000, of One and Two Pound Notes Value, considering them a Substitute for Gold Currency; did you consider that to be the only Substitute, or do you not consider Country Bank Notes of One and Two Pounds Value to be also a Substitute for that Currency?

I consider Country Bank Notes to be also a Substitute.

21. Before the Year 1810 was the Currency exclusively Paper, or was not there still Two or Three Years previous to 1810, some Gold Currency?

I believe there was considerably more of Gold Currency in Circulation for Two or Three Years before 1810, than there is at this Time, notwithstanding the Issues of Sovereigns and Half Sovereigns.

22. Do you know what was the Price of Bullion for Two or Three Years previous to 1810?

I do not recollect exactly; it exceeded the Rate of £4 per Ounce.

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23. What was the supposed Amount of Gold current in the Country before the Restriction of the Bank?

As I never found any certain Data, upon which an Opinion can be formed, the Answer to that Question can be only conjectural. The Amount has been stated at 40 Millions; but I have always considered that to exceed the actual State. If I was to state an Opinion, I should say some intermediate Sum between 30 and 40 Millions.

24. You have stated in your Answer to Question No. 8., that about £16,063,000 is now necessary for the Purposes of general Commerce, being the Amount of Bank Notes of £5 and above, exclusive of Bank Post Bills; may we consider the Amount of Notes of £5 and above, in Circulation at different Times, as the Measure of the Circulation necessary at those Times, for the Purpose of Commerce?

I cannot strictly say, that the whole Amount of Bank Notes at any particular Period is always necessary for the Purposes of Commerce. The Directors may err in their Judgment with respect to the Extent of their Issues; though it is a Subject of Weekly Consideration and Discussion. And particular Periods have occurred when it has been necessary to make an extended Issue of Notes, to check occasional Alarm in Public Credit, and to prevent impending Bankruptcies, which have in many Cases been averted by a liberal though only a temporary Issue.

25. What are the Rules by which the Directors of the Bank now regulate the Amount of their Issues?

A Variety of Subjects enter into their Consideration to decide this Question; the State of the Trade, the Rate of the Exchanges, and the Description of Commercial Paper which is brought them to discount. If the Exchanges are unfavourable, I have always held it to be undesirable to make large Advances to those Houses who are known to be in the Habit of exporting Bullion; for though I know that an unfavourable Balance must be paid, I think it inexpedient to facilitate the Operation to those Houses who make it their Practice to traffic principally in the precious Metals. When Bills of Exchange or Promissory Notes are brought for Discount, those who are conversant with this Description of Paper are pretty well able to discover whether it is for real Business; and whilst the Bank Advances are made for regular Mercantile Transactions, the Directors are of Opinion, that they cannot have a better Criterion, so long as their Notes are not payable in Specie, which would of course regulate their Issues more correctly.

26. Since the Restriction, has the Price of Gold entered into those Considerations which decide the Amount of their Issues?

It has invariably entered into mine, as the best Criterion of the State of the Exchanges.

27. Describe what you mean by real Business, and regular Mercantile Transactions?

I mean when the Paper is founded upon a Sale of Goods, or if drawn from Abroad, is for the Purchase of Goods in a Foreign Country. Whereas if A. should be found to draw upon B., and B. within a short Period to draw back upon A., such Bills are immediately known to be Paper for the Purpose of Accommodation, as it is called, or to raise Money.

28. What Principles regulate the Amount of your Issues made upon Government Securities?

The chief Guide as to the Amount of Issues upon Government Securities, is the Consideration of the Limit intended to be given to the whole Amount of Bank Notes in Circulation. After giving the most deliberate Consideration to the Point during the Years when I was in the Chairs, and I took the Lead in the Management of its Concerns; I found the most convenient and desirable Issue was One Half of the Notes upon Government Securities, and One Half upon Discount. But there have been Occasions when Commercial Discounts for real Business were not called for in a Proportion equal to the Moiety of the whole Amount we thought it expedient to keep in Circulation.

29. During those Periods, then, in forming your Opinion of the Total Amount of

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of Paper which you thought it expedient to issue, did you exclude from your Consideration the Description of Commercial Paper brought to you to discount?

This was a necessary Exception to the Rule I have before stated, as it refers to the Period when the Continent was shut against us, the burning Decrees of Napoleon were put in force against us, and the Trade of the Country was so interrupted, that had we adhered to our Criterion for regulating our Issue of Commercial Discounts, we should have occasioned a Diminution of the Circulating Medium that must have greatly embarrassed the Country.

30. Is there any Impediment to the Observation of the Rule, by which you think it desirable that One Half of the Issues should be founded upon Government Securities, and One Half on good Discounts, at the present Time?

I know of no other Impediment than that it would require a Reduction of the Debt from Government to the Bank.

31. What Reduction of that Debt do you think would be necessary for that Purpose, in addition to what has already been paid?

Supposing the Amount of Bank Notes to be maintained at the present Sum of 25 Millions, I think the Government Debt might remain at 12½ Millions, which would require a further Payment of 6½ Millions.

32. Referring to your Answer to Question No. 25, why do you think it necessary to limit the Amount of your Issues by the Amount of Discounts demanded for real Business and regular Mercantile Transactions?

I beg to observe, that Notes issued either for Advances to Government, or for Accommodation to Merchants, form one aggregate Amount of Circulating Medium; and that Applications for Discounts beyond that Sum, and to replace discounted Bills that are discharged, is the only Restriction I know to be practicable under the present Circumstances.

33. How do you regulate the Limit which at any particular Time you think fit to place to the Total Amount of your Issues?

There are a Variety of Circumstances that bear upon that Question. I have already stated the Demand for Commercial Discounts to be one of them; before the Issue of the Quarterly Payments of the Dividends, when the Receipt of Taxes has drawn a large Sum out of Circulation, and Money consequently becomes scarce, the Bank generally is liberal in their Advances to the Commercial World; and, on the other Hand, they straiten their Issues upon Discounts as soon as the Dividends in the Public Funds are in a Course of Payment.

34. Referring to Question No. 25, do you mean in your Answer by the Word "Issues," Issues generally, or Issues on Commercial Discount only?

I mean those on Commercial Discount only.

35. By what Rule then does the Bank determine the Amount of its Issues generally, not speaking of those on Commercial Discounts only?

The Principle upon which, I have already stated, I myself conjointly with others wished the Issues to be regulated, is about One Half upon Government Securities, and One Half upon Discounts; but if from any Causes which the Bank thought right should influence their Conduct, their Advances to Government should exceed that Proportion, their only Resource is to restrain their Issues on discounted Bills as they come in, in course of Payment.

36. But the Question relates not to the Proportion, but to the Total Amount?

If the Quantity of Bank Notes issued upon Government Security compose a given Proportion of Circulating Medium required for legitimate Trade, less is always demanded for Discounts; and I have seldom found any very coercive Measures to be necessary; except in such Cases when the Bank feel it necessary to make a considerable temporary Diminution in the Amount of their Notes. Supposing the Circulation of Bank Notes to be maintained at 24 Millions, and an Advance to Government of 20 Millions to subsist, it rarely occurs that more than the Four Millions is demanded in Commercial Discounts. In the Event of a very unfavourable Exchange, or of a high Price of Bullion, the Bank would even then restrain their Commercial Discounts till the Period, when the Government Debt is reduced.

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Mr. Samuel Thornton. 37. By what Rules does the Bank determine that a Circulation of Bank Notes to the Amount of 24 Millions, or to any greater or less Amount, is at any particular Period fit to be maintained?

By judging of the Effect of their Issues upon the Public. There have been Periods when, upon a restrained Issue of the Total Amount of Bank Notes, the customary Accommodation from the Bankers in London to the Merchants has been nearly stopped, and the only Means of raising Money has been upon a Sale of Exchequer Bills at a Discount, or borrowing Money upon Stock, at a Rate of Interest of 10 or 12 per Cent.

38. If these Considerations would operate at any given Period as a Reason for increasing the total Issue of Bank Notes, or for maintaining them at their then actual Amount, what Circumstances would the Bank consider as imposing upon them the Duty of lessening the total Amount of their Issues, speaking always of their Issues generally, and not of those on Discount only?

The Knowledge that there was Abundance of Money in Circulation, and consequently Speculations of large Extent going on in different Branches of Trade, would induce the Bank to restrain their Issues. Whenever the Abundance of Circulating Medium renders Money attainable to the Public much below the legal Rate of Interest, the Evil cures itself, as Merchants will not discount at Five per Cent. with the Bank, when they can get Discount at Four per Cent. from private Persons.

39. Do you consider the Increase or Diminution of the Demands upon the Bank for Discounts, as the Criterion by which you judge of the Abundance or Deficiency of the Circulating Medium required by the Public?

It is the best, but not the only Criterion; by no Means an infallible one; as in all Cases the Bank cannot distinguish whether the Demand is for legitimate Business, or for the Purpose of Speculation.

40. Is that however the Principle that mainly regulates the Bank in their general Issues?

Not exclusively; for Example, if a West India Merchant applies for Accommodation when there are no Fleets and no Products from the West Indies upon Sale, we have Reason to believe the Demand is not for genuine Business. With a Buyer at the East India Sales, if his Application is at a Time when prompt Payment is to be made, or Goods to be taken out of Bond, we are more liberal in our Advances.

41. Is the Increase or Diminution of Demands for Issues for real Mercantile Transactions, the Criterion by which you judge of the Abundance or Deficiency of the Circulating Medium required by the Public?

It is the best Criterion I know.

42. Do you know whether there has been more or less Overtrading within the last Ten Years than before?

At the Close of a long War there necessarily is an Extension of Trade, and more especially when new Markets are opened, as has been the Case since the last Peace, and by opening the Commerce to India to private Traders. I conceive the India Trade to be the Cause of a great Drain of Specie, as the Merchants concerned in it find the precious Metals the best Investments they can send out; and expecting a Profit on the Return Cargo, are more liberal than any other Persons in the Price they give for the precious Metals, which they buy up largely in their Transit to this Country. I know of no Criterion, by which to judge of Overtrading, but by the Number of Bankruptcies, which I do not know to have been more numerous than at the Close of former Wars.

43. The Question includes a Period antecedent to the Peace, and to the Trade to India being thrown open?

I think during the Time the Trade was carried on by Licences, it was pushed beyond the Demand of the Continent; and I know several Instances, in which there are large outstanding Debts from other Countries to Merchants of Great Britain, which will probably never be recovered.

44. The

(69)

44. The Question includes Domestic Trade?

The Two are involved together; inasmuch as the exporting Merchant sent out Manufactures, for which he was in most Cases responsible to the Manufacturer, and generally had to make Payment.

45. Are we then to infer that there has been an Overtrading?

I think during the Period of Licences there was, but not since the Peace, excepting the India Trade, which may have been overdone, but which will probably cure itself.

46. Do you think the large Amount of Paper in Circulation may have afforded any Facilities to that Overtrading?

I am of Opinion, that when Bank of England Notes and Country Bank Notes were at the highest, Manufacturers were induced to give an Extension of Credit to the Merchants, which induced them to enter into Speculations, which in many Instances turned out unfortunately.

Witness is directed to withdraw.

Ordered, That this Committee be adjourned till Monday next, at Twelve o'Clock.



(30.)

8

Die Lunce, 22° Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. WARD was called in again, and delivered in the Paper marked No. 5, containing a Plan for the gradual Refumption of Cash Payments, which was read, and is as follows :

Mr. Ward.

" I conceive that the Bank must act with excessive Caution whenever Refumption of Cash Payments takes place. It will find itself in a new Situation, and in a State of Uncertainty as to what Amount of Gold may be demanded. For its own Security it will probably reduce, and keep reduced, the Amount of its Notes to an Extent highly prejudicial to the Community, sensible, as it will naturally become, that it is indispensible to provide against the Effect of Panic as well as War, or any political Convulsion that may take place. Moreover, the Public has been so habituated to a large Supply of Bank Notes, that it cannot immediately dispense with the Accommodation they afford. To obviate these Difficulties, and at the same Time to approach the monetary System that formerly existed, the following Expedient is proposed, under the Conviction that the Refumption should have the Advantage of Leading Strings at first.

" I propose, that for a Period to be limited, Bank Notes should not be made payable in Cash on Demand. I propose, that all London Bankers shall be entitled to pay the Bank whatever Amount of Notes they please, and demand Cash in return at the Expiration of Three Months; this Period to be subsequently reduced as Circumstances may afterwards render advisable. The Advantages that may be expected to accrue from this Modification are as follows; viz. The Bank will not be in a State of Uncertainty as to what Gold will be wanted, and therefore will not excessively reduce its Issues, nor inconvenience the Public. People would not, on the Impulse of the Moment, return Notes to the Bank under the Influence of Panic, because they would have to wait Three Months, and before the Expiration of that Period they would ascertain that their Panic was ill founded. People would not return Notes on account of War or any political Convulsion, because that would be the very Time when they would most want Notes. The Loss of Three Months Interest would operate as a Seignorage to the Extent of 1 1/2 per Cent., without being accompanied by the Disadvantages to which a Seignorage is exposed. The most essential Advantage that would accrue, would be this: The very Circumstance of Notes being withdrawn from Circulation for Three Months, would operate a Reduction, and render the remaining Notes in Circulation more valuable, probably to an Extent that would again reduce the Market to the Mint Price of Gold. Moreover, if the Public were inconvenienced by a scanty Supply of Paper, it must vent its Displeasure on that Part of the Community that returned the Notes, and not on the Bank or Government.

Then he was further examined as follows :

64. Would it not be necessary, with a View to the Adoption of such a Plan as is proposed in this Paper, that certain fixed Periods and Scales of reduced Times of Payment should be established in the first Instance, for its progressive Operation, in the same Manner as is here done for its Commencement? Yes.

65. Can

65. Can you give the Committee any Information as to the Amount of Loans contracted for by Foreign States in the Years 1817 and 1818? Mr. Ward.

Mr. Ward delivers in the Paper marked No. 6, which is read, and is as follows :

" Statement of British and Foreign Loans contracted in 1817 and 1818. 1817. [The Exchange is calculated at 25 f.]

Table with columns for FRANCE, Francs de Rente, and amounts in £. Rows include dates (10th February, 11th March, 22d and 30th July) and contractors (Messrs. Hope and Messrs. Baring).

Table for RUSSIA, [The Exchange is calculated at 11 1/4]. Shows 28,000,000 Roubles in 6 per Cents at a rate of 82 1/2, totaling £ 1,106,875.

ABSTRACT of the LOANS of 1817.

Summary table showing total loan amounts for FRANCE (£ 12,041,364) and RUSSIA (1,106,875), with a grand total of £ 13,148,239.

N. B. In the Year 1817 no Creation of Stock took place in Great Britain, the Wants of the Year having been supplied by a Vote of Exchequer Bills.

1818.

GREAT BRITAIN.

In the Treasury Notices of the 14th, 17th, and 28th April, offering to the Subscribers of £ 11 Money and £ 100 3 per Cent. Stock £ 100. in a new 3 1/2 per Cent. Fund (such Subscriptions being limited to £ 3,000,000 Money and £ 27,000,000 3 per Cent. Stock) and giving to such Subscribers the Liberty of funding Exchequer Bills (or Money with 1 per Cent. as a Consideration for the Premium on Exchequer Bills saved by the Subscribers in Money) to an equal Amount with the Capital of the 3 per Cent. Stock subscribed by them,—it is stated that the Amount wanted for the Service of the Year would be £ 14,000,000 and that the Residue subscribed would be applied to the Reduction of the Unfunded Debt.

FRANCE.

[At an Exchange of 24d.]

Table showing loan amounts for France in May (14,600,000) and French only (12,400,000) at various exchange rates, totaling £ 15,014,166.

There has likewise been a Creation of Stock to satisfy the private Claims of Foreigners; viz.

Table showing claims for To England (3,000,000), To Spain (1,000,000), and To the other Parts of Europe (12,000,000) in Francs de Rente.

16,000,000 Francs de Rente, which are in a Course of Transfer to the Claimants.

Mr. Ward.

1818—continued.

RUSSIA.

[Exchange calculated at 12½d. per Rouble.]

67,000,000 Roubles were subscribed in per Cents at 85 - - - £2,966,145

PRUSSIA.

A Loan in English Money in 5 per Cent. Bonds, the Dividend payable in London, contracted for by Mr. Rothschild	2,500,000	a 70.	in 10 Payments from 1 May to 1 Mar.	1818	1819
	1,250,000	a 72½.	- - -	1 July to 1 May.	
	1,250,000	a 75.	- - -	1 Oct. to 1 Aug.	
	5,000,000				
	1,000,000		retained by the Prussian Government.		
	4,000,000		contracted for at the above Prices, averaging Discounts off 69¾ Cash -	£2,790,000	

AUSTRIA.

A Loan for 50,000,000 Fls. in 5 per Cents at 70. in English Money, about £4,100,000 (Contracted with Messrs. Hope and Baring.)

HOLLAND.

A Loan of 20,000,000 Fls. at 11/. - - - £1,818,181

NAPLES.

Some Stock has been sold by the Government, but to no Amount; nor has any been taken by the British.

ABSTRACT of LOANS contracted in 1818.

GREAT BRITAIN (Balance)	£14,000,000
FRANCE	15,014,166
RUSSIA	2,966,145
PRUSSIA	2,790,000
AUSTRIA	4,100,000
HOLLAND	1,818,181
	£40,688,492

66. Can you give the Committee any Information as to the Amount of British Investments in the said Loans, and other Foreign Funds, during the same Periods? (Mr. Ward delivers in the Paper marked No. 7, and says,) I must refer to Mr. Haldimand for fuller Information, not having any particular Information myself upon the Subject.

The Paper marked No. 7. is then read, and is as follows:

“ ESTIMATE of the Amount invested in the Foreign Funds by the British.

In those of France (omitting the Interest of the House of Baring, Brothers, and Co.) - - - £5,000,000

The exact Amount could not be ascertained even by the Treasury at Paris, no Account being taken, in the Transfer Books, of the Residence or Profession of the Investor.

In estimating the Amount paid to France, on account of Stock, a Deduction should be made for the Profit

made

Mr. Ward.

made by the English generally; very large Investments having been made from 55 a 65, which were realized between 75 and 80: the Profit could not be much short of £1,000,000.

The Periods, when the Purchases in French Stock have been MOST ACTIVE, were about the early Part of July 1817, and after the late Fall from 75 to 62.

The Interest of the English private Claimants on the French Government is not included in the above Estimate.

In the Russian Loans, amounting to about £4,000,000, it is supposed, by well-informed Persons, that the British may hold to the Amount of - - - £1,000,000

The principal Subscribers were the Dutch.

The House of Streglitz and Co. subscribed, on Commission, 21,000,000 Roubles, in the Loan of 1818. The same House imported 180,000 lbs. of Silver, and upwards of 3,000 lbs. of Gold, in 1818.

Some Part of the British Capital invested, was Money which had been drawn in or withheld some Years since, when the Exchange was high; and which had been deposited in the Loan Bank.

Of the Prussian Loan, it has been supposed that more than One Half has been sold in Amsterdam, Antwerp, and Germany.

Half the Loan amounted to - - - £1,395,000
Deduct 12 per Cent. Profit on the Half
sold Abroad - - - 167,400

£1,227,600

£7,227,600

In the Funds of

Austria, } It is not believed that the British have any
Naples, } Interest, excepting that which the House
and } of Baring and Co. have in the Austrian
Holland, } Loan.”

67. What Effect have those Loans and Investments had upon the Money Market of London and Paris, particularly during the last Year?

Bank of England Tokens had been recalled; and, up to the Middle of March 1818, large Sums were issued from the Bank in exchange for those Tokens. The Bank had likewise recalled some Millions of One and Two Pound Notes, preparatory to the then intended Resumption of Cash Payments. From the 16th of January to the 31st of August, £3,640,000 were issued here, in Gold, by the Bank, carried over and added to the Circulation of France, and Confidence increased in what was believed to be the Power of the French Money Market: enormous Speculation followed. From the End of August to the Middle of the present Month, only £1,600,000 have been issued here, in Gold, and Inconvenience to France has been universally felt. Considering Part of the Financial Difficulties of France to be traceable to the above Source, I anticipate that, unless the French Market materially improves, very little Gold is to be expected to arrive from thence or from other Places; as the French Market will materially interfere with the Ability of the Bank to provide Gold.

68. What do you mean by the above Source?

The diminished Supply of Gold from England. They are wanting Gold from us, while we are wanting Gold from them.

Witness is directed to withdraw.

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Then

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Then Mr. THORNTON was again called in, and further examined as follows:

Mr. Thornton.

47. Were there any material Variations in the Market Price of Gold Bullion, between the Coinage in 1773 and 1774, and the Restriction Act of 1797?

Without having the Table of Prices before me, I am unable to answer that Question with Accuracy; but at the early Periods of my Engagement as a Bank Director, I know the Price of Gold to have been occasionally above the Mint Price, and to have occasioned considerable Alarm among the Directors. I may add, that in 1783 this Advance of the Price of Bullion occasioned so considerable a Drain of the Specie then in the Bank, as to induce the Bank to withhold any Advances to Government, or to make the Payments on the Loan of that Year, as they had been accustomed to do in other Years during the preceding War. In the course of 78 Years before 1796, the Market Price of Gold exceeded the Mint Price during the Period of 49 Years, and it was at and below the Price only 28 Years. During Part of that Period the current Coin was supposed to be very defective in Weight; it was restored by the Re-coinage, which was begun about 1772.

48. Would not at that Time a very trifling Excess of the Market Price, above the Mint Price, necessarily bring in Bank Notes to the Bank, to be exchanged for Gold?

I think an Excess of about Three per Cent. would do it, because that would be about the Charge of sending it Abroad.

49. Do you know what is the present Charge of sending Gold Bullion to Paris?

I cannot say with Accuracy, but considerably less; inasmuch as if Exporters send out British Coin, they make no Insurance, to preserve the Secrecy of the Transaction; which is not done when it is intermixed with large Exports of Foreign Bullion.

50. If the Price of Gold since the Restriction entered into the Consideration of the Committee of Treasury, as you have stated it invariably did into yours, in determining the whole Amount of Bank Notes intended to be kept in Circulation, how do you account for the large Issues in 1810 and 1811, when the Market Price so much exceeded the Mint Price?

I believe I stated, in an Answer to a former Question, that the Market Price of Gold and the State of the Exchanges were a leading Feature in determining the Judgment of the Bank, but not the exclusive one. In the Years 1810 and 1811, there was a great Reduction in the Amount of Country Bank Notes, and a Call upon the Bank of England for an Issue to replace them, which, under the then Circumstances of the Country, they thought it right to comply with. Their Advances to Government were also increased at the latter Part of these Years.

51. Does then the greater or less Degree of Credit of the Country Banks, at any Time, enter into those Considerations which determine the Amount of the Bank of England Notes intended to be kept in Circulation at any particular Period?

When the Bank of England has increased the Issue of its Notes, to replace those of Country Bank Notes which were withdrawn from Circulation, or for the Relief of any particular District, it has almost invariably been done upon the Application from the District in question, upon Security being given to the Bank from respectable Individuals, who have guaranteed such temporary Advances to the Country.

52. You have stated that the Advances to Government were also increased in the Years 1810 and 1811; was that done with a View to the Public Service, or to the Profit of the Bank?

With a View to the Public Service.

53. Why was so much greater an Advance then necessary for the Public Service?

It was a Year of great public Exertion, and it would have been difficult to have raised the necessary Supply from the Public at large.

54. Was it for the Purpose of facilitating the Payment of the Expences of the War?

It is not the Province of the Bank Directors to investigate minutely the Expences which are incurred for the Public Service; but knowing generally what were

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were the Exertions of that Period, and the Difficulty of raising Money, but from the Bank, they thought it incumbent upon them to accede to the Applications made by His Majesty's Government, although they would rather have reduced than increased the Amount of their Issues.

55. Why would you rather have reduced than increased the Amount of your Issues? Because it has been the general Wish of the Bank to keep their Issues at as low an Amount as the Circumstances of the Country would admit. Though their Profits are always proportioned to the Amount of their Issues, I can assure the Committee, the Consideration of Profit has in no Instance to my Knowledge, in this Particular, influenced their Conduct.

56. Can you state then upon what Grounds, at the same Period that the Bank found itself called upon to meet an increased Demand for Issues to the Country Banks, and for Advances to the Government, it at the same Time increased its own Investments in Government Securities, by the Purchase of Exchequer Bills?

The Increase of Investments in Government Securities was made by Purchase equally for the Service of Government, it being the invariable Practice of the Bank not to purchase Exchequer Bills at such Time as the Public Market will of itself take them.

57. Did the great Exertions and Expences of the American War receive much Assistance by Advances from the Bank, or require any great Increase of Bank Notes, in order to meet the great Expenditure of that War?

Without being able to state Particulars, not being then a Bank Director (though then in Business), I have no Doubt the Bank made every Advance in its Power; and I know it was the Channel through which Messrs. Harley and Drummond, who were the Agents to supply the British Army with Specie in America, were principally supplied with that Article.

58. Do you know whether, in point of Fact, the Issue of Bank Notes increased during the American War?

In 1779 the Amount of Notes was £6,000,000, and they increased in 1780 to £8,400,000; in 1782 they were £8,000,000; and in 1784, after the Peace was made, they were reduced to £6,000,000.

59. Did the Bank purchase Exchequer Bills, during the American War, beyond its Advances on the Supplies?

I would observe, that Exchequer Bills at that Time, and many Years after, were never payable at any regular Period, and were sometimes outstanding and unpaid for a Period of from Two to Three Years. The Effect of this Uncertainty placed them at a very high Discount; the Bank purchased occasionally to relieve the Market, but I believe not to any very great Extent.

60. Do you consider that Portion of Exchequer Bills in Possession of the Bank, which it holds by Purchase, as forming a Part of its Resources within its own Controul?

Certainly within its own Controul, but not equally so with Commercial Discounts, which revert every Two Months. Exchequer Bills by Law are now payable progressively, according to their Date; and I conceive Bills purchased and held by the Bank may be demanded in Payment, equally with those held by private Persons.

61. If, therefore, the Total Amount of Bank Notes in Circulation were at any Time greater than seemed to the Bank to be desirable, either with a View to general Convenience, or specially with reference to the Course of Exchange, the Bank has not, for many Years past, had it in its own Power to diminish that Amount, without lessening its Issues upon Discount?

I am of Opinion, if the Bank had withheld its Purchases of Exchequer Bills, it would have had a proportionable Application for Discounts; and that no Motive, but a Desire to contribute, as far as they could, to the Interest of the State, would induce the Bank to purchase Exchequer Bills which paid an Interest of Three per Cent, when they would otherwise have issued their Notes upon Discount, paying an Interest of Five per Cent. This Statement is founded upon an Opinion, that the Public at large could not have taken the same Amount of Exchequer Bills, if the Bank had not furnished a Circulating Medium which enabled them to do it.

62. Would

Mr. Thornton.

Mr. Thornton.

62. Would it therefore have been more profitable for the Bank, had that Portion of its Capital been employed in Mercantile Discounts, rather than in the Purchase of Government Securities?

It undoubtedly would.

63. Are there any other Considerations which would have led the Bank rather to prefer the Employment of their Capital in Mercantile Discount, than in the Purchase of Government Securities?

I am of Opinion there will rather be a Convenience in a Part of the Bank Capital and its Notes being invested in a Security of longer Duration than that of Commercial Discounts, which revert every Two Months. But the Objection to holding the large Sum, which the Bank has occasionally done, upon Government Securities, is the Uncertainty of Payment, and their having been occasionally obliged to convert such Securities into Stock. In Two Instances in which they funded Navy and Exchequer Bills, the Bank found it impracticable to sell the Stock of which they had so become possessed. The same Inconvenience occurred in the Loyalty Loan. The Bank had no Resource, but to distribute these Sums among the Proprietors; while the ancient Dividend upon their Stock was continued.

64. What is the Course adopted by the Bank in the Purchase of Exchequer Bills?

For many Years the Bank purchased as any Individual would do in the Market; having given their Broker Directions, whenever there was a Declension of Premium at which they were selling, and much more if they came to a Discount, to buy up the Superfluity of Bills which occasioned such a Depression. This Practice prevailed more particularly antecedent to the Payment of each Quarterly Dividend; when by Payments into the Exchequer, Money had become scarce. Of late Years it has been the Practice of the Chancellor of the Exchequer to send a Letter to the Bank Court, requesting them to purchase a given Proportion of Exchequer Bills, which are brought to the Bank for safe Custody, till they are offered for Sale; and the Bank Court accede to or decline the Application, according to their Judgment; it being always understood, that as the Bills are sold at a Premium in the Market, and the Bank only takes them at Par, the Government Broker, who, as a further Excitement to his Exertions, gets no Commission on the Bills sold to the Bank, will do his utmost to sell as great a Proportion as he can to the Public.

65. If the Bank is influenced in the Amount of its Purchases in Exchequer Bills, by the Circumstance of their Rise or Declension in the Market, must it not necessarily be a Departure from what you have stated in your former Examination to be the general Policy of the Bank, viz. that of dividing its Issues for Discounts, and for Government Securities, nearly in the Proportion of one Moiety to each?

The Practice to which I have alluded prevailed chiefly when the Issues of the Bank were at a much more limited Amount than of late Years. The Purchase of Exchequer Bills have latterly been made almost exclusively upon the Application of the Chancellor of the Exchequer, in the Manner described.

66. Was the Increase in the Purchase of Exchequer Bills, between August 1817 and February 1818, to the Amount of above £1,200,000, in consequence of the Application of the Chancellor of the Exchequer, and were they bought at Par?

I have no Doubt they were all upon Application of the Chancellor of the Exchequer, and certainly were bought at Par. It was much the Wish of the Bank not to have increased the Amount of its purchased Bills, since it made, for Two Years certain, the Advance on the Loan of Four Millions in the Year 1816; and these Purchases were made in Expectation that these Bills would be paid off when due.

67. What were the grounds of the Desire then felt by the Bank, not to have increased the Amount of its purchased Bills?

An Opinion that it was desirable to have a great Proportion of their Funds within their own Controul, at the Time they might have occasion to resume Cash Payments. The Period fixed for the Repayment of the Loan of Four Millions was expressly stated by the Bank to be with a View to that Object.

68. Will you restate your Opinion, as to the Amount of the further Repayments of the Advances to Government which would now be necessary, as far as depends

Finance.

The following Hints are addressed to All Land-Owners, Merchants, Bankers, Traders, and Others, to whom the Welfare of the Poor and the Prosperity of the British Empire are Objects of real and heartfelt Concern.

"Men in their Bargains contract not for Denominations or Sounds, but for the intrinsic Value."—LOCKE.

CURRENCY and STERLING.

HAVING, in my late treatise of "English Finance, with reference to the resumption of Cash-Payments at the Bank," shown the mode or process by which our metallic-circulation became displaced insensibly (though not injuriously) by paper, I here remark generally, that a depreciated currency is synonymous with high war-prices—a currency of sterling value with low prices, naturally the effect of peace.

HIGH TAXES with LOW PRICES.

The Interest of a Debt borrowed under high war-prices, cannot by possibility be paid under low peace-prices—i. e. high war-taxes cannot be enforced from low peace-prices, without ruin to the whole community!

During the late war Nine Hundred Millions* of Debt were borrowed in depreciated currency, to pay the interest of which debt, taxes were levied (on all the various products of national industry) by a high war-standard of depreciated currency—so depreciated, as to equal the difference between the price of wheat under a war-average of (about) 14s. the bushel, and the peace-average of 6s. or 7s.—that is, in a currency depreciated one-half or 50 per cent., in respect not only of wheat but manufactured goods likewise; all things, during the late war, having assimilated themselves by the same (false) war-standard as well of taxes as prices, in both cases represented by a depreciated paper currency. Under these circumstances, the actual debt so contracted (instead of nine hundred millions) would, in sterling coin, amount only to half that sum.

Bank-Paper, therefore, though commonly viewed (only) as a sign of Credit, is to be considered equally a sign of Debt also: that is, it is a sign of debt on the score of Taxes, and a sign of credit on the score of Prices. Being therefore a sign of debt by the rate of 20s. on the score of taxes (the war-standard of wheat being 14s. the bushel), it is impossible, as it would be unjust, to pay 20s. on such score of taxes, with 10s. on the score of prices—taking the bushel of wheat at six or seven shillings, other products (by the peace) sinking nearly in that proportion.

* Mr. Vansittart—"Nine Hundred Millions were borrowed during the late war."—TIMES, May 14, 1819.

CASH-PAYMENTS.

To exact payment of the English pound-note at the par of twenty shillings sterling value (i. e. with low peace-prices) is to enforce high war-taxes from low peace-prices; in other words, it is virtually to double taxes, as to our own ability to pay them. Hence, a Corn-Bill (which, to be truly efficacious, should have raised the price of wheat—not to ten merely, but fourteen shillings a bushel, provided the same could have been done without ruining our manufacturers, which we know it could not! seeing that a corn-bill, though it raises the price of wheat, does not raise the price of manufacturing labour, but, in fact, depresses it!) imposes a most unjust and cruel burthen of 30 per cent. additional duty on the price of bread, in respect to that of labour, in most of our manufacturing districts; where, from this cause more immediately, the Poor are literally starving—in a state of discontent naturally bordering on rebellion!—or else, emigrating by thousands to avoid an extremity of wretchedness, which they experience (in England) to be certain and unavoidable.

On the contrary, nominally to reduce the pound-note from twenty to ten shillings, and therewith all taxes and prices so much, (taking the war-average)—thus fixing the real value of money by annihilating the false and ideal value of Paper! would afford relief to Agriculture equivalent to a protecting price of fourteen shillings the bushel of wheat; while, the actual selling-price of wheat being thus reduced to (about) six or seven shillings a-bushel, by the previous reduction of all taxes and prices 50 per cent., (a fixed money standard being restored, by a perfectly free trade in corn!) the same equivalent would be likewise afforded to all our other trading and industrious classes, in the same manner as would be thus afforded to the land;—low taxes and low prices being (as to profit) the same as high prices and high taxes—the former, during peace, being uniformly attainable, the latter not.

PUBLIC DEBTOR and CREDITOR.

Upon the foregoing principle, all public creditors of government, including fund-owners, army, navy, civil list, and so forth (as well as every pre-

sent holder of an English pound-note), would receive a fair equivalent, in common with all other classes, to meet the nominal or apparent diminution of their incomes. Whereas, they are now receiving, and have been so ever since the peace, money of nearly double value in respect to the market price of labour—out of the proceeds of which, through taxes, all such government incomes must be ultimately paid! Instead, therefore, of receiving unjustly, as at present, nearly double what they ought to receive out of the profits of (or from capital employed in) industry—thereby ultimately annihilating their own permanent source of revenue (national industry), causing likewise ruin to thousands of individuals,—I say, the fund-owner, by thus restoring equal comfort and security as well to himself as others, would avert (without sustaining any loss or injustice whatever) the threatened ruin which must otherwise soon inevitably overtake him. To expect that FUND SECURITY should remain (or even the government itself) independently of our national industry! were to expect the scaffolding would stand after the props which supported it have been taken away.

Blindly insisting that bank-paper (no matter how soon or how late) shall be paid in sterling money and at par, we neglect to take into account the following simple and undeniable FACT: that in every instance, were bank-paper to be so made payable in specie and at par, such specie must ultimately come, in some shape or other, out of our own pockets, through the channel of taxation; and not (as we absurdly imagine) from the coffers of the Bank of England! forgetting, that while ALL claim the revenue of taxes (and without taxes there could be no available revenue, as at present, to the community at large!) those taxes, before they become revenue, must (to be really and truly productive) arise wholly from ourselves—either as the profitable result of productive industry generally, or else from fixed capitals of some kind or other:—in fact, Taxes do now actually so arise, and that in the most unequal and unjust proportions, to the ruin of those who pay them.

BANK OF ENGLAND and SPECIE.
The Bank of England are so far distinct from the Government, as being an independent chartered company of itself; having (necessary) power to manage, in the best possible manner for the public good, the money transactions between government and the community, of the greatest commercial nation in the world: having also private funds of their own (like any other company of bankers), they are of course at liberty to trade with those funds, in whatever way shall seem most for their advantage, either with government or otherwise. In this re-

spect, then, they ARE a distinct body: but, in respect of the national taxes, they are NOT a distinct Body; being implicated in the present question in common with the whole community. The interest of the Bank, therefore, and the interest of the nation (in respect of taxes!) is one and indissoluble:—the true point at issue being—not, whether “the Bank” can pay in specie (of which there can be no doubt, as far as they are pledged to do so, in their private capacity of a banking company)—but, whether the People can pay their taxes—high war taxes with low peace prices—twenty shillings on the score of taxes, from only ten shillings by the sale of produce! This, I say, is the true point at issue, between government and the community: between the public debtor and the public creditor; between the payer of taxes and the receiver of taxes; between the industrious who supply, and the merely idle who consume! And though we talk (like a set of madmen as we are) of compelling “the Bank” to pay their notes in specie and at par, the Public—We, the People! in our own dear persons—each in his individual capacity—and each (ultimately) in due proportion to the extent of his means and ability (whether possessing one single pound-note only in the world, or possessing ten thousand pounds a-year in money, land, or trade)—We, individually or collectively, must furnish the Bank through government (that is, through Taxation!) with means to enable it so to pay them. But, thus to pay 20s. in taxes from only 10s. worth of produce, would as certainly ruin the Bank of England (and indeed every other bank in the kingdom) as it would the whole community, from first to last. Already, from the bare contemplation of the measure, thousands of our industrious little farmers and tradesmen, and millions of our patient, virtuous (and too often grossly calumniated) poor are, with their families, now reduced to the most complicated and heart-rending distress.

NEW TAXES.
Wretched and abominable policy! of imposing, under the above circumstances, three millions of additional taxes, by reason of a deficiency* of fourteen millions in the revenue of the current year; as though an already too heavy burthen were made easier by still further increasing its weight. [It will be observed that, instead of adding fresh taxes, the plan

* The Marquis of Lansdowne lately observed (without contradiction in the House of Lords)—“that calculating the improvement of the revenue to the fullest extent, it would not exceed 53 or at most 54 millions, while the expenditure amounted to 68,000,000. Thus, notwithstanding the improvement which now formed a subject for their lordships’ congratulation, there would remain a deficiency of 14 millions!”—TIMES, Jan. 22.

of this writer proposes a REDUCTION of every previously existing tax, by the full rate of ONE-HALF!] It is true, the Public have since witnessed a statement by the Chancellor of the Exchequer’s making a surplus of about 2 millions—but this includes the sinking fund. On the other hand, it is to be remarked, that we have just witnessed a new loan of twelve millions, in addition to the above imposition of new taxes on our already starving population. In his great wisdom, Mr. Vansittart says of the new malt tax, that one-third only will fall on the poor consumer: the maltster, forsooth, will pay two-thirds from his own pocket! Can it possibly have happened, that the Chancellor of the Exchequer does not know that the maltsters are already half ruined by bad debts, and the loss of general consumption

§ I must here be allowed to caution the country, against the false assumptions of this right hon. gentleman—giving him, at the same time, full credit for the most pure and upright intentions! Mr. Vansittart apparently confines his ideas of National Prosperity, to a state of what is called “the money-market.” We are told, perhaps, that “stocks are on the rise”—that “exchequer-bills are in high demand”—that even “the revenue has increased considerably, over the corresponding quarter of last year.” All these accounts, admitting them to be literally correct, may yet argue the most direct reverse of true national prosperity, whether as it regards the trade, the agriculture, or the finances of the country. But, what is the actual state of the labouring (and more especially, of the manufacturing) Poor? In respect of the market-price of labour, they are subject to a most iniquitous and cruel law, enhancing the price of bread nearly 50 per cent. I call the Corn-Bill most iniquitous and cruel—I add, most impolitic, also! because it does not adequately relieve the land—because it affects not to raise the price of manufacturing labour (which, in fact, it cannot do) so as to meet the artificial advance of corn—because, by the mode here suggested, a full relief might have been afforded to the land equal to 14s. the bushel of wheat, WITH EQUAL BENEFIT to all the trading and industrious classes, likewise without injustice to the land-owner!—because it excites and encourages, between the landed and commercial bodies, a feeling of jealousy and opposition most injurious to the common welfare of BOTH!—and lastly because, leaving the poor in their present wretchedly impoverished condition, working (in some cases) ninety-six hours weekly at the small pittance of 2s. 6d. (still subject, from the corn-bill, to a tax of 50 per cent. on bread!) it operates most powerfully to alienate the minds of the people from their legitimate duty; to destroy all order, peace, and harmony in society; and ultimately, to involve the country in all the horrors of anarchy, civil discord, revolution and blood! When Mr. Vansittart’s notions of prosperity are liable to NONE of these objections; when the poor have full employ, and crimes thereby diminish; when his views have been so extended as to embrace the whole PANORAMA of our rights and duties, in one connected and unbroken series; when he exhibits to the country a ‘System of Finance,’ on the principle of reducing ALL TAXES ONE-HALF, taking his own income first, as the basis of such a system: then, but not till then, will his hopes of prosperity be realized—then will the people hail “his system,” AS THE GLORY AND SALVATION OF THEIR COUNTRY!!

on the useful article of beer—the effect of an absorption of more than a hundred millions of capital which our excessive taxation has already produced, to the ruinous impoverishment of all the poorer classes? But, in fact, taxes on articles of prime necessity must fall on the poor consumer; and Mr. Vansittart ought to know, that his notion of thus taking a million from the pockets of any one class exclusively is not more absurd and unstatesmanlike, than it is partial, illiberal, and unjust.

CONTRACTION of the CURRENCY.
The Public are respectfully invited to compare the 5th chapter of a recent publication entitled “English Finance” (first written two years ago) with the late petition of those respectable merchants, bankers, and others, at the City of London Tavern—against the Resumption of Cash Payments, on account of the mischief justly “apprehended” from a forced contraction of the currency or circulating medium of the country. It will be there seen that this evil, at length beginning to be apprehended, was shown to have existed in gradually increasing operation ever since the peace; that, at this time, a loss or absorption of the currency has taken place (or rather a diminution in the disposable value of all property, in respect of taxes!) by the amount of more than a hundred millions; and, consequently, that by double that amount, the wretched inability of the people to pay taxes is increased—all the various sources of agricultural, commercial, and financial revenue being diminished in like proportion.

MONEY of INCREASED VALUE.
“Men, in their bargains, contract not for denominated nations or sounds, but for the intrinsic value.” We (at present) legislate, as though the opposite had been true: that is, as in respect of taxes we levy them by one standard and enforce payment of them by another standard—so, in respect of manufactured produce (of manual labour generally) we enforce taxes by a money standard nearly of double value! We legislate with wonderful caution and tenderness for the public creditor, in which light (only) every man absurdly views himself—not considering that before bank-notes (his nominal wealth!) are paid at par, 20 shillings (on every note) must be paid in taxes, to enable government so to pay them; while, in respect of the poor mechanic and artizan, whose labour a corn-bill renders ultimately chargeable with the chief burthen of taxes (seeing that while it raises the price of bread, it suffers labour to find a market level, which that very artificial price of bread tends to depress daily more and more!)—I say, with respect to the poor man, who has nothing to sell but his labour, we impose a most unjust and cruel tax of

30 per cent. to increase the price of his daily bread. [We raise the price of bread at home, by the difference which a corn-bill produces between its actual selling price (subject to all the accidents of our own most uncertain climate) and that which it would otherwise obtain, as the market price of Europe—between ten shillings in the one case and only six or seven in the other.]

LOW-PRICES, RELIEVING ALL CLASSES EQUALLY.

On the other hand, adopting the low-price system, under a reduction of all taxes 50 per cent. (paper, properly, being as much a standard of taxation as of price—a sign of debt as well as of credit) an equivalent would be afforded to the corn-grower equal to 14s. a bushel; while a reduction of all taxes and prices, would ensure bread to the poor man (with a certain supply both of food and labour) at a reduced price of full 50 per cent. under that which remunerates the corn-grower at present. On manufactured goods likewise, a reduction of all taxes, with a perfectly free trade in corn, would afford the same kind of relief as raising prices fifty per cent. or rather, with low peace-prices, it would afford the same profit as a high war-average of prices: at the same time, low prices universally would ensure the British merchant a full command of the entire commerce of the world. I here challenge the whole nation, to disprove me these assertions! I challenge every man, as he values his own individual interest—I challenge him, as he values the happiness of the poor, nearly bordering on STARVATION, in our northern manufacturing districts—I challenge him, as he loves and values the safety of his country—now fast tottering to ruin! I challenge—or rather, invite respectfully the aid of every upright and intelligent member of the community, to direct with ardent and persevering diligence his attention to this vitally important subject, on which our COMMON SAFETY HANGS.

BANK ISSUES.

Much has of late been heard about the necessity of "compelling the Bank" to restrict its Issues: the whole of the late reports, on the question of cash-payments, turn upon this egregious fallacy. "We must restrict the bank-issues"—that "will lower the exchanges"—the Bank will then "be able to pay in specie"—ergo, "we shall have a fixed standard," &c. &c. Now, what do we mean by "restricting bank-issues?" Are we such idiots as not to see, that a Corn-Bill raising artificially the price of corn (by any amount), compels an increased issue of paper, exactly to that same amount? If, in one case, fifty pound-notes will represent a hundred bushels

of wheat, a corn-bill doubling (or raising to any amount) the price of wheat—Does it not compel a hundred pound-notes to perform an office which fifty performed before? and is not bank-paper (the whole amount of our circulation) thereby increased artificially, as the natural consequence of such increase of price? Of what absurdity, then, are we not guilty! We call an effect an evil; we produce that evil, by an act of our blind legislation—raising artificially the price of corn: and then, the next moment, seeing the effect which, if a corn-bill were at all effective, it could not fail of producing (and in which, its whole benefit consisted—increasing the amount of currency which had become too contracted before, from the reduction of all prices at return of peace)—having, I say, produced this evil (for, while a corn-bill affects to relieve agriculture, it really depresses it by impoverishing the trading and industrious classes!) we turn round upon the bank-directors, as well as upon all the country-bankers in the kingdom, and basely charge Them with the effect of our own most egregious folly! Had we not evaded or grossly misunderstood the question from beginning to end, we must have perceived that prices will ever regulate the amount of currency in circulation, rather than that any voluntary issues of the bank will cause an "increase in the amount of price." We are thus ever mistaking cause for effect. No banker is such an idiot, as to force his issues upon the country; the very act of doing so must quickly ensure his ruin! If his issues really increase (beyond what the necessities of fair trade demand), it can only be in conformity with an artificial increase of price on those articles which constitute the basis of his security, at the moment that he furnishes the required accommodation;—and, without such accommodation, neither could our trade be carried on, our taxes be paid, the fund-owner receive a sixpence of his dividend, nor the poor (by honest means) procure their daily bread! In all cases the difficulty of paying taxes will increase or diminish, according as the currency by this or any other mode is thus made to increase or diminish; and, if we persist in our absurd notions, of the necessity of curtailing or restricting the currency—by expelling the smaller bank-notes from circulation (or by any other mode than that of reducing all taxes, in the manner before proposed—that is, by annihilating the false and ideal value of paper!) we shall increase the people's wretchedness ten-fold, by adding to the bulk of taxes in proportion as we hereby diminish our means of paying them—either in whole or in part! By referring to the work above-mentioned (chap. 5.) we shall also see the natural

process by which 'a contraction of the currency' HAS taken place, without legislative interference; and, further, the ruinous effect which that same contraction of currency has produced on our trade generally, and on the comforts and moral habits of the poor! And I will here also take leave to recommend a comparison of the evils which are there traced to have originated from this source, with the actual state of our manufacturing poor (at present) in nearly all the northern districts.

EXCHANGES.

Again, with respect to "Exchanges." A rise of prices—of wheat, for instance, depreciates money in respect of wheat; that is, the corn-bill says, so much money shall not purchase more than a given quantity of wheat—it shall, in fact, purchase less than it would have purchased, had no corn-bill existed—had corn, under the operation of a perfectly free trade with the rest of Europe, been suffered, like labour and most saleable commodities, to "find its own level:" but which, we know, retaining our present undue burthen of taxes, would, in that case likewise, have ruined the whole kingdom. Thus, however, is bank-paper, in respect of wheat, made to suffer depreciation;* but gold as well as paper is also depreciated, by our absurdly attempting to confound depreciated paper with sterling coin; which

* In a debate on the Reports of the Bank Committee, Mr. Alderman Heygate had the hardihood to affirm, that—"his own extensive and unremitting research had convinced him, not only that no depreciation (of our currency) did exist, but that it never could exist!" The same egregious nonsense may be traced through the whole of the late discussions; there being scarcely a speaker, in either house, whose opinion is not often contradictory with itself, as it also is with truth, with policy and common sense. A Statesman high in the financial department of government lately remarked, with reference to the present question, that "the subject was too complex and difficult to legislate upon!!" What! Are we to hear of difficulty, when Justice is the thing demanded; when land, when trade, when industry is virtually double-taxed? Are we to think any thing a difficulty when, from the lost demand for labour, WITH AN ARTIFICIAL PRICE OF BREAD, the Poor are literally starving? Has Mr. Vansittart forgotten the late benevolent appeal of an hon. member for Coventry; and are we, in patience, to be told "of the difficulty of legislation?" Mind ye, good my neighbours! your relief is at hand; a small matter more of Taxes—only THREE MILLIONS! and you shall eat, drink, and be merry to the very ending of your days!!!

† One great cause for supposing that paper is not depreciated, arises from the circumstance that gold and paper are often seen to pass indifferently, at the same nominal value. But this only proves that a depreciation which properly belongs to paper, is (by our infatuated legislation) made equally to attach to gold! We say (absurdly, indeed) that paper, originally representing a certain amount of taxation and a certain amount of price, shall now represent a double amount of one and only half an amount of the other. The gilded

sterling-coin, by a sort of bounty to do so, is thereby immediately inclined to leave the kingdom—as water, by a law of hydrostatics, spontaneously seeks its own level.

MONEY-STANDARD.

With the same shameful disregard as well to facts as principles, we talk of the necessity of FIXING (what is called) the "money-standard." A money-standard however, strictly speaking, is a mere comparative term—there being no such thing existing in the world as a money-standard absolutely and invariably fixed. The value of real money—the precious metals! is always relatively as to supply and demand: it must needs, therefore, always fluctuate with accidental circumstances; but these fluctuations, in the value of the precious metals, are of very little consequence, under the more ordinary transactions of social life. The ruinous fluctuation I here wish to speak of, concerns that which has of late years been too commonly confounded with real money—I mean, currency in bank-paper. This latter, however, notwithstanding the mischief we have entailed upon ourselves, by neglecting to consider it, as in all cases it ought to be, a mere sign of value, representative of some transferrable convenience either absent or present at any given time (and which I conceive to be a true definition of the real use of money!)—notwithstanding that, by disregarding this fact, we have of late years violated all bargains, rendered every subsisting contract usurious, and virtually doubled all taxes!—I say, notwithstanding these evils, the advantage, which paper possesses over the precious metals as a medium of convenient interchange in a great commercial country, is infinite—indeed, hardly to be expressed! It is cheaper, less wasteful, more portable, more safe, and (which constitutes the very essence of perfection, in money!) it possesses the property of spontaneously contracting and dilating itself, to meet all accidents of price—thereby serving as a balance both to want and supply. Indeed, bank-paper (the source of free trade and of public credit) may be rightly termed,

pill, however, is swallowed greedily—because every man looks only to the credit side of his account; forgetting, that he owes (on taxes) double his former amount of capital, out of which only (to receive his notes at par) his now double rate of taxation must be ultimately paid. So long, therefore, as we continue to shut our senses to the naked truth, viewing bank-paper as a sign of credit only (omitting to view it as a sign of debt, also) so long may we expect the same delusion to last, in this country, at least;—so long will the depreciation of paper fall more or less on corn;—so long will taxes remain virtually doubled, in respect of the market price of labour; and, consequently, so long will the difficulty of paying those taxes (with proportionate pauperism and wretchedness) daily more and more increase.

what I have elsewhere described it [*Sic Cris*], "the mechanism of industry infinitely multiplied." How, then, with those advantages belonging to a paper-currency—how happens it, that such mischief should have accrued from its adoption in this country, as that which has been witnessed to exist? Because, knowing, as we must do, that with low peace prices high war taxes could not be paid (knowing, that 10s. would not pay 20s.)—knowing this simple fact, which every school-boy would have deserved whipping for, if he had not known it! we have gone on year by year without once considering what means were necessary to counteract the mischiefs which must inevitably result from it: and, last of all, we have taken the only certain means to destroy the specific value of ALL money—gold as well as paper! We say, "our issues have been too extensive." Why, have they been too extensive? Because, during the war, all prices were artificially enhanced; and, of consequence, increased issues of paper necessarily followed that enhancement. At return of peace, "bank issues were contracted," "gold rushed plentifully into our market"—ergo, (say the Bullionists) "contract the issues," and we shall have gold to resume payments in specie and at par." The bank issues "were contracted"!—How? By the fall of prices. That which, during the war, required a hundred pound-notes to represent a given quantity of wheat, or a given quantity of cotton or iron goods, now required only fifty; and, accordingly, at the return of peace, fifty pound-notes supplied the place which a hundred had supplied before. But, what was the consequence of this contraction of our issues of bank-paper—which, in fact, was not confined to the Bank of England, but chiefly operative on country-bank-paper throughout the whole kingdom? Why, the consequence (as all know, though few perceive the cause!) was ruin to the farmer, ruin to the tradesman, ruin to the land-owner, ruin to the common labourer. And, why so? Because taxes became virtually doubled in respect of all other properties; because the value of paper, heretofore the medium of taxation as well as of price, had now changed its relative value in respect of the one but not of the other: and hence, double the quantity of corn and cattle, double the quantity of linen and cotton, double the quantity of diminished rent, and double the quantity of manual labour must now be sold! before the same number of bank-notes can be obtained, to purchase the same relief from taxes as when those taxes were first levied upon those properties respectively. But, had each and every pound-note been suffered to pass at its true specific value of ten shillings instead of twenty (thereby annihilating

all taxes, one half—recognizing our just debts, rescinding the artificial and nominal portion of them)—then, would the same quantity of farming produce, the same quantity of cotton, silk, linen, or iron goods, the same nominal amount of rent, the same quantity of daily labour, each and respectively have procured the same nominal amount of money; and, consequently, such money continuing as heretofore the same medium of taxation as well as of price (though differently denominated), all persons—as well those who pay taxes as those who receive from taxes, all consumers as well as all producers, would every one have been preserved in the same relative condition as that in which they had previously been placed. A system of low prices being thus established throughout the country, our commerce would have stood unrivalled; the quantity of convertible wealth would daily have been augmented; while the real burthen of taxes would gradually have grown lighter, as consumption increased and general comfort improved. But—What have we actually done? We have, 'tis true, given a partial relief to agriculture, but it is only a partial and inadequate relief; and yet, partial and inadequate as that relief is, the land without it must have been starved. But, unless we could have raised also the price of all manufactured goods and of daily labour in proportion as by a Corn-Bill we raise the price of bread, we merely serve the farmer at the expense of the cotton weaver; and thereby violate the first principle of government, which is—EQUAL JUSTICE TO ALL! In respect of those who live by taxes (including all who come under the heads of fund-owners, army, navy, civil-list—as likewise every holder of bank-paper in the kingdom!) all are still receiving in value (from those who pay taxes on consumption without deriving the same bounty from government, which a corn-bill bestows upon the land) double what they heretofore did receive, and double what in common justice they at the present time ought to receive! And thus it is, that our poor manufacturers (who, in truth, bear the ultimate burthen in its greatest accumulation) are starving; or else (naturally) seeking their own remedy, by means most appalling to others—most destructive to themselves! Shall we, then, look indifferently on, hear with insipid calmness their patient (though deep) complaints, see the flames of discord burst into active and interminable fury? when, by an act of common justice one amongst another, every evil may be speedily removed—every anguish mitigated and assuaged!

BANK-NOTES under FIVE POUNDS.

Admitting the resumption of cash-payments to be finally determined—though, without reducing ALL taxes fifty per cent. I pronounce it to be impossible, as (to the public debtor) it would be most cruelly unjust! a seeming kind of necessity is produced, for "contracting" by forced legislative enactments, the issues of bank-paper. Mr. Vansittart—(surely, without adverting to consequences) has more than once hinted, at prohibiting the currency of all notes under five pounds' value! This, indeed, may be considered the "strong-hold" of the Bullionists. I will endeavour, however, to trace the operation of such a measure, so as to discover the effect it would surely produce on the commerce and finances of the country. And first I premise, that a resumption of Cash-Payments would impose unavoidably on the Bank of England, and on every country-bank likewise, the necessity of withdrawing from circulation a very large portion of present out-standing notes, in order to meet the demand that might be made (and in all human probability, would be made)—provided such notes were made payable in coin, at the par of 20s. value. It would thus become a matter of mere necessary precaution, that every banker should issue no greater amount of notes than he could furnish actual value for, in coin: and it is certain, that no amount of valuable consideration in goods of any kind, would enable him to create bullion at a moment's warning, under circumstances which operate as a bounty of 30 or 40 per cent. to banish all such bullion from the kingdom. [I have before shown, that such a principle does exist (in various ways), notwithstanding our delusion to the contrary, and the pains that are taken to keep down the price of gold, by confounding it with paper whose actual depreciation may be rated at full fifty

per cent.] At the same time, were bankers rendered liable to answer their notes in bullion (sterling coin), self-preservation would compel them to retain all the gold they could obtain possession of, which consequently would disappear from and become lost to circulation. They would next refuse all accommodations in trade! We should therefore be certainly deprived of SMALL NOTES, whether with or without such a law as that contemplated by the Chancellor of the Exchequer. Now, had we no taxes to provide for, and no fund-owner, no army, no navy, no civil-list, nor any other government charges to pay, had we not a tenth part of our present trade to maintain, and six or eight millions less of our present population to feed—then might we, without the same danger which now threatens us, talk of expelling all small notes from circulation. But Mr. Vansittart appears never to consider the dependence which the national revenue has upon small notes; he leaves wholly out of sight the fact, that upwards of 60 millions of taxes are at present receivable only (or chiefly) in small notes; that our internal trade is performed chiefly in the same; and that, unless 10s. worth of produce will pay 20s. on the score of taxes, it is mad—wild—impossible, to substitute for such small notes, a currency consisting of sterling coin! That such a measure if carried into effect (nay, if much longer barely contemplated, as possible!) could fail of bringing the whole commerce of the country completely to a stand-still—of drying up, at the very source, every kind of productive revenue—in short, of involving the entire nation in all the horrors of revolution and civil war! none but a perfect dolt or madman could fail clearly to comprehend. And yet, we are told, such measures are to form the basis of our English financial system!!

RICHARD CRUTTWELL, CLK. LL. B.

Author of "THE CRISIS," "ENGLISH FINANCE," &c. &c.

SHERBORNE, July 9th, 1819.

[TO BE CONTINUED.]

depends upon such Repayments, to enable the Bank to resume Cash Payments?

Mr. Thornton.

I have stated an Opinion, that I think the Amount of Bank Notes cannot be permanently much reduced, if at all, below their present Amount of Twenty-five Millions; and that One-half of such Amount may, without Injury or Inconvenience to the Bank, be advanced on Government Securities; this Amount would then be £12,500,000, which, from the present Advances of £19,000,000, would require a Repayment of about £6,500,000. It appears, in the Year 1814, that when the Amount of Bank Notes was somewhat more than £26,000,000, the Price of Gold fell from £4 to £3 18s. 6d., and that the Exchange on Paris rose from 24f. 10c. to 26f. 40c.

69. Do you not believe, that at the Period when the Price of Gold fell from £4 to £3 18s. 6d. that the Circulation of Country Bank Notes was very considerably diminished?

I believe the Circulation of the Country Notes was very considerably diminished.

70. Do you conceive that since that Period the Circulation of the Country Bank Notes has again increased?

I believe it has partially increased, but not to the Extent at which it stood antecedent to 1816.

71. What, in your Opinion, has of late Years been the Period at which the Circulation of Country Bank Notes was carried to its greatest Extent?

I believe about the Years 1813 and 1814.

72. Did the Bank, in regulating the Amount of their Issues in that Period, take into Consideration the great Increase which was at that Time taking place in the Circulation of the Country Bank Notes?

The Bank has not the Means of knowing, whether the Circulation of Country Notes has increased or diminished, except, on the one Hand, when an Application is made to supply the Deficiency occasioned by a Diminution, and on the other Hand, by no Application being made, when the Circulation of the Country may be considered as satisfied.

73. How did the Fact stand with respect to these Symptoms in 1814 and 1815?

In the latter Part of the Year 1814, Demands were made upon the Bank to supply the Deficiency in the Country, particularly in Northumberland and Durham.

74. When for a considerable Period no Applications have been made for Discounts, to supply the Deficiency of the Country Circulation, caused by any Alarm about the Insolvency of the Country Banks, and you would infer from that Circumstance, that the Circulation of the Country was fully supplied, do you then in consequence decrease the Amount of Bank of England Notes in Circulation?

I conceive it would be a necessary Consequence, that there would be a Decrease in the Amount of the Circulation of the Bank of England Notes.

75. You have stated, that it is more advantageous to the Bank to issue their Notes upon Discount than upon Government Securities; is not the Amount of Applications for Discounts, on which the Bank may be desired to issue their Notes, limited, in consequence of the general Regulations adopted by the Bank with respect to such Discounts?

The Amount of Applications for Discounts is certainly restrained by the Regulations of the Bank. The Articles of Import are, many of them, sold at a Credit, varying from Four to Nine Months, and the Bills passed for such Imports are generally discounted by private Bankers, and held by them till they become due, within the Period of Two Months, at which alone the Bank will take them; added to this Circumstance, every Merchant, when Money is not scarce, gives a Preference in offering his Discounts to his private Banker, before he will come to the Bank.

76. Is it true, that when Money is abundant, and the Market Interest upon it low, very few Applications proportionably will be made upon the Bank for Discounts?

Most certainly.

Mr. Thornton.

77. Are not the Merchants and the Public equally accommodated, whether the Issues of the Bank are made directly upon Discounts, or upon Government Securities?

I believe to the Merchant and the Public it is much the same, as Money in this Case will be dispersed in the Way of Discount by the private Bankers instead of the Bank.

78. If a certain Amount of Bank Notes, say 25 Millions, is necessary for general Circulation, and commercial Prosperity should lead to a Fall in the Interest of Money, would the Bank have any other Means of keeping up that necessary Circulation, except by Advances to Government, or by the Purchase of Government Securities?

Yes, by discounting to the Public at a lower Rate of Interest; which, in my Memory, was done upon Bills of Exchange drawn from Abroad, I believe shortly after the American War.

79. Did that Practice of the Bank of discounting at 4 per Cent. continue for any Length of Time?

I believe for several Years; and it has been the Subject of Discussion in the Bank Courts since the last Peace: but the Circumstance of pending Foreign Loans was thought to render the Measure inexpedient.

80. Do you recollect at what Rate the Bank discounted in 1792, when the Three per Cents were not much below Par?

I cannot speak with Certainty, as I do not recollect whether the Foreign Bills I have alluded to were then done at a reduced Rate of Interest. Bills and Notes for Home Circulation were never, in my Memory, discounted by the Bank at a lower Rate than 5 per Cent., though private Bankers might have done so.

81. You have stated, that the Restraints which limit the Application to the Bank for Discounts, arise from the Two Regulations of the Bank, limiting their Time of Discount to about Two Months, and the Rate of Interest thereon to not less than 5 per Cent.; if the Bank were possessed of a disposable Capital, which they wished to apply to the Trade of Discounts, is there any Circumstance in their Institution which should prevent them from making such Changes in their Regulations as the Circumstances of that Trade might from Time to Time require, both in respect of Time and Interest, in the same Manner as is done by other Banking Houses?

There is no Circumstance in their Institution, to the best of my Knowledge, that could prevent a Revision or Alteration of the Two Points alluded to; but by their Charter they are restrained from making Advances upon Land, and many other Securities, which are taken by private Bankers; but those Restraints do not apply to Commercial Bills.

82. You have stated, that when Money is abundant, and the Market Interest upon it low, few Applications proportionably are made to the Bank for Discounts; is not the Rule of the Bank, not to discount below 5 per Cent., necessarily productive of that Effect, under the Circumstances so supposed?

The Rule of the Bank, not to discount under 5 per Cent., prevents such Application; but were the Rule in the Case stated dispensed with, I am of Opinion it would promote Excess of Circulation and Speculations in Trade which are not desirable.

83. Does that Opinion apply to the present Circumstances and Market Interest of Money, or to such Fall in that Interest as commercial and other public Prosperity might hereafter possibly produce?

I am speaking of the present Circumstances, when Applications are made to a greater Amount than the Bank thinks fit to comply with: under a Change of Circumstances, the Bank might think it right to act differently.

84. If the Bank were to prolong the Time, and lower the Rate of Interest of their Discounts, would not the Effect be to draw into the Hands of the Bank a very

Mr. Thornton.

very large Proportion of the Discount Trade which is now carried on by private Bankers?

It certainly would.

85. If a very large Proportion of the Capital of the Bank were then employed in Discount, would not the Bank be thereby disabled from making such Advances to Government as the public Interest might from Time to Time require?

I think it would.

86. Would it be more or less convenient to the Commercial World, that the Discount Trade should be thrown almost entirely into the Hands of the Bank, or that it should remain as at present, fluctuating between the Bank and private Bankers, according to Circumstances?

I think it better for the Commercial World, that it should be divided as at present. If the whole of the Discounts required were taken from the Bank, the Business of Banking by private Persons would be necessarily much curtailed: and as the private Banker has the Means to know all the Receipts and Payments of the Merchant who is his Customer, he has, in many Cases, better Means to judge of his Credit than the Bank itself; and we are guided often in our Opinion of the Stability of a House, by finding out the Estimation in which it is held by the private Banker. The Competition between the Bank and the private Banker would, in the Case before stated, be the most effectual Means of lowering the general Rate of Interest.

87. Must not, therefore, the Proportion in which any new Regulation of the Discounts of the Bank might affect the Extent of the Discount Trade of private Bankers, wholly depend upon the Nature and Extent of those Changes, and on the Amount of Capital which the Bank might or could apply to that Trade?

I think it would.

88. Would not therefore the Effect only be, that of the fair Competition of Trade in the Employment of their respective Capitals?

It would.

89. If, by the Effect of such Competition, it should happen that a greater Part of the Capital of the Bank, and a less Proportion of the Capital of Individuals, was employed in that Trade, would not the private Capitals, so let loose, be applicable to other profitable Employments; and, among others, to the making Advances to Government on Loan, and other Public Securities?

Such Capital, so let loose, would be applicable to other Purposes; but I cannot say whether it would be invested in Loans and other Public Securities; more especially at this Time, when higher Interest is to be made by such Investments in Foreign Loans.

90. Is not the higher Rate of Interest, given by Foreign Powers for Money borrowed in this Country, itself a Proof, when compared with the present State of our Funds, that there is a Disposition in British Capitalists to invest their Capital preferably in the Securities of the British Government?

The Rate of Interest fixed by Foreign Powers is not, I believe, fixed with reference to British Capitalists, but to the general Market of Europe. In the Russian Loan, 6 per Cent. Interest was immediately offered; and the Money to be paid on an Exchange of 12 Pence per Rouble, which in former Times has been at 2s. 6d. or 3s. per Rouble, and may admit of considerable Advance.

91. You have stated, that you think it better for the Commercial World that the Trade of Discount, in this Country, should be divided as at present; do you mean by these Words, that the Proportion of Bank Capital now employed in Discounts ought, for the Interest of the Commercial World, to bear the same Proportion to the whole of the Bank Capital, invested in whatever Dealings, as it does at present bear?

I should prefer a larger Proportion of the Bank Capital to be invested in Discounts than is at present.

92. If

Mr. Thornton.

92. If the Bank Capital employed in Discounts had for some Years past been equal to the Capital invested in Government Securities, including Exchequer Bills purchased, would such equal Division of their whole Capital have been more or less advantageous to the Commercial World, than that Distribution of it which has actually taken place?

If the Bank Capital invested in Discounts had been equal to that upon Government Securities, it would have been more satisfactory to the Bank, as well as more profitable to them; but I do not think that to the Commercial World it would have made much Difference, as the Merchants are accommodated through the private Bankers.

93. When you have used the Expression of Money being *plentiful* or *scarce*, do you mean that there is an Abundance or Deficiency of disposable Capital, or that there is an Abundance or Deficiency of Circulating Medium?

My Reply would be generally, I mean *both*; not being able to distinguish one from the other in each particular Case. Though Capital is most commonly invested either in Trade or permanent Securities, still there are Persons in this Metropolis who keep their Capitals, or a great Proportion of it, for the Purpose of employing it in the Fluctuations of Articles of Commerce, or in the Stocks. I know several Persons whose Capital is employed in daily Purchase of Stock at the opening of the Market, who, either before the Close of the same Day, or on the following Morning, subdivide and sell this Stock for a small Profit: these Persons are called *Jobbers*. The greater or less Amount of this Species of Capital, as well as the greater or less Amount of Circulating Medium, constitutes what I call the Abundance or Scarcity of Money.

94. In so far as Capital is concerned, is it the greater or less Amount of this Description of Capital only, or of Commercial Capital in general, which enters into the Consideration of the Abundance or Scarcity of Money?

The Bank endeavours, to the best of their Judgment, that the Circulating Medium should only represent Property; and if they are successful in their Endeavours, whether it is the Profit of Trade or the Capital of the Merchant that is in Circulation in more or less Abundance, seems to me to make no Difference.

The Witness is directed to withdraw.

Adjourned to Wednesday next, at Twelve o'Clock.

Die Mercurii, 24^o Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. LEWIS LOYD was called in, and examined as follows:

1. What is your Line of Business?

I am a Banker in the City of London, and also Partner in a Bank at Manchester.

Mr. Lewis Loyd.

2. Have you any Connection with any other Country Bank except the Bank at Manchester?

A great Number; I am Agent for a Bank at Liverpool, Chester, Macclesfield, Halifax, Edinburgh, Grantham, Bath, Dorking, Brighton, and some others.

3. What is the Nature of your Connection with these Banks as Agent?

They make me Remittances, which I apply as they direct me. Their Remittances are usually made in the Notes of other Country Banks, Bills of Exchange, and occasionally Bank of England Notes and Bank Post Bills which have found their Way into the Country, and have been remitted to Town.

4. How long have you been engaged in this Line of Business?

Since 1792; I have been in London since 1793; I was in Manchester for a Year.

5. Are you enabled to give the Committee any Information as to the Amount of the Circulation of Country Bank Notes at different Periods?

I can only answer it generally; the Circulation of Country Bank Notes was at the highest, I think, in the Year 1814 and 1815; particularly I think 1814.

6. From the Period of 1792, can you give us any Information as to the successive general Variations of the Circulation of Country Bank Notes?

I did not commence being an Agent for Country Banks so early as 1792. I was for many Years employed principally as Agent for our own House at Manchester, which never issued any Notes. In 1810 we did the Business of many Country Bankers, and had done it for some Years previously. There were at that Period many great Failures of Country Banks, and the Circulation of Country Bank Paper was considerably reduced. The Issues gradually increased as Confidence revived, and I think were at the highest about the Year 1814. In the Year 1816 there was a considerable Reduction in the Circulation of Country Banks; in the latter End of 1816 and in 1817 it began to revive. In 1818 the Circulation was very considerable. I think it has been now declining for some Months.

7. Do you consider the Circulation of Country Bank Notes as more or less considerable now than in 1814?

I think it is less now.

8. Was it more or less, when at its highest Point in 1818, than it had been in 1814?

I cannot answer the Question with any Sort of Exactness; but I think it did not rise so high as in 1814 and in the Beginning of 1815.

9. At the Time when you began Business in Manchester in 1792, were there any Country Banks which issued Notes in that Town, or in any other Part of Lancashire?

None, I believe.

10. Have there never been at any Time Country Banks issuing Notes in Lancashire?

None within my Recollection. I began to reside in Manchester in 1789. There had been before that Period Notes issued there about the Year 1787 or

Mr. Lewis Loyd. 1788, I think by a Bank which failed. I believe that was the only Attempt ever made in Lancashire till lately. Except that there was lately and is now an Attempt made to issue them at Blackburne.

11. How has the Circulation of Lancashire been carried on since the Period to which you refer?
Wholly in Bank of England Notes and Bills of Exchange.

12. Is the Proportion of Bank of England Notes very considerable as compared with Bills of Exchange?

About One-tenth, I think, in Bank of England Notes, and Nine-tenths at least in Bills of Exchange. These Bills of Exchange circulate from Hand to Hand, till they are covered with Indorsements.

13. Is any Inconvenience felt from this Mode of Circulation by Bills of Exchange?

None whatever.

14. Has the Circulation of Bank of England Notes in Lancashire increased or decreased of late Years in proportion to that of Bills of Exchange?

I think the Proportion of Bank Notes has increased.

15. To what do you ascribe this Increase?

Partly to the great Increase of the Stamp Duties. It is within my Knowledge, from the Transactions of my own House, that the Supplies of Provisions which are drawn from neighbouring Counties, used to be paid for in small Bills of Exchange, mostly of £10 or lower; but now the Persons going to the Neighbouring Counties for Supplies of Provisions, take with them Bank Notes and Bank Post Bills, stating that the Stamp is too serious an Object to them to be paid on such small Sums. There is hardly a Day when I do not send £2,000 in Bank Post Bills for that Purpose to Manchester, which we hardly ever used to do before the last Addition to the Stamp Duty.

16. Were these Bills of Exchange drawn for specific Sums previous to their Employment, or were they Bills resulting from antecedent Transactions?

Those who furnished Provisions used to go to Fairs and Markets with Bills ready drawn in their Favour, very often for specific Sums, as for the round Sum of £10, just as they now take £10 in Bank of England Notes and Bank Post Bills. There was this peculiar Circumstance attending them, that the Bills were usually drawn at Two Months Date, and were considered as Cash Payment; they were Bills drawn upon London by Country Bankers, and remitted to London as suited the Convenience of the Parties who received them. Now, in consequence of having Bank Post Bills and Bank of England Notes, the Persons who receive the Bills make an Allowance to those who pay them of Two Months Interest. My Answer applies to the Supply of the Town with Provisions. Nearly all other Transactions in Manchester, except the Payment of Labourers, are still carried on in Bills of Exchange; and the Payment of Labourers is mostly made in One Pound Bank of England Notes.

17. Were the Labourers of Manchester always paid in Bank of England Notes? Before the Restriction they were paid in Cash.

18. Have the Quantity of Bills of Exchange in Lancashire increased since the Bank Restriction?
Exceedingly.

19. To what do you ascribe that Increase?
Principally to the Increase of the Trade of the County.

20. Was any considerable Part of those Transactions, which are now carried on by Bills of Exchange, carried on before the Restriction by Cash?

I believe not; Cash being then confined to the Payment of Labourers, as small Bank Notes are now, the Trading Concerns were carried on by Bills of Exchange.

21. How are small daily Purchases in Shops now paid for?
There is hardly any Trader that does not keep an Account with his Banker, and pays by Draft as the Bills are brought in.

22. Are

22. Are the Number of small Bills of Exchange of £10 and under increased or diminished, in proportion to those of larger Amount, since the Restriction?
I think they are not increased, Bank Notes being much more easily transmitted than Cash was before.

23. From your general Information as to the Country Circulation, have there been fewer or more Failures amongst Country Banks in Lancashire in proportion with other Parts of England?
Much fewer Failures.

24. Do you ascribe this to the Way in which Circulation is carried on there, or to any other Cause?

I ascribe it to the Manner in which Circulation is conducted there; and for this plain Reason; a Person who issues his own Notes may issue them as long as the Public is inclined to take them; but a Banker to do any Business in Lancashire must command a very large Capital, to furnish a proper Supply of Bank Notes for the Circulation of that Part of the Country where the Banker happens to be; and for that Reason there are fewer Banks in Lancashire than in any other County of the same Extent and Population. In Manchester, properly speaking, there are but Two Banks; there are Two other Houses that do some Banking Business, but they never draw Bills upon London.

25. In what respect do Bills of Exchange drawn by a Country Bank in Lancashire for specific Sums on London, differ from Country Bank Notes payable in London?

Bills of Exchange are drawn to Order, and payable after Sight or Date; Country Notes are payable to Bearer on Demand. Bills of Exchange are sometimes drawn on Demand; but the great Distinction is their being made payable to Order.

26. Are the Number of Bills of Exchange increased or diminished in consequence of the Increase or Diminution of the Notes of the Bank of England?

They certainly are; there is an exact Proportion (though difficult to ascertain it) between the Bills of Exchange and the Circulation of the Bank of England Notes. I have sometimes thought it was as about 10 to 1; that is, One Million of Bank of England Notes supported about Ten Millions of Bills of Exchange throughout the United Kingdom.

27. Would the same Proportion apply to Country Bank Notes?
No; nothing like it.

28. What Proportion do you think, from your Experience, would apply to Country Bank Notes?

It is difficult to answer; I do not pretend to be at all confident as to the Justness of the Proportion: but perhaps One Million of Bank of England Notes would support Two Millions of Country Bank Notes; we have not the same Means of judging of the Country Notes as we have of the Bills of Exchange. Bills of Exchange being discountable at the Bank of England, we partly know what they hold; we know it in some Measure from the Payments we daily make in Discharge of such Bills; and in another way we have some Knowledge of the Amount of Bills of Exchange, as they go through the Clearing House, which Country Bank Notes do not.

29. When you state that One Million of Bank of England Notes would support Two Millions of Country Bank Notes, do you apply that to the whole Circulation of the Bank of England, or only to that Portion of it which is held by Country Bankers?

I apply it to the whole Circulation of the Bank of England.

30. Are we to understand then that the Circulation of all the Country Banks may be considered as about double the Circulation of the Bank of England at any particular Time?

I answer with Diffidence, but I think it might. I include Scotland.

31. I think you have stated that the general Circulation of the Country was at a low Ebb in 1810, and at the highest in 1814; was the Circulation of the Bank of England Notes in 1810 lessened in the same Proportion as the general Circulation of the Country at that Period?

I think

Mr. Lewis Loyd. I think by no Means ; any Circumstance throwing Discredit upon the general Circulation of the Country, renders an Increase in the Circulation of the Bank of England necessary : we are feeling at this Moment the Failures which are spreading in the Country, throwing some Degree of Discredit upon Bills of Exchange ; the Place of which is found necessary to be supplied by Bank Notes.

32. Then the Proportion of Two to One between Country Bank Notes and Bills of Exchange does not hold good in all Cases?

There are Circumstances constantly occurring, which disturb any Idea of Proportion which we may hazard ; the Failure of any Country Banks in any particular District throws a Discredit upon the neighbouring Banks, and they immediately require additional Supplies of Bank of England Notes, so as to disturb any Rule of Proportion we may have laid down.

33. You have stated that the Country Bank Notes are now less than they were last Year ; can you state in what Proportion the Amount has decreased, comparing the present Amount with what it was in the Month of June last ?

I cannot ; I have only observed generally a Diminution.

34. Do you conceive that under the most favourable Circumstances of Credit and Commerce, the Country Bank Circulation cannot for any considerable Period exceed the Proportion you have stated of Two to One, as compared to that of the Bank of England ?

I think it might ; whenever Trading Bills are freely discountable, a Country Banker issues his Notes freely, without Apprehension of their speedy Return ; but when Bills of Exchange are not freely discountable, and Bank Notes are scarce, he issues his Notes with Fear, because, being payable on Demand, they are subject to be carried in and exchanged for Bank of England Notes.

35. In speaking of Bills of Exchange in Answer to a former Question, did you mean to confine yourself to Bills drawn upon London by Bankers in Lancashire only, or to include all Mercantile Bills of Exchange generally ?

I mean to speak of all Bills of Exchange generally.

36. Do you conceive that the Circulation of the Bank of England operates in the same Degree as a Limitation upon the Amount of Country Bank Notes during the Restriction as prior to that Period ?

The Question is already answered by me ; my Experience as to Country Bank Notes has only been since the Restriction.

37. You have stated that One Million of Bank Notes may support Ten Millions of Bills of Exchange ; when Bank Notes become scarce, is there a proportionate Reduction of Bills of Exchange ?

I think there is ; there is an evident Reduction of Bills of Exchange at this Moment.

38. What Effect do you think would be produced on the internal Trade and general Concerns of the Country by a further Reduction of the Circulation of Bank of England Notes, say to the Amount of Two or Three Millions, in Six Months from the present Time ?

The Effect would be most ruinous.

39. Will you explain how this Reduction would operate ?

It would produce a further immediate Stagnation of Trade, a further Reduction of the Prices of all Commodities, and, in consequence, would be the Ruin of a great Number of Merchants and Manufacturers, and the turning out of Employment of an immense Body of Workmen. The Way the Scarcity of Money operates at present is, that Produce and manufactured Goods can hardly be sold at any Price ; there is comparatively nothing doing. All Persons disposed to buy, expect Goods to be much lower, and therefore put off their Purchases. As an Instance, a Merchant from Holland called upon me Yesterday, with a Sum of Money prepared to purchase Manufactures in Yorkshire and Lancashire ; he told me he would not buy at present, stating, that he and all his Connections expected Goods to be much lower.

40. The

40. The present Circulation of Bank of England Notes being about Twenty-five Millions, and a Reduction of from Two to Three Millions being about 12½ per Cent. upon that Amount, do you expect that the further Reduction of Price, in consequence of such further Reduction of Bank of England Notes, would be limited to that Per-centage, or would exceed it ?

Mr. Lewis Loyd.

The Effect to be produced would, in that Case, be occasioned by more Causes than one ; Failures would add to the natural Effect of such a Reduction ; Persons seldom fail without sacrificing Goods ; Sales are forced ; and Goods must sell for what they can fetch. I conceive, therefore, the Reduction of Price would be much greater than 12½ per Cent.

41. Has there been any considerable Fall in Price in the great Articles of domestic Produce, such as Corn, Cattle, Wool, and Iron, within the last Six Months ?

I am hardly able to answer that Question ; my Knowledge is chiefly confined to the Article of Cotton, which has experienced a most extraordinary Depression.

42. Has not that Depression in Cotton in Part happened from the great Importation from India, as well as from America and the West Indies ?

I believe it has ; the Importation has certainly exceeded the Consumption considerably ; but I think the Consumption would have been much greater if Trade had been in its former Activity.

43. It appearing by the Accounts before us, that in the course of 1818 the Circulation of Bank of England Notes suffered a Reduction of at least from Two to Three Millions, did that Reduction produce any very unfavourable Effect upon Trade ?

I think it has reduced Trade, which in the early Part of last Year was very flourishing, to a State of great Languor and Inactivity ; and I think that the past Reduction of Notes has not yet produced its full Effect.

44. In what Manner did it operate to produce that Effect ?

By reducing the Prices of Commodities, and making it very difficult to convert Bills of Exchange, which arise from Trading Transactions, into Bank Notes. The Price of Money in the Market in the early Part of last Year being about Four per Cent., Bills could be readily discounted at that Rate in large Sums ; and now they cannot be discounted for Five, but in comparatively small Quantities.

45. Do you know at what Rate of Interest the Bank of England always discounts ?

For many Years they have never discounted under Five per Cent. ; I believe in former Times they did at a lower Rate.

Witness is directed to withdraw.

Then Mr. ATTWOOD was called in, and examined as follows :

1. In what Line of Business are you ?
A Banker in London, in the House of Spooner, Attwoods, and Co.

Mr. Attwood.

2. Have you any particular Connection with Country Banks ?
Rather considerable ; with those in Warwickshire, with a Bank in Birmingham, Wolverhampton, and with several others in Staffordshire, Worcestershire, Yorkshire, and in Lincolnshire, at Boston, and others.

3. How long have you been in this Line of Business ?
Since 1801.

4. Are you enabled to give the Committee any Information as to the Amount of Country Bank Notes in Circulation at different Periods ?

I do not think that any accurate Judgment can be formed of the Amount of Country Bank Notes in Circulation at any particular Periods. I have myself calculated them, and have been led to the same Opinion as to their Amount from Communication with several Country Bankers, that the Amount of Country Bank Notes might be, under common Circumstances, upwards of Thirty Millions ; but that Calculation is extremely vague.

(30.)

5. Have

Mr. Attwood.

5. Have they fluctuated greatly during the Period of your Experience? Greatly.

6. When are you of Opinion that their Circulation was at the highest, and when at the lowest?

I speak with great Uncertainty upon that Subject; from about 1810 to 1813, I think, was the highest Circulation of Country Bank Notes; they began to fall towards the End of 1814; their Circulation diminished progressively during 1815, and the greater Part of 1816. I think it proper to remark, that in including 1812 and 1813 as Years in which Country Bank Notes circulated in the greatest Abundance, I mean to exclude the Bank Notes of some particular Districts, the Circulation of which was affected by the Failure of Country Banks in those Districts; and I mean to speak of the general Tendency to an increased Circulation in those Districts in which it was not checked by such particular Circumstances.

7. Has there been any considerable Increase of Country Bank Notes since the Year 1816?

A very considerable Increase.

8. Can you state to what Amount in those Districts to which your Knowledge applies?

Perhaps from £150 to £200 where £100 circulated before.

9. Does this increased Amount in those Districts still continue, or has the Circulation undergone any considerable Fluctuation within the last Year?

I am disposed to consider the Circulation as lessened, but not very considerably.

10. Is the Circulation then equal now to what it was when at the highest, before it began to fall at the End of 1814?

I should think scarcely.

11. What is the Proportion which the circulating Notes of an established Country Bank usually bear to the Bank of England Notes reserved for the daily Purpose of paying the Notes brought in?

That will vary in proportion to the Distance from London of each Bank. The Country Bankers have been in the Habit of late Years, more than formerly, of paying their Notes in Exchange with each other, which has lessened the Necessity of their keeping so large an Amount of Bank of England Notes.

12. Supposing the first Part of the preceding Question applied to Birmingham or Wolverhampton?

I think a Country Bank in that District would consider that about One-fifth of the Amount of its circulating Notes, reserved in Bank Notes or Cash, would be sufficient. Country Banks always hold in their Possession a considerable Amount of the Notes of other Country Bankers, which they consider as supplying, in some Measure, the Necessity of a larger Amount of Bank of England Notes. In stating One-fifth of his Circulation as the Amount of Bank Notes which a Country Banker may esteem it necessary to keep in his Drawers, I mean that the Amount of Bank Notes which a Country Banker would keep for the Payment of his Notes, and for Payments arising out of other Branches of his Business, may be perhaps about equal to such a Sum. Where a Country Banker paid £1,000 of Bank Notes in discharge of his Cash Notes, I think he would probably pay £10,000 for other Purposes.

13. When you state the full Amount of Country Bank Notes under common Circumstances, do you include in that Amount the Proportion of his own Notes which the Country Banker keeps by him, or only those in actual Circulation? Those only in actual Circulation.

14. What may be the usual average Proportion to his Circulation of his own Notes stamped which an established Country Banker keeps by him unissued?

It may frequently amount to One Half of his whole Circulation, occasionally perhaps to more; at Times a Country Banker's Stock of his own Notes is almost entirely exhausted; no general Average can be fixed.

15. What is the Average Period that Country Bank Notes will remain in a Condition to be re-issuable?

I have no Information upon that Subject.

16. Is

Mr. Attwood.

16. Is your Calculation of Thirty Millions being about the Amount of the Circulation of Country Bank Notes, founded on the Average of any particular Period?

I think that Estimate is too vague to be referred accurately to any particular Period. I think that it exceeded greatly the Circulation of 1815 and 1816. It may probably fall below the Circulation of other Years.

17. Can you state by what Circumstances the Amount of the Circulation of Country Bank Notes is limited?

I consider that the general Circulation of Country Bank Notes is certainly limited by the greater or less plentiful Issues of the Notes of the Bank of England, in which they are exchangeable on Demand; subject to such Variations as the increased or diminished Credit of the Country Bank Paper may produce.

18. Can you form any Opinion in what Degree, under the most favourable Circumstances of Commerce and Credit, the Circulation of Country Bank Notes may exceed those of the Bank of England?

I think they would exceed, under those Circumstances, the Amount of Bank of England Notes in Circulation, perhaps greatly, but I cannot state in what Proportion.

19. Can you state what Proportion of his Stock of Bank of England Notes a Country Banker, generally speaking, finds it expedient to have in Bank Post Bills?

Few Country Bankers find it expedient to keep any Stock of Bank Post Bills, as distinguished from Bank Notes on Demand.

20. Is there not a constant Demand on Country Bankers for Bank Post Bills, for the Convenience of making Remittances to London or elsewhere?

No considerable Demand amongst the Bankers whose Agents we are.

21. It appearing by the Accounts before us, that during 1818 there was a Reduction of Bank of England Notes to the Amount of at least Three Millions, had that Reduction any injurious Effect upon the Circulation or Trade of those Parts of the Country with which you are in Communication?

I think the Manufacturers of Birmingham, Wolverhampton, and Walsal, have experienced a Diminution of Trade during the last Six Months. In the Coal and Iron Districts I think they have not. The Price of Iron has increased; an increased Demand has been accidentally occasioned by casting Pipes for Gas Lights.

22. Have the Prices of the principal Articles of Manufacture of Birmingham, Wolverhampton, and Walsal, fallen in Price in the Course of the last Six Months?

I understand there is a Want of Demand experienced in those Articles, but I am not aware of any Fall in the Prices.

23. Can you state in what Year you first observed any considerable Increase in the Circulation of Country Bank Notes?

I have never noticed any very particular or sudden Increase, except one, which certainly took place soon after 1816. I have no Doubt that a general Increase of Country Bank Paper took place from the first of my Observation in 1797 and 1798 to 1810, or perhaps to the End of 1814.

24. Can you furnish any Scale from Half Year to Half Year, which should shew the comparative State of the Circulation of Country Bank Notes, in those Banks with which you are acquainted?

I will endeavour to do so.

25. Can you state upon what the Issues of the Country Banks have been usually made, and whether there has been any Variation in the Mode of conducting their Business?

There has been great Variation. The common Practice of Country Banks Twenty Years since, was to make Advances by Discount of Bills of Exchange at short Dates, and founded as far as they could judge on real Transactions of Business. They gradually began to advance upon Bills of longer Date still founded on real Transactions of Business, and to advance Money without the Security of Bills. I have no Doubt this System was gradually extended, at least to 1810 or 1811, and in many Districts to a later Period. As far as my Experience goes, Country Bankers were never at any Period in the Habit of taking real Securities of any Kind; it might occasionally be done, but was not general.

Mr. Attwood.

general: After 1810 or 1811, the Failure of Country Banks in many Districts became more frequent than before, which was the immediate Cause of many Country Bankers reducing their System of Advances; and in 1815 and 1816, I think it may be said generally, that no Country Banker could be found willing to advance Money in the Discount of long-dated Bills, or generally to make Advances by Loans of Money. Since that Period, viz. since 1816, Country Bankers have extended their Accommodations largely, on Discount of Bills at long Dates, and perhaps to some Extent on Advances on overdrawn Accounts, without the Security of Bills, or any real Security. I mean to apply this generally to those Parts of the Country where the Circulation consists of Cash, Notes, and Bills of Exchange.

26. Can you state in what Proportion the Circulation of Country Bank Notes has decreased during the last Six Months?
I cannot; perhaps Ten per Cent. or Twenty per Cent.

27. What would be the Effect on the Internal Trade and Concerns of those Parts of the Country with which you are connected, if a further Reduction of Bank of England Notes was to take place to the Amount of Two or Three Millions within a Period of Six Months?
I have no Doubt but the present Reduction which has taken place in the Amount of Bank of England Notes will occasion in a short Time much more important Consequences on the Trade of those Districts than has been yet experienced. A further Reduction would of course carry those Effects further; it would produce a Reduction of Country Bank Paper, and would occasion a Reduction also of the Deposits with the Country Bankers, which are generally to an Extent much beyond their Notes in Circulation. It would cause the Country Bankers to withdraw the Accommodation they at present afford to the Manufacturers, and would occasion very considerable Distress. I believe the ultimate Result of the Measure proposed in the Question would be to reduce those Districts to the same State of Distress which was experienced there in 1815 and 1816.

28. Of what Nature are those Deposits to which you have referred?
Deposits of Money, for which the Country Bankers allow Interest; and general Balance on the Accounts of their Customers, on which they allow no Interest.

29. What Interest do the Country Bankers with which you are connected allow?
I believe from 2½ to 3¼ per Cent. I conceive that many Country Bankers have Deposits on Interest, and Balances, to the Extent of Five or Ten Times the Amount of their Notes in Circulation.

30. What is the usual Employment of these Deposits?
They employ the Deposits exactly in the same Way as the Resources derived from the Issue of their Notes. A Part of their whole Funds is employed in the Country in the Discount of Bills, or Advances to their Connections; and some Part is kept by them in Bank of England Notes; but a much larger Part is kept in Cash in London, or lying with the London Banker.

31. Are the London Bankers in the Habit of allowing Interest for such Part of the Funds of the Country Banks, with which they are connected, as remain in their Hands?
They do so generally; some London Bankers, Agents for Country Establishments, do not.

32. After the Resumption of Cash Payments, would the Country Banks find it necessary to keep a larger or smaller Reserve in Specie, than they now do in Bank Notes only?

Several Country Bankers have mentioned to me their Opinion, that if their Notes were exchangeable for Gold, there might probably arise a temporary considerable Demand for Gold; I think they would generally think it necessary to be provided, when such Payments in Cash first took place, with a larger Amount of Gold than they have been previously accustomed to consider necessary to keep in Bank of England Notes. Afterwards, inasmuch as the Transmission of Bank of England Notes from London to the Country is easier than the Transmission of Gold would be, Country Bankers would I think to some Extent think it

Mr. Attwood.

it necessary to keep a larger Stock of Gold, than they now do of Bank Notes, but perhaps not to a very material Extent.

33. If the Payment in Bank of England Notes were made a legal Tender by the Country Bankers after the Resumption of Cash Payments, would not that diminish the Necessity of keeping a larger Reserve, in proportion to their Issues, than they do at present?
I think it would.

34. Whether, if Bank of England Notes continued to circulate after the Resumption of Cash Payments, a considerable Proportion of the whole Reserve of the Country Bankers would not still be in Bank of England Notes, and not in Gold, even if Bank of England Notes were not so considered as legal Tender?
Some Part undoubtedly would.

35. Whether therefore, even if it should happen that for a Time the whole Reserve of the Country Banker was greater than at present, that Circumstance would lead to the Necessity of their holding a Quantity of Gold, in addition to such Bank Notes as they would then hold, greater than the Amount now held by them in Bank Notes alone?
I consider it would not be permanently necessary to hold a larger Quantity of Gold and Bank Notes together, than they now do of Bank Notes only.

36. Is it your Opinion that in the first Instance a larger Quantity of Gold and Bank Notes together will be required, or that a larger Quantity of Gold separately will be required, in order to constitute a Reserve greater than the present Reserve?
A larger Quantity of Gold and Bank Notes together.

37. Can you form any Judgment, what Proportion of that Reserve must in the first Instance be composed of Gold, and what Proportion might consist of Bank Notes?
A considerable Proportion would be required in Gold; I am not able to give a more particular Answer.

38. Is it not probable that the Proportion of Gold would in the first Instance be larger than it would be necessary subsequently to maintain?
I have no Doubt it would.

39. You have stated that a large Part of the present Reserve of one Country Banker, consists in Notes of other Country Bankers, which diminish the Necessity of his having so large a Reserve of Bank of England Notes; how does it produce that Effect, as they are not legal Tender?
Because, in the Event of a sudden Demand upon a Banker for Payment of his Notes, a great Part of them would be presented through the Hands of other Bankers, who would receive their own Notes in Exchange, and the Balance would be paid by an Order on London.

40. After the Resumption of Cash Payments, would a Country Banker feel as certain of obtaining from London, in all Cases, the necessary Supply of Cash, as he now does of obtaining Bank of England Notes?
I think the Country Bankers would think it necessary to maintain in London a larger Portion of Cash or Government Securities, than he thinks necessary now; I mean a larger Portion in proportion to the Whole of his Notes in Circulation, or any other Sum he is liable to pay upon Demand.

41. If the Resumption of Cash Payments were not to be followed by the Maintenance of a very considerable metallic Currency, would it be possible for a Country Banker to feel secure, that his London Correspondent would be able to furnish him on a sudden with such Specie as the Emergency might require, whatever might be the Extent of his Credit or his Wealth?
Certainly he would not. If the Bank of England Notes are convertible into Cash on Demand, I think that would prevent the Consequences supposed to arise from a small metallic Circulation, and that the Country Banker would feel the same Confidence in a Supply of Gold, which he does now in the Supply of Paper.

42. If,

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Mr. Atwood. 42. If, after the Resumption of Cash Payments, Bank of England Notes of One and Two Pounds Value are continued in Circulation, would it not be the Interest of Country Bankers to encourage the Circulation of such Bank of England Notes, and to discourage that of Sovereigns?

I think it would be their Interest; but I do not think that Country Bankers generally would discourage the Circulation of Sovereigns, further than as the procuring of Sovereigns was to themselves a greater Inconvenience than procuring Bank Notes.

Witness is directed to withdraw.

This Committee is adjourned to Friday next at Twelve o'Clock.

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Die Veneris, 26^o Februarii 1819.

The LORD PRESIDENT in the Chair.

Mr. WILLIAM MASTERMAN was called in, and examined as follows:

1. What is your Line of Business?

A Banker in London; and I have Connections with several Country Banks, at Kendal, Liverpool, Manchester, Boston, Stamford, Newcastle under Lyne, and many others. *Mr.*
W. Masterman.

2. How long have you been in Business and connected with Country Banks?
Very nearly Forty Years, and connected with Country Banks from the Beginning.

3. Can you give the Committee any Information as to the Fluctuations that have taken place in Country Bank Paper since the Bank Restriction; in what Year it has been at the highest, and in what lowest?

I should think it was at the highest about 1814. There were many Failures afterwards, which caused some Banks to give up, and others to reduce their Circulation; since that they have rather increased again. I do not see any great Variation for some Years.

4. Is the Circulation of Country Bank Notes, in your Opinion, now as considerable as it was in 1814, when you think it was at the highest?
I do not think it is.

5. Has the Circulation been diminishing in the Course of the last Six or Eight Months?
I cannot say I see much Variation in the last Six or Eight Months.

6. Should you be able to give more accurate Answers to these Questions by consulting your Books?

Certainly, the Books would shew the Increase or Decrease. I will look back to my Books, and give the Committee the best Information I can.

7. As far as your Experience goes, what is the existent State of Credit in the Country?

I think at present it seems very much shaken from the Number of Failures that have taken place.

8. To what do you ascribe those Failures?
To the Overtrading.

9. Do you think they have been produced in any material Degree by the Reduction which has taken place in the Bank of England Notes in the last Six or Eight Months?

I certainly think that that Reduction must in a Degree have contributed to them, from the Difficulty of the Parties raising Money, Goods being much depreciated. The general Complaint of People coming to borrow Money is, that they must sell Stock or Exchequer Bills at a Loss, or their Goods at a Loss, which is still worse.

10. What in your Judgment would be the Effect of a further Reduction of Bank of England Notes, to the Amount of Two or Three Millions, provided such Reduction was to take place gradually in the Course of the next Six Months?

I should think it would have a very bad Effect, and produce a Number of Failures.

11. Do

Mr. W. Maisterman.

11. Do you think that would be equally the Case, if at the same Time that the Reduction above described took place in the general Amount of Bank Notes circulated, the Bank, instead of diminishing its Discounts on commercial Bills, should very considerably extend them?

There is no Question but that the latter would be of infinite Service to commercial Credit.

12. Supposing the Government were to repay to the Bank Six Millions, and the Bank were thereupon to increase their Discounts Three Millions, and at the same Time to reduce their general Circulation from Twenty-five Millions of Bank Notes to Twenty-two Millions, would this Reduction of their whole Circulation be likely to prove unfavourable to Commerce and Credit?

I conceive the Effect of the Increase of Three Millions of Discounts would be more than counter-balanced by the Six Millions taken by Government to repay the Bank.

13. What do you apprehend would be the Consequence to Credit and Commerce of the Reduction of Notes of the Bank of England issued on Government Securities, or in the Purchase of Exchequer Bills?

That would lessen the Number of Bank Notes, and of course would be very detrimental to Commerce.

14. Would the Reduction of Bank Notes issued on Government Securities, or in the Purchase of Exchequer Bills, produce as much Inconvenience to Credit and Commerce, as a Reduction of their Issues on Discounts?

I should think not, if I rightly understand the Question.

15. Is the Facility with which Merchants can obtain Discounts from Private Bankers increased or diminished in any Proportion to the Increase or Diminution of the whole Amount of the Bank of England Notes in Circulation?

Certainly.

16. Does not that depend upon the Circumstance of War or Peace?

If there is a larger Circulation of Bank of England Notes, whether there is War or Peace, there is a greater Power of discounting.

Witness is directed to withdraw.

Then Mr. HUDSON GURNEY is called, and examined as follows :

Mr. Hudson Gurney.

1. What is your Line of Business? I am Partner in the Norwich Bank.

2. How long have you been so? Upwards of Twenty Years.

3. Are you connected with different Branches?

There are several Branches, in which the other Partners of the Norwich Bank are concerned, and whose Money we employ for them, but in which I am not their Partner.

4. Is your Knowledge of Country Banks confined to those with which you are personally connected?

My absolute Knowledge is of course ; I have a general Knowledge of the System of the Banking Business in Districts circumstanced similarly to our own.

5. Has the Amount of the Circulation of the Norwich Bank materially fluctuated since 1793?

I will endeavour to give in the best Answer I can to this Question.

6. Has your House ever issued One and Two Pound Notes? None.

7. Has

Mr. Hudson Gurney.

7. Has any other Bank in Norwich? None of the principal Banks in Norwich, but other Banks in Norfolk do.

8. Of what then is the daily Circulation of Norwich composed? Of Five and Ten Pound Notes of Country Bankers, and of One Pound Notes of the Bank of England.

9. What Proportion to your whole Issue of Bank of England Notes are you in the Habit of referring, for the Purpose of answering current Demands?

Twenty-four Hours probable or possible Demand, which must depend on the Probability or otherwise of Balances being called for in Bank of England Notes, in consequence of any Alarm.

10. Does this Demand vary in proportion to the whole Amount of your Issues actually in Circulation?

Certainly, under those accidental Circumstances ; it has no Reference to the Amount of our Issues actually in Circulation.

11. Is the Amount of your Issues limited by the greater or less plentiful Issues of the Bank of England?

Certainly not immediately ; mediately they may, as affecting Prices.

12. What Considerations determine the specific Amount of your Issues at any given Time?

The Demand for them.

13. Explain this?

We of course would not give out our Notes to any one who had not the Money in our Hands ; and to any Person who had, we should make the Payment in our Notes, if they chose so to demand them.

14. Do you not discount Bills?

We discount very little in the Country for Persons not our Customers ; the Bills drawn from Norfolk are I believe principally for Corn shipped for London, and other Ports ; the Custom of the Bankers is to take these Bills from Corn Merchants, and place them to the Credit of their Accounts. I ought however to state, that ours is not the Norwich House which has the principal Connection with the Corn Merchants.

15. Can you form any accurate Notion of the Amount of the whole Circulation of Country Bank Notes in the County of Norfolk?

I have made Inquiry with that View of the resident Partners of those Banks with which we are connected ; and comparing their Answers together, I estimate the present Circulation of Country Notes in Norfolk at £650,000 or thereabouts ; but this of Necessity must be Matter of Opinion.

16. Under favourable Circumstances of Commerce and of Credit, might their Amount be greatly increased?

I believe it could not be increased at all, unless through the Medium of the Increase of the public Debt, and the consequent Increase of Prices from increased Taxation.

17. Explain how the Increase of the public Debt would increase the Circulation of Country Paper in the County of Norfolk?

What I mean by it is this ; no Banker can issue Paper at all, but in the Way of Exchange for something previously lodged with him. If the Prices of all Things increase, the Value of Currency decreases ; and the Issues of Bankers will of course increase in a certain Proportion to the Increase of Prices. They have not kept exactly that Proportion.

18. You consider then the Increase of the National Debt and the Increase of Prices as necessarily connected?

I think it to be so, as the increased Taxation must be added to the Price of the Article.

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Mr.
Hudson Gurney.

19. From your Knowledge of the Circulation of Norfolk, have you been led to form any Estimate of the probable Amount of the whole Circulation of Country Paper in England?

I am an ill Judge of the probable Amount of the Circulation in Districts diffimilarly circumstanced to ours; but taking ours as an Indication, I should say, that it could hardly exceed 25,000,000.

20. Do you know any thing of the Mode of Circulation adopted in Lancashire, by Means of Bills of Exchange?

I have heard that the Fact is so.

21. What is your Opinion of the Advantage or Disadvantage of such a System, as compared with that of Notes payable on Demand?

Never having had any Transactions with, and never having been resident in any County where that has been the Practice, I am of course hardly able to give an Opinion; on the whole, I should think our Mode the better.

22. What Proportion does the Amount of your Issues bear to that of your Deposits?

Looking back for a long Series of Years, I should say, pretty steadily about One-tenth in the Norwich Bank which does not issue One and Two Pound Notes. In one Bank with which I am acquainted, previous to its Issue of its One Pound Notes, the Circulation was in the proportion of One-eighth of the Deposits; in 1810 they began to issue One Pound Notes, since which their Issues have been to the Amount of One-fifth of their Deposits. Another Bank on the other Side of Norfolk, which issues One Pound Notes, seems also to have a Circulation of nearly One-fifth of its Deposits. I am also acquainted with a Bank in Lincolnshire, One of our Branches, circulating over a large Tract of Fen Country, perhaps thinly inhabited, where the Issues would be between One-third and One-fourth of its Deposits, which is the greatest Proportion which ever came before me; so much so, that I am rather doubtful of the Accuracy of this Statement.

23. What is the Nature of your Deposits?

A great Aggregate of small Sums left in our Hands, in a Country chiefly agricultural; composed of that which passes for Money, chiefly of Country Bank Notes, and also of Bills to a small Amount, Drafts on other Bankers, and Bank of England Notes; we take every Thing.

24. Has the Amount of your Deposits fluctuated in the same Proportion as that of your Issues?

In a greater Proportion.

25. Have there been any remarkable Fluctuations?

I am not aware of any very great or sudden Fluctuations since 1797, excepting from the very great Sales of Stock on the Rise of the Funds in 1817 and 1818, to realize Profits, which were left in our Hands for our current Interest, which is 3 per Cent.

26. How do you employ these Deposits?

In the Discount of Bills of Exchange in London.

27. At what Dates?

I should think, on an Average, Six Weeks or Two Months; but from the Amount we are in the Habit of taking, we do not object to a certain Proportion being rather beyond Bank of England Time, which is Two Months; and some very few occasionally have longer Periods to run, as far as Three or Four Months.

28. Are any of these Deposits ever invested in Government Securities?

As a System never; nor am I aware of any, such Investment, to any Amount having taken place, though at this Time we have a small Sum so invested.

29. Has not the Rate of Interest varied at which you discount Bills?

Till that Flux of Money in 1817, we never in my Recollection had any Difficulty in finding good Bills to discount at Five per Cent. In 1817, we discounted Bills

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Mr.
Hudson Gurney.

Bills at 4 and $4\frac{1}{2}$ per Cent. I believe we are getting 5 per Cent. for the greater Part now, (we did not get 5 per Cent. Two Months ago), though I am not very clear of this, it being our Instruction to our Agents in all Cases to sacrifice Interest rather than to discount any doubtful Bills.

30. If the Bank of England were to discount at 4 per Cent., what Effect would that have on your Business?

I conceive that we must immediately lower the Interest we give for Money; as in Truth we considered ourselves almost compelled to do in 1817, but we were unwilling to change a long established System.

31. It appearing by the Accounts before us, that the Bank of England has in the Course of the last Six or Eight Months reduced its Circulation to the Amount of at least Three Millions, what Effect has the Reduction of such Circulation had on the Trade and general Interests of the Country?

In Norfolk to the Time I left it in January the Price of Corn was high, and therefore in Norfolk every thing might be considered as flourishing. I could say the same of the City of Norwich; there having been a great Demand for their Manufactures, but which was beginning to slacken. (Since that Time I understand the Price of Corn has fallen. By a Note from our Agent in London of this Morning, informing me of the Stoppage of Five Commercial Houses, he gives me as his Opinion, that the Reduction of the Circulation of the Bank of England will have a most serious Effect upon the Commercial Part of the Community. For myself, I should conceive any material Diminution of the Circulating Medium of the Country, be it of what Nature it might, would still more materially and permanently distress the Agricultural than the Commercial Part of the Community, as was decidedly shewn in 1816. If I am right in my Calculation of the whole Amount of the Bank of England and Bankers Circulation not exceeding the Amount of the Public Revenue, I should conceive that Aggregate could not be reduced without extreme Peril.

32. Do you conceive that it makes any important Difference to the Trade and general Interests of the Country, supposing Amount of Bank of England Notes in Circulation is the same, whether they are issued on Commercial Discounts only, or partly on Commercial Discounts and partly on Government Securities?

Other than the Facilities which the Discount of those identical Bills gives to the Owners, I do not see that it makes any Difference as to the Circulation; but there is this Difference in Nature between the Two Securities, viz. that the Commercial Bills are supposed to represent Goods *in transitu*, while the Government Paper only represents a Debt to be discharged in the Course of the Receipt of future Revenue.

33. At a Time when there is Abundance of what is called Money, by a large Issue of Bank of England Notes, would not individual Merchants be able to obtain Discounts from private Houses, if a considerable Proportion of the Issues of the Bank were inapplicable to that Object, by being made on Government Securities?

I should think that they might; I believe that the System of private Banks employing their Deposits in Commercial Discounts is much more universal than it was.

34. Do not private Houses generally advance Money on Discounts, when Money is plentiful, at a lower Interest than is customary with the Bank of England?

I never knew any Instance of it previously to 1817.

35. Whether the general Facilities afforded by the Bank of England to Commercial Transactions of this Country, consist in the Facilities which they afford to the Aggregate of individual Transactions?

I am not competent to answer that Question.

36. Referring to Question (No. 32.) will you give an Explanation of your Opinion in Answer to that Question?

I meant with no Reference to the Manner in which a Note got into Circulation; Amount for Amount, it is exactly the same Thing; but as I conceive

Mr. Hudson Gurney. ceive the whole Aggregate of the circulating Paper of the Country does not exceed that of the Year's Revenue, I cannot conceive how a less Amount of *Numeraire* can suffice for the Return of that Revenue, and for the multiplied Transactions of the internal Commerce of the Country. If, under the Bank Restriction, any given Amount of their Notes be withdrawn from Circulation, it is just so much Annihilation of Current Money, with nothing to supply the Void; any Bullion which the Alteration of the Exchanges brought into the Country not circulating. It therefore spends itself in the proportionate Diminution of the Prices of all Things, vitiating all outstanding Contracts, to the Loss of the Debtor, who probably has not wherewith to pay, and occasioning that Species of Distress under which the Country laboured in 1816.

37. When you estimate the Amount of the Country Bank Paper at Twenty-five Millions, on what Grounds does that Estimate proceed?
 Inasmuch as founded on any Documents accessible by me, it is a mere Inference from that which I estimate as the Circulation of the County of Norfolk. But in which Inference I am confirmed by all those Bankers, and others likely to be informed, with whom I have conversed on the Subject.

38. On what ground have you yourself calculated the Proportion which the Circulation of Country Bank Notes in the rest of England bears to that of Country Bank Notes in the County of Norfolk?
 Simply and solely, that if any Banker may, by imprudent Loans or Discounts, for the Moment put out as many Notes as he will, yet not a Note will stay out more than is wanted for the Transfer of Goods on Sale in his District. And therefore I consider that the Amount of Circulation required for the internal Traffic of the County of Norfolk may in all Probability give a certain Clue to the Amount which will be wanted in other Counties of like Extent.

The Witness is directed to withdraw.

This Committee is adjourned to Monday at Twelve o'Clock.

Die Lunæ, 1^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. GURNEY was called in again, and further examined as follows:

39. It appearing that an Issue of One and Two Pound Notes would materially augment your Circulation, and it being presumed that a Circulation demanded by the Wants of the District is a Source of Profit, what is the Reason you have hitherto abstained from making such Issue?

Originally from an extreme Dislike of substituting a Paper Currency for the Coin of the Realm; the Five and Ten Pound Notes of Bankers going in the Course of larger Transactions into the Hands of Persons accustomed to Money Business, whilst in the Country, the Labourer and Persons paid simply in single Pounds were both unable to judge of what they were, and in fact we had a great Difficulty in getting any body to take even Bank of England Notes at that Moment; we therefore at a very great Expence did for a time keep up a Circulation of Guineas, after that Circulation had ceased in most other Districts: When we were unable to continue this, we fell into the Habit of using One and Two Pound Notes of the Bank of England; and our County became accustomed to it. The Norwich Bankers resisted the Issue of One Pound Notes, as thinking it lowered them in public Estimation, and still continuing to abstain from issuing them; I believe from no other Reason, but partly Habit and Prejudice, and partly from the very great Trouble it would occasion in their respective Offices. In truth, as the Three principal Norwich Banks at this Moment happen to be circumstanced, I do not know that they have Partners to take upon themselves the Clerical Labour of a One Pound Note Circulation; without taking them from other Avocations, which they would consider more material.

40. Is not the Profit to be made by the Circulation of One Pound Notes to a given Extent trifling, in Comparison with the Profit to be made from a Circulation of Five and Ten Pound Notes to the same Extent?

I am hardly able to answer the Question; I believe that the Stamp on the One Pound Note is somewhat higher in its Proportion; I think so, I do not know.

Witness is directed to withdraw.

Then Mr. JAMES HAMMETT is called in, and examined as follows:

1. What Line of Business are you in?
 I am a London Banker, in the House of Sir James Esdaile and Company, very much connected with Country Banks in various Parts of the Country, Somersetshire, Devonshire, Norfolk, various Parts of Wales, Cambridgeshire, Essex, Suffolk, Sussex, Staffordshire, Gloucestershire, Stafford, Warwickshire, Northamptonshire, some Yorkshire Houses, and others.

2. How long have you been in this Business?
 Since the Year 1804.

3. Can you give the Committee any Information as to the Fluctuations which have taken place in Country Bank Paper; in what Year it was at the highest, and in what at the lowest?

The Fluctuations have been very great indeed among Country Banks; to the best of my Recollection, I imagine in the Years 1810 and 1812, and particularly 1816, these Fluctuations were greater in Extent than I recollect them at any other Period.

4. At what Period was the Circulation of the Country Banks the highest?
 I should imagine at the beginning of the Year 1818. I wish however to state, that I consider a Banker in London cannot precisely ascertain the Extent of the Circulation of his Country Correspondents, it being a Question he never would think of asking, unless he was required to support them in a Case of Need.

(30.)

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5. Do

Mr. Hudson Gurney.

Mr. James Hammett.

Mr.
James Hammett.

5. Do you recollect whether the Circulation of Country Banks was very abundant in 1813 and 1814?

I do not.

6. Do you recollect when the County Bank Circulation was at the lowest? I should certainly be inclined to think in various Periods during the Year 1816.

7. Does the Circulation appear to you to have increased or diminished during the last Six or Eight Months? Diminished decidedly.

8. To what do you ascribe that Diminution?

I should imagine the Diminution may be ascribed to some or many of the Connections of our Country Banks having decreased their Cash in the Country Banker's Hands, for the Purpose of investing it in the Funds. I also think the Operation of the Saving Banks have materially tended to diminish the Deposits of small Sums in the Hands of Country Bankers.

9. Has the Reduction which has taken place in the last Six or Eight Months, in the Circulation of the Notes of the Bank of England, had any Effect on the Circulation of the Country Banks?

I am inclined to think it has, but not to any great Extent. I consider the Effect of the Reduction of the Issues of the Bank of England, may have been productive of some little Alarm throughout some Country Banks, which has led to the Presentation of many of their Notes, for the Purpose of getting Bank of England Paper.

10. Can you inform the Committee about what Amount of Bank of England Notes, Country Bankers usually keep, in proportion to the Circulation of their own Paper?

I do not feel myself competent to answer that Question.

11. Do the Country Banks with which you are in Connection generally keep a large Amount of Bank of England Notes, to answer the Demands upon them, or do they look to you, as their Correspondent in London, to furnish them with such Notes, as they may from Time to Time want them?

I should think they do not keep a large Amount of Bank of England Notes by them; but that in case of any Emergency, which may occur out of the common Course of Business, they look to us for a Supply of Bank of England Notes.

12. As it appears that you are connected with Country Banks in different Parts of the Country, and at different Distances from London, have you observed that those Country Banks, which are at a greater Distance from London, keep a larger Supply of Bank of England Notes, than those which are nearer to London?

I have no Means of ascertaining the constant Supply of such Paper which any of our Banks keep by them.

13. In what Manner are the Deposits sent up by Country Banks generally employed?

We employ them by discounting Bills of Exchange, and by lending Money upon Stock; but principally, when we can obtain them, in Bills of Exchange.

14. Are they often employed in the Purchase of Exchequer Bills and other Government Securities?

Scarcely ever in Exchequer Bills, and very seldom indeed in the Stocks when we can procure Bills.

15. Had you any Difficulty in procuring Bills in 1817 and 1818?

In 1817 I do not think we had; in 1818 we had certainly very great Difficulty in selecting good Bills of Exchange for the Money which our Banks had remitted.

16. To what did you ascribe that Difficulty?

I considered there were more Bills manufactured than the fair Objects of Trade warranted, and certainly a great deal of Accommodation Paper made its Appearance.

17. At what Rate did you discount?

We discounted in 1818 at $4\frac{1}{2}$ per Cent.; even some short Paper at Four per Cent.; but this was in very few Instances, not above Five or Six.

18. What in your Judgment would be the Effect upon the Internal Commerce and Credit of the Country, if a further Reduction were to be made in Bank

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Bank of England Notes to the Amount of Two or Three Millions, supposing it were to be made gradually in the Course of Six Months from this Time?

I am decidedly of Opinion that, considering the present Situation of the Commercial World, combined with the Extent of the Issues of the Paper of the Country Bankers, generally speaking, that the most injurious Consequences would result from any further Reduction, although so gradual as Six Months.

19. Would that Reduction be equally injurious provided the Amount were the same, whether it were made in consequence of the Repayment of Advances of the Bank to Government, or in consequence of the Bank diminishing their Discounts?

I should imagine it would be much more injurious if the Bank were still further to diminish their Discounts.

20. Would it however be injurious if there was a positive Reduction of Three Millions in the Bank of England Circulation, in whatever Way it was operated? I should have no Hesitation in thinking it would be very injurious indeed.

21. In what Manner?

I should consider it would operate as a Reduction of Capital to the Extent of Three Millions, which in some Shape or other we have now to trade with. I give this Opinion upon the Supposition that Bank of England Notes are considered by Bankers as equivalent to Specie for all the Purposes of our Internal Trade.

22. Do you consider then the Notes issued by the Bank upon Government Securities, as representing the Capital of the Country, as much as those which are issued upon Discounts?

While the present Confidence exists, I am inclined to think a Bank Note is certainly generally so considered for all the Purposes of Business; though, individually speaking, I should certainly think there might arise a material Difference between Bank Notes issued upon the Faith of Bills of Exchange and those upon Exchequer Bills.

23. Are not Bank Notes issued on Discounts founded upon Articles of Commerce, while those which are issued on Government Securities go towards effecting Payments due from Government, without any Reference to the Amount more or less of such Articles in the Country?

The Amount of Notes that are issued on Bills discounted at the Bank of England, I should consider, have a very different Species of Security attached to them, to what would be issued presuming the Bank of England always to advance to Government what they might be solicited to do upon Exchequer Bills. I state, with reference to this Answer, I do not altogether think myself qualified to reply to the latter Part of the Question, which is itself of a Nature that I have not sufficiently considered, not thinking it necessary so to do in the internal Management of my Banking House.

24. As when a Bank of England Note is once issued in Circulation, it cannot be distinguished on what Account it was issued by the Bank, does not every Bank of England Note in Circulation, however issued, equally support the general Circulation of the Country?

At present it certainly does.

25. If the Circulation of Bank Notes were to be reduced Three Millions within Six Months, would that Reduction in your Opinion have the Effect of lessening materially the Deposits made by Country Bankers, who are connected with you?

I certainly think it would.

26. Would that narrow your Discounts in London, which you make upon those Deposits?

Very materially.

27. Would not such a material Reduction of Discounts operate so as to be injurious to the Mercantile World?

I have not the smallest Doubt of it.

28. Is not then that the Way in which the Reduction of Bank Notes would have an injurious Effect?

I certainly think it is.

29. Would

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29. Would the Reduction of Three Millions of the Bank Notes in Circulation, have those very injurious Effects you described, if it was at the same Time accompanied by a considerable Increase of Discounts by the Bank ; if for Instance Six Millions were repaid by Government to the Bank, and thereby Six Millions of Bank Notes taken out of Circulation on the one Hand, while, on the other, Three Millions were added to the Circulation, by an Increase of Discounts to that Amount ?

In reference to this Question, it appears to me, if I am correct in understanding it, there would still be a Decrease of Three Millions in the total Amount of Bank Notes in Circulation. And I should certainly think that this Decrease of Three Millions would, notwithstanding that Three Millions were added to the Discounts, be very injuriously felt in the Money Market.

30. If Government were to raise by Loan the Six Millions to be repaid to the Bank, what do you conceive would be the Effect on the Money Market, the Bank not in that Case giving the usual Accommodation to the Lenders, by making Advances upon the Instalments for them ?

I presume that any Measures of the Bank of England, which are accompanied by a Reduction of their Issues, either in refusing to make Advances upon Loans, or in contracting their Discounts, will be more or less injurious in their Effects.

31. If the Bank of England were to increase its Issues, either by Advances to Government, or by additional Discounts, do you think it would be productive of beneficial Effects ?

Certainly, inasmuch as there would be a greater Capital, as a Circulating Medium, wherewith to carry on the Trade of the Country.

32. When the Issue of Bank of England Notes has been abundant, whether issued on Discount or on Government Securities, has the Consequence been a general Facility in obtaining Discounts from private Bankers ?

The Facility has been considerably increased in every Respect. The Accommodation which private Bankers are in the Habit of giving to their Customers, is necessarily influenced by the State of the Money Market ; and I believe a very general Opinion prevails, that when the Bank is liberal in its Discounts, the Notes coming into Circulation from that Source enable the Bankers to be also more liberal in discounting for their Customers.

33. Does it make any Difference, as to the Power of private Bankers to discount for their Customers, from what Sources the Bank Notes issue ; that is to say, whether they be issued from the Bank on Discounts, or on Government Securities, supposing the Number of Notes to be the same ?

I conceive it makes some Difference, because Notes of the Bank of England, issued upon Discounts, are much more immediately connected with Business, in my humble Opinion, than Notes issued in Aid of the Demands of Government ; and presuming that the Operation of the Issue of Notes is not so immediately felt in the City, when that Issue is for Exchequer Bills, instead of Bills of Exchange. But ultimately the Money Market may feel the beneficial Effects of such increased Issues.

34. With reference to your Answer to Question (No. 31.) do you conceive that the Capital of the Country is increased by every additional Loan made by the Bank to Government ?

I should conceive that Capital is increased, if it was generally considered that there was a bona fide Value for every Bank Note that might be issued, and that an Increase of the Bank of England Notes in consequence of such Loan took place, forming thereby a larger Circulating Medium.

Witness is directed to withdraw.

This Committee is adjourned to Wednesday at Twelve o'Clock.



Die Mercurii, 3° Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. ALEXANDER BARING was called in, and examined as follows :

1. In what Line of Business are you ?
I am a Merchant in general Business ; I have been a Bank Director, but I have been out of the Direction these Two Years ; I know nothing of the present Affairs of the Bank, nor of the Opinions of the Directors.

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2. How long were you a Bank Director ?
For about Ten Years.

3. Would it in your Judgment be practicable and safe for the Bank to resume Cash Payments on the Fifth of July next ?

I should say not only not safe, but utterly impossible. I know of no Process by which the Bank of England could be enabled to pay in Specie by that Time, or within any Period nearly approaching to it. When I speak of the Impossibility of the Bank of England paying in Specie, I mean so as to leave to the Country at the same Time any adequate Medium of Circulation. I do not know enough of Bank Affairs, and particularly of the Amount of Bullion in their Vaults, to say whether the Bank could or could not arrive at Cash Payments, if the Means of Circulation for the Country at large were totally disregarded.

4. State the Grounds of your Opinion ?

I found this Opinion on the Belief that there is very little Specie or Bullion in the Country, compared with what would be required for the Return of Payments in Specie. I cannot think Payments in Specie, according to the old Practice of this Country, practicable, until the general Circulation of the Country is in some Degree filled with Specie ; that is not only not the Case at present, but judging from Appearances, I should think the Country has less Specie in it now, than at any Period since the Restriction of Cash Payments. To bring that Specie back, must in all Cases be a Work of considerable Time ; and any Attempt to press it, very injurious to every Branch of Industry in the Country.

5. Is it your Opinion that the Exchanges and the Price of Gold are affected by the Increase or Diminution of the Circulation of the Notes of the Bank of England ?

I can have no Doubt of it whatever ; I have always considered the Price of Bullion and the Rates of Exchange, which for this Purpose are the same Things, dependent on the Paper Circulation, and liable to be regulated by its Contraction or Expansion. I do not mean to say that the Foreign Exchanges, or the Price of Bullion, would vary always in proportion to any Alteration in the Amount of the Paper of the Bank of England, or even of the Paper of the Country at large ; because there are various Circumstances which, at different Times, vary the Amount of the Circulating Medium required for the Use of every Country ; and sometimes, for Instance, Twenty-five Millions of Bank Paper may be too much, when at another Period Thirty Millions may be too little. It is the great Defect of a Paper Currency, that it cannot adapt itself to this Change of Circumstances. I should also say that the numerical Amount of the

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Issues of the Bank of England, are no Criterion of the general Amount of Paper in Circulation, owing to the constant Fluctuation in the Amount of Country Paper.

6. Suppose the Bank of England were to reduce its Circulation Three Millions in the Course of Six Months from this Time, that Circulation being now about Twenty-five Millions, what in your Judgment would be the Effect of such a Reduction upon the Commerce and Interests of the Country?

I think that the Reduction of the Paper of the Bank of England, which would necessarily bring with it the general Reduction of Paper throughout the Country, must always, even if made in the most prudent Manner, be productive of considerable Inconvenience; that it must have the same Tendency to cramp and confine the general Trade of the Country, which the constant Expansion of the Circulating Medium of the Country, from the Period of the Bank Restriction, has had to enlarge it. If that would be the general Consequence of such a Reduction, the present Time is undoubtedly most unfavourable, owing to considerable temporary Distress existing in the Trade of the Country, and which I think likely to continue for some Time. There is a remarkably good Paper in Mr. Hume's Essays upon this Subject, I mean his Essay on Money. There are also Circumstances at this Time which increase the Difficulty, arising from the simultaneous Attempt of some of the great Countries of Europe also to get rid of the Paper Circulation, which the Necessities of the late War forced them to have Recourse to; Russia, Austria, Denmark, and some smaller States, are at this Moment drawing, by Means of Loans and other Resources, the Specie from all Parts of Europe, and are likely to continue to do so for some Time; at the same Time that South America has, owing to its distracted State, sent much less of the precious Metals to Europe. I apprehend therefore, especially if the Spanish Colonies continue long in their present Situation, that we are likely to see a very important Change in the Value of Money in Europe. Should the Countries on the Continent I have named, and this Country, really attain the Object they have in view, of establishing a Metallic Circulation, it must produce on the World at large the same Operation in increasing the Value of Money, which the working of the Mines in the new World, and the more important Circumstance of the great Use of Paper Money, had in diminishing that Value. I should estimate what those Countries, including Great Britain, would require for the Purpose I have mentioned, at little short of One hundred Millions in Gold and Silver.

7. Would not the superior Wealth and Industry of this Country give it great Advantages over other Countries in a Return to a Metallic Currency, provided effectual Means could be adopted for that Purpose, without too much Pressure upon the internal Concerns of the Country?

I think it would; I think in the Competition we should have the best Chance, because no Country possesses the same Amount of valuable Commodities to export, and because the Gold and Silver of the new World passes principally through this Country in its Way to the Rest of Europe.

8. Are you of Opinion that the Loans which have been contracted for in Foreign States, particularly in France, since the Peace, have had an unfavourable Effect upon the Exchanges of this Country?

The Circulation of the Country being in its present State, Payments abroad, from whatever Cause arising, must have an Effect upon the Exchanges.

9. What do you mean by the present State of the Circulation of the Country?

I mean that if the Circulation were in its former State of Payment in Specie, that no Payments abroad would bring the Exchanges materially below their Par; but with a Paper, that has no Regulator of its Value, it is undoubtedly liable to Depreciation by Foreign Payments, as has been amply proved in the Course of the last War.

10. Have you Reason to believe that many Persons in this Country have since the Peace made considerable Investments in the Loans and other Securities of Foreign Countries, and to what Extent?

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The Difference in the Rate of Interest in this Country and in Foreign Countries, has undoubtedly occasioned considerable Transfers of Capitals abroad. Nor do I think that it is likely to discontinue, whether new Loans are made there or not, as long as the same Disproportion continues to exist between the Value of Capital in this and other Countries. It is impossible to estimate with any Degree of Accuracy to what Extent these Investments have been carried. I have heard them variously estimated; I should guess myself (I can only guess) the total at somewhere about Ten or Twelve Millions Sterling since the Peace, of which probably about Eight is in France, and the Remainder in Russia, Prussia, and various other European Countries. These Investments have not been confined to public Securities in different Countries; but have also been made in various Enterprises which pay a tempting Interest to Capitalists of this Country. I speak mostly of public Works undertaken by local Associations, and likewise in Enterprises of all Sorts. The Investments of our Capitalists in American Securities has very much diminished of late Years. I find, in examining the Accounts of my House of the Recoveries for Individuals of Interest in America, that the Amount invested was at one Time above Five Millions Sterling, and does not at present amount to much more than One Million. This Reduction is principally owing to the old Bank of America being dissolved, in which the Capitals of this Country were principally invested. But I believe there has been a Reduction of Investments even in the other Securities; (the Bank paid Eight per Cent., American Stocks usually give Six.) A principal Reason which has discredited the American Stock, is, its being made redeemable at fixed and early Periods.

11. Were you at Paris at the Time of the great Crisis of the Bank of Paris? I was, and I believe the Information conveyed in the Governor's Report to the Proprietors in January last, as to the Effect of the Reduction of their Issues upon Foreign Exchanges, and upon the Amount of the Bullion in their Vaults, to be correctly stated. The Effect of the Reduction of their Discounts upon the Exchanges, and upon their Bullion, seems to me singularly applicable to the present Question. Their Bullion was reduced by imprudent Issues from 117 Millions of Francs to 34 Millions of Francs, and has returned by more prudent and cautious Measures to 100 Millions of Francs, at which it stood Ten Days ago; when I left Paris; this considerable Change took place since the First Week in November, when the Amount of Specie in that Bank was at its lowest. It must however be always recollected that this Operation took place in a Country, every Part of the Circulation of which is saturated with Specie; and therefore no Inference can be drawn in favour of the Possibility of so rapid an Operation in this Country, where, owing to the Absence of Specie in Circulation, the Supply must entirely come from abroad; for in Paris, though some Portions may have come from Foreign Countries, the great Supply must undoubtedly have come through all the various small Channels of Circulation through that Kingdom. It may perhaps be of Service to state the Amount of Specie brought to the Mints of France; which appears to have been, in Sixteen Months ending on the First of January last, 125,933,540 fr. in Gold, and in Silver only 3,153,715 fr. Of that Amount of Gold about Three-fourths came from Great Britain, principally in Coin. The Reason why they received so much Gold and so little Silver, arose probably from their Supply coming principally from England, which had only Gold to send; while their own Silver as well as that from other Parts of the Continent, has during the last Two Years been constantly draining away towards Vienna and Petersburg, for the Purposes mentioned in one of my former Answers.

The Witness then delivers in Two Papers, entitled,

- 1st. " Proposition de Loi pour le Règlement Definitif des Budgets de 1815, 1816, 1817; et La Régification Provisoire de celui de 1818."
- 2d. " Compte Rendu, au Nom du Conseil Général de la Banque, par Mr. Laffitte, Gouverneur Provisoire, Chevalier de la Légion d'Honneur; Rapport de M. Mrs. et les Censeurs."

12. Can you state what is the probable Amount of the Circulation of France? It is impossible to state it with Accuracy, either as to France or any other Country;

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Country; but the Estimate of the best informed Persons is about 1,400 Millions of Francs, or 60 Millions Sterling in Specie. The Circulation of Paper is confined entirely to that of the Bank of France, which on an average may be estimated at about 100 Millions of Francs, or Four Millions Sterling, which has little or no Circulation beyond the City of Paris. They issue no Notes under 500 Francs.

13. Is any considerable Part of the Internal Circulation of France carried on by Bills of Exchange?

In the Sea-ports of France, Payments of large Transactions are principally made by Drafts on Paris. Paris stands in this respect in the same Relation to the Sea-ports, that London does to Liverpool: Transactions at Liverpool are done perhaps more by Bills upon London than those of most other of our Sea-ports.

14. Have the Exchanges between this Country and the Continent been for some time unfavourable to us?

Yes, they have; they have been for the last Eighteen Months from Five to Seven per Cent. under Par.

15. Were they less unfavourable about the Month of September last than they were in December, or than they are at present?

I do not think they have materially varied; I cannot speak quite positively.

16. What do you call the Par of Exchange between London and Paris?

The Par of Exchange between a Country having a Standard of Gold, and one having a mixed Standard of Gold and Silver, cannot be given with mathematical Accuracy; but comparing the Sovereign with the 20 Franc Piece (which 20 Franc Piece has never differed from the Silver Standard of France more than $\frac{1}{4}$ per Cent. during the Time I was there, and has generally been from 1 to $\frac{1}{3}$ per Mille), it is 25 fr. 14 c.

17. Do you mean that there is the same Quantity of pure Gold in an English Sovereign, as there is in 25 fr. 14 c. of the French 20 Franc Piece?

Exactly; I take it from the Return of the French Mint, which I presume to be accurate.

18. You have stated it to be difficult to ascertain the Par of Exchange between a Country having a Standard of Gold, and one having a mixed Standard of Gold and Silver; do you mean that France has a mixed Standard of Gold and Silver?

Yes, certainly; Gold and Silver in fixed Proportions are equally a legal Tender for all Debts.

19. How are the Proportions fixed?

I cannot answer precisely.

20. In making Payments in Gold in France is there not always an Agio paid?

Gold has always borne a very small Agio. I have already stated it to have been, since I have been at Paris, from $\frac{1}{10}$ to $\frac{1}{4}$ per Cent. I believe the Proportion between Gold and Silver to have been very well adjusted, and that the Agio is little more than what is paid for the superior Convenience of Gold.

21. Does this Agio vary?

It does.

22. Is it legal Tender without any Agio?

It is; each Metal is legal Tender, and is in common Use as such; this mixed Standard works so well, that I have been led to alter the Opinion I formerly entertained, of the Expediency of taking a single Metal as a Standard of legal Payment.

23. Are not the Coins, both Silver and Gold, saleable in France?

There are no Restrictions in dealing in the Coins of the Country in any way, nor in exporting them; there exists an obsolete Law against the Exportation of them, but it is never enforced.

24. Do you not consider that Liberty as essential to the joint Circulation of the Two Metals as equally legal Standards?

I certainly do; fortunately all Laws of Restriction in such Matters are nugatory.

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25. Are you of Opinion, that the Effect of the Remittances made to the Continent for the Purpose of being invested in Foreign Securities, and otherwise, in the present State of our Circulation, has been to render and keep the Exchanges unfavourable to this Country?

It is very difficult to ascertain in what Manner the Exchanges have been affected, where there is no Regulator of the Circulation; but I incline to think that they have had some unfavourable Effect upon the Exchanges.

26. It appearing, according to what you have stated, that the Exchanges with Paris were favourable to this Country, from April 1816 to April 1817, for Bills at Three Days Sight, to what do you ascribe the favourable State of the Exchanges during that Period, and the Depression in them which has since taken place?

I am not sufficiently acquainted with the internal Circulation of the Country, to know whether it is properly to be ascribed to the State of the Issues of Paper; and as I have already stated, the Numerical Amount of Notes out, is no Criterion of their being in proportion to the Wants of the Country. I can have no Doubt that any Contraction of the Issues of Paper would prove the Exchanges from Depreciation, notwithstanding any Remittances Abroad, for whatever Purpose: it may be. But undoubtedly if, at the Period that the Exchanges were inclining against us, there was no counteracting Principle of Contraction of Issues, the Investments Abroad may have had their Effect. I believe also there were considerable and unusual Importations of Corn in the Year 1817. The Foreign Exchanges are not only operated upon, in my Opinion, by the Amount of Paper issued, and by Remittances Abroad, but also frequently from Speculation and Opinion unconnected with either. For Instance, the Landing of Buonaparte affected the Exchanges, 10 per Cent, without any Alteration that I know of, in other Circumstances, likely to affect them; and the Battle of Waterloo had the contrary Effect of improving them; those are great political Circumstances, but a Variety of minor Circumstances, purely Commercial, have constantly the same Effect, in a proportionate Degree.

27. Are we to understand then, that in your Judgement considerable Importations of Grain, in Years of unfavourable Harvest, would have an unfavourable Effect upon the Exchanges?

I think it would in any Country having a Circulation of Paper not payable on Demand, and when there are no Means of contracting its Amount, so as to perform for the Circulation the same Office which a sound Circulation of Specie would do for itself.

28. Would it have the same or any Effect in a Country where the Circulation was partly of Specie and partly of Paper convertible into Specie, as before the Bank Restriction?

I think that no Demand however pressing, and of whatever Nature, would make such a Fall in the Exchanges, as would exceed the Expence of the Transport of Coin, combined with the Risk of the Violation of the Law, so long as a Law exists against exporting the Coin. This Opinion, founded as it is upon the Principle of Circulation, is amply confirmed by the uniform Experience of this Country before the Restriction of Bank Payments; and of every other Country with which I have been acquainted. This Principle has been put perhaps more severely to the Test within the last Two Years in France, than in any other Instance. France having had a large Payment to make Abroad, beyond the apparent Means of her Commerce, and without any equivalent Return, and these Payments having produced no Derangement whatever of the Circulation of that Country.

29. Has not France, after Two Years of great Scarcity of Corn, and Two Years of Foreign Contribution, been able to contribute a Proportion of the precious Metals to the Wants of Russia and Austria?

Undoubtedly, the precious Metals have been supplied from France to Russia and Austria, and shipped to a considerable Amount to America, notwithstanding the Payments to Foreign Powers, and very large Payments for imported Corn, whilst at the same Time, Wine having almost totally failed for several Years past, they were deprived of the most essential Article of their Export.

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30. Upon what Principle then do you account for the Exchange with this Country being unfavourable to France during Part of the Year 1816 and 1817, and of the great Import made of Gold into this Country at that Time?

I cannot understand that the Principle is at all violated, unless it can be shewn that the Exchanges of France fell below the Expence of exporting their Specie. It should be recollected that a Sort of fictitious Par was established by the Price which the Bank determined to give for Bullion, the Bank being in such Case the only great Buyers.

31. If you were informed that the Bank continued to keep up the Price of Gold at £3 18 s. 6 d., when according to the Exchange it would naturally have fallen to the Mint Price, would not that account to you for the Influx of Gold?

Surely, because there is no Difficulty in importing Gold now, if you pay a sufficient Price for it.

32. What is the Manner in which the Contraction of the Issues of the Bank operates upon the Exchanges?

By reducing in the Country the Amount of what in common Terms is called Money, that is, of the Sign of Value in the Exchanges of Commodities. That Paper is increased or diminished in Value upon the same Principle that that of the Gold and Silver has been diminished by the Augmentation of it, by Importations of it from South America, there can be no Doubt. Whatever is selected in any Country to answer the Purpose of a Sign of Value, there can be no Doubt that the Sign of Value in any Country must exchange for different Quantities of any given Commodity, according to its Abundance or Scarcity; and that in this Country, if you were to restrict very much the Issue of Bank Paper, and to prevent the Gold from arriving at the Mint, you might carry the Paper Pound to be worth Thirty Shillings, or more; that in fact, by making it scarce, it is difficult to say to what Value it might not be raised, till at last it would be rejected as unfit for the Means of Circulation, and People would barter for want of a Sign of Circulation.

33. Are we then to understand that the Manner in which the Reduction of Bank Paper affects the Exchanges, is by increasing its exchangeable Value, or, in other Words, by diminishing the nominal Price of every Thing which is circulated by it? I think certainly.

34. What Effect do you conceive a general Reduction of the nominal Prices of all Commodities would have upon the Commerce and the internal Concerns of the Country?

It would be proper to distinguish the temporary from the permanent Effect. There exists at this Moment a Degree of Distress in the Commerce of the Country, which is very intense at present, but not likely to be of long Duration; but which would make any Reduction of Paper, or, in other Words, a Scarcity of Money, very prejudicial for some Time. Setting aside the temporary Question, and with reference to the permanent Interest of the Country, I am apprehensive that a Return to a sound Currency, as it formerly existed, must, with the most gradual and prudent Measures, always be attended with some Suffering. This Return is to be effected by making a Scarcity of the Sign of Value, or of Money, and must straiten to a certain Extent all the industrious Operations of the Country as long as it continues; the Degree of Suffering must depend upon the Degree of Caution used in bringing back the former Order of Things, and the Time taken up for that Purpose. Setting aside the peculiar Case of this Country, for the Reasons I have already stated, the Extinction of a large Mass of Paper in Europe generally, and the diminished Arrival of the precious Metals, must produce in the World at large a corresponding Increase of the Value of Money: that general Effect will, in my Opinion, be very much heightened by the particular Case of this Country, which is to pass from a System of so much Ease and Facility, to one of so much Restraint. The Effect of this Change will be felt in a considerable Degree in Countries which have never abandoned their Metallic Circulation, but much more so in those which have enjoyed the Facility and Convenience of a Circulation of Paper; for, with all the Objections existing against such a Circulation, and the Danger to Property with which it is attended, it is impossible to

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to deny the Facility which it has afforded to the Industry of the Country; I indeed feel so much Apprehension of the Difficulties that attend this Return, and the probable Impatience of the Country under an Operation so painful, that I have always rated the Difficulty of it higher than I found Public Opinion generally to do.

35. Supposing this Difficulty got over without any serious Convulsion, do you think it probable that a Circulating Medium, partly Gold and partly Paper, convertible into Gold, could be kept up in this Country, so as to admit of Prices in general being nearly the same as they are now or have lately been?

I am not apprehensive of any Convulsion likely to arise, otherwise than by any intemperate Measures; but what I apprehend is a constant State of Restraint, and Difficulty, and Pressure, under which the Industry of the Country will be struggling during the Operation; it is impossible not to recognize the Existence of an opposite State of Things in a very high degree, since the Restriction; in every Case of Distress, the Bank has been ready and able to relieve; but under the other State of Things, the Bank fearing they may want Relief themselves, will be itself a Participator in the Sufferings and Difficulties which may exist; and every Country Bank in its own limited District, having in a great Measure acted the Part of the Bank of England, will be so too. With respect to the Question of the Value of Money, there must undoubtedly be an Increase of that Value by every Reduction of Money, or what is received as Money in this as in every other Country. The Substitution of Gold or Silver for Paper, must undoubtedly produce this Diminution of the Quantity of Money, but beyond the mere Reduction of the Numerical Amount, the Value of Money must be also affected by that Caution and Circumspection which will be forced on every Individual, as well as the Bank, in the Course of its Transactions. This Evil will be more or less, in Proportion as some Means may be devised to keep in Circulation as much Paper as possible, consistently with Safeguards against its Depreciation; and for this Purpose, I have a very favourable Opinion of the Plan of Currency suggested by Mr. Ricardo, as combining the Two Defiderata of an extensive Paper Circulation, with Security against its Depreciation.

36. Will not the general Reduction of Prices consequent upon an Increase of the Value of Money, affect the nominal Incomes of all Classes of the Community, whose Income depends upon the Sale of any Article, either the Produce of Land or Manufactures?

I think it must, as also the Income of the State.

37. Will not the same nominal Amount of Taxes become a much heavier Burden upon a decreased nominal Income? Undoubtedly.

38. You have stated that, to a Degree, temporary Distress would be varied according to the Caution used in preparing, and the Time afforded for the Preparation of Cash Payments; have you formed any Opinion as to the Nature of the preparatory Measures, or as to the Time necessary to carry them into effect?

Upon the Supposition that it were intended to return to the old State of Currency, it would in my Opinion take a very considerable Time; it is difficult to state precisely what that Time must be, as it would a great deal depend on Accident; but I cannot think such an Operation possible under Four or Five Years. It has taken a much longer Time to drain the Country of its Specie; that Specie must be brought back by slow Degrees; if it is to be done hastily by a simple Contraction of Bank Paper, the Injury to Commerce would be so great, that it could not possibly be suffered; and I have no Notion of the Possibility of a free Payment in Specie, until a considerable Quantity of that Specie is introduced into all the different Channels of Circulation. I apprehend that the only Mode of returning to our old State of Currency would be by a material Reduction of Paper, which in the Course of Time may bring large Quantities of Specie into the Country, that by the Exchanges being constantly kept favourable during that Period by the Scarcity of Money to be produced by such a System, the Bank may gradually furnish that Specie to the Circulation before the Restriction is taken off: But that the Restriction cannot be taken off before there is that Quantity of Specie not only in the Coffers of the Bank, but in the Circulation of the Country. During all this Operation the Bank will be obliged to take care that while they are putting out voluntarily their

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their Coin. the Exchanges never get into a State to carry it out of the Country; which can only be done by shutting their Ears to every Case of Distress, which Circumstances during this Period may produce. I know of no other Measure to be taken, excepting it be to continue for some Time, even after the Restriction is taken off, the Bank Paper as legal Tender for Country Bankers Paper. This would be in my Opinion the Process requisite for the Return to our old System of Currency; there may be some other Expedients, either of having a Silver Standard or a Mixed Standard, which would materially facilitate the Return to Specie Payments, and afford equal Security against the Depreciation, or to introduce for a Time a Paper and Specie Currency together, which might facilitate the Introduction of Bullion into the Country; or lastly, which I should much prefer, trying the Plan of Mr. Ricardo.

39. If it is true that Bank Paper was at one Time Twenty per Cent. worse than Coin, must not the Country have suffered more Pressure from its being raised in Value, so as to be only Six and a Half per Cent. worse than Coin, than it will now do in raising it to a Par with Coin?

I believe Part of the Pressure, which existed after the Peace, to have arisen from that Circumstance; but I should not consider it to operate at all in proportion to the Ratio of Depreciation at the different Periods, because there has been no Want of the Sign of Circulation, and the Bank has always been ready to issue, in Prudence, whatever any particular Circumstance of Distress may demand.

40. Did not a Variation in the Value of Paper, from being more than Twenty per Cent. worse than Coin, to its being nearly on a Par with Coin, take place between the Middle of the Year 1815 and the End of 1816?

I believe it did, but I do not recollect the precise Period; I believe many sudden Fluctuations took place, from the Period of the Landing of Buonaparte to the Battle of Waterloo; but I cannot conceive those great Fluctuations to have produced any considerable Effect upon the Circulation of the Country.

41. Can you state any Reason, why a sudden Restoration of Paper, from a Depreciation of Twenty per Cent. below Par to Par, would produce less Evil than a gradual Restoration of Paper, from being only Six and Half per Cent. below Par to Par would effect?

I do not consider the Question of Distress, at all to be calculated in that Manner; the Operation of bringing Specie into the Country is to be performed by keeping up a constant Scarcity of Paper Money in the Country. The great Variations in the Exchanges, which have been spoken of, have been owing to accidental and casual Circumstances, without being attended, to my Knowledge at least, with any corresponding Increase or Decrease of the Sign of Value in the Country, upon the more or less of which, as compared with the Business to be done, the Distress must in a great Degree depend.

42. Do you not believe that at the Time when Bank Paper was so raised, there had taken place a very considerable Diminution of Paper in Circulation, including Bank of England and Country Paper?

I should think there had; it is always difficult to ascertain that Fact, from the Difficulty of knowing the Amount of Country Bank Paper. At the same Time I should say, that although I am perfectly convinced of the Efficacy of the Diminution or Increase of Paper upon Foreign Exchanges, yet the Necessity of Payments Abroad, from whatever Cause, produces considerable Effect, which undoubtedly might be counteracted by any great Contraction of Paper.

43. Could that Increase of the Value of Paper at the End of 1816 arise in your Opinion from any other Cause but a Diminution of the Quantity of it, or an Increase in the Demand for it?

I think it may rise at the Time from casual Circumstances of Trade, or any Cause that brought Money into the Country; that is to say, that when Circumstances favour Bullion being sent into the Country, the same State of the Amount of Bank Notes would not counteract it, as it would in the Case in which there was a Disposition in it to go out; that in fact the Country can bear, without Depreciation, a Mass of Paper, when the Tendency of Trade

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Trade in other Circumstances is to bring Money into the Country, which it could not bear if a Tendency existed to carry it out of the Country.

44. If at the End of 1816 the whole Paper Circulation of the Country had been as large as at a prior Period, are you of Opinion that the Influx of a great Quantity of Metallic Currency would have tended to raise the Value of Paper?

The additional Importation of Metallic Currency to any Extent would have had its proportionate Effect upon the Mass of Paper in Circulation; but I am not aware that any such Currency was ever imported or put into Circulation: the Bullion must have come as Merchandize, and was probably bought by the Bank, and deposited in their Vaults, without mixing with, and of course without affecting the Paper Circulation of the Country.

45. Can you state whether any considerable Investments have been made, out of Dutch Capital, in the Loans or Securities of France or other Countries since the Peace?

Yes, very considerable; chiefly in Russia, something in Prussia and Austria, and something, but not very considerable, in France; the great Mass has gone to Russia.

46. Have those Investments materially affected the Exchanges between Holland and the Countries in which they were made?

No, they have not; I should state, however, that the Dutch are largely Creditors of all Foreign Governments; from the Abundance of Capital they possess, they have a Participation in almost all Loans that are made. I do not know that their Investments have much exceeded, if at all, the Interest they derive from their Capital in Foreign Countries.

47. Is the Currency of Holland chiefly Metallic?

It is; but in a great Degree a base Metal; the Florin is a good Coin, but the principal Payments are made in Pieces of 5 $\frac{1}{2}$ Stivers, which are at least Thirty per Cent. under their nominal Value; and their not injuring the Exchanges of Holland with other Countries, must arise from their Amount being limited in Extent; the State having ceased to issue them, and having established a small Sinking Fund for drawing them in, and in the mean Time they are legal Tender. The Dutch Standard is Silver; their Gold is legal Tender, but at a Rate so high as to prevent its circulating.

48. Has any considerable Exportation of Florins or Bullion taken place out of Holland in consequence of the great pecuniary Transactions which have been carried on in Europe since the Peace?

As Holland carries on a very considerable Trade, there is a constant Exportation and Importation of Bullion and Coin, both of which are free. But I am not aware that the Balance has been against them; that more has been exported than imported.

49. Are you of Opinion that, the Bank Restriction once removed, and a Metallic Standard restored in this Country, the Proportion of the precious Metals in the Currency of the Country would, after the Facilities which have of late Years been acquired in the Economy of Circulation and Paper, be necessarily as great as it was previous to the Enactment of the Bank Restriction?

I think it will at least be as great; much would depend however upon the Regulation of the Country Banks. If Country Bankers could still tender Bank of England Notes in Payment, the Case would be very much altered. But supposing a complete Return to our ancient System, I think we should want at least as much or more Coin in the Country than before; in the First Place, the Commerce and Circulation are enormously increased since 1797, and the Revenue and its consequent Circulation. There is undoubtedly established a considerable Economy in the Use of the Circulating Medium, arising from Confidence and the Improvement of Commerce; but the Newness and Perfection of the new Coin would be a material Cause of an increased Circulation being required. Any Person formerly using the Guineas which were in Circulation, was constantly liable to have them returned to him as underweight, but the Perfection of the new Coin is such, that I think Convenience would determine most Persons in the Country to use the Sovereign instead of the small Notes. It is from this View of the Subject that I think

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that Half the Amount in a Silver Currency would answer the Purpose ; because from Convenience no Person would carry Crown Pieces in preference to Notes, and not more than One or Two Pounds in Silver ; and that also for the Purpose of Payments of large Sums, the cumbrous Nature of Silver Payments would induce Persons to prefer Paper. In estimating the Amount of the Coin necessary for the Circulation of the Country, it must be recollected that the Issues of the Country Banks, as well as of the Bank of England, must all be founded upon the Possession of a corresponding Sum in Coin.

50. Do you not think that if there was a Silver Standard in this Country instead of a Gold one, it would for the Reasons you have stated require a less Amount in Value of Silver Bullion for the Bank to resume its Payments than it would if Gold was to be continued the Standard as at present ?

I should think certainly ; but it should be recollected that the whole of the Difficulty we labour under is not on the Part of the Bank to make its Payments, because if the Bank is not to care for Consequences, I apprehend that might soon be done ; but our Difficulty is to furnish the Country with the Means of Circulation. When the Bank of England Notes are withdrawn, a Silver Currency would force the Country into a greater Use of Paper, and therefore a much less Amount in Value in Silver would be required than in Gold.

51. Does not the Possibility and Safety of the Resumption of Cash Payments depend upon the State of the Exchanges remaining steadily in favour or not against this Country ; and if such a State of Things should exist, would it be material that the Bank should be obliged to pay in one Metal rather than in the other ?

Certainly it would not ; the Difficulty would be the same, only less would be wanted. Though undoubtedly Cash Payments cannot continue under a Continuance of unfavourable Exchanges, yet there can be no Doubt that those Exchanges could not remain to any injurious Extent unfavourable under a Payment in Specie either in Silver or Gold.

52. Does it not appear by Experience of what passed in 1793, that a Paper Circulation is liable to great Excess, and great Abundance, when convertible into Specie, and would not therefore the Advantages which you state to belong to a Silver Currency, viz. there being more Paper in Circulation, be counteracted by this Consideration ?

If the Issues of Paper under those Circumstances is liable to Excess and Abuse, it is an Excess and Abuse for which those suffer who commit it, and the State may safely rely on the Prudence of Individuals to take care of their own Interest. I always consider the great Desideratum to be, to keep out in Circulation as much Paper as possible, provided it can be secured from Depreciation.

53. Have you any Idea of the Quantity which would be required for the Re-establishment of the old Currency of this Country, without One and Two Pound Notes ?

It is quite impossible to get any Thing more than a Guess or Opinion upon this Subject, and the Difficulty is sufficiently shewn by the great Difference between the Estimates which have been made, of what would be required ; my own Calculation, for which I have no Authority, is much higher than it is generally rated at. I should myself think, with all the Advantages of Economy arising from the Circumstances before mentioned, but taking into the Account the Perfection and Newness of the Coin, from Forty to Forty-five Millions would be necessary ; and I should myself be disposed to rate it rather higher, if I did not find general Opinion to be under that. I speak of course of the United Empire.

54. Must not this Coin or Bullion be brought into the Country by the Payments to be made to the Country, in the Course of its Foreign Commerce, exceeding the Payments to be made by the Country ?

It certainly must be brought in for some equivalent Value given. When I estimate the Amount of Coin likely to be required for the Circulation of the Country,

Country, I do not mean to be understood, that the Whole of that Amount should be actually in Circulation in the Country before the Restriction be taken off.

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55. Can the Amount of the Importation of Coin or Bullion be increased in any one Year beyond the natural Amount of the Balances of Payments to be made to this Country in the usual Course of its Commerce, without embarrassing materially some Branch of the Commerce or Manufacture of the Country ?

I think not. The Operation of the Diminution of the Sign of Value in the Country would be a Demand for Bullion to be sent to this Country ; but undoubtedly this Country must offer an Equivalent in Payment ; and therefore it is that the Restriction cannot be safely taken off, until there is a considerable Quantity of Coin in Circulation. I have ventured to give my Opinion, that neither in One, nor Two, nor probably in Three Years is it likely, that by any Measures a Sufficiency of Specie can be introduced to return to our old System of Currency.

Witness is directed to withdraw.

This Committee is adjourned till To-morrow, at Twelve o'Clock.

Die Jovis, 4^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. BARING was called in again, and further examined as follows:

Mr. Alexander Baring. 56. Does not the Report delivered in by you Yesterday, made on the 28th of January last by the Governor of the Bank of France to the General Assembly of Proprietors, contain an Account of the actual Amount of their Cash at that Period, and of the actual Amount of their Discounts for Two Periods of Six Months preceding that Time?

It does. I believe the Statement of Figures in the Report to be in every Part correct, though I do not agree in all its Reasoning upon late Occurrences.

57. Have you any Means of knowing whether similar Reports are, or are not, periodically made to the Proprietors of that Bank, of the actual Amount of the Cash and Discounts from Time to Time?

These Reports are made either Yearly or Half-yearly, I do not know which, and contain every Information respecting the Transactions of the Bank, excepting as to the Amount of Specie and Bullion in their Vaults; a Fact which, though I believe it is not regularly reported, is not made any Secret of. I beg Leave to read a Passage in the last Report.

The Passage in the Report is read, and is as follows:

“ Leur prompt Retour a permis à le Banque a concourir sans Interruption au Retablissement de la Confiance, en secondant puissamment toutes les Operations commandées par le Bien Public. Bientot elle a repris les Ecomptes a 60 Jours decheance et successivement jusqu'au 90 Jours; et la Reserve en Espèces, qui n'étoit plus de 34 Millions, s'élève aujourd'hui à des Proportions supérieures à tout ce que l'on peut attendre pour éprouver la plus parfait Sécurité.”

58. Are these Facts stated in the Form of any proportionate Scale, or by an undisguised Disclosure of the actual Amounts? By an undisguised Disclosure, without any Reserve.

59. Are you aware of any Inconvenience that has ever resulted from these Disclosures to the Bank of France, and particularly in the late Crisis of their Affairs?

The Question of Secrecy or Publicity in the Transactions of a great Bank is one of considerable Importance, and is in fact a Question between Convenience and Security: it may be a very serious Inconvenience to disclose the Amount of Specie or Bullion belonging to a Bank, or any Information that may lead to a Calculation of that Amount; but I know of no other Information that it can be important or desirable to withhold from the Public. The Inconvenience resulting from the Disclosure of Bullion and Specie is this: that every time the Amount should happen to fall a little below public Expectation, or should be on the Decline, it might occasion a Run upon the Bank; and if in ordinary Times the Danger would exist, it would exist in a much greater Degree in the Case of our Bank of England, where, owing to the Suspension of Cash Payments, and the Difficulty of resuming them, the Trading Public may be supposed to be particularly

larly sensitive upon such a Question. If the Confidence of the Public is entire, both in the Safety and the Conduct of a Bank, I can have no Doubt of the Advantages of Secrecy; but where this Confidence is not entire, the Security of the Public must be paramount to every other Consideration. In France, I apprehend, an entire Publicity has been absolutely necessary to secure any Degree of Confidence. Undoubtedly, in the late Crisis there, great Apprehension was entertained, when their Specie was reduced from 117 Millions of Francs to 34 Millions of Francs, that what remained in the Bank would be immediately taken out by a Run upon it; but owing to the general good Opinion of the Affairs of that Institution, no Run of that Sort did actually take place.

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60. In point of fact, therefore, no Inconvenience did result to the Bank of France from these Disclosures in the Report above referred to?

I think not: at the same time it must be recollected that that Report was not made till after the Crisis was over. No Information, however, is contained in the Report, more than is at all Times usually known to the Public, respecting the Affairs of the Bank of France.

61. Were there any Pains taken by the Bank of France to conceal the Amount of its Bullion and Specie, when it was last Year at the lowest?

There were some Attempts made when it came to its lowest, but they were ineffectual.

62. Did the Knowledge of the Amount of its Cash, when at the lowest, produce any bad Effect?

There was considerable Alarm, not for the Safety of the Bank, but that the Bank might be obliged further to increase the Scarcity of Money by a Contraction of its Issues.

63. Was the Proportion of Specie and Bullion commonly kept by the Bank of France, more or less than what a Bank, whose Affairs are secret, would find it prudent in general to keep in its Coffers?

The Bank of France has usually had much more Specie than is requisite, in proportion to its Circulation: this has been owing to their having had a much larger unemployed Capital than is consistent with the Principles of Banking.

64. You have stated, in answer to Question (No. 59.), that the Inconvenience resulting from the Disclosure of the Amount of Bullion and Specie in a Bank, is this: that every Time the Amount should happen to fall a little below public Expectation, or should be on the Decline, it might occasion a Run upon the Bank; do you think this Inconvenience applies to the Disclosure of the Amount of Bullion and Specie as it stands at the actual Period of the Disclosure, or do you conceive that the Disclosure of such Amount, as it stood at Periods long antecedent, can occasion a present Run on the Bank, respecting which such Disclosure is made?

I think not. I can see no Inconvenience that would arise from such a Disclosure, even if it were made public, other than that of establishing a Precedent for periodical Calls of the same Nature. I add, that the present Position of the Bank of England, of not paying in Specie, seems to me to remove all Difficulty on this Head; unless, indeed, it were in contemplation to return at an early Period to a Resumption of Cash Payments.

65. Does the present Position of the Bank of England effectually guard against any Danger of a Run to be made upon it, even in consequence of a present Disclosure of the Amount of Bullion and Specie actually in its Vaults?

I should think so; there can be no Run where there is no Liability to pay. Knowing nothing personally of the Position of the Bank, I cannot say in what Situation they may stand with respect to the Notes that they are engaged to pay in Specie; but I should think it very unlikely that this Circumstance can present any Difficulty.

66. Would the undisguised Disclosure of the actual Amount of that Portion of the Capital of the Bank, which has at different Periods since the Restriction

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Certainly not; I am not aware that any Circumstance could occasion a Run upon the Bank in its present Situation.

67. Would the undisguised Disclosure of the actual Amount of that Portion of the Capital of the Bank, which has at different Periods since the Restriction been employed in the Purchase of Government Securities, produce any Danger of a Run upon the Bank?

None of these Disclosures, taken singly, appear to me to be attended with that Difficulty; but it is evident, that by the aggregate Amount of the various Assets of the Bank, the Secret of the Amount of Specie and Bullion would ultimately disclose itself.

68. Is it only therefore with reference to what Consideration, that any Danger or Inconvenience would result from a Disclosure of the actual Amount of Discounts and Government Securities purchased?

I am not aware of any other.

69. Do the Answers you have given respecting these Disclosures, apply to the Bank only in its present Situation, or would they equally apply if the Bank were under the Obligation of resuming Cash Payments at a given and early Period?

I am not aware that much Inconvenience or Danger would arise from any of these Disclosures, taken singly, under any Circumstances; at the same Time however, the Affairs of the Bank, like those of every individual Merchant, are best managed for their own Interest by disclosing as little of them as possible.

70. If it were known that the Bank were under an Obligation to purchase, at any Price, Gold to a considerable Amount, say Fifteen Millions, in the course of Nine Months, what Effect would the Notoriety of that Obligation have on the Market Price of Gold, and the general Commerce of the Country?

In the first Place, I should think it would be hardly possible to make such a Purchase within that Time; if practicable at all, it must have the Effect of enhancing very much the Price of Gold Bullion; and as the Payments must be made, either by additional Issues of Paper, or by withdrawing the Advances of the Bank from those Services in which they are at present employed, and as it would be impossible to make it by additional Issues, without defeating their own Object, by increasing what may be called the Depreciation of Bank Notes; I should think such an Operation, if practicable at all within such a Period, must materially increase the present existing Distress.

71. Do you therefore conceive this Operation to be impracticable under any Circumstances, whether of Concealment or of Disclosure?

Yes, I do; but at the same Time there can be no Doubt, that if the Bank is to undertake any Operation, nearly approaching to this Amount, within the Period of Nine Months, Secrecy in the Management of it, and in the general State of their Affairs, would be desirable; I am more apprehensive of the Consequences resulting from the aggregate Amount of such Communications, than from any one individually.

72. You have stated that the Affairs of a Bank, like those of every individual Merchant, are best managed, for their own Interest, by disclosing as little of them as possible; do the Difficulties, which you apprehend in the speedy Resumption of Cash Payments, result from an Apprehension for the Interests and Security of the Bank of England, or from your Fears of the public Inconvenience to result from that Measure?

I have been too long unacquainted with the Affairs of the Bank to form any correct Opinion on this Question; but I incline to think that the main Difficulty consists in the Want of all Medium of Circulation, after the Bank shall have put itself in a Posture to meet its Engagements.

73. Would the Public Inconvenience, arising from the speedy Diminution of the Bank Issues, be occasioned by the Trading Capital being suddenly diminished for want of Discounts, or by its operating as a Diminution of the immediate Means of Circulation?

In

In considering this Subject one is very apt to make a Confusion between Capital and Circulating Medium, and the Manner in which one acts upon the other; in the present Case I should say, that the great Difficulty would arise from the almost total Want of a Medium of Circulation, which would produce, on all Capitals, a much greater Effect than the mere Reduction of the same Amount of Capital in the way of Discount, when the Sign of Value or Medium of Circulation remained the same.

74. Do you not know that in Lancashire, one of the great Trading Districts of this Country, the Circulation is conducted, without any public Inconvenience, by small Bills of Exchange, and Notes of Hand of Merchants?

I am not personally much acquainted with the State of Circulation in Lancashire; but as long as the Paper so issued is not payable anywhere on Demand, its Issue does not seem important to the present Question.

75. Are you not aware that all those Notes are payable on Demand, at the Dates when they are due?

I suppose they are, but it is in a Paper, which the Case we have been speaking of supposes to be withdrawn from Circulation.

76. Would these Notes in Lancashire be less secure or less capable of conducting the Circulation, in your Opinion, if the Issues of the Bank of England were curtailed Three Millions?

I should suppose they would not enjoy Confidence of any Sort, unless there were somewhere a Fund to discharge them.

77. In estimating the Quantity of Specie necessary to be brought into this Country, for restoring the Currency to the same State as before the Restriction, at so large a Sum as from 40 to 45 Millions, on what Grounds of Calculation have you proceeded?

I cannot say I have much solid Foundation for an Estimate, which must be attended with great Uncertainty; in Part I should judge it from the Analogy of other Countries, when I consider the increased Value of every Thing since we have had an irredeemable Paper Currency; and that upon the old Plan of our Currency, any Paper that may be continued in Circulation, must be founded upon an adequate Deposit of Coin; I am rather of Opinion that I have under than over-rated the Amount which would be required; I think the Perfection and Newness of the new Coin adds much to increase the Amount.

78. Will you explain what you mean by the Words, adequate Deposit of Coin? Persons acquainted with Country Banks will best inform the Committee what Proportion of Deposit a Banker thinks himself safe with. I should suppose, myself, that there must at least be Coin for One-third of the Paper issued, and that Proportion is liable to be increased on occasional Emergencies; but I have personally no Experience upon this Subject.

79. Are not the internal Mercantile Transactions of Great Britain much larger than those of any other Country?

I think certainly in proportion to its Extent and Population.

80. Do you not agree to the general Principle, that in proportion as Commerce is extended, a smaller proportionate Value of Circulating Medium is requisite for the Conduct of Transactions?

It is certainly.

81. Have you any Means of estimating the Total Amount of our present Circulation, and the Proportion which it bears at the present Moment to the whole of the Transactions to which it is applied?

No, I have not; I have made no Attempt lately to estimate the Amount of the Country Paper.

82. Must not that Proportion be perpetually fluctuating, even as to Transactions of the same Amount, but essentially varying in their Nature and Duration? Surely.

83. If then it were possible to prove, that the Total Amount of such Transactions in any Country, however varied in their Nature and Duration, stood at any

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any Two given Periods in a certain Proportion to each other, should you judge that it would be a legitimate Inference from the Principles of Commerce and Circulation, that the Amount of Circulating Medium stood in the same Country, and at the same Two Periods, in the same given Proportion to each other, as the Transactions?

I certainly should not.

84. Independently of all other Variations, does not the mere Circumstance of increased Value and Frequency of such Transactions, when coupled with the progressive Improvement in the Trade of Circulation itself, essentially vary that Proportion?

Undoubtedly.

85. Have you any Means of judging what was the whole Amount of our Circulating Medium before the Restriction, and what Proportion of it was composed of a Metallic Currency?

I have no Means of judging the Amount of our Metallic Currency before the Restriction; I believe all Estimates on the Subject to be very vague; I have not sufficiently examined the Question of the Proportion of Paper to give an Opinion.

86. If, in the first Instance, Cash Payments were to be resumed, without the Suppression of the Bank of England and Country Bank Notes of One and Two Pounds, what would be your Estimate of the Quantity of Specie that would then be wanted for the Purposes of Circulation?

Certainly less, but not considerably so, owing to the Perfection of the new Coin. I rather think that One and Two Pound Notes would, to a great Extent, be turned out of Circulation by the Taste of the Public.

87. Are you aware of the actual Amount of Bank of England Notes of One and Two Pounds that have been in Circulation for some Years, and likewise of the best Estimate that can be formed of the Amount of Country Bank Notes of One and Two Pounds?

I have not made any Estimate lately; I should calculate the Whole (but without any Data) at from 15 to 18 Millions.

88. Supposing the Estimate of the Amount of these Notes at about 15 or 18 Millions to be correct, what reason would there be why a larger Circulation than this in Gold Coin should exist after the Removal of the Bank Restriction, assuming that a further Quantity must be kept, by way of Reserve, to meet extraordinary Demands for other Notes?

I should expect, in the first Place, that the One and Two Pound Notes would be entirely replaced by Coin. I should also think that the People generally, and particularly the middle and lower Classes, would keep more Coin by them than they would of Paper; there is no Inducement to hoard Paper, and I should expect that at all Times the hoarding of Specie would go to some Extent, and especially the few first Years after the Resumption of Cash Payments. For the common Purposes of Circulation there can be no Reason why a larger Amount of Coin should be wanted than what now exists in small Notes; and if you add to this, something for the Circumstance I have just mentioned, and the further Sum requisite as a Deposit for large Notes, it must give you the whole Amount of the Circulation. I should add, however, that, in the Event of a Gold Circulation of very good Coin, Payments to a considerable Extent would take place in Coin, which now are made in £5, £10, and as high as £50 Notes; and that if Inquiry be made of Bankers who remember old Times, this will be found to have been the Case, even under the Disadvantage of the imperfect State of the Guineas.

89. Are you aware that, before the Bank Restriction, the Circulation of Scotland was in One and Two Pound Notes, and that Coin was at that Time rarely or ever demanded?

I have heard that was the Case.

90. Are you aware that when the Bank of England first issued Sovereigns, there was hardly any Demand for them, and that the Demand did not begin till the Exchanges turned against this Country?

I believe

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I believe the Period to have been very short; and in every Thing relative to Circulation, Habit has such an Effect, that the People had hardly Time to habituate themselves to the new Medium of Circulation offered them.

91. Have not the Habits of the Country been now so long formed, with reference to Paper Circulation; and is there not, from this and other Circumstances, so general a Repugnance in Individuals to having, either about their Persons or in their Houses, more Money than is necessary for their immediate Purpose, that it would be a considerable Time, and a Matter of no small Difficulty, to introduce amongst them for general Use a Metallic Currency?

I think the Apprehension of having Money about them will have some Weight, but that upon the Whole, the Considerations I have already stated will preponderate, to prevent the long Continuance in Circulation of the small Notes. It is further to be considered, that should the Amount of those Notes be considerably reduced, it will no longer be worth while of Bankers to keep them in Circulation.

92. Since the Bank Restriction, have not many Means been introduced for carrying on the Business amongst Merchants and Bankers, and even between Tradesmen and their Customers, by which a smaller Amount of Circulating Medium is now necessary, in proportion to the Extent of the Transactions, than before that Period?

Certainly.

93. Do you believe that these Means have such Advantage, as to reduce the positive Amount of Circulation necessary, as well as the Amount in proportion to the Transactions?

I think it would reduce the proportionate, but not the positive Amount.

94. Has there not arisen, since the Restriction, a Set of Individuals in the City, who balance the Accounts of Bankers and Merchants, their Customers, daily, or very frequently, without the Intervention of any Circulating Medium whatever?

There certainly exists such a Practice; and I think it dates since the Restriction. The Circulating Medium is only required for the Payment of the Balances; by which Means aggregate Transactions of very large Amount are frequently liquidated by very small Sums of Circulating Medium.

95. Are not Persons of Landed Property and others in the Habit of now making their Payments by Drafts on their Bankers in Town and Country, who formerly kept Coin for that Purpose?

Undoubtedly; but it must be recollected that all these Transactions of Drafts on Bankers must be founded on Deposits of Coin, in the same Manner as if the Payments were performed by Bank Notes.

96. Does the same Proceeding for balancing Accounts, which you have described to exist in London, take place among Country Bankers, particularly in Sea-port and other large Towns?

I have no Doubt it does; but, personally, I have no Experience upon this Subject.

97. Are you of Opinion, that there is at the present Moment a Deficiency or Excess of the whole Circulating Medium?

I am but lately returned to England, and am hardly able to form a Judgment; but I have no Reason for any Opinion one Way or the other.

98. What Inference do you think ought to be drawn from the Fact of an unfavourable Exchange under the Circumstance of a compulsory Paper Circulation, as to the Question, whether that Paper was issued in Excess or in Deficiency?

Undoubtedly, with reference to the Question of maintaining the Paper upon a Par with the Coin which it represents, there must be an Excess of Paper, for I know of no other Principle by which the Question of Excess can be judged. When I say, I am not aware whether there exists Excess or Deficiency, I speak with reference to those easy Habits of Circulation, under which the Trade of the Country has, since the Suspension, been carried on.

Mr. Alexander Baring. 99. Do you mean by the Terms easy Habits of Circulation, to describe a State of Things in which, by the continual Increase of the Circulating Medium, its Value in Exchange has constantly fluctuated, and for the most Part in a Course of increasing Depreciation?

Yes, I do. I do not mean at all to express an Opinion favourable to that Description of Currency; on the contrary, I am very anxious for a Return to a more sound State. All I wish is, that it may be done gradually and considerately.

100. You have stated, that for the last Six Months the Exchanges have been from 5 to 7 per Cent. unfavourable to this Country; may not that Unfavourableness of the Exchanges be caused by our Bank Notes being worth from 6 to 7 per Cent. less than the Value they nominally represent, and not from the Balance of Payments being against this Country?

Undoubtedly. The Difference could not exist, if the Notes were payable in Specie; and upon a Circulation in such a State, no Foreign Payments could produce any injurious Effect. But those Payments may materially increase the Difficulty in the Return to a sound State of Currency.

101. If the Balance of Payments were against this Country, would large Sums of Silver Bullion flow into it?

No Bullion could come into it as long as the Balance of Payments was strongly against the Country; but if that Balance were required for the Purpose of a Circulation in a sound State, the Want of it for that Purpose would controul the Balance of Payments.

102. If the Taxes of any Country is tripled or quadrupled, not merely by raising the Amount of Taxes upon the same Articles, but by extending Taxation over a much greater Variety of Articles, will the Amount of Circulating Medium necessary to pay such Taxes be thereby increased in any Proportion to the Increase of the whole Amount of such Taxation?

I think it will. Such an increased Taxation implies an increased Value, and a quickened Circulation of Value in the Country; and both for the Purpose of its immediate Collection and Payment, and also in its Effect upon the general Value of every Thing in the Country, must require an increased Medium of Circulation. For in these Cases, as in every other where the Economy of the Circulating Medium has been spoken of, it must be recollected, that beyond the mere Want of that Medium for the Payment of Balances, large Transactions, whether transferred by Bills or Book Debts, must be founded on a corresponding Deposit of Specie somewhere.

103. Do the Means, to which you have referred, of economising Circulating Medium, apply in any considerable Degree to the Payment of Taxes?

Much less to the Payment of Taxes than to any similar Operations of the same Magnitude; because, though the aggregate Amount is large, it is collected in great Detail.

104. In what Degree do you suppose that the increased Price of all Commodities, which you appear to consider as the necessary Result of the great Increase of Taxation, requires a larger Amount of Circulating Medium, putting out of the Question the above-mentioned Means of economising it?

It is very difficult to say to what Extent it may require any Addition. The immediate Want of Circulation for the small Payment of Balances does not seem to be much increased, but when larger Notes or Book Credits are used, the Amount seems more wanted as a Deposit of Security than for any other Purpose.

105. Do you conceive the Amount wanted as a Deposit of Security will be increased?

Yes, certainly; large Transactions must have a proportionate Deposit somewhere, whether it be wanted for the practical Purposes of Payment or not; in the same Manner as in the great Banks of Hamburgh and Amsterdam, there must be an Amount proportioned to their Transactions, though no Specie is practically ever made use of at all.

106. Would

106. Would these Deposits require a larger Amount of large Notes, so long as the Restriction continues, and, after the Restriction is removed, a larger Amount of Specie, than was necessary when the whole Amount of Taxation was less, or One-third or One-fourth of its present Amount?

I think it would.

107. If not only the Price of Articles were increased by Taxation, so as to make the same Quantity of Articles bear a higher Value, but the whole Quantity of Articles sold and bought were also much increased; would these Two Circumstances, combining to increase the total nominal Value of the Transactions of the Country, require an increased Amount of Circulating Medium?

I think, certainly.

108. In speaking of the Causes which may, in your Judgment, be likely to raise the future Price of Gold and Silver Bullion in the Markets of Europe, you mentioned the Interruption of the Supply from South America, arising from its present political State; have you any Means of knowing what Diminution has in fact taken place of late Years in that Supply, below the accustomed Amount?

No, I have not; I have endeavoured to obtain that Information, but have not been successful.

109. Are you acquainted with the Fact, that Steam Engines, and other mechanical Substitutes for Labour, have recently been imported into that Country from our Mining Districts?

I have understood that they have; and important Consequences might have resulted from that Circumstance, if the disturbed State of the Country had not interfered to counteract it.

110. Is it not therefore probable that, whenever those Mines shall again be fully worked, for the Advantage of whatever Proprietor, this Change in the Costs of the Works there must tend greatly to lower the future Price, particularly of Silver, in the European Markets, and thereby to counteract the Circumstances which you have mentioned as having a contrary Tendency?

I think the improved Means of working the Mines, from every thing I can learn, are likely to be productive of very considerable Alteration in the Value of the precious Metals, and particularly of Silver; but I do not think that any Effect from this Circumstance will be shewn for some Time. If such a Result were certain, at the Distance of Four or Five Years, I should say, that it would be a strong Argument in favour of the Continuance of the present Paper System; because, if we are now, by the Contraction of the Circulating Medium, to produce a Scarcity, which would then be followed by great Abundance, there would result what is the greatest Injury to the Industry of every Country, viz. a great Fluctuation in the Value of Money. This would be avoided by carrying on our present System, and beginning to draw in our Paper when we should arrive at that Period of a redundant Importation of Silver. At the same Time, the whole of this is perhaps involved in too much Uncertainty, to be prudent to act upon it in any Way.

111. If however the Causes, which you have stated as likely to operate on the one Hand to increase the future Price of Silver, are to be taken into Consideration as Obstacles to the Resumption of Cash Payments, would it not be prudent to consider, on the other Hand, whether other Causes, such as are now stated, may not possibly prevent that expected Rise, without producing, on the other Hand, so great a Fall as your last Answer supposes?

It is certainly prudent to take all Circumstances into Consideration; but the Causes of the increased Value of Silver are now actually in Operation. I have no Doubt that, within the last Eighteen Months, the Value of at least 15 Millions Sterling, in Silver, has been accumulated in Vienna and Peterburgh, drawn from the Circulation of other Countries. It is admitted, that the operating Causes in the opposite Direction, viz. the increased Importation from America, not only are not now felt, but that the Supply we receive is below what we have been in the Habit of receiving, although the precise Amount of that Diminution has not been ascertained.

112. What

Mr. Alexander Baring.

(120)

Mr. Alexander Baring. 112. What is the Difference in the relative Price of Gold and Silver, in consequence of the increased Demand for Silver, and the diminished Supply?
I do not exactly know. I have no Doubt that the Value of Silver, as compared with Gold, has been increased, but I do not know to what Extent.

113. Has there been an increased Demand for Gold during the same Period?
Some Gold has also been sent to Peterburgh and Vienna; but as the Standard of both those Countries is in Silver, it is this Metal that has been principally sent there. Gold is generally demanded when a great Demand exists for Silver, because, in all Countries where both Metals circulate, the one being withdrawn, its Place is supplied in the Circulation by the other; and there is certainly more Gold, and probably less Silver, in the general Circulation of France at present, than there was Twelve Months ago.

The Witnesses is directed to withdraw.

The Committee is adjourned 'till Tuesday next, at Twelve o'Clock.



(121)

Die Martis, 9^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. BARING was again called in, and further examined as follows:

114. Must not Paper promising to pay Coin on Demand, take the Value of the Coin into which *de facto* it is on Demand convertible?
Certainly, if it be really convertible.

Mr. Alexander Baring.

115. Are you aware that our new Silver Coin, fabricated according to the Regulations enacted in the 56 Geo. III. c. 68., was first thrown into Circulation in the Month of March 1817, and that a large Sum was then issued?
I am.

116. Are you aware that at that Time Gold Bullion was at £3 18s. 6d.; a Price to which we are told, by Order of the Directors of the Bank, it was kept up by the Bank?
I have no immediate Means of Reference to the exact Price of Bullion at different Periods, but I believe it to have been at that Period about the Price stated in the Question.

117. Are you aware that our Gold Coin, as fabricated according to the Regulations of 56 Geo. III. c. 68., was never put into Circulation till the 1st July 1817, and that during that and the Two following Months it was issued by the Bank in very inconsiderable Quantities?
I understand that to have been the Case.

118. Are you aware that the Circulation of the Bank of England was in the Spring of the Year 1817 considerably larger, than it was at the Conclusion of the Year 1818; it being, on an Average of the Spring Months of 1817, £27,486,045, and on an Average of the last Three Months of 1818, £26,005,248?
I am.

119. Our Silver Coin having been depreciated nearly 6½ per Cent., by the Pound of Silver Bullion being coined into 66s. instead of 62s.; and the Law having enacted, that no Person shall, by any Means, Device, Shift, or Contrivance, receive or pay more or less in Value, Benefit, Profit, or Advantage, than the true lawful Value which such Gold Coin does by its Denomination import, under a Penalty of Six Months Imprisonment for the First Offence, One Year's Imprisonment for the Second Offence, and Two Years Imprisonment for the Third; does not our Gold circulate in this Country under a Limitation that is not imposed on it in France and other Countries on the Continent?
I am not aware of the Circulation of any other Country existing under the same State of Limitation. In France there is no Restraint whatever, in dealing or exchanging one Coin against another, in any Measure Individuals may think it their Interest to do; an Agio or Difference between Gold and Silver Coin, which are both legal Tender, is published every Day in the Prices Current, under Sanction of the Government.

120. Silver Coin having been issued in the Month of March 1817, when we are told by the Bank Directors that the Price of Gold was kept up to £3 18s. 6d. or that it would have been at the Mint Price, and Gold having risen in Value in the course of the next Month; do you not think it probable, that the Limitation and Restraint put upon the Gold Coin in this Country occasioned its going Abroad, and might give rise to the increased Value of Gold Bullion which immediately took place?

(30.)

H h

I think

Mr. Alexander Baring.

I think not; I cannot think that the Price of Gold Bullion, or that the Rates of Foreign Exchanges, have been in the slightest Degree affected by the lowering of the Silver Currency; although it certainly is a singular Fact, that the Rates of Exchange and the Price of Bullion have adapted themselves pretty nearly to the Scale of that Depreciation, since the new Silver Coinage has been in general Circulation.

121. You are then aware, that since the new Silver Coinage has been thrown into Circulation Gold Bullion has never been more than 6½ per Cent. above the Mint Price; and that our Foreign Exchanges have never been nominally unfavourable to a greater Extent than about 5¼ per Cent.?

I have never made any very accurate Calculation upon the Subject, but I believe the Statement to be nearly correct.

122. Supposing there had been no Bank Paper in Circulation, and that our Silver Coin 6½ per Cent. depreciated, issued in sufficient Abundance, had been the only Circulating Medium, would not the Value of Gold have naturally risen, and would not the Foreign Exchanges become unfavourable?

No doubt of it; in that Case, the Silver Coin must have been the legal Tender of the Country, and the Standard by which the Price of Gold, and of our Foreign Exchanges, would have been regulated.

123. If the Price of Gold has, since the Issue of the Silver Coin, never risen to a greater Extent than the Depreciation of our Silver Coin, if it had been the sole Circulating Medium, would account for; and our Exchanges never having been unfavourable to a greater Degree than under such Circumstances might have been expected; and if the Notes of the Bank of England have since the Issue of that Silver Coin been considerably reduced; how can any one pronounce, with Certainty, that the Rise in the Value of Gold, and the unfavourable State of the Foreign Exchanges, have proceeded from an Over-issue of Paper, and not from a Depreciation of our Silver Currency, which is the only Metallic Money in Circulation, into which Bank Paper is de facto convertible?

It is more easy to determine what the Variations of the Price of Gold are not owing to, than what they are owing to. I should pronounce, with great Confidence, notwithstanding I admit that there is rather a singular Coincidence of Facts in favour of the contrary Opinion, that the Price of Bullion and the Rates of Exchange have no more Connection with the State of the Silver Coinage, than that of the Copper Coinage. The limited Amount of Silver Coin for the Purpose for which it is wanted, and the Restriction of the legal Tender to 40s., is a sufficient Protection against the Possibility of its having any Influence on the Standard of the Country. I do not think that even if Government were to attempt to force as much Silver as possible into Circulation, as long as the legal Tender does not go beyond 40s., that it would have any effect. And there is no Evidence to shew that there has been any Excess of Silver issued. When the Copper Coinage was much depreciated, there was a constant Attempt in small Dealings to force the Payment of Copper to larger Sums than it is usually made for: no such Attempt with the Silver Coinage has been perceptible. We have had further the Experience before the Restriction, that a Silver Coinage much more debased had no Effect upon the Exchanges, or the Prices of Bullion, and that notwithstanding it was forced into Circulation both by the Coiners in the Country, and by Coin from France; and in further Corroboration of the same Opinion, it should be observed, that Coin similarly circumstanced, and more debased than our own Silver Currency was, exists in many Parts of Europe, particularly Holland, and also in France, without any Effect upon the Standard. In France and Holland even they are legal Tender to any Amount; but the Amount of such Coin being limited, no Effect is felt upon the Value of the higher Coins; a Circumstance which in my Opinion proves that the Limitation of the Amount, even without the Limitation of legal Tender, would be a sufficient Security; but with these Two Securities combined, as is the Case with our Silver Coin, no accidental Facts could induce me to entertain an Opinion, that the Circulation of our present Silver Coin has had any injurious Effect upon the State of our Exchanges.

124. Are

124. Are you aware that if in the Course of last Year a Question was put to a Banker at Geneva, Frankfort, or Brussels, what was the Par of Exchange between London and Paris, the Answer uniformly given was 23 fr. 23 c., which is accurately the Par betwixt our Silver Money and French Silver Money?

Mr. Alexander Baring.

I know of no such Opinions, but I apprehend they must have been given by Persons ignorant of the real Nature of our Silver Currency. At the same Time I am aware that some very ingenious People in this Country have entertained the same Opinion.

125. Are you aware, that before the Bank Restriction our Silver Coin was in a State that no Part of it was capable of being offered as legal Tender by Tale?

I am not aware how the Law precisely stood on that Subject; but I always thought that as long as any of the Mint Impression was visible on the Coin, that it was a legal Tender for small Sums; certainly it was practically used as such.

126. Do not the Prices of Commodities naturally adjust themselves to the intrinsic Value of the Circulating Medium by which their Value is measured, falling in nominal Value if the intrinsic Value of the Circulating Medium is greater, and rising in nominal Value if it is less?

That is certainly a correct general Principle; but we know that we have Instances of Media of Circulation having no intrinsic Value at all.

127. Can you state such an Instance?

I allude to Paper.

128. Has there ever been Paper in circulation circulated without Allusion to Coin, or to a Promise to pay in Coin?

Certainly not; what I mean is, that in any Country a Medium of Circulation may be established, which may be maintained at a fictitious Value, by making it scarce, in the Way that Pound Notes might be forced to the Value of 30s. or upwards by restricting their Issue, and preventing the Introduction of the Metals against which it is nominally exchangeable.

129. When our Silver Coin was issued in March 1817, into which de facto our Paper was alone convertible, there being no Gold Coin in Circulation, must not the Prices of Commodities have adjusted themselves to the intrinsic Value of that Coin which was the only legal Money in Circulation?

I think not; the Paper was never even de facto convertible into Silver, or Silver into Paper, otherwise than for small Transactions.

130. Was £10, £20, £50 Bank Notes de facto convertible into One and Two Pound Bank Notes, and was not the Bank of England de facto in March 1817 in the Habit of paying £1 and £2 Notes in Silver Coin on Demand?

Certainly; but these Operations were never carried to any great Extent; and if the Merchant at Geneva whose Opinion has been alluded to, had attempted to realize 4 or £500 Sterling by the Operation of converting his large Notes into small Notes, and his small Notes into Silver, he would have found great Difficulty in doing it.

131. If the Price of Commodities had, contrary to your Opinion, adjusted themselves to the intrinsic Value of the Silver Coin during the Months of March, April, and May 1817, must not our Gold Coin, being issued in July 1817, tied down under severe Penalties not to pass for more or less than our Silver Coin, naturally have gone Abroad, there to obtain its real intrinsic Value, instead of passing in the Country for 6½ per Cent. less?

The Gold Coin would certainly have gone Abroad, as it in fact did go, but I should apprehend without any Connection with the Question of Silver Currency.

132. What Reason do you assign for the Gold going Abroad as fast as it was issued by the Bank, independent of the Issue of our Silver Coin, which, if the Price of Commodities had adjusted to its Value, must have driven our Gold Abroad?

I apprehend that the Value of Commodities never did adjust itself to any particular Situation of the Silver Coin. To ascribe the Reason why the Gold Coin did go Abroad as fast as it was issued, it would be necessary to ascertain a Variety

Variety

Mr. Alexander Baring.

Variety of Facts, with which I am not acquainted; but generally I think it may be confidently said to have been owing to the Existence of too great a Circulation of Paper at that Period. I have already stated that the numerical Returns of Paper of the Bank of England is no Criterion by which this Question can be judged. In what Proportion the Issue of the Country Banks stood at the same Time I do not know; but supposing all Circumstances in this respect to remain the same, and the Country to require exactly the same Amount of Circulating Medium, it is evident that if the Bank issue a given Sum, say Five Millions, of Gold Coin, unless they at the same Time withdraw the same Amount of Paper, there must be a Surplus Circulation; and as the Gold has a Value elsewhere, and Paper none, Gold naturally goes out of the Country.

133. How do you account for the Fact, that for about a Year before the Month of March 1817, our Foreign Exchanges were such as must have occasioned Gold flowing into this Country, and immediately after March, they were in a State that secured its going out of the Country, though the Paper of the Bank of England was in no Respect increased in Amount at that Time?

I certainly ascribe it to an Excess of Paper, for I know of no other Mode of judging the Question of Excess, than by that very Criterion of the State of the Exchanges, and the Price of Bullion. I believe Country Paper to have augmented at the Period alluded to in the Question; and if the Bank issued in the Course of 1817 its Gold without contracting its Issues at the same Time, they augmented the Circulation in the same Manner as if they had put out so much more Paper. The immediate Causes of the unfavourable Exchanges with the Continent, were undoubtedly the Investments of Capital Abroad, and large Importations of Corn; these Causes produced the Effect, because there was no Restriction of Paper Issues at the Period when they began to shew themselves, which Restriction must have taken place if the Bank had acted on a System of Liability to Cash Payments.

134. Did the Importation of Corn, and the Transfer of Capital to the Continent in consequence of Foreign Loans, commence in the Month of April 1817, or were either of these carried to an Extent in that Month greater than the preceding Months?

I do not recollect when the great Importation of Corn took place. The Periods of Payment are not always the same with the Period of the Importation. They generally precede it; because British Capital is principally used in all the great Operations on the Continent. With respect to the Period of the Investments Abroad, I think they began in the Month of April; there were some earlier Investments, but the most considerable Part began in the Spring of 1817, and I think not earlier than April.

135. It appears by the Returns before us, that the highest aggregate Amount of Bank of England Notes in Circulation in 1817, was the 15th July 1817 when they were 31,439,430, that in the course of the Year 1817, the Bank issued in Gold Coin £3,495,009, and that there was an Excess in the Silver Coin in Circulation since the Issue of the New Coin, amounting to £1,641,871 above the Amount in Circulation before the old Silver was called in; would not these Facts account for the Fall in the Exchanges, and the Rise in the Price of Gold, which occurred about that Time?

I think they certainly would, they sufficiently account for it; with the Exception of the Fact of the Silver Circulation, which I cannot think connected with it, it is certainly a singular Circumstance that the Silver Circulation should appear to be so much increased. I should think a considerable Portion of it must have been in Deposit some where, either in the Bank or elsewhere; or that an Alteration must have taken place in the Amount of the Bank Tokens at that Period. It should be recollected, however, that as there was a great Deficiency of Silver Coin in the Country before the Coinage, the Country may be supposed naturally to absorb a much larger Amount of Coin than before existed. I believe, though the Tokens were not called in, the Bank were for some Time not in the Habit of issuing them.

136. Can the increased Issue of Bank Notes, and the Issue of our Gold Coin in a very inconsiderable Quantity in the Month of July 1817, account for any Variations of the Foreign Exchanges in the Month of April in that Year?

Any

Mr. Alexander Baring.

Any Issue in the Month of July can of course have had no Effect in the Month of April preceding. It appears however from the Returns, that there was a considerable Increase through the Month of April, and that, at a Period where the Foreign Payments were beginning also, it would have required a Contraction of the Issues to have kept the Exchanges right.

137. If the Foreign Exchanges are dependent on the Issues of the Bank Paper, and the Price of Gold is regulated by that Circumstance, how do you account for both being more unfavourable on an Average of the last Three Months of 1818 than they were in the Spring Months of 1817, the Average Circulation of the Bank during this last Period being £27,486,045, while the Average of the last Three Months of 1818 was only £26,005,248?

It is always difficult to ascertain the various hidden Causes that operate in determining the Proportion of Circulating Medium suited to any given Period; but I should certainly account for the unfavourable State of the Exchanges in the Three last Months of 1818 from this Circumstance, that Persons having made large Investments in French Stock at low Prices, realised their Profits by Sales in the Summer of 1818, and were tempted to buy in again very largely by the Fall in the Price of that Stock in October, November, and December. I think the Purchases in those Three Months must have amounted to Two or Three Millions Sterling. I have already stated it to be my Opinion that Foreign Payments, although they cannot force the Exchanges much below Par, where Paper is convertible on Demand, yet this necessitates the Contraction of the Issues of Paper for the Maintenance of its Par Value, where it is not payable on Demand.

138. Where Foreign Exchanges are rendered unfavourable to a Country, by an Over-issue of Paper, does it not often happen that, notwithstanding the nominal Rate of the Exchanges, if the Balance of Payments are in favour of that Country, Bullion will flow into it?

Exactly: I think it may, if the Excess of Paper be not considerable; that, in short, that a Country, a Creditor of other Countries, may maintain with Impunity a larger Mass of unconvertible Paper, than at the Period when it is Debtor to other Countries; at the same Time the Excess must not be considerable, nor of very long Duration.

139. Do you think, that if 60 or 100 Millions of Paper was issued in this Country, when Creditor to other Countries, that that Paper would not be equally depreciated, as if the same Sum of Paper was issued when it was Debtor to other Countries?

The Difference could not be very considerable; theoretically, none at all; but practically, the Difference between a Country being Debtor or Creditor is certainly temporarily felt.

140. Can you explain the Reason why such a Difference should be felt in practice?

It is felt, because there is a Demand for the Coins, or Value of other Countries, when the Country is a Debtor beyond what is merely wanted to compensate any Excess of Circulation.

141. When the Country is a Creditor, does it not naturally create a Demand in the Debtor Countries, for the Coin of those Countries to discharge the Debt to the Creditor Country?
Surely.

142. If the Bank, since the Issue of the new Silver Coin, had sent into Circulation such an Amount of Notes, as would have caused a Depreciation of those Notes greater than 6 1/2 per Cent, and a corresponding Fall in the Exchanges; would not the Silver Coin, in that Case, have been exported or melted?
Certainly.

143. Must not that Consideration have influenced the Directors of the Bank, in determining the Amount of Notes to be kept in Circulation, so as to avoid the Exposure of the Depreciation of their Notes, which the Disappearance of the new

Mr. Alexander Baring.

new Silver Coin would have made manifest; and will not this account for the singular Coincidence which has been observed since the Issue of the new Silver Coin, of the Depression of the Exchanges nearly corresponding to the Depreciation of the Silver Coin?

I know nothing of what has usually actuated the Bank in the Regulation of their Issues; but I should think it likely they may have regulated them with a View to the Protection of the Silver Coinage: at the same Time, this is a Subject upon which various Opinions prevail; and there are not wanting Persons who believe the Price of Bullion to have no Connection with the Amount of the Issues of Paper.

144. Are you aware, that at the Time of passing the Act 56 G. III. c. 68. there were many who held that the Consequences which have happened since the Month of March 1817, would naturally ensue?
Certainly I have heard it at the Time.

145. Referring to your Answer to Question No. 137, are the Causes there stated sufficient in your Opinion to account for the unfavourable State of the Exchanges in that Period, without supposing an Excess of Circulating Medium to have then existed?

I think they are sufficient to account for it without supposing an Excess of Circulation, according to the general Plan or Scheme upon which the Circulation of the Country has for Years been conducted. Speaking more correctly of Excess, I should say that there is always an Excess when the Paper is not on a Par with the Coin it represents.

146. During the Period from October 1816 to April 1817, when the Price of Gold never exceeded 78s. 6d. (except during January 1817), and would have been at the Mint Price, or lower, had it not been for the Interference of the Bank choosing to give that Price; is there any Reason to suppose the Circulating Medium to have been excessive, the Market Price of Bullion having been stated to be the Criterion of Excess?

I should say certainly not; upon every Principle, both of Theory and Practice, it would seem that the Issues were not excessive; nor does there appear to have been any Excess, from the Returns of the Bank; for not only the average Amount seems to have been lower, but, from the much larger Proportion of small Notes in 1816, as compared with the Year 1817, it is evident that there must have been less Country Paper out in the former than in the latter Period.

147. Referring to your Answer to Question (No. 32.) is that Answer to be understood as meaning to express your Opinion, that the Causes referred to in the Question are sufficient to account for the Fall which then took place in the Exchanges, without supposing that there must necessarily have been at that Time a further Excess of Circulation beyond that general Excess which had been for many Years before successively operating to the Depreciation of our Paper Currency; or do you mean to express an Opinion that the Amount of Paper in Circulation, at the Period to which that Question referred, was actually not larger than might have been maintained, had the Paper been convertible into Specie?

Certainly it was larger than could have been maintained if the Paper had been convertible into Specie. In examining the Variations of the Exchanges since the Commencement of the Cash Restriction, it must be evident that the immediate Cause of great Depressions of the Exchange has generally been Foreign Payments, owing to the Neglect of the counteracting Cause of the Contraction of the Issues. There can be no Doubt that, with the same Amount of Paper that now is in Circulation, all other Circumstances remaining the same, a Payment from Foreign Countries to this Country, for any Purpose, might produce Variations of from 10 even to the Extent of 15 or 20 per Cent in the Exchange. These could of course not take place under a System of Cash Payments, because the Bank would be obliged to take those Precautions for its Defence, which, if they were taken under the present System, would prevent their Paper from depreciating.

148. Must not the Bank, in order to counteract the Effect of Foreign Payments on the Exchanges, contract their Issues in proportion to the Extent of such Payments?
Certainly,

Mr. Alexander Baring.

Certainly, in some Proportion to the Extent; but it is difficult to say in what Proportion. The Bank seems to me to have no other Measure to go by than the State of Exchanges themselves.

149. May not the Bank then be obliged to contract its Issues, for the Purpose of preventing the Exchanges becoming unfavourable, though there may be no Excess of Circulation for the Purpose of internal Commerce?

I should say, generally, that the Purposes of internal Commerce are best answered by that steady Measure of Value which can alone be afforded by a sound State of Currency; but there can be no Doubt, that the Power which the Bank now has, of disregarding the Consideration of preserving the Standard of its Notes, affords, and has afforded during the Continuance of the System, great occasional Facilities.

150. Would not the Bank, in the Event of being led, by the Operation of Foreign Payments, to contract their Issues, be as naturally led, as soon as those Payments were completed, to increase their Issues again, so that no permanent Diminution of the Circulating Medium of the Country could take place?

I think the Bank would, in some Degree. This Operation of Contraction would frequently go to controul or prevent Foreign Payments.

151. Might not Foreign Payments be carried to any Extent, without any other Inconvenience to the Commerce of the Country than what might result from the Alteration of Prices, supposing no Check to operate on the Bank to prevent their meeting the increased Demand for Circulating Medium, whatever it might be?

It is quite conformable to all Experience, that Foreign Payments, during a Period of no Restriction, never produced any very injurious Effects on the Circulation of the Country. As I have already stated, the Liability to pay in Specie checks, in some Degree, the making those Payments; and although they must produce some Effect, in producing some Degree of Scarcity of Money, yet no serious Consequence would be felt by it. I remember, for instance, that in the Loans made by Mr. Pitt, before the Suspension of Cash Payments, anxious Inquiries used to be made, as to the Amount of Subsidy to be remitted Abroad; and it used to be generally considered, that any Payment of this Description operated to the Disadvantage of the Money Lender more than Twice or Three Times the same Amount to be expended at Home; because it had been found, by Experience, that such Payments, by obliging the Bank to contract its Issues, occasioned a Scarcity of Money. It does not appear to me that, while the Bank is not liable to pay in Specie, there is any Check or Controul upon the Foreign Payments, which must be made either by Merchandize or Bullion. There can be no other Check to the Depreciation or Variation of Price between Paper and Gold which such Payments would make, but that which Parties, having to make the Payments, would consent to submit to.

152. If, in consequence of a great Increase of Bank Notes, occasioned by Foreign Bills to be paid, would not the Increase of Paper so effected raise both the Price of Bullion and Commodities in which the Remittances must be made?

I am not supposing that the Foreign Payments increase the Amount of Bank Paper; it is for want of Contraction of the Amount of Bank Notes, when Foreign Payments take place, that the Depreciation is occasioned.

153. If the Bank, for the Purpose of counteracting the Effect which large Importations of Corn must have on the Exchange, were considerably to contract their Issues, would not such Contraction, by bearing hard upon the active Industry of the People, and raising the Market Price of Grain, tend materially to aggravate the Distresses incident to unpropitious Seasons?

The whole Question between the old Specie Circulation and the present Paper Circulation, is one of Security and Steadiness as contrasted with Ease and Facility. All those Contractions of Issues, which a wholesome State of Currency requires, are certainly attended with some Pressure; but it must not be supposed that these act very suddenly or harshly. At the same Time it cannot be denied, that much greater

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154. Are you aware, that up to the Year 1774 this Country was constantly exporting Corn to a considerable Amount; that during the last 24 Years, it has frequently been under the Necessity of importing Corn, to the Amount sometimes in One Year of Ten Millions; does not this Change in the Situation of the Country expose it to much greater and more sudden Variations in its Exchanges, than before that Period?

I am not aware that a Paper Circulation affords any increased Means of supplying the Country with Corn, in case of Emergency; nor that until the Year 1797 any Difficulty was experienced from this State of Things. There can be no Doubt that, under the System of Restriction, the increased Uncertainty as to the adequate Supply of Corn for the Consumption of the Country, must increase the Probability of great Fluctuations of Exchange.

155. Would it increase this Probability after the Resumption of Cash Payments?

Certainly not; because all Fluctuations of Exchange under that System are confined within a very narrow Compass; they can hardly fluctuate more than One or Two per Cent. on either Side the Par.

156. If an Importation of Corn took place in one Year to the Amount of Ten Millions, how could the Payment be provided for, except by an additional Exportation of Commodities or Bullion to that Amount, or in part by that and in part by a Diminution of all other Imports?

It could not be provided in any other Manner; if the Country had no Equivalent to give for it, whatever might be the State of Distress, the Corn could not be obtained. This was the Case in the late Scarcity in some Parts of Europe, where the Population actually starved for want of Food.

157. Could that happen during the Restriction?

I think equally so; I cannot see that the State of Restriction can afford any additional Means of giving an Equivalent for the Importation of Corn; on the contrary, in the Case of a Specie Circulation, a Contraction of the Circulating Medium would leave some Gold and Silver to be sent Abroad, which the Paper System would not do at all.

158. Does not the Ease and Facility of which you speak as resulting from a Paper Currency not convertible into Cash, consist solely in the Advantage afforded to One Class of the Community, by a continual and forced Increase of the Circulating Medium at the Expence of other Classes, who are thereby subjected to the consequent Depreciation of all fixed Incomes, and previously stipulated Payments; and at the same Time to an Increase of Price on all the Necessaries and Conveniences of Life?

The increased Facility has sometimes been very apparent in the general Transactions of Commerce. Since the Restriction, hardly a Case of Difficulty or Distress has arisen, in which the Bank has not come boldly to the Assistance of the Sufferers; instead of being, as it would under the System of Cash Payments be, in Want of Assistance itself, in every Period of Difficulty. It is a very nice Question to estimate whether the Country has benefited or suffered most by this System, as far as it has gone. My own Opinion would rather incline, that Benefit has been derived during the gradual Progress of the Increase of Prices, arising from the increased and unvaried Abundance of Money; but the Benefit is already enjoyed, and more to be found in the Progression, than in the actual State of Things. The Paper System is undoubtedly particularly favourable to One Class of People, viz. to enterprising Speculators; and may be said to be unfavourable to Persons of large Capitals. But at the same Time it is impossible to deny, that much of the aggregate Wealth of the Country has been derived from that Spirit of Enterprise. The Value of all fixed Incomes, and previously stipulated Payments, is undoubtedly impaired by the Paper System, but here it must be recollected, that the great Mass of those Engagements have been formed during the System itself; and in many Instances it may perhaps be doubted, whether with a View to strict Justice it may not be unfair to increase the Value of the

the Money in which those Engagements were made. If the Depreciation had gone much further than it did, and had lasted longer, I should have thought the Ends of Justice better answered by legally sanctioning the Depreciation, than by returning to the old Standard of Value.

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159. When the Bank has in any Instances come forward to the Assistance of any Sufferers in a Case of Difficulty or Distress, in what Manner has that Assistance been afforded?

I speak more particularly of general Distress, when the Bank, by increasing its Issues, has afforded general Relief. Many Instances of this Kind have occurred, when, owing to the Failure of Country Banks in particular Districts, the Issues of the Bank have been temporarily increased, and have afforded Relief upon something of the same Principle, though in a better Form, as has been derived by occasional Issues of Exchequer Bills under Authority of Parliament. The Bank has also frequently given Aid in particular Cases, and prevented many Failures which without that Aid would have taken place. These Instances of partial Relief might probably be applied equally under a System of Cash Payments; but as to general Relief, the Bank is very liable to be disabled from affording it.

160. Must not the Effect of every such Increase of Issues, beyond what the Bank could have made under a System of Cash Payments, have been to increase the Total Amount of Circulating Medium, and thereby diminish its Value?

The Bank certainly runs that Risk; and it is for that Reason that it can only be made during a Period of Restriction, when, to relieve temporary Distress, other Consequences are disregarded; at the same Time it should be considered, that at such a Period a real Increase of Bank Paper is for a short Time required; because every Country Banker being apprehensive of a Run, strengthens his Cash by an Addition of Bank of England Paper.

The Witness is directed to withdraw.

This Committee is adjourned till To-morrow, at Twelve o'Clock.



Die Mercurii, 10^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. BARING was again called in; and further examined as follows:

(The last Two Questions and Answers having been first read.)

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161. Speaking only of such an Addition of Bank Paper as is not required by the peculiar Circumstances mentioned in your last Two Answers, and as could not therefore be maintained in Circulation except under the Restriction, is it not the necessary Consequence of such Increase in the Amount, to depreciate the Value of the Whole?

Certainly it is.

162. Does it not therefore necessarily follow, that the Relief afforded to Sufferers by such increased Issues, is given by a Diminution of the Value of the whole Circulating Medium already in the Hands of other Individuals and Classes of the Community?

There can be no Doubt that the Value would be depreciated, if such Excess of Issues were to continue for any Length of Time; but as this Sort of Relief can only be temporary, I apprehend that the general Prices of Commodities, and of course the Depreciation of the general Mals of Currency, has not always Time to adapt itself to the Consequences of such an Operation.

163. Do you not consider the great permanent and increasing Depreciation of Bank Paper, from about 1808 to 1816, as a Proof that, during the Whole of that Period, there continued to be an Excess of Bank Paper in Circulation?

Certainly; because, as I have already stated, I know of no other Means of judging the Question of Excess, than by the Depreciation. I think that, during the Period alluded to, the immediate operating Cause of the Depreciation has been the Payments Abroad; and it has been owing to there not having existed a System of corresponding Restriction of Paper Issues, which has suffered the Effect of that operating Cause to become permanent.

164. Can you state what was the lowest Point of that Depreciation, and at what Period?

The lowest Point of Depreciation appears to have been from the early Part of February to the latter End of June 1811, according to the Quotations of Foreign Exchanges, which form the best Criterion by which to judge it. The Exchange upon Paris, which, owing to the Perfection of the French Standard, is the best Criterion by which the Question can be judged, appears to have been upon an Average about 17 fr. 75 c.; supposing the Par to be 25 fr. 14 c., the Difference between the Two Rates establishes a Proportion of Depreciation of about 30 per Cent. I consider the Foreign Exchanges the best Criterion for judging the Question of Depreciation, because the Quotation of the Prices of Gold are evidently inaccurate.

165. Are the Hamburgh Exchanges as good a Criterion as those of Paris?
Certainly, quite as good.

166. It appearing, therefore, that there was within about Five Years, from 1808 to 1813, a Fluctuation in the Value of our whole Circulating Medium to the

the Amount of 30 per Cent., and a consequent Loss of Property to that Extent, in the Hands of all Persons holding that Medium or entitled to Payments to be made therein; and that on the other Hand there was a corresponding Fluctuation in the Course of Three Years, from 1813 to 1816, by a Rise of that Circulating Medium to Par again; do you not consider that it is in the highest Degree desirable, that we should return to some Currency regulated by a fixed Standard of Value, by which the Property of the Subjects of this Realm may be preserved from these great and rapid Variations, and a certain Value given to all Contracts and Transactions, whether Commercial, Agricultural, or connected with the other Concerns of Life?

I do consider it to be of the highest Importance to return, as soon as is consistent with Prudence, to a steady Measure or Standard of Value. There can be no Doubt, that the System of Paper, as at present existing, is the worst Species of Currency for that Purpose, not only with a View to its Justice between Individuals in the Execution of existing Contracts, with a Consideration of all the Interests of every Branch of Industry in the Country; but also in considering the Domestic Economy of the Country, with reference to the Price of Labour, to the State of the Poor Laws, and consequently to the Moral State of the Country at large, it appears to me that a Return to some fixed Standard of Value is a most imperative Duty of the Government of the Country. At the same Time I do not mean to say that the extreme Depreciation alluded to in the Question has been attended with a corresponding Alteration of the Value of every Thing, it being very difficult to ascertain how fast this Value does adapt itself to temporary Alterations in the State of the Currency. But there is quite sufficient Fluctuation to make it quite certain that the Country cannot continue permanently under such a System, without serious Injury to its best Interests.

167. Supposing it were now the Determination of Parliament to restore to the Country, as quickly as may be safe and practicable, the Advantages of a Circulating Medium, regulated by a Metallic Standard of Value; would it in your Opinion be advisable to adopt for the Purpose the following Proposal, either wholly, or with any and what Variations, viz.

1st, That the Bank should be subjected to the Delivery of uncoined Gold or Silver, at the Mint Standard and Price, in Exchange for their Notes, instead of the Delivery of Coin:

2dly, That the Bank should also be obliged to give their Paper in Exchange for Standard Gold or Silver, at fixed Prices, taken somewhat below the Mint Price:

3dly, That the Quantity of Gold or Silver to be so demanded in Exchange for Paper at the Bank, and the Quantity to be so sold to the Bank, should be limited, not to go below a fixed Amount:

4thly, That the most perfect Liberty should be given at the same Time to export and import every Description of Bullion:

5thly, That the Mint should continue open to the Public for the Coinage of Gold Money:

6thly, That the same Privilege of paying Notes in Bullion should either be extended to the Country Banks, or that the Bank of England Notes (their Value being thus secured) should be made a legal Tender?

Supposing the Necessity of a Return to a fixed Standard to be admitted, the great Desideratum in establishing such a Standard must be, 1st, To secure its Fixity and Steadiness; 2d, To give to the Country as much of that Facility which they have so long enjoyed from a large Circulation of Paper, as is consistent with the primary and more important Object of Fixity and Security. I have already given my Opinion that a simple Return to the old State of Things would be tedious, and under every Circumstance would impose considerable Restraint and Difficulty upon all Branches of Public Industry. I believe I have alluded to some Palliatives, either in the Substitution of a Silver Currency altogether, or in admitting for a Time a double Currency of irredeemable Paper and Coin; to both of these there are considerable Objections; but the Plan which I consider as by far the most perfect, and

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to which I know no Objection of any Sort, and which I am not sure that I should not prefer even to the old State of Currency, if that State could be easily returned to, is the Plan alluded to in the Question. It seems to offer in the first Place the purest and most perfect Standard, and seems to me not only found in Theory, but thoroughly practical in all its Parts. I speak of the general Outline of the Plan, without reference to particular Details which may be the Subject of much Consideration, and many Points of which I should like to hear adversely discussed, for the Purpose of forming an Opinion upon them. But upon the general Outline of the Plan I can have no Doubt whatever. It has been tried already in the Bank at Hamburgh, which has long been admitted to be the best Bank in Europe for the Maintenance of the Purity of its Standard. The only Alteration in this Case would be, that a Currency of Circulating Paper would be substituted for a transferrable Book Debt. There is no other Novelty in this Plan; and it may therefore be considered in its essential Principle as one which has had the Sanction of Commercial Experience. In the particular Situation of this Country, it would afford the Advantage of keeping in Circulation the largest possible Amount of Paper consistently with the Maintenance of its Standard Value. It would also I think be the most profitable Plan on which any Banking Concern could be conducted, as affording a Probability of the smallest Fluctuation in the Amount of its Paper, and thereby exposing it less than any other Plan to a sudden Run. The Details of such a Plan require very minute Consideration, should the general Principle of it be adopted: whether to take Gold or Silver, or both, as Standards of Payments, are important Questions, upon which I should like to hear more before I could quite make up my Mind. But the Inclination of my Opinion at present would be contrary to that which generally appears to prevail with the best informed Persons on this Subject, viz. that the Bank should receive and should pay both Metals in fixed Proportions of Value to each other. I should recommend that one of the Metals, and I think I should prefer Gold, should be declared to be the fixed Standard, and that the Proportion at which Silver may be given in Payment should be adjusted every Ten Years, or at some other given Period. I think that great Advantages would result to Commerce, and great general Facility in procuring a sufficient Abundance of the precious Metals, by not excluding either, and more especially not that Metal which forms the Standard of Value in almost every other Part of the World. I do not think that the Agio or Difference which is likely to prevail between the Value of the Two Metals, though it may appear a formidable Objection in the Eye of the Theorist, will be found to be so in Practice; and I am confirmed in this Opinion by the Circumstance I have before stated, of the Harmony existing between the Two Metals in the Circulation of France. I think I should prefer Gold as the fixed Standard; 1st, Because it has been for a long Time the Standard of the Country, and because I do not think it liable to so much probable future Variation as Silver; but my Opinion upon this Part of the Subject is not very positive. I should certainly say that it would be better to have no Gold Coin, if the Question of the Forgery of Paper can be satisfactorily settled. If there should be a Gold Coin, it must be to a restricted Amount, with a Seignorage which may be carried to any Extent, provided it be not sufficient to encourage illegal coining; the Gold Coin would in fact be a Gold Token, and could not affect the Value of the Standard. The Bank should be obliged to pay, and certainly also to receive Bullion in fixed Proportions; but whether the Proportion of £3 17s. 10½d. being the present Mint Price at which Gold would be delivered out, and £3 17s. at which it would be taken in, be proper Proportions, would require some Consideration; it will in my Opinion be proper to fix these Proportions so that the Bank should not look to derive much Profit from them. But to fix them accurately, it would be necessary to ascertain what would be the real Expence of assaying and converting the Gold into convenient Pieces, which would very easily be done. How small a Sum should be demandable must also be a Subject of further Consideration; I think it should be somewhere between £100 and £500, and I should rather incline to the larger Sum. I should make the Bank of England Note (supposing always the Question of Forgery satisfactorily settled) a legal Tender; and in speaking of a Note,

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it is a Matter of perfect Indifference whether such a Currency be in the Shape of a Note, a Medal, or any other Form or Token which can protect it from Imitation. The free Import and Export of Bullion of every Description would certainly be indispensable to such a Plan.

168. In stating it as the present Inclination of your Opinion, that in case of the Adoption of such a System of Currency, Gold should be declared to be the fixed Standard; but that both Metals might, according to some regulated Proportion of Value, be paid and purchased by the Bank; do you think that the Option between the Two Metals should, in the Case of Payment by the Bank, rest with the Bank or with the Holder of its Paper?

Certainly with the Bank; a contrary Principle would create great Difficulty, the Bank as Payer would not have it in its Power to avail itself of all its Assets for the Purpose, if the Option was with the Holder of the Paper; it would in fact be obliged to have a double Treasure.

169. Do you consider it a necessary Part of such a System, that the Bank should be obliged to receive and buy Bullion at a fixed Price, as well as to exchange it for their Notes?

I should think it quite indispensable if the Mint be closed to the Public; because, without that, the Value of the Bank Note might be carried beyond its Par Value, in case of any Reduction of Issues. I mean that the Bank should be obliged to take the Metal or Metals in which they were obliged to pay, and no other.

170. If the Mint continued open to the Public, would that obviate the Necessity of this Part of the System?

I think it would obviate the Necessity, though it would leave the System less perfect; but to obviate the Necessity, the Mint must be opened without Restriction of the Amount, and at the Standard Price.

171. In what Respect would this render the System less perfect?

Because it would introduce a Circulation of Gold, supposing it to have any Operation at all, and thereby impair what I consider to be a main Advantage of this Plan, of using as much Paper as possible.

172. If, on the contrary, this Part of the System, viz. Receipt of Bullion by the Bank at a fixed Price, were adopted, and a limited Amount of Gold coined with the Seignorage, as before specified; is it not probable that there would be some public Convenience in that Arrangement?

I am not aware of any Convenience. It may perhaps gratify public Prejudice to see some Gold Coin in Circulation. If the Public could take their Coin either to the Mint or to the Bank, of course Care must be taken to adjust the Seignorage, with the Amount of the Proportion between the Prices at which the Bank pays and receives, so as to give no Preference to either the Mint or the Bank. If it be desired to have a Gold Coin, I should prefer the System of Gold Tokens, which would not enter into Competition with the Operations of the Bank at all.

173. If such Tokens are issued, must not they be issued by Government?

Certainly; and they must be legal Tender only to a certain Amount; I should say, however, that the whole Plan will be more perfect without any Gold Tokens at all.

174. If such a System were adopted, what preparatory Steps should you recommend for the Purpose, and what Interval of Time from the present would its Execution require?

I fear that in the present State of Commercial Distress, which exists independent of any Causes arising from the State of the Currency or the Operations of the Bank, that a few Months must be suffered to pass before any Beginning can be made in this Plan. When the Time shall arrive for executing it, it must be proceeded in by a gradual Reduction of the Paper Issues, until the Exchange is sufficiently improved to bring Bullion into the Country, or to hold in it what will naturally arrive from our Commerce with South America. Knowing nothing of the State of the Bank Treasures, I am unable to form an Opinion at what Period the Bank can really begin to give

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Bullion for its Notes. Of the Amount of Bullion necessary for the Purpose; it is also not easy to form an accurate Opinion, until we have the Advantage of some Experience; but I should think that Ten Millions of Bullion, under the ordinary Operation of such a System, abundantly sufficient for every Purpose; I speak without including Ireland, which must have a distinct Plan for itself. It is evident that under this System, the Bullion required can only be either for the Purpose of hoarding, or for the Purpose of answering those occasional Fluctuations of the Amount of Currency, which the Changes constantly occurring in the Commercial World must produce. I do not think myself, that there is ever likely to be from any Circumstance an Alteration of the Currency required for the Circulation of the Country nearly approaching to the Sum I have mentioned of 10 Millions. For the Purpose of hoarding there is no Reason why Bullion should be used more than the Coin; on the contrary, there could be no small Hoards, and there would be less Disposition to hoard Bullion than Coin, because Coin is always usable, and the Bullion would only be so by selling it, or carrying it to the Bank. With respect to the Sum which the Bank would require to answer any Call of the Public, it should be recollected, that the Bank would be less liable to any extensive Run, than under a System of Payment in Coin; because there must always remain out a sufficient Amount of Notes for the Purpose of Circulating Medium, and that any Attempt to draw Bullion out for any Purpose, to any large Amount, would soon be checked by a Scarcity of Currency, which the Reduction of the Amount of Paper then in Circulation would produce. With a System of Payment of Coin, on the contrary, as the Coin itself when taken out answers the Purpose of a Circulating Medium, it is evident that a great and sudden Reduction of Paper is more practicable under that System, than under that of Bullion Payments.

175. You have stated it as your Opinion, that the present Distress, which would form the immediate Obstacle to immediately proceeding on this Plan, arises from Circumstances unconnected with the Issues of Paper or the Operations of the Bank; can you state what are in your Judgment the Causes of that Distress; and whether they are likely to be of long or short Duration?

The present Distress has its Origin in One of those Fluctuations in Commerce, which every Five or Six Years usually occur. Its immediate Cause is the great Decline of the Prices of some of the principal Articles of Trade, and more particularly the Article of Cotton, some Qualities of which have fallen near 50 per Cent. The Distress is so considerable, that I think it will take several Months before it will be got over; and certainly any considerable Diminution of Circulation during the Period of its Existence would tend both to aggravate and prolong it.

176. Do you consider the present Distress as at all connected in Cause or Operation with the severe Distress experienced in the Country in 1816?

I think not; the Fall of Articles I mentioned, and which has certainly occasioned the present Distress, is a Fall from the old War to the present Peace Prices: the War Prices having been kept up for a long Time from the Scarcity of the several Articles.

177. Can you form any Judgment, what Amount of Reduction of the Bank Issues might, after a Subsidence of the present Pressure, be sufficient to effect a favourable Turn in the Exchange, so as to open the Way of proceeding on the System of which you have been speaking?

Not with any Accuracy; but I should think that a Reduction of Two or Three Millions would go very far to produce that Effect; but Calculations upon this Subject must be all very vague.

178. Must not the Reduction of the Bank Issues depend on the Amount of the Commercial Dealings of the Country at the Time?

It certainly must depend on the State of the Commercial Dealings at the Time, though not always on the Amount. It is impossible to say that when the Period shall come round, the whole Amount of Bank Paper now in Circulation, or possibly even a larger Amount, may not be consistent with the Exchange being at Par: but if in fact they are not so; it is Evidence of a superabundant Issue, and it is only by a Reduction of Paper that they can be brought to that State of Par.

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Par. I should think, however, the Superabundance must be very considerable, if a Reduction of Two or Three Millions did not produce a considerable Effect upon its Value.

179. Can there therefore be, consistently with Commercial Convenience, any fixed Limit to the Issue of the Bank of England Paper, or must it not depend on the State of the Commercial Dealings of the Country?

No fixed Limit can certainly now be determined for any future Period; the proper Amount must depend upon the Circumstances at the Time, and will regulate itself under a sound System of Currency, so as best to answer Public Convenience.

180. Is not the Superabundance of Paper in Circulation produced by the Issue of Paper not in the ordinary Course of Commercial Dealings or real Transactions?

In speaking of the Circulating Paper of Commerce, there is always undoubtedly a considerable Portion issued for the Purpose of raising fictitious Capitals, either by Discounts at the Bank, or elsewhere: but I am not aware at the present Moment there is more of such Paper abroad than usual.

181. Whether, if any Means could be found to prevent the Issue of Paper, except for Commercial Dealings and real Transactions, it would not tend to prevent the Superabundance of Paper in Circulation?

If such a Check were practicable, which to any Extent I fear it is not, it would certainly diminish the Amount of Commercial Paper in Circulation; but this Paper does not seem to me to have much Connection with the Paper we have been speaking of as used for a Circulating Medium.

182. Whether the System proposed of Bullion Payments would not operate as a Check upon the Issues of fictitious Paper?

I think it would: we certainly have had much more of that Description of Paper in Circulation, since the Period of the Bank Restriction, than existed before.

183. May not the Bank be obliged to contract its Issues for the Purpose of making the Exchange favourable, in order to prepare for opening, when there are large Foreign Payments to be made; although it might not be under a similar Necessity at a Time, when no such Foreign Payments are to be made?

If large Foreign Payments were to be made at the Period when the Bank would be endeavouring to draw Bullion into the Country by contracting its Issues, this Circumstance might increase the Difficulty; but unless the Necessity of Foreign Payments was very imperious, I should think these Payments more likely to be controuled by the Operation of the Bank, than that the Bank should be controuled by them.

184. Supposing the Amount of Treasure in the Bank ought to be about Ten Millions at the Time of its opening, and that in order to bring it up to this Sum the Purchase of many Millions would be necessary, would not the Consequence of allowing the Bank only a short Space of Time to make such Purchase, be to raise the Price of Gold, and turn the Exchanges against the Country, or at least prevent them from becoming favourable, and by this Means throw much more Difficulty in the Way of resuming of Cash Payments, than if sufficient Time were allowed for the Bank to make such Purchase of Bullion gradually?

I should always understand that a sufficient Time must be allowed for the Operation, so as to produce as little Injury as possible to the Interest of the Country; what that necessary Time may be, it is impossible to say: they whose Duty it is to perform the Operation must feel their Ground as they go. But undoubtedly the Necessity of bringing Bullion into the Country operates as a Payment abroad, and increases the Difficulty. If the Bank had at this Moment a sufficient Treasure for the Purpose of the Operation, it would be much easier to come to that Period, when those Treasures could be safely put in Circulation by Contraction of the Paper Issues.

185. It being impossible precisely to ascertain the Time necessary, and yet it being thought necessary to fix some Time, do you think greater Inconvenience would

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If it be absolutely necessary to fix a Time, it would be undoubtedly desirable to give very considerable Latitude, and to fix it much beyond the Period when the Resumption may be considered probable; for I have always thought the best Mode for the Bank to proceed would be, to begin during a Period of Restriction to act as if the Restriction were taken off. I cannot conceive any safe or practicable Mode of returning to Cash Payments, without considerable Latitude and discretionary Power being left somewhere.

186. You have stated as your Opinion, that a Return to our former System of Currency could not be safely carried into Execution within a Period of less than Four or Five Years; do you think that the Plan of Mr. Ricardo could be carried into Effect in a much shorter Interval, and within what Period?

In venturing an Opinion of the Period, when the old System of Payment would be likely to be brought about, I do not of course pretend to any Precision or Accuracy; but whatever be the State of the Bank's Treasure, it would in my Opinion be necessary to bring at all Events a very large Sum of Bullion into the Country. To estimate the Period that would be necessary to arrive at Mr. Ricardo's System, some Facts must be supposed; and,

1st, That no Circumstances stand in the Way of its immediately commencing, nor are likely to necessitate any Suspension during its Progress:

2dly, That there is a given Sum now in the Coffers of the Bank; what that Sum really is I know not; if it were about Ten Millions, under the other Circumstances I have stated, I should think a Twelvemonth full Time for the arriving at the Period, when the Bank might pay; that Period would require a further Extension, but not (I should hope) very considerable, in proportion as the Bank might be less prepared by the State of its Treasures.

187. Supposing the Bank Treasure to be Five Millions, what further Extension of Time beyond the Twelvemonth should you think requisite?

It is very difficult to do more than form very loose Conjectures upon such a Subject, as it must depend upon so many Contingencies; but I should hope that Eighteen Months would answer every Purpose to enable the Bank to carry on this Operation, without any very inconvenient Pressure upon the Affairs of the Country; I mean Eighteen Months from the Period when it commenced the Operation.

188. What do you think is the best Security, that could be provided to prevent the State of Affairs being rendered, during the Interval, less favourable to such an Operation than it now is?

I apprehend that as soon as the Bank really begins to act with a View to the System by a Reduction of its Issues, it affords the best Corrective against any Impediment likely to arise in the ordinary Course of Things. Should any particular Circumstances of Distress occur, such as exist at the present Moment, I should hope, that the Measures for a Return to Bullion Payments, however important such an Event may be, would be made to give way to the necessary Relief of Commerce; at the same Time, however, that Necessity must be very manifest.

189. If no precise Limitation can be put on the Amount of Bank Paper, nor any precise Rule prescribed for the Regulation of its Issues, during such an Interval, in what Manner can the Legislature be assured that the Bank is really beginning to act on the System necessary for such an Operation as you are now speaking of?

I am not aware that the Legislature can with Safety take any other Precaution, than by making an explicit Declaration of its Intentions and Opinions; and I should have little Doubt, that if they do so, the Court of Directors will abide by them.

190. Are you aware, that subsequent to the Periods which Parliament had more than Once fixed for the Resumption of Cash Payments, the Exchanges, which had been brought to Par, have been suffered again to become unfavourable, and have been brought progressively to their present State?

I am well aware of the Circumstance, though I have not myself been in the Direction for these last Two Years; I can confidently speak of the Desire and Disposition

position of the Court to comply with the Intentions of the Legislature. The Issues of Gold Bullion at the Period when the Exchanges became favourable, seem to me a strong Indication that, in the Opinion of the Directors at least, they were acting in conformity to those Intentions. I must at the same Time admit, that the Mode of operating does not seem to have been very judiciously chosen. I should hope that the Opinion will now become perfectly established, that the Price of Bullion and Rates of Exchange are governed by the Amount of the Paper Currency.

Mr. Alexander Baring.

191. Would it afford a Security against a further Fall in the Exchange, and any Increase of the Market Price of Gold above its present Price, if the Bank were compelled to sell Gold Bullion at the present Market Price?

It certainly would.

192. Would the gradual and progressive Reduction of Paper in Circulation, and the Restoration of the Currency to the Standard of the Mint, be secured by compelling the Bank, for a certain Period, to sell Gold Bullion at the present Market Price; and afterwards, by a Provision directing the Bank to sell Gold Bullion at a Price lowered in successive Periods of Months or Quarters, so as to effect the total Reduction of the Market Price of Gold to the Mint Price, within any Period of Time which Parliament should determine for the Commencement of Mr. Ricardo's Plan?

There can be no Doubt that the Object would be attained by such a Plan, and that it would be attained gradually; at the same Time, a Contraction of the Issues of the Bank would become at first necessary, even to support an Engagement to sell Gold at the present Market Price; and I do not think the Difference between that Reduction, which would answer the Purpose of the Plan stated in the Question, and what would be required to bring the Paper to Par, considering that we are now only at a Distance of Six per Cent. from Par, would give any Advantages equivalent to the Disadvantages of a System rather complicated, and involving, for a short Time, an apparent Abandonment of the Standard. It is evident that the Plan of Reduction necessary to arrive at a Par Payment in Bullion, must also be gradual; and that, therefore, as far as the Value of the Currency is concerned, there will be no more sudden Variation than under the Plan suggested by the Question.

193. Can you suggest any Plan more simple in itself, and affording equal Security to the Legislature that its Intention shall be acted upon?

As far as the simple Question of Security for the Conduct of the Bank is concerned, I can suggest no Plan likely to answer that Purpose better; but, at the same Time, I should fear that the Bank would, in its practical Operations, be tied down more than would be consistent with the public Interest; and I should hope, that when the Intention of the Legislature is known, no Security for the Conduct of the Bank will be necessary.

194. Judging from former Experience, do you think that it can confidently be expected that the Bank will gradually reduce the Amount of their Notes, to enable them to restore the Currency?

I can have no Doubt of it, if the Intentions of the Legislature are clearly expressed.

The Witness is directed to withdraw.

This Committee is adjourned till Friday next, at Twelve o'Clock.



Die Veneris, 12^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. JOHN SMITH was called in, and examined as follows :

Mr. John Smith.

1. In what Line of Business are you ?
I am a London Banker, and connected with many Country Banks, chiefly in Scotland, and in the Midland Counties of England. We have One Bank at Hull, and a large One also at Bristol.
2. Would it in your Judgment be practicable and safe for the Bank of England to resume Cash Payments on the Fifth of July next ?
I think not.
3. State the Ground of that Opinion ?
Because I apprehend that a very considerable Diminution of the Bank of England Notes must in that Event take place, which I think would be injurious to the Commercial Interests of the Country ; and because I think the Public do not expect it, and are therefore in no Degree prepared for it.
4. Are you of Opinion, that a considerable Reduction of Bank of England Notes would so far turn the Exchanges in favour of this Country, as to enable the Bank of England to resume Cash Payments with Safety to itself, though such a Measure might be attended with Distress and Inconvenience to the Public ?
I wish to avoid, if permitted so to do, to enter into the Subject of Exchanges, as I do not understand them ; but having observed, that when Bank of England Notes, that is Money, is scarce, the Exchanges with Foreign Countries rise, I am disposed to believe that the Bank of England could so resume their Payments without Inconvenience to themselves, excluding the Consideration of other Inconveniences.
5. What do you conceive would be the Effect upon the internal Commerce and Concerns of the Country, of a further Reduction of Two or Three Millions in the Circulation of the Bank of England, provided it was effected gradually in the Course of the next Six Months ?
Assuming the Bank of England Notes to be Twenty-five Millions, I certainly conceive that a further Reduction to that Extent, within that Period, would have a distressing Effect on the internal Commerce and Concerns of the Country.
6. Do you conceive that any material Difference would arise, whether that Reduction took place in consequence of Repayments of Government to the Bank, or of a Diminution of Commercial Discounts ?
I cannot help thinking that a Diminution of Commercial Discounts might operate more disadvantageously to the Public, than a Repayment of Debt of the Government to the Bank ; because I am not clear that a Portion of that Debt might not be repaid without any material Diminution of the Bank of England Notes in Circulation.
7. In what Manner do you conceive that a Repayment of Debt could be effected without a Reduction of Bank of England Notes ?
I do not know that that could be effected without a final and ultimate Reduction of Paper ; but it might be for a considerable Period of Time, by a Payment of Exchequer Bills from Government to the Bank ; supposing the Bank chose to accept such Exchequer Bills in Payment.

8. If

8. If a Repayment of Government to the Bank caused a Reduction of the Circulation of the Bank of England, from about its present Amount of Twenty-five Millions, to Twenty-three or Twenty-two Millions in the Course of the next Six Months ; would such Reduction caused in that Manner be prejudicial under the present Circumstances to the internal Commerce and Concerns of the Country ?

Mr. John Smith.

- I think it unquestionably would.
9. Would it be as prejudicial as the Reduction to the same Amount in Commercial Discounts within the same Period ?
I think it would.
 10. Do you think a Loan made for the Purpose of enabling the Government to make further Repayments to the Bank, with a View to such a Reduction in their Circulation, would have a very prejudicial Effect upon the internal Commerce and Concerns of the Country ?
I do not think that the simple Operation of a Loan to so moderate an Amount as is implied in the Question, could have any very prejudicial Effect on the internal Commerce of the Country ; inasmuch as it may be connected with a Reduction of Bank Paper it would be. But I wish to add, that I consider the Repayment of the Debt due by Government to the Bank as a very desirable Measure on many Accounts.
 11. On what Accounts ?
I conceive that the Bank might make larger Advances to the Commercial World if a large Portion of the Debt due by Government was discharged ; and I also consider that it is desirable that the Bank should in a great Degree be independent of the Government.
 12. If the Bank is to reduce its Circulation Three Millions in Six Months, does it appear to you to be material to the Public Interest in which Way it is done ?
It is not perhaps very material ; but I should prefer that it should not be made by a Reduction of Commercial Discounts ; but it would come to the same Thing in a short Time.
 13. Suppose the Debt from Government to the Bank to be reduced by any given Amount, say Six Millions, of which Three Millions to go to the Reduction of Notes in Circulation, and Three to the Increase of Discounts ; would the increased Advantage to Commerce of such an Addition to the Discounts counteract the Injury of a Diminution of Three Millions in the total Circulation ?
I think it would not.
 14. When you state One of the principal Objections to the Bank's resuming Cash Payments in July to be, that the Public do not expect and is unprepared for it, what is the Nature of the Preparation to which you allude on the Part of the Public, as being necessary to facilitate that Operation ?
Perhaps I may be allowed to preface my Answer by stating, that I do not mean to say the Public *ought not to be* prepared for the Resumption of Cash Payments, but that they *are not* ; and of that I am persuaded, because I have not till very recently observed any Number of Individuals contracting their Operations or Engagements in Business, which I think as prudent Men they would be disposed to do if they believed Cash Payments would be resumed in Six Months.
 15. In what Manner do you conceive the Public or Individuals can be induced to contract their Engagements, so as to prepare themselves for a Resumption of Cash Payments at any given Period, but by the Necessity under which they may be placed to do so by a Diminution commencing in the Amount of the Circulation ?
I know of no other Mode of inducing them to do so assuredly. The Effect of the Resumption of Cash Payments to take place at any given future Period, will be to put an End in a great degree to what is called Accommodation Paper ; a Circumstance which, though it may be supposed to be in Opposition to the Opinion I have given as to the Effects of a Reduction of Bank of England Paper, will be of great Benefit in my Judgment to the Public Interest.

16. Will

Mr. John Smith.

16. Will the Necessity of contracting their Operations and Engagements in consequence of the Resumption of Cash Payments, be confined to such Persons as are in the Habit of carrying them on by Accommodation Paper, or will it extend to the prudent Men to whom you have before alluded?

I think it will extend to the prudent Part of the Community, but not to the same Degree as to those concerned in Accommodation Paper.

17. Though that Necessity would extend to the prudent Part of the Community, will not the Trade still enjoyed by them after the Resumption be more secure and more advantageous to them, and to the Community at large?

Believing, as I do, that Accommodation Paper is the Cause of many Mischiefs in the Commercial World, I think that the Trade of this Country would be more beneficial to those concerned in it, if no such Paper existed in any great Degree; and that Men were more in the Habit of trading on their own Capitals. With respect to the Community at large, I feel great Difficulty in answering the Question, as it might prevent Enterprize, and cripple the Commercial Energy of the Country.

18. Do not the Effects of the Failures occasioned by those improvident Speculations, which are facilitated by Accommodation Paper, frequently extend themselves widely, and to the Ruin of many Persons wholly unconnected with such Speculations?

I think they do.

19. Does not the Success of those Speculations also frequently extend itself beneficially, beyond the Persons immediately engaged in them?

No Doubt they do; but I have not so often witnessed the beneficial Effects of those Speculations, as I have those of Ruin and Distress.

20. Have not Speculations supported by Accommodation Bills been carried on to a great Extent, and been productive of Distress and Ruin previous to the Bank Restriction, and particularly in 1792 and 1793?

No Doubt there were; but I do not think that Speculations in London in various Articles of Commerce were so many in Number, or so extensive in their Operation, as they have been during the Period of the Bank Restriction.

21. If no Accommodation Bills were issued, but all Bills and Commercial Notes were founded on real Commercial Transactions, could there be a great Excess of Paper in Circulation?

I am disposed to think there could not; but it is a Question involving some Difficulty, and I cannot answer it, from the Impossibility of accurately defining what Accommodation Paper is.

22. Can you explain what you mean by Accommodation Paper?

The usual Meaning of the Term alluded to is, where Two or more Individuals agree to draw, indorse, and accept Bills of Exchange for each other, there being no real Transaction of Business between them, and the whole Operation being intended for the sole Purpose of raising Money; or where, there being Transactions of Business between them, they issue Paper beyond the Amount of such Transactions; and this latter Species of Accommodation Paper is very common, because it is not very easy of Detection. This is the Sense in which I have used the Term.

23. If the issuing of such Accommodation of Paper as you have described, without expressing on the Face of it that it was so issued, were prohibited by Law, would it probably have the Effect of so discrediting Transactions in such Paper, as to prevent in a great Degree such Transactions by Persons of known Character and Credit?

Certainly; if the Question is that the Issuers of such Bills should be compelled by Law to state upon the Face of them, that they are not drawn for Value, but are Accommodation Bills, they unquestionably would not be issued by Persons of Credit or Character, or, in my Opinion, by any other Description of Persons.

24. Would it in your Opinion, if an effectual Law could be made for that Purpose, have a beneficial Effect upon the Commercial Dealings and Concerns of the Country?

I hardly know of any Commercial Law or Regulation that would be so useful or desirable; but having been very lately engaged in Inquiries respecting

ing Bankruptcies, I believe that it is nearly impossible to give a legal Definition to Accommodation Paper; and therefore the Enactments of so desirable a Law must be attended with proportionate Difficulty. I think, however, that a proper Alteration of the present Bankrupt Code will be the most effectual Means of attaining so important an Object. *Mr. John Smith.*

25. Although such a Law might not be effectual to prevent Evasions, would it not probably prevent many respectable Persons, who now lend their Names for such Purposes, from continuing to do so; and would not such Transactions be generally confined to Persons who are already in a certain Degree of Discredit?

I am not afraid of any Evasion of the Law; but I am persuaded no such a Law can be created.

26. Can you inform the Committee at what Periods the Circulation of Country Bank Paper has been greatest in Amount?

I can give no Opinion upon that Subject worthy of Attention, from the Absence of proper Means of Information; but I should think it was highest about Four Years ago, in 1814.

27. Can you state at what Period it was at the lowest, within the last Ten Years? It is difficult to state the lowest Amount of Bank Notes within the last Ten Years; but I should think the Amount of Country Bank Notes very low in the first Six Months of 1816.

28. Has the Amount increased since that Period, and does it appear to have been as high in 1818, as it was in 1814?

It has certainly increased since 1816; but I am disposed to think it is not so high now, as it has been at former Periods.

29. Can you form any Estimate of what is now, or has been at any former Period, the general Amount of Country Bank Paper in Circulation in England?

I cannot state any thing more than a Supposition upon that Subject; but I think I can offer some Reasons to the Committee, which may perhaps induce them to think, that the ordinary Opinion upon that Subject, that the Circulation is very large, is erroneous. I am a Banker at Nottingham; and of course acquainted with the Circulation of Notes of my own House, and am enabled by Inquiry and Observation, upon which I think I can rely, to ascertain nearly the Amount of the Bankers Circulation in the County of Nottingham, which I am persuaded is under £500,000; as there is no other Circulation of any Consequence in the County but Country Bank Notes, and it is in itself a rich County, and full of Manufactures of various Descriptions, I must consider the Circulation of this County as a Data, upon which an Opinion may be formed of the Circulation of the Country Bank Notes throughout England. I am not prepared to state to the Committee any precise Amount of the Country Bank Notes in Circulation in England; but I consider them not to exceed Twenty Millions, and I think it probable the Amount is not so large. The Counties of Middlesex and Lancaster have no Circulation of Country Bankers Notes which can bear upon the Question; and I think the agricultural Counties have a smaller Circulation of Paper than the manufacturing ones. There are, therefore, but Thirty-seven English Counties to consider, a Proportion of which are purely agricultural; such as Huntingdonshire, Cambridgeshire, Rutlandshire, and others; in which, from the best Inquiry I have been able to make, the Circulation is, in proportion to that of the manufacturing Districts, comparatively small; and without entering further into Detail, I am disposed to think that the Circulation of the County of Nottingham multiplied by the Number of Counties Thirty-seven, would probably afford no bad Criterion of the Amount of the whole Circulation.

30. What Information can you give respecting the Circulation of Yorkshire? I apprehend Country Bank Notes are circulated in most, if not in all Parts of Yorkshire; but in the manufacturing Districts, particularly Leeds, Halifax, and other large Towns, there is a considerable Circulation of Bills drawn on London Bankers, and which I believe pass from Hand to Hand as Cash.

Mr. John Smith.

31. On whose Credit do those Bills principally pass?
Upon the Credit chiefly of the Drawer, and that no Doubt also of the successful Indorsers. Sometimes they are accepted by the London Bankers, and in that case they derive Part of their Credit from that Acceptance.

32. Do you believe, from the Data you have stated, that the Circulation of Country Bank Notes in ordinary Times, exclusive of such Bills of Exchange as you have been speaking of, exceeds 15 or 16 Millions?

Certainly, I am much disposed to the Opinion that it does not exceed 16 Millions; but about 12 Months ago, having had much Conversation with Individuals upon the Subject, I have been induced to defer to their better Knowledge and greater Experience. Wales has a Circulation of 1 or 1½ Million, which I include in my former Calculation of 20 Millions.

33. At what Period do you calculate that the Circulation of Country Bank Notes in the County of Nottingham was less than £500,000?

About Nine Months since.

34. What was it at the lowest Period in 1816?

I never made any Calculation, but I am sure it was less than Nine Months since, because the Trade and Employment of the People in Nottingham, and its Neighbourhood, was in a very remarkable State of Depression.

35. Can you give any Information as to the State of the Circulation in Scotland? I can, but I would refer you to Mr. Gilchrist.

36. Can you inform us, what Proportion of Bank of England Notes is usually kept by an established Country Bank, compared with its own Circulation?

I cannot, because I have known Bankers of deservedly high Credit, and of large Fortunes, who have kept a very small Amount of Bank of England Notes to meet any Demand which might be made upon them.

37. What Proportion of its Notes does a Country Banker usually keep in his Possession, out of Circulation?

I know of no general Rule upon that Subject, but there must be in all Circulations of any Amount, a few Thousand Pounds of their own Notes always kept in Reserve. I think the Amount must depend on various Circumstances. The Proportion cannot be generally very large compared with the Whole.

38. Are the Deposits in the Country Banks with which you are acquainted, used in London for discounting Bills, for Advances on Stock, or the Purchase of Exchequer Bills; or are they used for Discounts, or other Accommodations in the Country?

In the Country Banks in which I am a Partner, a certain Accommodation is given in the Country, but the larger Part of the Deposits is employed in the Purchase of Exchequer Bills and of Stock, in Loans on Stock, and on the Security of Bills of Exchange, not generally in Discounts.

39. Explain to the Committee the Nature of the Transaction of lending Money on the Security of Bills of Exchange?

It is by receiving of the Borrower, a Number of Bills of Exchange due at distant Periods, upon which a Loan may be granted for any short or long Period that may be agreed upon, and for any Part of the Sum; and in general the Amount of Security exceeds the Money lent.

40. Did Transactions of this Nature always take place in the City of London, or are they Things of a recent Date?

I think they have existed in the Houses in London in which I am engaged for Twenty-five or Thirty Years; but not to the Extent to which they do now. I do not know whether the Practice has been generally extended in other Houses.

41. Do you conceive that any considerable Objection would exist on the Part of the Country Bankers, or elsewhere, to their making a Return to the Committee of the actual Amount of their Circulation; provided neither the Name, nor the individual Amount of the Circulation of each Bank, or even each County, were made public?

I think

Mr. John Smith.

I think there ought not to be any Objection in the Mind of any Country Banker to furnish such a Return to this Committee. But I think it might do away some Objections, of no Value in themselves, if the Country Bankers were required to make a Return to the Chairman of the Committee, it being understood that the Items of such Return would remain a Secret in his Lordship's Breast.

42. Do you think that the Increase or Decrease of the Circulation of the Paper of the Country Banks is in any and what Degree regulated by the Increase or Diminution of the Issues of the Bank of England Notes?

I know not, generally speaking, in what Degree the Country Bank Circulation is regulated by that of the Bank of England; but I think it is in some Degree so regulated, because every Country Banker of Prudence and good Sense must in his own Issues have an Eye to the Bank Circulation.

43. Have you therefore observed, that when the Issue of Bank of England Notes has been diminished, the Issues of those Country Banks that have more immediately fallen under your own Observation, experienced a similar Diminution? I have, and that Case occurred in the Year 1816.

44. Were there not at that Period Circumstances of great Distress, which naturally led in many Parts of the Country to a Diminution of the Country Paper unconnected with the Issue of Bank of England Paper?

Certainly.

45. Have you at any Period observed a greater Tendency in the Country Paper, more than at other Periods, to extend the Sphere of its Circulation, and to reduce that of the Bank of England Notes, and vice versa?

I have observed at certain Periods of the Year, arising from Circumstances of Trade, a greater Portion of Country Paper in Circulation than at other Times; I have known some Parts of the Country where Bankers Notes now circulate, and have displaced those of the Bank of England within the last few Years. I am not acquainted with any Place where the Bank of England Notes have driven out of Circulation the Country Paper, except in Moments of Alarm, but I think that has not been permanent.

46. Supposing any considerable Commercial Distress to arise from the Want of a Medium of Circulation in sufficient Quantities, owing to any Reduction in the Issues of the Bank of England, might not that Void probably be supplied in some Degree by a still further Extension of the Quantity of Country Paper, and of the Sphere of its Circulation?

I think, that probably after the Lapse of some Time that Event might take place, because it is so much the Interest of the People at large to have a Sufficiency of Circulating Medium for the ordinary Purposes of Life, that they would willingly take Country Bankers Notes of tolerable Credit. But during the early Days of the Bank's Resumption of Cash Payments, Country Bankers will be too much alarmed for their own Safety to extend their Circulation.

47. If the Country Banks were at any future Period to extend their Circulation, in consequence of the Decrease of Bank of England Paper, would not that, as far as it went, counteract the Effect of such Decrease upon the Exchanges?

I presume it would.

The Witness is directed to withdraw.

Then Mr. GILCHRIST is called in, and examined as follows:

1. What is your Business?
I am Manager of the British Linen Company, an incorporated Bank at Edinburgh.

Mr. Gilchrist.

2. What does the Circulation of Scotland principally consist of?
It consists of Circulating Cash Notes payable to Bearer on Demand.

3. Are these the Notes of the different Banking Establishments throughout Scotland?

They are.

4. Has

Mr. Gilchrist.

4. Has each of these Banking Establishments a general Circulation, or do their Notes circulate only in particular Districts?
They all circulate generally.

5. Can you form any Estimate of the total Amount of Paper circulated in Scotland?

It is impossible to form an accurate Account; I have been led to think, that the Circulation of Scotland may be from 2½ to 3 Millions.

6. Are these Notes the only Circulation in Scotland, or are there any Bank of England Notes, or Bills of Exchange, which circulate?

I consider they are the chief, I may almost say the entire Circulation of Scotland. There are no Bills of Exchange which circulate in Scotland. When Bank of England Notes find their Way into Scotland, they are almost immediately taken to the Bank, and exchanged for the Paper of the Country.

7. Does any Part of this Circulation of from 2½ to 3 Millions consist of One and Two Pound Notes, and in what Proportion?

I should think a very large Proportion consists of One Pound and Guinea Notes, but it is impossible for me to say what the Proportion is. There are none under One Pound, and very few of Two.

8. Has the Paper Circulation of the Banks of Scotland been at any recent Period considerably more or less than what you have described it to be about this Time?

I do not think that the Circulation of all the Banks ever exceeded Three Millions; and as far as I can form any Estimate, I do not think it has ever been under Two Millions.

9. At what Period do you think the Circulation was at the lowest?

It was low about 1816, but had been lower in former Periods, within the Eighteen or Twenty Years with which I have been acquainted with it. In the Course of that Time, the Agricultural and Commercial Improvements in Scotland have required an increased Circulation.

10. Have you observed that the Circulation of Scotland has increased or diminished in any Proportion to the increased or diminished Issue of the Bank of England?

I have made no particular Observations upon that Point.

11. Do you conceive that a considerable Reduction in the Circulation of the Bank of England, would produce any Diminution of the Circulation of the Banks of Scotland?

I conceive it would.

12. In what Manner would it produce that Effect?

The Bank of Scotland are bound to pay their Notes in Notes of the Bank of England; and if the Bank of England restricted their Issues, it would be more difficult to obtain that Paper to answer the Purpose for which it was required.

13. What is the Proportion of Bank of England Notes which you usually keep, in Comparison with the total Circulation of the British Linen Company?

It is a Thing which varies much, according to Circumstances.

14. Supposing a Reduction was to take place in Bank of England Notes to the Extent of Three Millions within the next Six Months, would you be apprehensive of any Difficulty of getting Bank of England Notes to answer any Demand you might have for them?

I should certainly not be afraid of getting Bank of England Notes sufficient to answer any Demand that might be made upon me; but I certainly should consider it necessary to restrict my own Issues.

15. What Effect would that have, if other Banks did the same, on the Internal Trade and Concerns of Scotland?

It would have a very injurious Effect upon the Commercial and Agricultural Interests of Scotland.

16. Supposing

Mr. Gilchrist.

16. Supposing the Restriction on the Bank of England were done away, and Payments in Cash resumed, are you apprehensive that the Desire of possessing Gold in Circulation would greatly diminish the Issue of your One Pound and Guinea Notes?

I think it would not.

17. Do you not generally know, from your Acquaintance with the Circulation of Scotland, that One Pound and Guinea Notes circulated when the Bank paid in Cash; and that there existed no Demand for Gold, but for the Purpose of making Payments out of the Country?

Certainly.

18. Have you ever diminished or increased your Issues in proportion to what you conceived to be the Extent of the Circulation of the Bank of England?

We certainly regulate our Issues according to the Quantity of the Circulating Medium in which we are bound to pay them, and that is Bank of England Paper.

19. Your Circulation, you have said, was comparatively small in the End of 1816 and the Beginning of 1817, was it thus reduced from your Belief that the Circulation of the Bank of England had been diminished?

The general Distress that prevailed in the Country at that Period, led us to use more than ordinary Caution with regard to our Issues.

20. You had then no Reference to the State of the Circulation of the Bank of England?

I do not recollect that it was taken particular Note of.

21. On what Ground do you calculate the Circulation of Scotland as from 2½ to 3 Millions?

There are Three Chartered Banks in Scotland, and from Twenty to Twenty-five private Banking Companies; I first formed an Opinion with regard to the Three Chartered Banks, and afterwards, what the Circulation might be of the various private Banking Companies. I know what is the Circulation of our own Chartered Company, and I form my Estimate of the Two other Chartered Banks accordingly.

22. What do you conceive to be the Proportion between the Circulation of the Three Chartered Banks and that of the Twenty-five private Banks?

I should think that the Circulation of the Chartered Banks is better than One Half of the Whole.

23. Are the private Banks obliged to pay their Notes in the Notes of the Bank of England, or in those of the Chartered Banks?

In the Notes of the Bank of England.

The Witness is directed to withdraw.

The Committee is adjourned to Monday, at Twelve o'Clock.

Die Lunæ, 15^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. SMITH was called in again, and further examined as follows:

Mr. John Smith. 48. Do you know how long the One Pound Notes of Country Bankers usually last?

I have never considered that Question with any great Attention, but I should confider that they would last for Two or Three Years; I found my Opinion on the Observation of my own Houfe at Nottingham.

49. How long do the £5 and £10 Notes last?

I am Opinion that they last for a longer Period than the One Pound Notes; I have no Means of informing the Committee how long they do last. The £5 and £10 Notes are frequently payable in London, and a considerable Number of them accumulate in the Hands of London Bankers, till a favourable Moment occurs for their being returned into the Country, where they are again circulated, without a fresh Stamp.

50. Do you think that Country Bankers are in the Habit of keeping one another's Notes out of Circulation, and that there must be at all Times in other Country Banks a Number of the Notes of the Bank of Nottingham, for Instance, for the Purpose of sending them back to Nottingham?

I am of Opinion there are. The Custom of Country Bankers is to change Notes with each other once or twice a Week; and if they live distant from each other, at longer Periods, as may be agreed upon.

51. Referring to Question and Answer No. 5. of the last Meeting, in what Manner and to what Extent do you confider that the Distress alluded to in your Answer to that Question would arise?

I think such a Reduction as is mentioned in the Question referred to, would create great Distress in the Commercial World, by diminishing the Capital of every Individual engaged in Commerce, many of whom are altogether unprepared for such a Circumstance, and who, having entered into large Engagements, would be unable to meet them.

52. Do you think this Distress would be materially diminished by a Prolongation of the Operation of reducing the Bank Notes in Circulation, and to what Extent?

I do. A further Prolongation of the present System would enable Individuals to contract their Engagements, and afford Time for those who trade on borrowed Capitals, or who depend on Accommodation Paper, to arrange their Affairs. There are other Reasons also, with respect to Foreign Loans, which induce me to believe that a further Prolongation would be desirable for the Public Interest. I also hope and believe, that in the next Twelve or Eighteen Months the Government will supply the Country with a sufficient Circulation of Silver; a Measure which, in my Opinion, ought to precede the Resumption of Payment in Gold by the Bank of England.

53. Within what Period do you think Cash Payments could be resumed by the Bank of England, with due Regard to the Interests of the Commercial World?

I am

I am one of those who sincerely wish to see, at a proper Time and under proper Circumstances, the Resumption of Cash Payments in the Country, believing that its best Interests require it; but I feel great Difficulty in stating when that Event, consistently with the Public Interest, should take place. A System which has subsisted more than Twenty Years cannot be immediately changed without much Inconvenience; and I should imagine, that the shortest Period that ought to be allotted for the Resumption of Cash Payments, should be a Twelve-month or a Year and a Half from July next.

Mr. John Smith.

54. Supposing the Resumption of Cash Payments to be fixed within any such Period, do you think it would be most for the Public Interest that all Reduction of Bank of England Notes should be postponed for a Time, say Six Months, or that a gradual Reduction should immediately commence, and be extended over the whole Period?

I think it should commence very soon in a small Degree.

55. Supposing such a Determination to be adopted by Parliament, can you state to the Committee your Opinion as to any Legislative Measure by which an Adherence to a System of gradual Reduction could be ensured?

By making it imperative on the Bank of England to pay their Notes in Cash at the Period fixed upon, leaving it at their Discretion to manage their Issues of Notes in the intervening Period.

56. May it not be objected to this Proposal, that this System has already been pursued without Effect; the Exchanges having actually become unfavourable during the Existence of Acts of Parliament making it imperative on the Bank to pay in Cash at fixed Periods?

There are Circumstances which have occurred in the last Two Years over which the Bank of England had no Controul, which, in my Judgment, must have made Obedience to the Law highly inconvenient to themselves and to the Public.

57. State what Circumstances?

I allude to the large Foreign Loans which have been negotiated in different Parts of Europe, in which English Capital has been much employed.

58. If Parliament, from Experience that their Intentions as declared in the Acts above referred to had not, from whatever Cause, been followed up by the Bank, were unwilling now to trust that Body with an absolute Discretion in that Respect for a further Period, of whatever Duration; what would, in your Judgment, be the most effectual and least inconvenient Mode of securing for the future the Execution of their Purpose?

The most effectual Mode of obliging the Bank to obey the Law, would be to compel them to diminish from Time to Time a Portion of their Notes in Circulation; but public Convenience would require that some Latitude should be given to the Bank, sufficient to enable them to accommodate their Issues to the varying Demands of different Periods.

59. Do you think that Latitude would be conveniently given by prescribing a Limit to the average Amount of Bank Notes to be issued within certain Periods, say, of Three or Six Months?

I am not prepared to answer that Question.

60. Would not Part of the Difficulty arising from the great Variations in the Proportion of Issues required at different Periods of the Year, be obviated by such a Distribution of the Payments of the Interest of the National Debt, as would spread the same nearly equally over Eight Half-quarterly Payments in the Year, instead of the present Arrangement, by which they are now paid with considerable Inequality at Four Quarterly Payments; each Stock continuing to be paid Half-yearly, but at different Periods?

I think some Part of the Difficulty might be done away by such an Arrangement. I think I may add here, that great Distress occasionally exists a few Days previous to the Issue of the Dividends on the Public Funds, arising from the large Payments made for Taxes into the Exchequer: it has occurred to some Individuals, that these Inconveniences would be removed if a Portion of

Mr. John Smith. of the Taxes were permitted to be paid the Day after the Issue of the public Dividends, and it is presumed that there would be little Difficulty in Government making Arrangement with the Bank for this Purpose. During the Existence of the Property Tax, when Payments into the Exchequer were very large, I have known great Distress for Bank Notes a few Days previous to the Issue of the Dividends, and I have observed that great Failures have occurred in that Period. I have known 16 or 18 per Cent. paid for what is called Continuation for Money at that Period. The Receivers make their Payments through the Bankers into the Exchequer Four or Five Days, or something more, before Payment of the Dividends. If they were allowed to make them even one Day after the Payment of the Dividends, this temporary Scarcity of Bank Notes would be avoided.

61. Would not this Arrangement require a larger temporary Issue of Bank Notes than is at present required, and thereby make it highly inconvenient to affix a positive Limit to the Number of Bank Notes, even upon an Average?

I think it would require a larger temporary Issue of Bank Notes; but as that Issue would only be required for a few Days, I think it would be a Matter of no Importance, except that it might prevent a positive Limit being put to the Amount of the Issue of Bank Notes, should such a Measure be deemed advisable.

62. Might not a Mode be adopted of ensuring a gradual Reduction of the Issues of the Bank, by a Reference to a gradual decreasing Price of Bullion, to which they should be obliged to conform their Issues, without attempting a positive Limitation of the numerical Amount of such Issues?

I think such a Mode might be adopted; but the public Convenience would require that a Latitude should be given to the Bank as to the numerical Amount of Notes in Circulation.

63. Upon what Grounds do you think that, previous to the Resumption of Cash Payments, it would be necessary to have a large Addition to the Quantity of Silver Coin at present in Circulation?

I think it would contribute, in the least inconvenient Way, to diminish the Amount of Country Bank Notes.

64. Would it not, in proportion to its Amount substituted in room of other Circulating Medium, counteract the Inconvenience arising from withdrawing that Circulating Medium?

No doubt it would.

65. Would not the Increase of the Licence Duty on Country Banks secure their being conducted by Men of greater Solidity and Substance, by making the smaller Class of Bankers drop the Business?

A large Increase of the Stamps on Licences would unquestionably have that Effect; but it would have another Effect, which I think more desirable; viz. it would put an End to the Circulation of some Manufacturers and others, who now pay their Workmen in their own Notes, and who, though they may have Licences, are not in fact Bankers in any other Sense.

66. Would any Addition to the Stamp Duty on the Notes themselves produce such an Effect?

No Doubt it would; but I should deem any Addition to the present Stamp Duty very unadvisable, for I think it would make a sudden Diminution of that Circulating Medium, as many Country Bankers would in that Case give up issuing their small Notes, at least of such as are payable in Two Places, on which the Profit is extremely small.

67. If the Bank of England were to give up that Condition in their Charter, by which no more than Six Persons can engage in the same Banking Concern, with respect to every Part of the Kingdom beyond a given Distance, say 50 Miles from the Metropolis, would such a Concession on their Part lead, in your Judgment, to a more secure and substantial System of Banking in the Country?

I think it would.

68. In

68. In speaking of the Distress likely to follow, from any immediate Reduction to any considerable Extent of the Issues of the Bank of England, is your Opinion given with any reference to the particular Pressure on the Commercial Interest existing at the present Moment?

In a very slight Degree indeed; for I think the present Distress is diminishing very rapidly.

69. State to the Committee what, in your Opinion, was the immediate operating Cause of that Distress?

I do not attribute it to a Diminution in the Amount of Bank Notes, but I am disposed to believe it has been occasioned, in a great Degree, by the imprudent Speculations and over-trading of Individuals.

70. What is your Opinion of the probable Duration of this Distress?
I have no Reason to believe that it will subsist much longer.

71. Did you observe, at the Time when the Sovereigns were first issued from the Bank, and when the Course of Exchange not being unfavourable they were not sought after as Objects of Profit for Exportation, that the Public shewed any marked Preference for them, either to Bank of England Notes or Country Bank Notes, for Purposes of internal Circulation?

For Purposes of internal Circulation, I think not; their Novelty made some Demand for them. In the Year 1816, when Guineas were easily obtained from the Bank of England, the Public shewed no Disposition to take them. I have, as a Banker, directed my Clerk to offer bright new Guineas to Individuals who came to my Banking House, and, in the greater Number of Instances, they were refused.

72. Can you state the Rate of the Exchange in 1816, when this Circumstance took place?

It was either at Par, or favourable to this Country.

Witness is directed to withdraw.

Then Mr. RICHARD PAGE was called in, and examined as follows:

1. What is your Profession?
A general Merchant; particularly with France, Holland, and Flanders.
2. Have you dealt in Bullion, and from the Nature of your Business have you had an Opportunity of being particularly conversant with Exchanges?
Yes, I have.
3. Have you been concerned in the Conduct of Commerce Abroad?
I have resided a great many Years in Holland, formerly in a Commercial Capacity.
4. Can you state the Expence of sending Gold from London to Paris, all Charges included?
About $1\frac{1}{2}$ per Cent.
5. In large or small Sums?
The Expence of small Sums would be larger in proportion; if you take it at £1,000, that would be the Expence.
6. What is the Expence of sending Silver?
That would, as nearly as possible, be the same.
7. Do you include in that Charge the Insurance, or is it the Custom to insure Bullion between Paris and London?
I include the Insurance; there may be some Houses which do not insure: at this Time of the Year the Insurance is about $\frac{1}{2}$ per Cent.
8. Can you state the Expence of sending Gold and Silver Bullion from London to Amsterdam and Hambro?
That would be the same as to Paris.
9. What would be considered as an adequate Profit, by a Dealer in Bullion, upon sending Gold from London to Paris?
A clear Profit of $\frac{1}{2}$ per Cent. would be sufficient, as the Operation might be performed

(30.)

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performed

Mr. John Smith.

Mr. Rich. Page.

Mr. Rich. Page. performed Once a Fortnight; of course a Man would be getting 13 per Cent. Interest for his Money, by repeated Operations.

10. What would be considered an adequate Profit upon sending Gold to Paris, and bringing back Silver?

The clear Profit of $\frac{1}{2}$ per Cent. would be a Gain quite sufficient, as this Operation might be performed in a Fortnight.

11. What would be an adequate Profit on sending Bullion to Paris, and drawing upon it, or receiving Remittance by Bills for it?

The same.

12. Do not Houses in London, who have Houses in Paris, save the Expence of Commission; and are there not Houses in this Country, who have Accounts with corresponding Banking Houses Abroad, in which no Charge for Commission is made on either Side?

There are such. If a House here has a House Abroad, of course that will save Commission; and a Commission is equally saved where a House here and a House Abroad do Business on a joint Account.

13. What is the usual Commission charged?

The usual Commission charged, $\frac{1}{4}$ per Cent.; there are some do it for $\frac{1}{2}$, or perhaps $\frac{3}{4}$.

14. Can you state what has been of late the proportionate Market Value of Gold and Silver Bullion at Paris?

The proportionate Value of pure Gold and Silver is 1 to 15.751; and the proportionate Value of Gold and Silver, each $\frac{2}{3}$ Fine to $\frac{1}{3}$ Alloy, is 1 to 15.611. The Mint, of course, prefer buying Silver and Gold that has Alloy, to fine Silver and Gold; because they would otherwise be at the Expence of furnishing the Alloy. The Mint afterwards issue the Gold and Silver Coin to the Public at the Rate of 1 to 15.500; they gain $\frac{1}{4}$ per Cent. upon Gold, and 1 per Cent. upon Silver, at the Rate at which they issue them to the Public; that is upon the Supposition that they do not avail themselves of the Remedy, which is in France very trifling; out of a Kilogramme of Gold, 9 Parts Fine and 1 Part Alloy, they coin 155 Gold Pieces of 20 Francs each; and out of a Kilogramme of Silver, also 9 Parts Fine and 1 Part Alloy, they coin 200 Single Franc Pieces.

15. Can you state what has been of late the proportionate Market Value of Gold and Silver Bullion at Amsterdam?

By the last Quotation it stood as 1 to 15.416.

16. Can you state what has been of late the proportionate Market Value of Gold and Silver Bullion at Hamburg?

By the last Quotation it stood as 1 to 14.730.

17. Can you explain the Cause of the Difference of the Proportions in the Market Values at Hamburg, Amsterdam, and Paris?

At Hamburg and Amsterdam, Gold being always considered, whether in Coin or Bullion, as an Article of Merchandize, they generally speculate upon it more with a View to the French Market than to any other; of course they cannot give so much for it as at Paris, where it never varies. I do not recollect, during the last Eight or Ten Years, to have seen a Variation between the Market and Mint Price of Bullion at Paris of more than $\frac{1}{4}$ per Cent., and that very seldom; but then there is a Variation which takes place afterwards, by allowing Gold Coin to be sold at Paris; and I think that last Year was rather high, as high as 40 or 50 Cents for 100 Francs, which is an Agio of $\frac{1}{2}$ per Cent.; but I think, taken upon Average of Four or Five Years, that Agio would be found to be $\frac{1}{4}$ per Cent., and not more.

18. To what do you attribute the Difference in the Proportions between these Metals in Hamburg and Amsterdam?

The Difference generally arises from this Circumstance: that if Hamburg and Amsterdam both want to send Gold to Paris, Hamburg being further removed from Paris

Paris than Amsterdam, the Price of Gold in Amsterdam is generally somewhat higher than at Hamburg, in consequence of saving Carriage and Insurance.

19. Does not that Difference generally exist in the proportionate Price of those Metals between Hamburg and Amsterdam?

Not perhaps exactly to the same Extent; but I have almost always found Gold dearer, with respect to Silver, at Amsterdam than at Hamburg.

20. In stating 1 to 15 $\frac{1}{2}$ to be the proportionate Mint Value of Gold and Silver at Paris, do you not mean, that if a Person sends an Ounce of pure Gold there, he can obtain for it 15 $\frac{1}{2}$ Oz. of pure Silver?

Unquestionably.

21. Can you state what Number of Ounces of pure Gold are contained in 1,000 Sovereigns?

235.419.

22. That Quantity of pure Gold being delivered into the Paris Mint, how many Francs would be received for it?

25,200 f. 82 c.

23. £1,000 Sterling of our present Silver Coin being delivered into the Mint at Paris, how many Francs would be received for it?

23,230 f. 3 c.

24. How many Francs does then the Exportation of 1,000 Sovereigns in Gold produce at the Mint at Paris, more than £1,000 Sterling of Silver?

1,970 f. 79 c.

25. How much per Cent is this?

About 8 $\frac{1}{2}$ per Cent.

26. Can you state the Quantity of pure Gold contained in 10,000 Francs of French Gold Coin?

93^{oz.} 417.

27. If this Quantity of pure Gold were carried to our Mint, what Quantity will be received for it in Sovereigns?

396^{sov.} 809; that is, £396 16s. 2d.

28. What is the Quantity of pure Silver contained in 10,000 Francs of the Silver Coin of France?

1,447.963.

29. If this Quantity of pure Silver was coined at our Mint, what Quantity of our Silver Coin would it produce, under the Regulation that 5s. 2d. is to be delivered for the Ounce?

I should then, after paying a Seignorage to the Mint, receive 8,087 and $\frac{1}{2}$, that is £404 7s. 8d.

30. How much per Cent. more then is there to be gained by importing French Silver Coin, and paying the Seignorage, and coining it at our Mint, than by importing French Gold Coin, and having it coined at the Mint?

The Difference is Two per Cent. in favour of importing Silver, after paying the Seignorage.

31. Supposing the Ounce of Silver was coined Abroad, into 5s. 6d. of our Shillings, and that the Silver was thrown into Circulation in this Country, how much per Cent. would be gained by a Person coining an Ounce of French Silver Coin into English Silver Coin?

The Profit would be about 8 $\frac{1}{2}$ per Cent., less the Expence of sending the Silver over to England.

32. How often, in your Opinion, could these Operations be performed in One Year?

If there was a Mint on the Continent, which coined French Silver Coin or French Bullion into English Silver Coin, the Operation could be done Once a Fortnight. I know nothing of any Foreign Mint that coins the Money of other States, of my own Knowledge, except the Mint at Milan, which, during the Time of Buonaparte, regularly coined the Austrian Silver Dollars, that is, Dollars with the Head of Maria Theresa; and it was done for this Purpose, that in the Trade with the Levant, the Levantese Merchants would only take these Dollars, or gave the Preference to them.

33. What

Mr. Rich. Page.

33. What is the intrinsic Par of Exchange between London and Paris, arising out of the present Mint Regulations of the Two Countries?
The Par in Gold is 25 f. 20 c. and the Par in Silver is 23 f. 23 c.

34. How do you account for the great Difference between the Par in Gold, and the Par in Silver?

It is precisely because the French rate Gold, as compared with Silver, at about 8½ per Cent. more than we do.

35. If Two Countries trade together, and one pays in both Gold and Silver, and the other pays only in Silver, what Par of Exchange will take place between them?

That must naturally be a Silver Par, because they must have that Mode of Payment which is common to both; and Silver would be common to both, and not Gold.

36. What is the present Course of Exchange between Paris and London?
The last Course of Exchange, at Three Days Sight, was 23 f. 80 c.

37. Is this Course of Exchange in favour of this Country, or against it, in your Opinion?

It is clearly in favour of this Country; because, if I buy a Bill of Exchange in the usual Way, and pay for it in Bank Notes or Silver, I get, at Paris, about 40 Grains of Silver upon every Pound Sterling more than I pay for my Pound Sterling here; and if an Englishman was to accept a Bill of Exchange, payable in Sovereigns, drawn from Paris, he would get, at Paris, an Exchange of upwards of 25 f. 20 c.; but I never saw an Engagement of that Kind.

38. Has the Course of Exchange between this Country and France been, in your Opinion, for some Time past, in favour of, or against this Country?
It has been in favour of this Country.

39. This being the Case, has Silver Bullion flowed into this Country during the last Year?
Unquestionably; it comes in now every Day.

40. Do you know this of your own Knowledge?
I do.

41. Have you lately seen any Quantity of French Silver Coin come into this Country?
Yes, I have.

42. Do you know any thing of the Proportion between the Value of Gold and Silver in the Havannah?

The Proportion in the Havannah, by the Regulations of the Government there, is as 1 to 17; and you never get less than that, but sometimes about One Half more. They give Seventeen Silver Dollars for a Gold Doubloon, and they are nearly of the same Weight; we generally estimate 1,000 Dollars at 866 Ounces, and 1,000 Doubloons at 867 Ounces.

43. Is there any Course of Exchange between this Country and the Havannah?
At the Havannah there is regularly a Course of Exchange, printed, upon London; in London there is no Course of Exchange, printed, upon the Havannah, but still there is an Exchange; and the last Price was 4s. 2d. per Dollar, which was very considerably in favour of this Country; the Dollar, by the ancient Mint Regulation, being worth 4s. 4d. in this Country; and of course it is worth more now, in consequence of the Seignorage.

44. What is the present Market Price of Spanish Dollars in London?
The last Price was 5s. 6d. per Ounce.

45. What is the Market Price of Spanish Gold Doubloons in London?
82s. the last Price.

46. At these Prices for Dollars and Doubloons, if a Man has Money to receive in the Havannah, which he wishes to transport in Specie to England, how much more would he gain by bringing Home Dollars than Doubloons?
He will gain 14 per Cent.

47. Is

47. Is not however 82s. per Ounce a very high Price for Doubloons, compared with the Market Price of Standard Gold?

Very high; the Doubloon is One Carrat One Grain worse than Standard Gold, the Doubloon being in Fineness 20 Carrats 3 Grains, and our Standard Gold 22 Carrats; and then the last Price of Standard Gold Bullion being £4 1s. 6d. per Ounce, the Doubloon, in that Proportion, is intrinsically not worth more than £3 16s. 10d. per Ounce.

48. How do you account for this Difference of Market Price between Doubloons and Standard Gold?

In the first Place the Doubloon is similar to the Spanish Dollar, as being more or less a current Coin in most Parts of the World, and then it will always have a Tendency to go back again to the Havannah, and other Parts of South America, on account of the high Rate at which they estimate it, as compared with Silver.

49. What is the present Mint Price of Gold in England?

£3 17s. 10½d. as compared with the present Silver Currency.

50. If you could get Sovereigns at this Price, could you not send them to Paris, get them melted into Gold Bullion, and afterwards import this very Bullion into this Country, and sell it at a Profit?

Certainly, as the Price is now; but there would be more to be got by melting it in England.

51. Could you not send Sovereigns to Paris, and convert them into French Gold Coin, and by bringing this Gold Coin into this Country, sell it here to a Profit?

It is the same Operation as the last; French Gold Coin will always be worth its Value in Bullion, and generally be worth a little more.

52. What is the relative Value between the Gold and Silver, according to our present Mint Regulations?

It is as 1 to 14 .160.

53. What was it according to our ancient Mint Regulations?

It was as 1 to 15 .200.

54. When these ancient Regulations first took place, in 1718, what was the relative Value of Gold and Silver in France?

1 to 14 .500.

55. What was the Consequence of those relative Values of the several Mints of France and England, as respected the Intercourse between the Two Countries?

We regularly got Gold from France; and upon this Principle, that if a Frenchman owed an Englishman £15 4s., with £14 10s. in Silver he could buy at Home that Quantity of Gold which would pay his Debt of £15 4s. in England; and in the same Way that we rated Gold higher than they did, did they rate Silver higher than we did; and then, in ordinary Circumstances, in the same Manner that Gold came from France to England, Silver would go from England to France.

56. Was there a Seignorage formerly in France?

I know there was one on both Gold and Silver, amounting, with the Remedy and the Charges of Fabrication, to about 8 per Cent.

57. Was not that at a Time when Gold was rated proportionably lower at the French Mint than at ours?

Unquestionably.

58. Did the Seignorage prevent Gold from being exported from France?

It did not; nor will a Seignorage do it in any Country; because, when Two Countries trade with each other, every Man rates the Coin of the other according to its intrinsic Value; he strips it of every Thing ideal and denominative; and whether he gets Coin, or whether Bars of Gold or Bars of Silver, he gets it exactly on the same Principle, that is, upon the Footing of what it contains of the precious Metals, paying nothing for Alloy.

(30.)

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59. Referring

Mr. Rich. Page.

59. Referring to Question and Answer (No. 52.), do any such Proportions exist in any other Country in Europe, either by the Market Price of Gold and Silver Bullion, or by Mint Regulations?

In no Part of Europe, that I am aware of; in all other Countries their Gold is rated higher, with respect to Silver.

60. What was the intrinsic Par of Exchange between London and Paris, according to our ancient Mint Regulations?

In Gold, 25 f. 20 c. In Silver, 24 f. 74 c.

61. What is the relative Value between Gold and Silver, according to the Regulations of the French Mint?

1 to 15½.

62. If we were to coin in the same Proportion as the French, what ought to be the present Mint Price of Gold, supposing it to be measured by our present Silver Currency?

£4 5s. 3d. per oz.

63. If we were to do away with the Seignorage on Silver, and coin in the Proportion of 1 to 15½, what would then be the Mint Price of Gold?

8os. 1d. per oz.

64. If we were to establish the same Proportions in our Mint Regulations between Gold and Silver, as in the Mint Regulations of France, is there any thing in the present State of the Exchange, or in any other Circumstance that you are aware of, that would cause Gold to be exported from this Country to the Continent?

Certainly not; because as the Exchange at present stands, without varying it, Gold must come in To-morrow from France. Supposing that such a Change was made in our Mint Regulations, I think upon every Pound Sterling we should gain about Four Grains of Gold, according to the present Course of the Exchange at 23 f. 80 c.

Witness is directed to withdraw.

This Committee is adjourned to Wednesday, at Twelve o'Clock.

Die Mercurii, 17^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. PAGE was again called in, and further examined as follows :

65. Referring to Question and Answer (No. 64.), have you brought with you the Calculations which enabled you to make the Assertion contained in that Answer? Mr. Page.

Yes, I have.

Witness delivers in Two Calculations, which are read, and are as follows :

“ Proof that the present Course of Exchange of 23 Francs 80 Cents on Paris, is in Favour of England.

One Pound Sterling will give	23 Francs, 80 Cents.
Each Franc contains 4.500 Grammes of Fine Silver, and therefore	
the 23 Francs 80 Cents. will contain of Fine Silver	107.100 Grammes.
The Gramme contains 15.445 Grains English, and then the 107.100	
Grammes will contain of Fine Silver	1654.160
The Pound Sterling of 20s., by the present Mint Regulations, contains	
of Fine Silver	Grains 1614.545

Profit in Favour of England on each Pound Sterling - Grains 39.615

Being about 2½ per Cent.”

“ Proof that if we adjust our Proportions by Mint Regulation to those established by the French Mint, that Gold will arrive from France according to the present Course of Exchange of 23 Francs 80 Cents.

“ If we adjust our Proportions to those of the French, the Mint Price of Gold, as compared with our present Silver Coinage, will be £4 5s. 3d. per Ounce; and the Pound Sterling (or Sovereign) in Gold, will then contain 103.226 Grains of Fine Gold; and then we shall have the following Calculation :

1 Pound Sterling, at the present Course of Exchange	23 Francs 80 Cents.
The French Gold Coin of 20 Francs, contains 5.806 Grammes of Fine Gold.	
23 Francs 80 Cents will therefore give 6.822 Grammes of Fine Gold.	
And the Gramme being equal to 15.445 Grains English, the 23 Francs	
80 Cents will give	Grains 106.710
And at £4 5s. 3d. per Ounce, the English Pound Sterling will	
contain 112.610 Grains of 22 Carrats Fine, and of Fine Gold of	
24 Carrats	Grains 103.226

Profit in Favour of England on each Pound Sterling - Grains 3.484

Being full 3 per Cent. in Favour of England.”

66. How do you account for the Difference which would then exist in the Profit of bringing Gold and Silver into this Country, in favour of Gold? The French coin both Silver and Gold of the same Proportions; that is, the Silver Coin

Mr. Page.

Coin is Nine Parts Fine and One Part Alloy, and the Gold Coin also Nine Parts Fine and One Alloy. We, in our Coinage, have not exactly the same Proportions in coining Gold as in coining Silver; we coin Gold 22 Carrats Fine and 2 Alloy, and we coin Silver 11 oz. 2 dwts. Fine and 18 dwts. Alloy; now if we are to coin the Gold and Silver of equal Fineness, we shall of course coin Silver only 11 oz. fine. If, on the contrary, we continued to coin our Silver at 11 oz. 2 dwts. Fine and 18 dwts. Alloy, and our Gold at 22 Carrats Fine and 2 Alloy, and adopted the French Standard as to Weight, then it would follow, that though we should have the same Proportions as the French as to Weight, that is 1 to 15½, yet we should not have exactly the same Proportion as to Fineness; and then the Consequence of that would be, that we should rate Gold rather higher than the French; that is, altering the Proportions as to Weight into as 1 to 15½, but keeping our present Fineness as to the Mint Regulations, we should clearly be giving somewhat of higher Value (not much) than the French do for Gold. And then you would have another Consequence, that your intrinsic Par of Exchange in Gold would be only 23 Francs 2 Cents, but your intrinsic Par in Silver, would be 23 Francs 23 Cents; but if you are to coin your Silver only 11 Ounces fine, then your Par in Gold and Par in Silver would be exactly the same, that is 23 Francs 2 Cents.

67. Referring to Question and Answer (No. 35.), if the same Quantity of Copper is coined into 13d., which forms in our Money 12d.; how much would £100 Sterling of our Copper Money be worth in a Country where Copper is coined into 13d.?
 £108 6s. 8d.

68. Does not this account for the Par of Exchange with Ireland, where the same Quantity of Copper is coined into 13d. that is coined into 12d. in this Country; which Par is £108 6s. 8d.?

If it is legal Tender to any determinate Amount, and is coined by Authority, that must be the Par.

69. Ireland having had no Money of its own but Copper Money, do you not consider this to be a strong practical Illustration of the Opinion you have given in your Examination of Monday; that if two Countries trade together, the Par of Exchange that must take place, must be in the Money made of the Material which they enjoy in common?

I should think it is. The Opinion that I gave I take to be clear for this Reason; that if I have both Silver and Gold, and pay indifferently in either, and another Person has only Silver, it is clear that no Exchange can take place between us, but what is founded on Silver: because, if a Man, who has only Silver owes a Man, who has both Silver and Gold, he clearly cannot pay him in that which he has not, but must pay him in that which he has; and that would make no Difference to the Man who has both Gold and Silver, because with the Silver which he gets for his Debt, he can buy Gold at Home at any Time. And there might be Two Countries, one of which had only Gold and the other only Silver, and then they could have no Exchange at all, till they have first agreed upon a relative Value between Gold and Silver; they would then trade together, and then both would get Gold and Silver.

70. Do you think that the Balance of Trade between this Country and the Continent, is against this Country or in favour of it?

I think that, notwithstanding the Importation of Corn during the last Year, which, I think, must have amounted to upwards of Eight Millions Sterling, notwithstanding the Loans, and notwithstanding any Expences which have been incurred Abroad, the Balance of Trade must have been in favour of this Country with the Continent; and I found my Opinion upon the State of the Exchange, and as the Exchange has been during the last Year: because I see clearly, we can get in Silver, and that we do get in Silver; and if the Balance with the Continent was against us, that could not take place. With respect to our Trade with other Parts, and particularly with the East Indies, I think that has been extremely against this Country; the Dollars that have come into

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into the Country during the last Two Years, have, I believe, been regularly going out to the East Indies to bring home Cotton, and to China; and that Cotton, generally speaking, I believe is only worth from ½ to ¼ what it cost; thus we have got rid of our Dollars. I would add, that generally speaking, I do not see how it can be possible that in Time of Peace the Balance of Trade between this Country and the Continent can be against this Country. We export to different Parts of the Continent large Quantities of manufactured Goods, we receive but little of manufactured Goods from the Continent in return; we export large Quantities of Colonial Produce, and we receive nothing in return of that Nature; and then it will generally follow, that, against this Exportation, the only Importation of real Value to be set against it, is the Baltic Produce, Corn and Naval Stores; and the Naval Stores in Time of Peace are of small Amount; Wine should also be added.

71. Are you then of Opinion, after taking into your Consideration all Payments that have been made by this Country to the Continent, as well as the State of our Trade with the Continent, that the Balance upon the whole has been in our Favour?

Certainly.

72. What is your Opinion as to the Effect produced by the Seignorage which we have imposed on our Silver Coin?

The First Thing I should say with respect to all Seignorage, where a Seignorage has not been established before, is plainly that it is a Fraud; because if either of your Lordships had granted a Lease to his Tenant before the Seignorage existed, and the Tenant paid him after the Seignorage was in Operation, the Tenant would pay less than his Contract, by all the Amount of the Seignorage. Then, as to the general Effect of the Seignorage, it is generally perfectly useless, because the Price of the Material out of which you are to form your Coinage, will generally be higher than your Mint Regulations, for it cannot be expected that a Man will give 12 oz. of his Gold or Silver Bullion for about 11 oz. of your Coin; I say that will not regularly take place, though it may occasionally. If by coining you can make 11 oz. worth 12 oz. then as nothing would be so profitable as coining, either for Government or for Individuals, you never could want Coin. With respect to the Seignorage in this particular Instance, its Effect has been, giving it as my Opinion, by altering the Proportion between Gold and Silver which existed before, and which still exists in other Parts, to drive Gold Bullion out of the Country. You force the Importer of Gold Bullion to export it, to find that Value which it ought to find at Home. You force him to do this at an Expence; and thus as a great Part of the Gold which is imported, is imported in return for British manufactured Goods, you discourage to that Extent the Production of British Manufactures; thus you drive away Silver Bullion in the same Manner; that goes out to escape the Seignorage; it has a Tendency to go where it will find 12 oz. for its own 12 oz. instead of 11½ oz. which you are willing to give for it. I will add One Thing more, which I have heard from very good Authority, that by the Spanish Mint Regulations, a Seignorage is imposed on the Silver Coinage of about Eight per Cent., and the Price of Silver Bullion from what I have heard, in Spain, is regularly about Six per Cent. above the Mint Price; that is, they estimate that Two per Cent. would be sufficient for the Expence of Coinage, but that more would be injurious. I will add another Effect resulting from the Seignorage, which is this, that if no Seignorage existed, the Coin would be kept up by the Efforts of Individuals; but generally speaking, when a Seignorage does exist, the Coinage can never be undertaken except by the Government; and negatively at least I consider that as an Evil; because if the Necessity is imposed upon a Man to pay his Engagements in Cash, you ought to render that Necessity as light as possible, and hold out every Facility to the coining of Bullion.

73. Are you aware that in 1816, before our Silver Coin was issued, the Bank and Bankers found an Unwillingness in their Customers to accept Gold Coin?
 I have heard so; but certainly that lasted a very little Time.

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74. After the present Gold Sovereigns were issued, which was after the issuing of our Silver Coin, were they or were they not at a Premium? It is notorious that they were.

75. Are they not now at a Premium? Unquestionably.

76. Do you think that the Provisions of the Act of Parliament, which makes Silver Coin only a legal Tender to the Extent of 40s., is a sufficient Security against the Evils which you have stated, as resulting from the Seignorage upon our Silver Coin?

In the first Place we know, de facto, that it is not; for notwithstanding the Act, which declares Silver to be a legal Tender only to the Extent of 40s., Sovereigns have been regularly at a Premium. With respect to the general Effect of making Silver only a legal Tender to 40s., it must in the very Nature of Things drive away Sovereigns faster than if Silver was made a legal Tender to any Amount. You see that the whole is founded upon Sovereigns being worth more in Bullion than it is worth in Coin at Home. Abroad it will exchange for more Silver than it can legally do at Home; then in this State of Things there are a Variety of practical Ways in which Sovereigns must regularly disappear. First, if I go into a Silvermith's Shop and buy Goods to the Value of £10, if Sovereigns are in full Circulation, and I pay him 10 Sovereigns for what is bought, they are all gone at once; because he never could buy Gold Bullion at the Rate at which he gets those Sovereigns from me. Then again, (I am putting this on the Presumption of the Bank having resumed Cash Payments without any Alteration in the Mint Regulations) another Man puts a £1000 Bill into the Bank to discount it; the Bank discounts it, and pays the Man in Bank Notes, then the Man comes Ten Minutes or Half an Hour afterwards, with the same Bank Notes, and gets Sovereigns, and of course the Bank cannot refuse to pay him; but if Silver had been legal Tender to any Amount, the Bank might have paid in Silver and kept its Sovereigns. So again, if a Silvermith or an Exporter of Gold has an Account with a Banker, and that Banker has Money in his Hands belonging to that Man, and an Hundred other Men perhaps, he draws a Check upon the Banker, and then, if he insists upon it, the Banker is obliged to pay him in Sovereigns; and if the Banker gives him Bank Notes, he takes those Notes to the Bank and there gets Sovereigns; and then, from the Profit to be made, all those Sovereigns disappear; and that will be the Case, whether the Exchange is at one Rate or another; because the Profit consists in getting for every Ounce of those Sovereigns when melted, 15½ oz. of Silver abroad, while you get only about 14 oz. at Home.

77. Are you of Opinion that our Government, by issuing small Quantities of Silver Coin, can manage so as to give to the Silver Coin an artificial Value, in consequence of the Demand for it, equal to that which Silver Bullion has relative to Gold in the Market?

Never; unless you can make Five Grains of Silver equal to Six. First, I am to understand that in giving us a small Quantity of Silver, you mean to give us a large Quantity of Gold; because, unless you do that, the Want of the Circulating Medium would be such, that you must necessarily give a large Quantity of Silver, and then the Scarcity is done away with. Then if you give a small Quantity of Silver depreciated by a Seignorage, and a large Quantity of Gold not depreciated by Seignorage, the Consequence will be that you never will raise the Value of the bad up to the Value of the good, but you will degrade the good to a Level with the bad; and then comes a Foreigner, and he says to the Gold, (if I may so express myself), you are here in bad Company, come over to me, and I will restore you to your Rank, and then the Gold goes immediately.

78. Are you acquainted with Mr. Ricardo's Plan? I have read it.

79. Supposing that the Circulation of the Country was conducted by Paper, the Value of which was regulated on his System, would it be possible for Government, by diminishing the Issue of Silver, so to raise its Value in consequence of the Demand for it, as to give to our Silver Coin an artificial Value, equal to that which Paper so regulated would hold?

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Mr. Ricardo's Plan, as I understand it, is first to have Bars of Gold of 20 oz. each; that the Bank is to be obliged to buy Gold of whoever brings it at £3 17s. an oz., and that it is afterwards to issue this Gold in these Bars at £3 17s. 10½d. per oz.; then you have the Bar of Gold of 20 oz., and that in round Numbers is worth about £80 Sterling; then on the other extreme you have your Silver Currency, and then from a Shilling to £80 is a very wide Leap. Then Mr. Ricardo proposes, that that Space is to be filled up with Paper; then the first Consequence will be this, that you have got one sort of Currency for every rich Man, and another sort of Currency for a poor Man; because it is perfectly certain, that at least Nine Persons out of Ten cannot command £80; you give the rich Man the best; and you give the poor Man the worst. Now I consider the Currency of the Country to be the Property of the Country, and that, generally speaking, it ought to be accessible to all alike, and upon the same Principle. Then, as to the Question of Scarcity, Scarcity relating to Quantity, the Question upon general Principles could never stand upon a Question of Quantity; because if the Value of Gold and Silver was to be regulated by Quantity, Gold would certainly be 40 perhaps 50 Times dearer than Silver. Then there is another Consequence; if a Tenant has got £20 to pay for Rent, and £20 to pay Rent with, he never could pay his Rent, because that £20 would only be ¼ Part of One Bar of Gold; then if he is to make up that in Silver, you must do away with the Statute making Silver a legal Tender for only 40s. If you do away with that Statute, and allow him to pay in Silver, then all that great Value of your Silver Coinage, which you are to get by Scarcity, is done away with, because you must furnish a larger Circulating Medium in Silver; If he is to pay in Bank Notes, unless Bank Notes are made a legal Tender, it might happen that they would be refused; if they are to be a legal Tender to any Amount, then I would say that the Bank will never be at the Expence of furnishing itself with Bars, which would of course very considerably diminish its Profits. Taking the Price of Gold as Mr. Ricardo states it, and taking the Price of Silver by the present Mint Regulations; that is with the Seignorage, the Silver would drive out these Bars of Gold just the same as it now does the Sovereigns, because, whether you got Sovereigns, or whether you got Bars of Gold, taking both at the same Price, you would still be getting Gold at the same Price; and then that Principle which drives out 80 Sovereigns, will drive out the Bar of 20 oz.

Upon the Question being read again to the Witnesses, he answers,

Certainly not.

80. State the Reasons why you think it impossible?

Because if you have a small Quantity of bad, and a large Quantity of good, the bad will drive away the good, exactly upon the Principle which I have stated before with respect to Sovereigns. With respect to Scarcity, you may sometimes give a Value from Scarcity to a Thing, which intrinsically has but little; for Instance, Water in a Siege might be worth Half a Guinea a Pint. But then to carry this System into Effect upon that Principle, you must interdict all regular Communication with the rest of the World; as otherwise, if you had a small Quantity of an Article, and which in consequence of that small Quantity was acquiring a Value which it intrinsically had not, if you have Communication with other Nations they will most certainly furnish you with pretty considerable Quantities of this bad Article, upon which you set so high a Value; and I think exactly that Fact took place at the Close of the late War; we were then totally deprived of every Thing in the Shape of regular Coinage, and wanting a larger Circulating Medium in small Money than we had, we got furnished with bad Money from all Parts; and thus those Persons, who sent that Money here, very clearly and decidedly got hold of the Property of the Country for much less than its real Value.

81. Supposing that Government could, by issuing a smaller Quantity of Silver Coin than the Demand required, give it an artificial Value equal to that of the Gold Coin, how much per Cent. would that artificial Value add to the Value of our Silver Coin?

Taking the Gold at £3 17s. 10½d. and Silver as it now stands, that would be about 6½ per Cent.

82. Would

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82. Would not such a Proceeding offer to the false Coiner a Premium of $6\frac{1}{2}$ per Cent. for committing a Capital Crime?
That it would clearly do.

83. Under our present Mint Regulations, if Spain owes Money to both France and England, what would be the most advantageous Mode for her to liquidate the Debt?
She will very naturally send her Gold to France, and her Silver to England.

84. If a Frenchman and an Englishman are in a Foreign Country together with the same Quantity of manufactured Goods, of the same Quality, both costing the same Price, and both selling for the same Profit, and if having sold their Goods they both get the same Quantity of Gold as the Produce of the Sale, and upon returning to England and France each send their Gold to their respective Mints to be coined, how much would the Frenchman receive for his Gold more than the Englishman?
He will get $8\frac{1}{2}$ per Cent. more.

85. But must not the Englishman's Goods have necessarily cost less than the Frenchman's, from the higher Rate at which we estimate Silver?
Certainly not, or at least but triflingly so; because the Mint takes away $6\frac{1}{2}$ per Cent. and then the Price of all Goods will regulate themselves according to the intrinsic Contents of the Coin, and not according to any ideal Value which we chuse to attach to it; and if that is not true, then there can be no Objection to declaring a Sixpence to be One Shilling.

86. Were you at all concerned in the Exportation of Gold to the Continent during the late War?
I exported a considerable Quantity of Gold Bullion to France.

87. Was the Market Price of Gold in this Country high or low during that Period?
Nominally very high, but in reality low; because the Price during the whole of that Period never having risen more than a Half per Cent. at Paris above the French Mint Price, it stands to Reason that I must have bought my Gold Bullion low here, to enable me to get a Profit by sending it to France. Some few Years after the Bank Restriction, the Circulating Medium of the Country consisted principally of the Bank Notes, and the Spanish Dollars; the Spanish Dollar contains 367.176 Grains of fine Silver, and by our ancient Mint Regulations it was intrinsically worth about 4s. 4d.; the Pound Sterling in Silver by the ancient Mint Regulations contained 1718.710 Grains of fine Silver; the Guinea by the ancient Mint Regulations contained $118\frac{3}{4}$ Grains of fine Gold, and in the Proportion of Gold to Silver was worth 1804.646 Grains of fine Silver; then the Spanish Dollar, which intrinsically is worth only 4s. 4d., was in the First Instance declared to be worth 4s. 9d., afterwards again it was declared to be worth 5s., and after that 5s. 6d. When Spanish Dollars circulated at 5s. 6d., whoever got a Guinea at the Rate of 21s. obtained it for 1401.945 Grains of fine Silver; then the Frenchman being willing to give for it 1839.101 Grains, every Man who sent a Guinea to France, having obtained it at 21s., got upwards of 433 Grains of Silver Profit. When Gold was here during the War at 100s. per Ounce, if the Gold had been paid for in Silver of 62s. to the Pound, which was the ancient Mint Regulation, it would have established a Proportion between Gold and Silver of 1 to 19.355. The intrinsic Par of Exchange upon Paris, when we paid in Bank Notes and Spanish Dollars at the Rate of 5s. 6d. each Dollar, was 20f. 17c.; and then, when the Exchange fell to 18 and under, which it did, the Dollars disappeared notwithstanding the Seignorage of 25 per Cent. which had been imposed on them.

88. Must not Paper promising to pay Coin on Demand take the Value of the Coin into which it is de facto convertible?
Certainly.

89. Are you aware that our new Silver Coin, according to the Regulations of 56 Geo. III. c. 68., was first thrown into Circulation in the Month of March 1817, and that a large Sum was then issued?
I do not know when exactly, but I believe about that Time.

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90. Are you aware, that at that Time Gold Bullion had been for some Time £3 18s. 6d.; a Price to which we are told by one of the Directors it was kept up by the Bank?
I know it was at that Price about that Period.

91. Are you aware that some Time previous to that Period, the Bank and Bankers could not get their Customers to accept of Gold Coin?
I have heard that many of their Customers frequently objected to it.

92. Are you aware that our Gold Coin according to the Regulations of the 56 Geo. III. c. 68. was never sent into Circulation till July 1817, and that during that and the Two following Months it was issued in very inconsiderable Quantities, not in all exceeding £243,900?
I believe it was issued about that Period, but in what Quantities the Bank issued it to the Public I am uninformed.

93. Are you aware that the Circulation of the Bank of England was in the Spring of 1817 considerably larger than at the Conclusion of 1818?
That I know nothing about.

94. Our Silver Coin having been depreciated to nearly $6\frac{1}{2}$ per Cent., by the Pound of Silver Bullion being coined into 66 Shillings instead of 62, and the Law having enacted, that no Person should by any Contrivance receive or pay more or less in Value than the denominative Value of our Gold Coin imported, for such Gold Coin, did not our Gold Coin circulate in this Country under Limitations imposed upon it no where else?
Certainly.

95. Bankers and the Bank, having had a Difficulty in 1816 to get their Customers to receive Gold Coin, and Gold Coin having been at a Premium immediately after our Silver Coin was thrown into Circulation, do you not attribute this Circumstance to the Seignorage taken on our Silver Coin?
Unquestionably; because if no Seignorage had been taken upon our Silver Coin, the Gold and Silver would have been circulated together, in the Proportions established by our ancient Mint Regulations of 1 to 15 $\frac{1}{2}$; and though Gold would then have been still, as compared with Silver, rated lower here than in France, the Difference would not have been so great, as to have induced any Man to evade the Law.

96. Are you aware, that since the new Mint Regulations, Gold Bullion has never been more than $6\frac{1}{2}$ per Cent. beyond the Mint Price, and that our Foreign Exchanges have never been nominally unfavourable to a greater Extent than 5 $\frac{1}{2}$ per Cent.?
I do not think it has; or that the Foreign Exchanges have been unfavourable more than 5 $\frac{1}{2}$.

97. Supposing there had been no Bank Paper in Circulation, and that a Silver Coin $6\frac{1}{2}$ per Cent. depreciated, issued in sufficient Abundance, had been the only Circulating Medium, would you not have expected, that the Value of Gold would have risen, and the Foreign Exchanges have become unfavourable, as they have done?
Certainly.

98. Would you have expected that the Gold would have risen, and the Foreign Exchanges become unfavourable, nearly in the same Proportion?
As long as a real Value is a real Value, that must have happened; because if our Pound Sterling originally contained, for Instance, 1,700 Grains of Silver, and that by the late Mint Regulations it only contained about 1,600 Grains of Silver, to expect that Foreigners will continue to give you in both Cases the same Course of Exchange, is to expect that they will give you 1,700 Grains of their fine Silver, for 1,600 Grains of your fine Silver; and as long as Silver is Silver, that will not take place.

99. Supposing that, under these Circumstances, you knew that there had existed, since the Issue of our Silver Coin, an Over-issue of Bank Paper, could you take it upon you to decide, whether the Rise in the Price of Gold, and the unfavourable State of Foreign Exchanges, proceeded from that Over-issue of Paper, or from the Depreciation of our Silver Currency, which is the only Metallic Money in Circulation into which de facto Bank Paper has been convertible?
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Mr. Page.

An Over-issue of Bank Notes will naturally tend to raise nominally the Price of Bullion, and every other Commodity. But I certainly cannot see, at any Period since the Issue of the Silver Coinage, any Depreciation of Bank Notes which goes to a greater Extent than that Silver Coinage would have produced without the Bank Notes; I cannot see it in those Things in which it must be seen if it existed at all; not in the Course of Exchange, nor in the Price of Silver Bullion, nor in the Price of Gold Bullion; but during the last War we saw it clearly in all those Things.

100. May not an Over-issue of Bank Paper have co-operated with the Silver Coin thrown into the Circulation in producing the high Price of Bullion, and the unfavorable Exchanges?

If one would do it, certainly both will.

101. Are you of Opinion, that under our present Mint Regulations the Bank could resume and continue Payments in Cash with Safety to that Establishment? Most positively not.

102. Are you of Opinion, that any Contrivance could be fallen upon, provided that the same relative Proportion between Gold and Silver were continued, as at present, by which the Bank could with Safety resume Payment of its Paper in Cash or Bars of Gold?

Certainly not, if Gold is to form the material Part of its Payments; because, whether I establish Bars of Gold under the present Mint Regulations at £3 17s. 10½d. per oz. or whether I issue Sovereigns at £3 17s. 10½d. per oz. it must lead to precisely the same Results; because the Object being to get at the Gold, whether that Gold is got at in the Shape of Bars or of Sovereigns, it is precisely the same Thing.

103. Have you been accustomed, in any Part of your Life, to make Payments in Money in Holland?

Certainly; I was Nine Years in Holland.

104. State how those Payments were made?

The Payment of a Merchant, who had accepted a Bill of Exchange, was generally made either by accepting the Bill of Exchange originally payable at his Cashiers, or else, when it became due, giving a Draft upon his Cashier in Payment of it. Then the Cashiers met together each Day to settle their respective Accounts with each other; and then upon large Transactions, the Cashiers having Payments to make reciprocally to each other, there was a Balance due to one or the other. If the Cashier to whom the Balance was due wanted Money that Day, he would take the Money, that is the Balance; if not, he would take the Promissory Note of the Debtor, and then the Account was settled again the next Day; when, upon all the Transactions again taken together, the Man who was Debtor To-day might perhaps be Creditor To-morrow, and then all these large Payments were made with nearly the same Facility as in Bank Notes.

105. But supposing Payments in Cash were to be made, in what were they made?

They were made Twenty Years ago either in Guilders or Rixdollars, or in 30 Stiver Pieces; and the Regulation then was, that ⅓ Part of any Amount might be paid in Schillings, and ⅔ Part in Stivers or Double Stivers. If a Man, not being a Cashier, had to receive either of a Merchant or a Cashier a Sum of £1,000 Sterling, that was generally taken for Ease and Convenience by Weight in Bags of Silver. All these Bags of Silver contained little Tickets to them, purporting the Contents of the Bag to be Guilders or Rixdollars, or Schillings, or any other Coin. To these Tickets there were always the Initials of the Cashier's Clerk who had tied up the Bag; and then, as it might happen that a Bag purporting to be Guilders might by Possibility contain some Schillings, the Man who had received these Schillings among his Guilders in the Bag, upon bringing back these Schillings with the Ticket to the Cashier, the Cashier would immediately change it for him into Guilders; and that was necessary, because if I get Schillings in a Bag of Guilders, though I may get my full Weight, yet the Schilling being much inferior in Quality to the Guilder, I should of course not get precisely my Amount.

106. Was

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106. Was the Number of Schillings in a Bag in the Habit of being determined by its Weight?

Certainly, among the Cashiers, one with another. But then there were Payments of £15 or £20, for Instance, that would render it necessary to break into a Bag of Schillings; of course then you would come to Tale; and then, if there are any bad, clipped or cut, you had the Liberty of rejecting them.

107. In point of fact, have you seen them rejected? I have rejected them myself.

108. Do you know what were the Contents of a Schilling according to the Dutch Mint Regulations?

Not from Recollection; it is stated in Ricard's Book at nearly ⅓ Alloy.

109. How are Payments in Cash now made?

I have heard that Payments are now upon the same Footing as before. And judging from the present Price of Silver Bullion in Holland, I should certainly say, whatever Mode of Payment they may now adopt, that Mode of Payment cannot be in any Values which are greatly depreciated; because the Price of Silver Bullion, as compared with Coin, is not more than 1 per Cent. above the Value of the Coin, if even that Coin were new, as issued from the Mint.

110. Supposing a Bill of Exchange to be drawn upon Paris from London, would it be satisfied at Paris by a Tender to the Amount either in Gold or Silver Coin, as it might suit the Convenience of the Payer?

Certainly.

111. Can a Bill of Exchange drawn upon London from Paris be satisfied by a Tender to the Amount in London in Silver Coin, that Silver Coin not being legal Tender for more than 40s?

In the first Place, we have no Gold; in the next Place, we certainly have Silver, be it more or less: certainly, by Law, that Silver is not a legal Tender for Payment of any Bills of Exchange beyond the Value of 40s.; but then the Bank Note is in this Way, that if I have accepted a Bill for £100, and the Man comes to me for Payment, and I make him a Tender of £100 Bank Notes, he must take it, or he must go without his Money; because, before he can institute any Proceeding against me, to enforce the Payment of this Bill of Exchange, for which he had refused to take Bank Notes, he must first swear, that no such Tender had been made to him; and then, if he does not chuse to be guilty of Perjury, there is an End of every Action against me.

112. Supposing Cash Payments to be resumed, and the Bill above referred to, to be drawn from Paris upon London, might not the Person to whom it was to be paid, refuse the Tender of Silver Coin for such Bills?

Certainly.

113. If the Silver Coin, from which a large Seignorage is deducted, is not legal Tender for more than 40s., would the Exchange between England and the Continent be calculated with reference to that Silver Coin, or to a more valuable Medium, whether Paper or Gold; in which Bills from abroad, as well as all Payments above 40s., are by Law demandable, and in fact are paid; for instance, if the Market Price of Gold be £4 per Ounce, or about 3 per Cent. above the Mint Price, the Seignorage on Silver Coin being 6½ per Cent., would the Value of Bills of Exchange be calculated on a Payment of Silver at that Rate, or in the more valuable Medium of Bank Paper, for which Gold Bullion could be purchased at the Rate above mentioned of £4?

First, if we pay in Gold Coin, we naturally must have a Gold Par: But every Person who takes a Bill of Exchange on the Continent, must take that Bill of Exchange with the Conviction, that when it is paid, he is to receive something certain and defined; now he can never find that Certainty in any thing out of the Coinage; because, if he calculates that he is to receive Gold Bullion at £4 per oz. for instance, when his Bill of Exchange becomes due, One of Two Things will generally happen, that is, that Gold Bullion will not be at that Price, and then his Certainty is gone, or he may not be able to get Gold Bullion at all; and therefore there is never any Certainty, nor is there any Par of Exchange without a Coinage.

114. When

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114. When a Merchant Abroad becomes the Purchaser of a Bill on England, does he consider any thing but the Value in Goods or Account, which the Possession of that Bill ultimately will enable him or his Correspondent to obtain?

He must consider it absolutely with reference to the Coinage in which it is to be paid; because, whether he sends here Goods himself for Sale, or whether he buys Goods here, the Price of those Goods will inevitably regulate themselves according to the real State of the Coinage, and not according to any arbitrary or artificial Value which we may have given to it: because, if that Principle is not correct, it will follow, that we may alter the Coinage just as we please, and that Goods will remain in all Cases at the same Prices; and therefore he never knows what he can do with the Bill of Exchange which he takes, unless he knows exactly how much he is to receive.

115. Do you then suppose, that if the Amount of the Paper of the Bank of England, which is unlimited, were greatly reduced, say to Half its present Amount, and the Silver Currency, which is limited, were to remain as it is, that no Alteration of Prices would ensue?

No, I do not think that; because, upon the Supposition that all the Bank Paper we have now is wanted, if you come to reduce Half the Amount of Bank Notes, without throwing into the System an additional Quantity of Gold or Silver, your Commodities would decline in Price from the Want of Circulating Medium; but this State of Things could never last long, even with a Metallic Currency, unless the Quantity of the precious Metals throughout the World was diminished.

116. If then, a Diminution in the Paper Currency of the Bank of England or of the Country Banks would effect a Diminution of Prices, and an Increase of it effect an Increase of Prices, the Amount of Silver Currency remaining the same; must it not necessarily be by Reference to the Amount of Paper in Circulation, almost exclusively, that a Foreign Merchant would estimate the Amount of Goods, or Money of Account, which he expects to obtain in return for his Bill?

If the Amount of Circulating Medium, taking it both in Silver and Bank Notes, is too large altogether, then it is certain that there must be altogether an Increase of Prices. But the Foreigner, in his Estimation of a Bank Note, must naturally estimate it upon the same Principle that we do ourselves, or by the same Standard. It is certain that a Bank Note in itself is nothing but a Bit of Paper; then he sees how we ourselves are constantly in the Habit of estimating this Bit of Paper; he sees 20s. regularly exchanged for a One Pound Note, and he knows as well as we do the Contents of these 20s.; but if he should see any high Price of Gold Bullion, beyond the Depreciation of the Silver Currency, and if he should see a very high Price of Silver Bullion, beyond the same, he would naturally come to this Conclusion; there is more of this than there ought to be, and therefore I will regulate myself accordingly; and then, instead of giving what it might perhaps be worth, he would generally give something less.

117. Supposing there was no Silver Metallic Currency in the Country, but Shillings were represented by Notes of 1s. each, as Sovereigns are represented by Notes for One Pound, would that make any Difference in the Estimation of the Value of the Currency, whatever its Amount may be, by a Foreigner, when purchasing a Bill of Exchange?

He would give nothing at all for it.

118. Are you aware, that previous to the Issue of the new Silver Coin, the old Silver Coin of the Country, or what was supposed to be so, was in Circulation, and that the intrinsic Value of that Coin was upon an Average at least 30 per Cent. below its nominal Value?

I am aware of that; but that was not the Case with all the Silver Coinage, for certainly there existed at that Time Half-Crown Pieces, which were not depreciated by any Means to that Extent.

119. If the Principle be true, that when the Currencies of different intrinsic Values are in Circulation together, the bad Currency will sink the good to its own Level; will the Circumstance that there might be some Half Crowns nearer to

Mr. Page.

to their nominal Value, prevent their being depreciated to the Level of the inferior Currency?

Those Half-Crowns, the greatest Part of them, got hoarded on Purpose not to be depreciated. With respect to the Effect of the depreciated Silver Currency, not only I have no Doubt of it in my own Mind, but I find it confirmed by the Statute: for the Preamble of the Statute, which regulates the last Silver Coinage, expressly speaks of the great Evil which had resulted, not merely from the debased State of the Silver Currency, nor from the Fact, that Foreigners inundated us, as I know they did, with bad Silver Money; but the Statute also speaks of the Evils arising from the Scarcity of the Silver Currency.

120. It appearing by the Papers before us, that from March 1816 to April 1817, the Exchanges with Paris were above 25 fr. 20c., from the only metallic Currency then in the Country being Bank Tokens, and the old Silver Coinage which was current at a nominal Value of 30 per Cent. above its real Value; how do you account for this State of the Exchanges connected with this Fact relating to the Currency?

The State of Things during the whole of that Period was this, that we had an immense Exportation of Goods from this Country, which turned the Balance of Trade infinitely in our Favour: the Consequence was, that having a large Sum to receive, and having nothing to pay, your Exchange must get up till that Debt is paid to you. As long as they could pay you in bad Money, they did so, and that was not checked till the new Coinage was issued. With respect to the Course of Exchange, you may have it even against you, when you pay in good Money, though that can never last long, nor can it ever exceed, for any Length of Time, the Expence of Transport.

121. If all Payments not exceeding 40s. may be made in the present Silver Currency, and if all other Payments were to be made in Bank Notes, such Bank Notes being convertible on Demand into Gold in Bars at £3 17s. 10½ d., provided the Number of Notes presented to the Bank amounted to the given Price, say £100, but not otherwise, would the Par of Exchange under such Circumstances be a Gold Par, or a Silver Par, or both?

That would be a Gold Par; but then the Bank would never get Gold.

122. The Gold under these Circumstances being drawn from the Bank, would it immediately go Abroad or remain in England?

Part would remain in England to be melted, and part would go Abroad to be employed for other Purposes.

123. Do you mean to say, that the Part which remained at Home would be only for the Purpose of Manufactures?

Yes, it would. If there exists, as there does exist, a real practical relative Value between Gold and Silver, I say you never can disturb that, without its leading to Consequences.

124. If the Mint Regulations were so altered as to establish the same relative Proportion between Gold and Silver, as exists in France, do you think the Gold Bars would then be exported?

Certainly not; you would get Gold To-morrow at the present Rate of the Exchange.

125. What is the Difference between the Price of such Gold Bullion as can be sworn to be made of Foreign Gold, and such as cannot be so sworn?

Under present Circumstances, I should think very little: because we have now that low Price of Bullion, that, as the Course of Exchange now stands, Gold Bullion cannot be exported to France to profit at 81s. 6d. per oz. But if I can get Sovereigns at £3 17s. 10½ d. per oz., then I could export to profit; but as I do not get Sovereigns, and as therefore any other Gold which I may pick up, and which cannot be sworn off for Exportation, would, if sworn off, have no additional Value, because it could not be exported to profit, I should conclude that there is little Difference between the one and the other.

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126. Re-

Mr. Page.

126. Referring to Question and Answer (No. 117.) did you make that Answer upon the Supposition, that the Paper promising to pay Gold and Silver could at no Time secure you the Acquisition of either?

No, I made it on the Supposition that it could not do so at the Time I took the Bill of Exchange; just upon the Principle of the Vales Royal of Spain, which is not convertible into Cash, and is at a Discount of 80 per Cent.; and therefore if I draw Bills of Exchange upon Spain, and mean to have Money, I bind the Spaniard in that Bill of Exchange to pay me in Cash; and if he was to draw it payable in Paper, the utmost I could give him for it would be 20 per Cent.

127. If you knew that for certain Purposes you could get a Value for Paper as described in that Question (No. 117.), would you not in like Manner give the Value which you were sure of acquiring for such a Bill of Exchange?

Yes, provided I was certain that I could get that Value in Currency, and then with that Currency buy Goods, or do what I pleased with it.

128. If the Mint Price of Gold remained in the Country at £3 17s. 10½d., what ought to be the Mint Price of Silver, to make the Proportion between Gold and Silver the same as in France?

As near as possible, 5s. an oz.

129. Then if the Mint Price of Silver was reduced to 5s. an Ounce, Gold remaining at the present Mint Price, would Gold be exported? Certainly not.

130. It appearing that the Price of Silver Bullion at Hamburgh has varied, between 1814 and 1818, from 27. 7. Banco Marks and Shillings for the Mark Weight, to 29. 2.; viz. in June 1814, and October 1818; and such Silver being always paid for in Banco Money, which invariably represent a given Quantity of Silver of a given Fineness, how do you account for such Variations of Price, to the Extent of from 4 to 5 per Cent. Gold varied from 97½ to 101½ at the same Time for Gold Ducats, valued in Banco Shillings 16 to the Mark?

Silver Bullion may vary at Hamburgh the same as in any other Place. If the Owner of Silver Bullion brings it to the Bank, the latter gives him Credit for it at the Rate of 27 Marks 12 Stivers Banco for the Mark Weight of fine Silver; and when taken out again, the Proprietor is obliged to pay the Bank for it at the Rate of 27 Marks 12 Stivers Banco; but there is no Necessity either for the Proprietor of Silver Bullion to deposit it in the Bank, or, if deposited, is there any Thing to prevent him from taking it out again, if the Market Price is such as to leave him a Profit. When the Bank gives Credit at the Rate of 27. 10., these 27. 10. do not exist in reality in Coin, but this Credit merely represents that the Proprietor of it has a Deposit of Silver to that Extent in the Bank, that each 27. 10. for which he has Credit, is equivalent to a Mark Weight of fine Silver; and if it answers the Owner's Purpose to have the Bullion itself rather than to have the Credit, he takes it out, or he sells his Credit to some other Person who wishes to have Silver Bullion. The Price of 29 Marks 2 Stivers, alluded to in the Quotation, must, I think, be erroneous, as I find the preceding Quotation, on the 15th September, to be 27. 10., and the following Quotation on the 20th October to be 28. 3.; and I therefore conclude that it ought to be 28. 2. instead of 29. 2. I do not recollect ever to have seen such a Price as 29. 2. for Silver at Hamburgh; and if it really did exist at the Period alluded to, it must have proceeded from some very extraordinary Circumstance, which can lead to no Inference; because, throughout the whole List of Quotations, no such Price is again to be met with, and in this Case it was merely momentary, for it fell immediately after to 28. 3.; but upon the Whole, I am inclined to think that the Quotation is erroneous, and that it ought to be 28. 2.; and then, by comparing this Price with the Price of our Sovereigns, at £3 17s. 10½d. per Ounce, and the Price of Silver at 5s. 4½d., we shall have the following Calculation.

Mr. Page.

451 oz. English are equal to 60 Marks Weight:

1 Mark Weight is coined into 97 Ducats:

The Price of the Ducat at that Time was 101½ B. per Ducat:

And the Price of Standard Silver in England preceding and following the 2d October was 5s. 4½d. per oz.

451 oz. of Standard Gold	-	-	-	60 Marks Weight.
60 Marks of Standard equal to	-	-	-	56.17.0 of 23½ Carats.
56.17.0 of 23½ Carats, give	-	-	-	3,763.3.00 Ducats.
3,763.3.00 Ducats at 101½ B., give	-	-	-	381,984. 1.
381,984. 1. a 16 B. per Mark Banco, give	-	-	-	23,874
23,874 Banco a 28. 2. give	-	-	-	Marks 848.1.1
848.1.1 Marks Weight, give	-	-	-	Ounces 6,380.1.45 fine Silver.
6,380.1.45 Ounces fine Silver, give	-	-	-	Ounces 6,897.1.00 Standard.
6,897.1.00 Ounces Standard a 5s. 4½d. per oz.	-	-	-	£1,853 16 2
451 Ounces of Sovereigns a £3 17s. 10½d. per oz.	-	-	-	1,756 1 7½

Profit - - - - - £97 14 6½

Or about 5½ per Cent.

I have given this Calculation at full Length, that Your Lordships may perceive how the Operation goes on from Beginning to End, but it might be done by a much shorter Method, for the whole is in Fact a mere Exchange of Gold for Silver, and the Result depends entirely upon the Proportion between Gold and Silver here, and Gold and Silver at Hamburgh, with which the Exchange has nothing to do; and your Lordships will perceive, that in the Calculation I have left the Exchange entirely out of the Account, nor is it of the least Consequence, in an Operation of this Kind, whether the Exchange is at one Rate or at another Rate. If I make the same Operation with France, my Profit is still greater; and this Profit will, generally speaking, be invariable. In one Word, my Lords, if there is such a Thing as a relative Value between Gold and Silver, and if the French fix this relative Value as 1 to 15½, whilst we fix it at 1 to 14.1.6.0, it is perfectly certain that one of us must be wrong. But if there is no such Thing as a relative Value between the Two Metals, then Gold is Silver and Silver is Gold; and whether we coin in one Proportion or in another Proportion is of no Consequence.

Witness is directed to withdraw.

This Committee is adjourned till Friday at Eleven o'Clock.

Die Veneris, 19 Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. THOMAS TOOKE was called, and examined as follows :

Mr. Thomas Tooke.

- 1. What is your Line of Business?
A Russia Merchant, Thirty Years in Business.
- 2. Would it in your Judgment be practicable and safe for the Bank of England to resume Cash Payments on the 5th of July next?
As to the Practicability of the Resumption of Cash Payments on the 5th of July, I cannot venture a positive Opinion; but I see no Reason to apprehend any Difficulty in restoring the Exchanges, and reducing the Price of Gold by the 5th of July, so as to make the Fact of the actual Resumption a Matter of minor Importance.
- 3. By what Means do you think the Exchanges could be restored, and the Price of Gold reduced by that Time?
By keeping down the Bank Issues of their Notes to their present Amount at the utmost, and judging by the Course of Exchange, and of the Bullion Market, how far any further Reduction might be necessary to accomplish that Object.
- 4. Do you conceive that if the Amount of the Bank of England Notes in Circulation be not increased beyond 25 Millions, at about which it stands at present, that the Exchanges would become favourable to this Country in a short Time?
Yes, I do; at the same Time I beg to observe, that this is a Matter of Conjecture, but that as a practical Measure the only Guide to determine the Point, will be the actual Progress of the Exchanges, and of the Bullion Market.
- 5. If a further Reduction was to be made in the Issues of the Bank of England, say to the Amount of Three Millions in Six Months, would such a Reduction in your Opinion secure a favourable Exchange, and would it be accompanied with any serious Distress to the Commerce and Internal Concerns of the Country?
I have already stated that, as a Matter of Opinion, I do not conceive any such large Reduction as that stated in the Question will be requisite; nor can I judge in any decided Manner as to the Amount of Reduction that would be necessary; but I do not imagine that the utmost Reduction now further necessary, would produce any material Depression of Trade beyond that which has already been experienced from the Reduction that has taken place in the Issues of Bank Notes to the present Time; at the same Time I do not attribute the Whole or even the greater Part of the Depression of Trade that has recently occurred to the mere Reduction of the Bank Issues.
- 6. If it should turn out to be necessary, for the Purpose above stated, to reduce the Issues to the Amount of Three Millions below 25 Millions, would such a Reduction, in your Opinion, produce any serious Commercial Distress?
If that Reduction were gradual, and only in proportion to the Indications of the Exchanges, and the Price of Bullion, so as that under any Circumstances the Reduction should not take place at the Rate of more than £500,000 per Month, always having in View to stop at the Intervals when the Exchanges and the Price of Bullion shewed a Tendency to a Recovery, I do not apprehend that any serious Aggravation of the present Depression of Commerce would be experienced.

7. Referring

7. Referring to your Answer to Question (No. 5.), to what do you chiefly attribute the present Depression of Trade? *Mr. Thomas Tooke.*

I attribute a very considerable Proportion of it to an Excess in the Issue of Bank Notes in 1817; that Excess was not very considerable in the early Part of 1817, but became so in the last Six Months of that Year. I believe, likewise, that it was in 1817 that a considerable Issue took place of Gold Coin; this extra Issue of Bank Notes, with a large Sum in Coin, formed altogether a very considerable Addition to the Circulating Medium; and this occurred at a Period, when, from the bad Harvest in 1816, and the reduced Stocks of Goods, there was, independent of such enlarged Issue, a Tendency of Prices of Commodities generally to advance upon solid Grounds. It was then that this enlarged Issue, uncalled for apparently by any assignable Cause, operated with peculiar Force. It induced Orders to be sent out to all Parts of the Globe, to purchase importable Commodities, and it tended to raise the Price of all Articles of Export, thereby diminishing Shipments from this Country; the Consequence is a large Accumulation of Goods, in most Instances, beyond the ordinary Rate of Foreign or Home Demand. So that if the Amount of Bank Notes had been even kept at an Amount not exceeding 27 or 28 Millions, I believe we should still have experienced stagnant Markets, and Prices tending downwards, although not perhaps with the Rapidity which has occurred. That extra Issue of Bank Notes had likewise, as far as I could observe, a very great Effect in producing a sudden Reduction in the Rate of Interest, which forced Capital Abroad, for Investment in the Funds of every Foreign Government that held out any Prospect of tolerable Security.

8. On what Ground do you form your Opinion, that if the Issues of the Bank were kept at their present Amount, or reduced but a little below it, the Foreign Exchanges would cease to be unfavourable, and Gold be reduced to the Mint Price?

Because the Exchanges, and the Price of Bullion, have for a little Time past tended to a Recovery, and because from the Stagnation of the Markets, and probably a Diminution, which may be going forward in consequence of that Stagnation in the Issues of Country Banks, the whole Circulating Medium appears to me to be undergoing a more considerable Reduction than is indicated by the mere Diminution that has occurred in the Bank of England Issues.

9. It appears that from July to December 1817, the average Issue of Bank Notes was £29,210,000, and the Price of Gold from £3 19s. to £4 os. 6d., and that from July to December 1818, the average Issue was £26,487,000; in the former Period, the Price of Gold was from £3 19s. to £4 os. 6d., in the latter Period, from £4 to £4 3s.; how do you account for the Price of Gold having varied in a contrary Direction from the Amount of Issues of Bank Notes?

Though it is the general Tendency of an enlarged or diminished Issue of Bank Notes to render the Exchanges and the Price of Bullion unfavourable or favourable, yet there are innumerable Circumstances which contribute to render an Amount of Bank of England Paper, which might be deficient at one Time, excessive at another; and the only Test of the Excess or Deficiency, that I have ever been able to comprehend, is the State of the Exchanges and the Price of Bullion, but more especially the Price of Bullion.

10. The Issues of the Bank of England from July to December 1816 having been £26,681,000, and the Price of Gold from £3 18s. 6d. to £3 19s. 0d.; and the Issues from January to June 1817 having been £27,339,000, and the Price of Gold from £3 18s. 6d. to £3 19s. 6d.; such Price having, as we have been told by a Bank Director, been kept intentionally so much above the Mint Price only by the Bank; is there any Reason to believe, that during that Period the Issues of the Bank of England Notes were excessive?

Judging by the Price of Silver, and by what I conceive would have been the Price of Gold, but for the extraordinary Accumulation of it, and continued Purchase of it by the Bank, I am inclined to think, that the whole circulating Medium at that Time was deficient; that is, below what it would have been if the Bank had at that Time been paying in Specie.

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11. Do

Mr. Thomas Tooke.

11. Do not a Variety of Circumstances, supposing even the Issues of the Bank to be fixed at a precise Amount, affect the Course of Exchange and the Price of Gold; as for instance, a great Demand for Corn in one Year, and none in another; great Remittances for Foreign Investments, and scarcely any in another?

As I have already stated as my Opinion, that an Amount of Circulating Medium, which may at one Time be deficient, may at another be excessive; it follows, that an invariable Amount of Circulating Medium might be attended with considerable Fluctuations in the Exchanges, and of the Price of Bullion.

12. Would not the Circumstances above alluded to, supposing the Bank Payments in Cash resumed, and the Amount of the Bank Issues not to be so fixed, impose upon the Bank the Necessity of consequently restraining their Issues in such a Manner, as to restore the Exchanges to Par, and the Price of Gold to the Mint Price?

I conceive that they would.

13. In what Manner do you conceive that the Reduction of Bank Notes, previous to the Resumption of Cash Payments, must operate to restore the Exchanges, and to bring Gold to the Mint Price?

By keeping down the Price of importable Commodities, it tends to diminish the Extent of Importation; and during the Process of Reduction, there is a Tendency to an Increase of the Rate of Interest of Money, which may have the Effect of bringing back some Part of the British Capital which had been forced out by the previous artificial Reduction of the Rate of Interest at Home.

14. Would not an increased Inducement to Exportation be created by a Reduction of the Prices of Articles exported?

Yes.

15. Is not this Increase limited by the Wants and Ability of other Countries to purchase?

The Wants, or the effectual Demand of Foreign Countries, as well as at Home, is very much influenced by the Price, and a Quantity of Commodities, which is much beyond the Vent at one Price, may be within it at another.

16. Supposing such a Diminution of the Price of Commodities exportable, to accompany the Increase of the Quantity exported, as to make the whole Debt of Foreign Countries, for the increased Quantity exported at a lower Price, to be not much, if at all, beyond what the Debt would have been for a smaller Quantity at a larger Price, how could the increased Inducement to Exportation, arising from a low Price, have a Tendency to restore the Exchanges?

In my Answer to a former Question, I have stated the Tendency of a reduced Circulating Medium to lower Prices, so as to diminish the Importation of Foreign Articles, while it increased Exportation; but I further conceive, that in almost all Cases of increased Exportation in consequence of reduced Prices, the Total Amount in Value at the low Prices exceeds what it would have been in the Case of a smaller Quantity at higher Prices.

17. Does not this Answer take for granted, that Foreign Countries will be able and willing to purchase a larger Amount in Value, in consequence of the reduced Prices?

I should say, that in general that would be the Effect, or that in general such is the Tendency of reduced Prices, taking a greater or shorter Length of Time to produce the full Effect, according to Circumstances, too numerous to detail; such as the Distance, the Bulk or Quality of the Article, &c.

18. You have stated, that in the Case supposed of the Reduction of the Bank Issues, by keeping down the Prices of importable Commodities, the Extent of Importation would be diminished; if this be so, how can the Extent of the Exportation be increased, by keeping down the Prices of exportable Commodities; there being the same Inducement in this Country to increase its Importation of Foreign Articles, in consequence of the Reduction of their Price, which would arise in Foreign Countries to induce the Importation of our Articles, in consequence of the Reduction of their Price?

My

Mr. Thomas Tooke.

My Remark applies to our Circulating Medium, as in a State of progressive Diminution to the Level of the Currency of other Countries, and it is chiefly as applying to the Effect upon Prices during the intermediate State, that I conceive Importation to be partially discouraged, and Exportation encouraged, independent of the general Causes which would influence the State of Trade, when our Circulation should be at a Level with that of other Countries.

19. What do you mean by our Circulation being at a Level with that of other Countries?

When the Price of Bullion and the Exchanges combined are at or within a Trifle of Par.

20. During the Period that Importation was so discouraged, would not the Ability of Foreign Countries to purchase our Commodities be proportionably diminished?

The whole of my Answer in the present Case must be referable to the actual Circumstances of Trade in this Country at the present Time, there being already a large Accumulation of imported Commodities. But taking the Question generally, the Transmission of the precious Metals holds out the Means of Payment to adjust any Balance.

21. Must not the Price of manufactured Articles be increased by a diminished Importation of the raw Material?

Not as long as a Glut of imported Articles continues; when that Glut is over, the Price of the raw Material must depend upon many Contingencies, which apply to each Article individually, but the Average Price must be determined by a Variety of Circumstances, influencing Supply and Demand, which rarely admit of being ascertained before hand.

22. If the Consequence of the Reduction of the Bank Issues was to be a forced Exportation of our Commodities at losing Prices, would not the Effect of such Exportation be, to prevent Merchants from making the usual Advances to Manufacturers, and consequently to throw great Numbers of their Workmen out of Employment?

There can be no Doubt that a Reduction of Prices must, among the Classes whom it would affect, produce more or less Distress; but in the present Case, the Distress from this Cause is likely to be only in proportion to the artificial Elevation of Prices, and the consequent Excitement from the previous excessive Circulation.

23. If the Distress would only be in proportion to the artificial Elevation of Prices resulting from the previous Excess of Circulation, would not the Extent of that Distress be materially increased or alleviated in proportion to the Rapidity or Slowness with which the Circulation was reduced from such Excess to a proper Level?

I do not think that the Degree of Distress would be materially, if at all, increased (assuming as I do that we are very near the Level to which the Reduction should be carried) by an early Restoration to the just Level of the Currency. At any Rate our present Distress is aggravated by the Uncertainty which prevails as to what is or is not to be the Footing and Extent of our future Circulation.

24. Supposing, from any of the Causes before stated, viz. a bad Harvest, or great Investments in Foreign Loans, which have a Tendency to turn the Exchanges against this Country, it should turn out that a considerable Reduction of Bank Notes should be necessary to counteract this Tendency, would not the Distress occasioned by this Operation be affected by its Rapidity?

I conceive that any Reduction of Bank Notes that should be rendered necessary by the Circumstances alluded to in the Question, and confined merely to counteract those Circumstances, would not produce any Distress at all; because the very Supposition implies advancing Prices, and a low Rate of Interest in this Country.

25. Was the Fall of Prices in 1816 very remarkable, as compared with 1813 and 1814?

I think

Mr. Thomas Tooke. I think that the lowest Depression of Prices was reached about the Middle of 1816. As far as I could observe, in the Spring of 1817 there was already a Tendency of Prices upwards. The Depression of 1816 was very great, compared with 1813 and 1814.

26. Do you attribute that Fall in any considerable Degree to the Circumstance of the real Value of the Currency having been greatly increased at that Period?
Yes.

27. Was the Price of Gold and Silver at that Time in the same relative Proportion in England as in the rest of Europe, the Price of Gold having been £3 18s. 6d., and the Price of Silver from 4s. 11½d. to 5s.?

I am not competent to answer that Question with Precision, but I may do it generally. I understood at that Time, that the Difference in the Price of Gold and Silver, as compared with that by our Mint Regulations of £3 17s. 10½d. and 5s. 2d., was only disturbed by the Purchases, or the particular and nearly exclusive Demand existing at that Time for Gold by the Bank of England.

28. Are we to understand that the Prices of Commodities in 1816 had been depressed below the Level they would have stood at, if the Value of the Currency had corresponded with the Mint Regulations?
I believe they were depressed below that Level.

29. The Prices of Silver having been from 4s. 11½d. to 5s., what would be the corresponding Price of Gold according to the usual Proportion of the Markets in Europe?

Judging from the usual Market Price here, which may be considered as the Criterion of the usual Market Prices of Europe, viz. from 15½ to 15 to 1, Gold, in proportion to Silver at the Rate of 4s. 11½d., would have been about £3 15s. 6d.

30. How much per Cent. do you therefore estimate the Value of the Currency to have been raised in 1816 above the Mint Standard?
Nearly Four per Cent.

31. If there was, at that Period, any Deficiency in the Amount of the Circulating Medium, did the Public possess any Means of augmenting the Amount of Currency, without submitting to that Loss of Four per Cent?
Not immediately.

32. Does the Contraction of Bank Notes affect the Price of Gold by operating upon the Course of Exchanges, or separately and independently of the Course of Exchanges, or does it affect both conjointly?

It is difficult to state in general Terms the precise Mode of the Operation of the Contraction or Enlargement within short Intervals of the Amount of Bank Notes. A former Answer will convey my Idea of the Manner in which such Contraction or Enlargement will operate on the Exchanges through the Medium of general Prices, and the Reduction or Increase of the Rate of Interest in this Country as compared with that in others.

33. Do you consider a favourable Course of Exchange as an Indication that there is not an Excess of Paper Issues?

If that State of Exchange is of any considerable Duration, it affords a Presumption that the Issue has not been excessive during that Period; but the only undeniable Test is the Price of Gold, being that into which the Paper is convertible.

34. It appearing by Accounts before the Committee, that from the 13th of April 1804 to the 17th of September 1805, being Eighteen Months, that the Market Price of Gold was uniformly £4, and that during the same Period of Eighteen Months the Course of Exchange was uniformly in our Favour, are you of Opinion that during that Time there was an Excess of Paper issued?

Upon the whole I should answer in the Affirmative, as I have before said that I consider the Price of Gold to be the only unerring Test, and that the Exchanges even for moderately long Intervals afford only a Presumption.

35. Are

35. Are you then of Opinion that the Course of Exchange may be for any long Period in Favour of this Country, although the Circulating Medium should during that Period be depreciated by Excess? *Mr. Thomas Tooke.*

I have already said that the only final Test is the Price of the Metal, into which the Paper ought to be convertible; and if the Paper had at that Time been so convertible, the Presumption is, that the Bank Directors must have somewhat reduced their Issues, to have induced the flowing in of Gold, so as to bring down the Market to the Mint Price.

The Witness is directed to withdraw.

This Committee is adjourned to Monday, at Twelve o'Clock.

Die Lunce, 22^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. TOOKE is called in again, and further examined as follows :

Mr. Thomas Tooke.

36. The Question No. 34. is repeated? I beg Leave to state, that upon Consideration, I have some Doubt of the Fact, as stated in the Question.

37. Will you deliver in your Reasons in Writing? I will.

38. State the Ground on which you consider the Price of Bullion as a surer Test of the Question of the excessive Issue of Paper, than the Course of Exchanges? Because if the Coin be perfect, and the Paper strictly convertible into that Coin, there cannot be any Inducement to any Individual (the Bank issuing the Paper excepted) to give more than £3 17s. 10½d. per oz. for Gold of the same Standard; while the Exchange may be influenced by several Circumstances, within the Limits of Time in which, and of Expence at which the Coin could be brought from one Country to the other. The Exchange may therefore fluctuate, while the Price of Gold remains stationary.

39. Do you mean, therefore, that it is only because the Paper is not now convertible into Gold, and is therefore not regulated in its Issue by the Demand of the Persons wishing to exchange it into Gold, that the Price of Gold, as paid in that Paper, can rise above Mint Price? Yes.

40. Do you then mean by an Excess of Paper issued, not an Excess above what the Demand of internal Commerce may require, but an Excess above that Amount to which you think the Paper should be reduced, in order to bring the Market Price of Gold down to the Mint Price? I do not know any Criterion of the internal Demand for a Medium of Circulation, but that Amount which would have circulated, if the Currency had consisted of Coin only, or Coin and Paper convertible into Coin.

41. If the Balance of Payments being against us affects the Course of Exchange and the Price of Gold, can that be counteracted by any other Measure, than by a Reduction of the Issues of Bank Notes? It can only be counteracted by a Diminution of the Amount of Paper, or by an Export of Coin or Bullion.

42. Does then the Demand for Circulating Medium within the Country depend on the Balance of Payments between this Country and Foreign Countries? In as far as any Standard or Level of Currency is founded on a metallic Basis, the Amount of the Currency must depend in some degree, if not wholly, upon the Contraction or Enlargement of it in other Countries. And as to the Balance of Payments, it may be liquidated by a Modification of Credit, as well as by the Transmission of the precious Metals; so that a Balance of Debt from one Country to another, does not necessarily at any given Period suppose a Disturbance of the Currency to that Amount.

43. Taking into your Account the Gold Coin in Circulation amounting to 30 Millions, the Silver Coin in Circulation amounting to 4 Millions, the Bank of England Paper in Circulation amounting to 10 Millions, and Country Bank Paper amounting to 8 Millions, in all 52 Millions before the last War, say in 1792; do you think there is at present a greater Amount of Circulating Medium in this Country, than that above described?

I have

I have no means of judging of the relative Amount of the Two Periods, but I can easily conceive that the Trade and Commerce, and Revenue of the Country may be carried on at the present Time with a lower Amount of nominal Circulation than existed before or in 1792. Mr. Thomas Tooke.

44. State your Reasons for thinking so? Because the Modes of economising the Use of Currency have been improved in a very extraordinary Degree since that Time, and the Modifications of Credit, which I believe have been extended since that Time, come very much in Aid of any given nominal Amount of Currency; and as a Corroboration of my Opinion, that there is not a necessary Connection between an Increase of Trade and of Public Revenue, and the Amount of Circulating Medium, I would notice the singular Fact, that the Amount of Bank of England Notes in Circulation on the 1st of January 1762, was £6,012,150, and on the 1st of January 1784, was £6,074,930, and the Bank Post Bills in the former Period were £119,620, and in the latter £317,800, making an Increase (including Bank Post Bills) of little more than £200,000, after an Interval of 22 Years, in the Course of which I believe it is admitted, that the Trade of this Country increased considerably, and the Public Debt was likewise increased to a very large Amount.

45. Are you not aware, that in 1762, immediately before the Peace, the Bank Issues were much extended, and in the Year 1784, the Bank had contracted its Issues in a Manner of which the Public complained; and are you aware, that between 1762 and 1784, there had been a very large Issue of Gold Coin from the Mint? I instanced the relative Amount of Bank Notes at the Two Periods, only as a Corroboration, or I have no Objection to reduce it to a mere Colour of a Reason in favour of my Opinion, of there being no necessary Connection between the Trade, &c. and the nominal Amount of Currency, which Opinion I rest exclusively on the general Grounds I have already stated.

46. Do you not know that the Trade of this Country in 1762 was much extended, and in 1783 and 1784 it was very much narrowed? I cannot but believe that upon the Whole, whatever may have been the Case at short Times preceding each of those Dates, that the general Amount of the Trade and Revenue of the Country were considerably increased in the latter, as compared with the former Period.

47. What is the Nature of the Modifications of Credit which you state in your former Answer to have been much extended since 1792? When Goods are sold upon Credit, it is much more usual at present, than at the Period referred to, for the Seller to receive from the Buyer a Note payable at the exact Expiration of the Term of Credit; these Notes are occasionally employed as the Means of Payment for Goods purchased by the former Seller from other Persons, and it sometimes happens that successive Sales of the same Goods afford Notes of the same Kind, and consequently afford an increased Facility in Payments of a large Amount, requiring Bank Notes, or whatever may be strictly called Money, only for the final Balance.

48. Speaking not of any particular Periods, but of the general Principles of Commerce and Circulation, do you think the Amount in Value of the Circulating Medium employed in any Country at different Periods, necessarily bears any regular or nearly regular Proportion to the Increase or Diminution of the Amount in Value of the Capital employed, or the Profit made in its Domestic and Foreign Commerce? I should conceive it would bear some, although not any definable Proportion, supposing always that the utmost Refinement in saving the Use of the Currency had been already attained. I should have added in my former Answer, that the Slowness or Rapidity of Circulation may account for a greater or less Power in a given Amount of Currency on the Price of Commodities, affuming the same Amount of Trade and Revenues.

49. Are not Refinements in saving the Use of Currency the Results of those Improvements which take place only in States of advanced Civilization, and in Countries of great Commerce and Circulation? I conceive so.

50. Does

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50. Does not the Application of them materially depend on that Accumulation of Wealth and commercial Dealings, which also take place only in such States of Society?

Very materially.

51. Is it not therefore a reasonable Inference, that instead of bearing the same uniform Proportion to the Increase of Commerce, the Amount of Circulating Medium in successive Periods of increasing Wealth is likely to bear a decreasing Proportion to that Wealth?

It is undoubtedly my Inference, and as far as the whole Course of my Experience warrants, I believe such to be the Fact.

52. Independent of the Principles which may be considered in some Degree as of uniform and permanent Application, are there not many other Variations in the Nature and Description of commercial Transactions, in consequence of which the same Capital might be employed, and the same Profits realized, by the Intervention of very different Proportions of the Circulating Medium?

There are doubtless many such Variations, which would have the supposed Effect.

53. Do you therefore consider that the Fact of increased Wealth, Commerce, and Revenue, at one Period, can, without going into an Examination of all the principal Heads under which that Increase has taken place, and a great Variety of other Circumstances with which it has been attended, afford any Foundation for reasoning from former Experience as to the Amount of Circulating Medium which may have become requisite in consequence of such Increase?

I have never been able to understand the Reasoning by which it has been attempted at any Time to determine what ought to be the Amount of Currency by a Reference to any of the Particulars alluded to in the Question, with Reference to the Experience of past Times.

54. May we assume, then, that the Refinements and Facilities to which you have alluded, might be expected constantly to increase in the same or a greater Ratio to the Accumulation of Wealth, Commerce, and Revenue in any Country; or have not those Refinements and Facilities certain Limits, while the Increase of Wealth, Commerce, and Revenue have scarcely any?

I have no Doubt that further Improvements may be made; but these of course have their Limits, more strict probably than the Limits to the Accumulation of Wealth.

55. Have not most of these Improvements and Facilities arisen since the Period of the Bank Restriction?

I am not aware that they should date from that precise Period; I should rather think they were in Progress from some antecedent Period.

56. Have not these Improvements been in some Degree facilitated by the Substitution of Paper Circulation, in the room of a Circulation partly Paper and partly Coin?

They may doubtless have been facilitated in some Degree by that Circumstance; at the same Time, in case of a larger Proportion of Coin, the Inducement to spare the Use of the Currency might be increased.

57. You have stated that the Amount in Value of the Circulating Medium, employed in any Country at different Periods, will have some although not a definable Proportion to the Increase or Diminution of the Amount in Value of the Capital employed, or the Profits made in its Domestic and Foreign Commerce, supposing the Refinements in the Use of Currency, and the Slowness or Rapidity of its Circulation to be the same; do you mean by that Answer, that under such Circumstances an Increase or Diminution of such Capital and Profits will have a Tendency to require a larger or smaller Circulating Medium, though not in any definite Proportion?

I should think it would bear a direct but not a definite or regular Proportion, and one liable to be overbalanced by other Circumstances.

58. Must

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58. Must not therefore the Amount of Circulating Medium necessary in an increased State of Wealth, be judged of by some Comparison of the Tendency of such increased Wealth to require an increased Circulating Medium on the one Hand, and by the Tendency, on the other, of the Refinements you have alluded to, to diminish the Amount of the Circulating Medium necessary?

I have no Conception of any correct Means of forming an Estimate of either the one or the other.

59. If Taxation has been more than trebled in its Amount, and that not merely by increasing the Rate of particular Taxes, but by extending Taxation to a great Variety of Objects, must not such increased Taxation require an increased Circulating Medium?

I do not see the absolute Necessity of such an Increase of Circulating Medium; supposing, as I do, that other Circumstances, and among them the Refinement and Rapidity of Circulation already referred to, may more than compensate for the extended Functions of Money alluded to in the Question.

60. Must not an Increase of our Manufactures have a Tendency to require an increased Circulating Medium, and the Reduction of the Circulating Medium have a Tendency to counteract such Increase, independent of the Improvement in the Economy of Circulation?

I do not see that any Extension of Manufactures can be said to require an Addition of Circulating Medium; the only legitimate Extension of Manufactures and Trade being such as is demanded in a State of Currency on a fair Level with that of other Countries, for any other Extension must be purely artificial, and unless, what is inconceivable, the Stimulus be progressive and interminable, must be followed by a Depression fully proportioned in Intensity or Duration to the previous artificial Elevation. With regard to the Effect of a Reduction of the Circulating Medium on the Manufactures, it can only be detrimental in as far as the Reduction may be beyond what is necessary to restore the Currency to a Level with that of other Countries.

61. Can you state to the Committee any Cases in which the Price of Gold Bullion was raised above the Mint Price by an excessive Issue of Bank Paper, in which the Price of Silver Bullion was not also raised above the Mint Price, and that nearly in similar Proportions?

As far as I can recollect, the Market Price of Silver Bullion has in general risen in the same, or nearly the same Proportion with Gold, from the Causes alluded to.

62. On the Supposition that within these Two last Years there has been an Overissue of Paper, and the Price of Gold Bullion has risen on that Account above the Mint Price; can you state any Reason why the Price of Silver Bullion should not also have risen above the Mint Price?

I believe the Fact to be that it has so risen, and it is very natural it should have done so.

63. Do you believe the Fact to be, that the Price of Silver Bullion has been, as Gold Bullion, within the last Two Years above the Mint Price, that is above 5s. 6d. per Ounce?

The Mint Price I consider to be 5s. 2d. per Ounce.

64. Are you not aware that, according to the Law as it now stands, an Ounce of Silver is coined into 5s. 6d. at the Mint?

I am. But I do not consider that to be the Mint Price.

65. Are you aware that His Majesty, by His Proclamation, has made 20s. of Silver, coined at the Rate of 66s. to the Pound, the legal Standard of Value in the Country; and that it is enacted by Parliament, that no one shall take more or less for our Gold Coin, than such Standard Measure denotes it to be worth?

I am not aware that there is any Act or Proclamation making the Silver Coin the Standard of Value in this Country; but whether it is so or not, I am perfectly certain, in general Understanding and common Practice, it is not considered as the Standard, nor has any Influence on Prices as such.

66. Are you aware that the Words of the Proclamation of 1 July 1817, on putting the Gold Coin in Circulation, are, "We have thought fit to issue this Proclamation,"

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clamation, and we do thereby ordain, declare, and command, that every of such Gold Pieces shall pass and be received as of the Value of 20s. of lawful Money of Great Britain and Ireland, in all Payments whatever;" and that this Proclamation was issued Three Months after the Proclamation declaring our Silver Coin, at the Rate of 66s. in the Pound, the only lawful Silver Money in this Kingdom?

I conceive that the Effect of that Proclamation, which however I am not competent to judge of technically and legally, was to raise the Current Value of 20s. in Silver at the Rate of 66s. in the Pound, to the Level of the Gold Coin at its proper Standard; and I believe that by the Provisions by which the Issue of Silver Coin is limited on the one Hand, and the Tender thereof limited on the other, it is preferred, and likely to be so, at its full nominal relative Value of 20s. to the Sovereign of the present Weight and Standard.

67. Are you then of Opinion, that if the Gold Coin had been put in Circulation on the 1st of March 1817, and Silver Coin subsequently, with a Proclamation stating, "We have therefore thought fit to issue this Proclamation, and we do hereby ordain, declare, and command, that every 20s. of such One Shilling Pieces shall pass and be received as of the Value of a Sovereign of the lawful Money of Great Britain and Ireland, and that each of such Shillings shall pass and be received as of the Value of $\frac{1}{20}$ Part of such Sovereigns, in all Payments whatever," there would have been no Difference in effect betwixt the Mode that was pursued, and the Proceeding I have now stated?

Supposing, as appears to me is done by this Question, that there had been no Limitation of the Tender, it is perfectly possible that the Shilling of the reduced Standard might have preserved its full nominal Value, provided that the Limitation of Issues was strictly observed.

68. Do you conceive that a Coin may not be made the Standard of Value by the Sovereign, by which the Value of all other Coins may be regulated, though it could not be a legal Tender for any Sum under £80?

I conceive that it might be so.

69. In the Course of the Answers you have given on the Subject of Exchanges, and the Issue of Paper, have you proceeded on the Supposition that Gold was the legal Standard of Value, or Silver the legal Standard of Value?

I have proceeded on the Supposition that Gold is the Standard of Value; and that Silver, by the admirable Provisions of the Mint Regulations, is a subordinate Coin, confined merely to Purposes of Retail Trade, and no more influencing the Price of Gold Bullion, or Exchanges, than is done by the Copper Coin.

70. If you had supposed that our present Silver Coin had been declared by Law the legal Standard of Value, would you not have given very different Answers?

Not if I was aware at the same Time of what I believe to be the Fact; that Silver is so limited in the Mode and Quantity of its Issues, and the Amount of the Tender, as to preclude it wholly in Practice from serving as a Standard of Value.

71. Limited as it is in Issue, has it not been the only metallic Money in Circulation, except Copper can be so called, since the Month of March 1817, when it was first issued?

Yes, but exactly upon the same Footing as Copper; that is, limited in Issue and Tender.

72. Do you mean, that the Value of the Sovereign is fixed equally with Reference to Copper, as it is with Reference to Silver, in the Proclamation you have heard read?

That is a Question on the legal Construction of the Proclamation, which I am not competent to answer.

73. There being about Eight Millions of One Pound Bank of England Notes, and probably nearly the same Amount of Country Bank Notes in Circulation, might not the Bank and Country Bankers pay each of those Notes by a Tender of 20s. in Silver Coin?

Not if the Limitation of Issue by the Mint was strictly observed.

74. Would not 20s. of Silver Coin be a legal Tender for each of their Notes? Yes, and this would counteract the mere Provision of the Limitation of Tender; but

but in point of Fact, the Limitation of Issue would prevent the actual Payment of such a Number of Notes. *Mr. Thomas Tooke.*

See post, p. 236.

75. Could a legal Tender be made in Copper for One of these Notes? I believe not; that is a lower Limit of Tender.

76. During the Period that you have been acquainted with the Commerce of Russia, have there not been material Changes in the State of the Currency of that Country?

Very great.

77. Describe to the Committee in what they consisted?

My own actual Experience does not go back beyond 1789. In the Commencement of that Year, when I first entered into a Counting-house in Russia, the Circulation already consisted principally of Paper. The Silver Rouble, the intrinsic Value of which is from 38 $\frac{1}{2}$ d. to 39d. was subject to an Agio against Russian Imperial Bank Notes. That Agio has varied very considerably, although always in favour of Silver. It began I understand soon after the original Issue of the Bank Notes in 1769, and was for a Length of Time not exceeding a very small Per-centage; but that Agio increased from 1787 till about 1810, when it reached upwards of 300 per Cent. I have not a complete Table of the Variations of the Agio prior to 1812; but it was then at that Rate. I beg Leave to present a Paper containing the Variations of the Exchanges, and Prices of the Silver Rouble in Paper, from 1812 to 1818, both inclusive.

78. Was that great Increase of the Agio previous to 1810 owing to the increased Issue of the Imperial Bank?

Yes.

79. What is it now?

270 per Cent.

80. Have you observed the increased Issue of the Imperial Bank to have produced a corresponding Effect upon the Exchanges of Russia with other Countries?

Yes.

81. By a Paper delivered in to the Committee, it appears that there was a considerable Variation in the Exchanges between Peterbourgh and Paris, between the Close of 1816 and 1818, of 20 per Cent. to the Disadvantage of Russia. Can you explain this?

There has been a corresponding Advance upon the other Continental Exchanges, and a still greater Advance upon London; because the Exchanges of this Country at the Close of that Period had declined, compared with what they had been at the Close of 1816.

82. Can you state to the Committee the Measures now in Progress for the Purpose of reducing the Amount of their Paper Circulation?

The Russian Government has professed an Intention of making a progressive Reduction in the Amount of its Bank Notes in Circulation, and for that express Purpose raised a Loan of 38 Millions of Roubles, nearly Two Millions Sterling, the whole Produce of which Loan is said to have been applied to the Extinction of that Amount of Bank Notes. They profess an Intention of continuing that Reduction, for which Purpose a further Loan has been raised of 67 Millions of Roubles, being nearly 3 $\frac{1}{2}$ Millions Sterling; but I have no positive Account, whether the Whole of the latter Sum, or what Proportion of it, has been applied to that Purpose. The Subscriptions to the Loans are mostly paid in Bank Notes, which Notes are taken at their nominal Value, and when paid in are professed to be destroyed.

83. You have stated it as your Opinion, that the Bank of England might, with Safety to the Public Interest, resume Cash Payments at a very early Period; have you considered what Steps would be most expedient to be taken for that Purpose by the Legislature and by the Bank?

I believe that in Strictness I confined the Opinion which I then gave, to the Restoration of the Value of Bank of England Paper to the Standard of £3 17s. 10 $\frac{1}{2}$ d. as being practicable with Safety to the Public Interest within an early Period; considering the actual Resumption as subordinate in Importance to that first Step. As to the Attainment of that first Step, I have heard of no Measure better adapted, than one which has been suggested, of obliging

Mr. Thomas Tooke. obliging the Bank by an Act of the Legislature to sell Gold Bullion at certain stated Prices progressively downwards, till it shall have reached the Mint Price; because I conceive, that there would be very great Danger of any Measure short of this failing of its Effect, as no Words merely conveying the Promise of a Resumption of Payments in Specie can satisfy the Public that it will actually take place at the Period fixed; such Promise having, previous to the Renewal of the Restriction in 1816, been given in Words as strong as Language can convey.

84. If such Periods and Prices were fixed in the following Manner; viz. from the 5th of July next to 5th of October, Notes should be paid in Gold Bullion at the Rate of 81s. per oz.; from October to January 1820, at the Rate of 80s.; from January to April at the Rate of 79s.; and from and after the 5th of July 1820, at the Mint Price of 77s. 10½d.; do you consider that by such a Scale the Plan would probably be effected in a safe and satisfactory Manner to all the Interests concerned?

I think it might; at the same Time I should hope that the Restoration of the Paper might be effected in a shorter Period, as I conceive that the Interval until the final Establishment of the whole Currency on the Footing on which it is ultimately to rest, will be attended with Disadvantages, probably greater than the Advantages anticipated by a slow in preference to a more rapid Conclusion. These Disadvantages are the Suspence and more or less Uncertainty in undertaking all commercial Operations, which may be influenced in their Results by the State of the Currency while they are in Progress.

85. Might not these Disadvantages in part be obviated, if a Power were given to the Bank to accelerate, but not to retard, the Periods and successive Stages of these Operations?

Such a Provision would doubtless be a very beneficial one.

86. Do you conceive that any material Difficulty could arise in such Operations as it might be necessary for the Bank to make for collecting Bullion in sufficient Quantity, to answer the Demands which might thus be made upon them?

I conceive, that by a Regulation of their Issues, they might obviate any Difficulty of that Kind. They might keep the Price of Gold rather below that at which they might be bound to sell, by a Diminution of their Issues, if necessary; and so take away the Inducement of the Holders of the Notes to apply to the Bank for Payment in Bullion at the stipulated Rate, when they could get a cheaper Supply in the Market.

87. Have you therefore any Doubt in your own Mind, that the Price of Bullion could be brought down to, or below, these successive Stages, by the sole Operation of a sufficient Contraction of their Issues, if necessary, on the Part of the Bank?

I have no Doubt it may be so brought down.

88. Would, in your Judgment, any considerable Advantage or Facility in the Execution of this Plan arise from giving to the Bank the Option of paying either in Gold or Silver Bullion, the Price in Silver Bullion being, in like Manner, fixed at corresponding Periods and Stages of Reduction?

It may, doubtless, afford Facility, and may be worth Consideration; but it would be desirable, if possible, in the first Instance to determine, how far such a Measure, although only professedly a temporary one, might not militate with the Principle of making Gold the Standard, to which it is the great Object of the whole Measure to make Paper conform.

89. Have you considered whether, after the Value of Bank Paper had been brought back to the Mint Standard, it would be more expedient that the Bank should thenceforth pay in Coin, on the same Footing as before the Restriction, or that their Payments should continue to be made not in Coin but in Bullion, at the Mint Standard?

The Witness in Answer delivers in a Written Paper, which is read, and is as follows:

“ The Plan of a Circulation of Paper, convertible into Gold Bullion only at the Mint Price, is admirable for its Ingenuity and Simplicity, and there can be no Doubt

Doubt of its Convenience and Cheapness. It is particularly well calculated to serve as an intermediate Measure, for limiting and regulating the Paper Circulation, till Arrangements can be made for establishing the whole Currency on a permanent Footing. But if proposed in itself as a permanent System, I cannot but consider it as objectionable. A Circulation so saturated with Paper would be liable to Abuse, and to a Suspension of the Check of partial Convertibility, on lighter Grounds than if the Currency consisted of Coin and of strictly convertible Paper. And, taken in a general point of view, it must be admitted, that a Basis of so frail a Material, resting so exclusively on Credit and Confidence, is exposed to the Danger of frequent Derangement, and in some conceivable Cases to total Destruction. But, above all, is the Objection arising from the extended Inducement to Forgery. And independent of these Objections to an exclusive Paper Currency, it strikes me that many Contingencies and Exigencies might arise, wherein an abundant Stock of the precious Metals might be of essential Advantage. Upon the whole, therefore, in as far as I might be permitted to give an Opinion, it would be in favour of a Return to Payments in Coin.

“ The Gold Coin however, upon the present Footing of the Mint, being issued gratuitously, as to the Expence of Manufacture, will be upon the Resumption of Cash Payments, as it was previous to the Restriction, liable to be exported or melted on every Occasion of a casual Depression of the Exchanges, whether arising from the ordinary Fluctuations of Trade, or from the Tendency of the Banking System to keep the Channel of Circulation so full, as to be constantly liable to an Overflow. The Remedy which naturally presents itself, is that of a Seignorage.

“ But Seignorage is synonymous with Debasement, unless connected with a Principle of Limitation.

“ The Rationale of this Principle may be thus illustrated. Suppose the Circulation of the whole Country to be confined to Gold, and to consist of Twenty Millions of Sovereigns of the present Weight and Standard; if, by some sudden Process, each Piece were reduced by One-twentieth, or Five per Cent., but the whole Number of Pieces strictly confined to the same Amount of Twenty Millions; then, other Circumstances being the same, the Relation of Commodities, &c. to the numerical Amount of Coin being undisturbed, there would not, it is evident, be any Disturbance of Prices; and if Gold Bullion in the Market was previously at £3 17s. 10½d. per Ounce, it would, other Things remaining the same, continue at that Price; or, in other Words, £46 14s. 6d. in Gold Coin, weighing ⅓ of a Pound, would purchase in the Market a whole Pound of uncoined Gold of the same Standard.

“ But if the Quantity of Gold thus abstracted from each Piece were coined into One Million of additional Pieces, and re-issued into Circulation, the Twenty-one Millions would then exchange for no more than the former Twenty Millions; all Commodities would rise Five per Cent, and among them Gold Bullion, which would then be at £4 1s. 9½d.; or, in other Words, £46 14s. 6d. in Coin, would only purchase ⅓ of a Pound of uncoined Gold.

“ This is the Key-stone of all Reasoning on the Subject of Currency; and the Application of it is clear enough, as to the Power of a State by the Monopoly of Issue, to raise the nominal, compared with the intrinsic, Value of the Coin, in a Currency wholly metallic. The only Limit to the Extent of this Power, is the Inducement to counterfeit on the genuine Metal; and this Limit, I am inclined to think, is much wider than is commonly imagined.

“ But there is a Difficulty in the Application of the limiting Principle to a Seignorage on the Coin, as in the Case of our Gold Coin, where it circulates along with Paper. For, as is justly remarked by Mr. Ricardo, on the Supposition which he makes of a Seignorage of Five per Cent. on the Gold Coin*, the Currency, by an abundant Issue of Bank Notes, might be depreciated Five per Cent. before it would be the Interest of the Holders to demand Coin, for the Purpose of melting it into Bullion. A Remedy is suggested by the same high Authority, viz. That the Holders of Bank Notes might demand Bullion, and not Coin, in Exchange for them, at the Mint Price of £3 17s. 10½d.

* Political Economy, 1st Edit. p. 525.

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" In the Principle of this Remedy I perfectly concur; but it strikes me that the Application of it is susceptible of some Improvement, by making the Mint, instead of the Bank, the Source from whence the Bar Gold thus required to limit the Paper should issue; because, independently of other Advantages, the high Prerogative of the Crown, as the Source from whence every Thing like metallic Money should emanate, would be preferred, as in fact the Bar Gold thus stamped, and thereby acquiring additional Value, would be the simplest and cheapest Form of metallic Money.

" Consistently with these Views, I would propose,

" 1. A Seignorage of not less than $2\frac{1}{2}$ nor more than 5 per Cent.; i. e. a Pound Weight of Standard Gold to be coined into not less than Forty-eight nor more than Forty-nine Sovereigns.

" 2. A Protection of this Seignorage, by obliging the Issuers of Bank Notes to pay to the Holders, if required, a Quantity of Standard Bar Gold at the Rate £3 17s. 10 $\frac{1}{2}$ d. per Ounce.

" 3. The Bar Gold so claimed to be paid by the Bank or Banks, in an Order upon the Mint, which should stamp the Gold then issued, and make an adequate Charge for the Trouble thus thrown upon it."

90. Do you think that the Plan of Payment in Bullion by the Bank might not, if the Mint continued open to the King's Subjects for Gold Coinage, be combined with the actual Circulation of a certain Proportion of Gold Coin, or whether the Execution of that Plan must absolutely confine the whole of our Circulation to Paper Currency?

I do not exactly see what would be the Inducement to take Bullion to the Mint for the Purpose of Coinage in the Case supposed, unless the Market Price fell below the Mint Price, which on the Supposition of the Convertibility of Bank Notes into Bullion at that Price it could not do. If the Mint in that Case had a Reserve or Stock of Coin in Advance to exchange against Gold Bullion, it would very much increase the Inducement to export Coin, as a more convenient Form, for many Purposes, than Bullion.

91. Supposing it were the Determination of Parliament, either at the present or at any future Period, to revert to the System by which the Bank was restrained from issuing Notes under a certain Amount, say £5 or £10, and that Country Bankers were under a corresponding Restraint, some Currency of smaller Denomination would in that Case obviously be necessary; would it on that Supposition be practicable to apply to the Bank the System of Bullion Payments, leaving the Mint open for coining such Bullion into Gold Coin with or without a Seignorage?

Yes, I think it might.

92. In that Case, would it in your Judgment be necessary that a Seignorage should be attached to the Gold Coin, or such Brassage only be taken thereon, as would be equivalent to the Expence of working, and thereby obviate the Loss to arise from the occasional Exportation of the Coin?

I would recommend for that Purpose a Seignorage probably beyond the mere Brassage; such Seignorage being protected by the Convertibility of Bank Notes at the Option of the Holder into Standard Bullion at £3 17s. 10 $\frac{1}{2}$ d. per oz.; because by such Protection the Market Price of Gold cannot rise above £3 17s. 10 $\frac{1}{2}$ d.; so that the Possessor of Gold Coin, although reduced in intrinsic Value, may be able to purchase with it as great a Weight of Standard Gold, as it would have done if no Seignorage had been taken out of it.

93. Whether on the whole you would deem it more advantageous to the public Interest, that small Denominations of our Currency should principally consist in Paper or in Coin?

I cannot give any decided Opinion on that Point: as an intermediate Measure it might be desirable, soon after the actual Resumption of Payments in Coin, to call in the One Pound Notes, and extend the Circulation of Two Pound Notes.

94. Are

94. Are we to understand that the Plan you recommend is, that after the Expiration of the Period during which the Bank having begun to pay in Bullion in July next at 81s. was to pay in Bullion at the Mint Price in July 1820, the Bank should resume Payments in Coin? *Mr. Thomas Tooke.*

I do not anticipate any Objection to the Bank being at the Expiration of that Period bound to pay in Coin.

95. Supposing the Bank to think it necessary, before it could resume Payments in Coin with Safety, to add a very large Sum, say Ten Millions, to the present Amount of its Treasure; could it purchase so large an Amount of Bullion in so short a Period, without keeping up, if not considerably raising, the Market Price of Gold Bullion?

Considering that it was commonly supposed that the Bank had collected in no longer Interval, before the End of 1816, a Sum in Gold of not less than from 10 to 12 Millions, I do not imagine that any greater Difficulty is likely to be experienced in the Collection of a similar Amount by the Expiration of the Period referred to in the Question; but I have no precise Knowledge on the Subject, nor is it possible for me to say, what Difficulties they may or may not have in the Collection of the Sum in question. I believe that the Contraction of their Circulation would give them sufficient Power for that Purpose. With respect to the Price of Gold Bullion, unless it be measured in Bank Notes, which must upon the present Supposition be excluded, it can only refer to the Price, as measured in Silver.

96. Can the Bank purchase Gold Bullion with any thing but Bank Notes?

I am not aware that they can; and it is the very Object of the present Discussion to make their Notes of equal Value to the Gold.

97. If they can only purchase in Bank Notes, must they not necessarily issue more Bank Notes for such Purchase of Bullion?

The Contraction of Bank Notes must precede, in order to be effectual, any Purchases of Bullion; and the Issue of Bank Notes, if only made for those Purchases, and within an Amount below that within which the Reduction for that Purpose had been made, may be perfectly consistent with the continued Improvement in the Value of the Total Amount of Bank Notes in Circulation.

98. If the Issue of Bank Notes is first to be contracted for the Purpose of bringing their Value to the Mint Standard, and the Bank is then to make a large Issue of Notes for the Purpose of the Purchase of Bullion, must not such an Application of a large Proportion of its Issues, which have already by the Supposition been contracted, materially diminish the Power of the Bank to afford the usual Accommodation to Commerce?

Not necessarily, if any considerable Proportion of its Advances to Government, either direct, or by the Purchase of Exchequer Bills, should be repaid.

The Witness is directed to withdraw.

This Committee is adjourned till Wednesday, at Twelve.

Die Mercurii, 24^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. DAVID RICARDO is called in, and examined as follows :

Mr. David Ricardo.

1. What is your Line of Business?
I am in no Business now; but I have been all my Life in the Money Market on the Stock Exchange.
2. Would it, in your Judgment, be safe and practicable for the Bank of England to resume Payments in Cash on the 5th of July next?
I think perfectly safe and practicable; but not without some little Inconvenience, which must attend the Resumption of Cash Payments whenever it shall take place.
3. State your Grounds for that Opinion?
An Alteration of the Price of Commodities, to the Amount of even Four per Cent., must be attended with some little Inconvenience.
4. On what Grounds do you form the Opinion, that the only Inconvenience attendant on the Measure, would be a Reduction of the Price of Commodities of no more than Four per Cent?
I consider the Price of Commodities to depend on the Quantity and Value of the Medium by which they are estimated; and as I consider that Medium to be now depreciated Four per Cent. on Comparison with the Mint Price of Bullion, I consider that a Reduction in the Amount of the Currency to the Amount of Four per Cent., would lower the Price of Commodities to that Amount. I mean a Reduction of Four per Cent. in the Amount of all the Paper Currency now in Circulation.
5. Supposing the Amount of Bank of England Notes to be now 25 Millions, and that they were reduced One Million; and that a proportionate Reduction took place in the rest of the Circulating Medium of the Country; would that have the Effect of raising the Value of the whole Currency Four per Cent., and thereby lowering Prices to the same Amount?
I should expect such a Consequence to follow, if no Commercial Causes were operating on the Value of the Currency; if such Causes were operating, the Reduction required might be either more or less. I wish also to observe, that a Reduction in the Amount of Notes of Four per Cent. will not produce a Rise in the Value of the Currency of exactly Four per Cent., but something very near to that Amount.
6. What do you mean by any Commercial Causes operating on the Value of the Currency?
The Quantity of Currency required to circulate Commodities must depend on the Value of that Currency; if, therefore, any Causes should operate to raise the Value of Gold generally in the World, a less Quantity of Gold would be necessary for the Circulation of the same Quantity of Commodities in England; and under such Circumstances a greater Reduction than Four per Cent. in the Quantity of Paper would be necessary; an Extension of Trade also, or an Increase of Capital, may make a greater Quantity of Currency necessary at one Period than at another, and might therefore diminish the Proportion necessary to be reduced.
7. Are you aware that there was a Reduction of Bank Notes in Circulation during the Course of 1818, to the Amount of Three Millions, without any apparent

Mr. David Ricardo.

rent proportionate Increase in the Course of that Year of the Country Paper; how do you account, under these Circumstances, for the Exchanges being more unfavourable, and the Price of Gold higher, at the End of 1818, than at the Beginning of that Year?

Facts of this Kind I find it very difficult to account for; but I should think it might have been owing to the diminished Trade, and to a Rise in the general Value of Bullion in the World.

8. Might it not, in a considerable Degree, be accounted for by the Operations going on in the Money Markets on the Continent, and more particularly those at Paris and Petersburg, towards the Close of last Year?

Not unless those Operations had a Tendency to increase the general Value of Bullion, which might be affected by a Reduction of the Paper Circulation of the Continent, and by the Substitution of Gold and Silver Coin.

9. Might not the Effect of these Operations at Paris and Petersburg, and other Places on the Continent, be to induce Individuals to make large Remittances from this Country for the Purpose of assisting the Operations which were going on in those Places?

Certainly; but whether those Remittances should be made in Bullion or Goods, would depend on their relative Value; and if Gold was preferred, it proves to me, that the Value of Bullion was affected by those Transactions on the Continent.

10. Do you recollect the Fall which took place in all Prices in the Year 1816? Was not that Decline in the Prices much more considerable than any Decline you anticipate now, from an Endeavour to raise the Value of the Currency to a Par with Gold?

Much more considerable; one of the Causes which operate on the Value and the Quantity of Currency, I have omitted to mention, namely, the varying State of Credit, which considerably affects the Quantity necessary to perform the same Business, and which I think operated in the Year mentioned.

11. Paper having been, in the Middle of 1815, at upwards of 20 per Cent. Discount, and we having it in Evidence, that Gold at the latter End of 1816 would have been at the Mint Price, had it not been sustained by the Bank at the Price of £3 18s. 6d.; do you not think that the Pressure which the Country sustained at that Period must be much greater than what it will now sustain from Paper resuming its Value upon a Par with Gold, it being now at a Discount of only 4 per Cent.; and can you state any Proportion which the Difficulties of one Period are likely to bear in relation to the Difficulties of the other?

I think the Pressure sustained at that Period was much greater than would be experienced now by a Reduction of 4 per Cent. in the Amount of the Currency. At the same Time, I do not think that the whole Difference in the comparative Value of Paper and Gold in 1815 and 1816, is to be ascribed to the Rise in the Value of Paper only, but also to a Fall in the Value of Gold, arising from some of those Causes I have mentioned. I find it quite impossible to assign a Proportion between the Difficulties of the Two Periods.

12. Do you suppose, that from the Middle of 1815 to the Commencement of 1817, a Fall took place in the Price of Gold through the World?

I am wholly unacquainted with the Fact, such is the Opinion I should form; and my Reason is, that there did not appear any proportionate Fall in the Prices of Commodities and the Price of Gold in this Country. The Value of Gold and Paper was equalized, probably by a Rise in the Value of Paper, and a Fall in the Value of Gold.

13. Can you infer a general Fall in the Price of Gold through the World, from the State of the Prices of Commodities in this Country solely?
Quite impossible.

14. The Question and Answer No. 4. are repeated; would the Fall of Four per Cent. be the only Inconvenience resulting from the Reduction of the Circulating Medium necessary to precede or accompany the Resumption of metallic Payments by the Bank?

I think it would not be the only Inconvenience; whatever affects the Value of

Mr. David Ricardo. of the Currency, must affect the relative Interest of Debtor and Creditor; but I know of no other Inconvenience.

15. Do you conceive that the Amount of Trade, Capital, and Revenue, and the Amount of Currency required, must necessarily bear any fixed Ratio or Proportion to each other?

Certainly not; I think the Proportion must depend on the Economy in the Use of Money, which again must depend on the State of Credit at the Time.

16. Must not these Proportions also be affected by the general State of Wealth and Population, at any Two Periods in which the Comparison is to be made?

I think it must. The more dense the Population, the less, all other Circumstances being the same, will be the Amount of Circulating Medium required.

17. Must it not also be in some Degree affected by the Nature of the Transactions?

I do not see that that would affect it.

18. Do not different Branches of Commerce require different Proportions of Circulating Medium, in proportion to the different Quantity of Capital invested, and Profits made?

They probably may.

19. Are you of Opinion that the Circumstances to which you have alluded in your former Answer, (No. 15.) have so far operated in the Course of the last 20 Years, as to make it practicable to carry on the Business of the Country with an Amount of Currency not numerically greater than that which existed previous to the Bank Restriction, notwithstanding the apparent Increase of Trade, Capital, and Revenue?

I think the numerical Amount of Currency required at this Time is greater than what was required previous to 1797; but the Proportion of that Currency to the Transactions to which it is applied is less now than at the former Period.

20. Do you know any Practice, tending materially to economise the Use of the Circulating Medium in the Conduct of our Transactions, introduced since the Beginning of 1815?

No, not since that Period.

21. What Means would you recommend to be adopted to enable the Bank, at the earliest practicable Period, to pay their Notes in Cash or Bullion?

The Measure which I should recommend would be, to give the Bank the Option of paying its Notes on Demand in Gold Bullion, or in Coin, at the Mint Price of £3 17s. 10½d.; at the same Time requiring of them to purchase Standard Gold at the Price of £3 17s. 6d. to any Extent.

22. What are the peculiar Advantages which you think would attend this Plan, in preference to a simple Resumption of Cash Payments?

First, it would exempt the Bank from providing a Quantity of Gold necessary to replace all the smaller Notes which are now circulated in London and the Country. Secondly, it would obtain for the Bank, and therefore for the Nation, all the Advantages which a Capital equal to the Amount of all the small Notes would produce.

23. Referring then to Question and Answer No. 21, do you mean that the Bank should be obliged to pay each Note on Demand in Coin or Bullion, at its Option; or would you limit the Obligation to Notes of a certain Amount, and to what Amount?

I would limit the Obligation on the Part of the Bank to Notes of £50, £60, or £100 Value, or to a Number of smaller Notes amounting in the Whole to such a Sum. The Object which I have in view, is to regulate the Value of Currency, by having an effectual Controul over its Quantity. I have no Preference for any Sums I have stated, provided they may not be too small.

24. Is that Part of your Plan, which requires the Bank to purchase Gold at £3 17s. 6d., in your Judgment necessary to it; or would not the same Object be obtained by the Mint being opened to the Public for the Purpose of coining Gold, or by Government reserving to themselves the Power of coining and issuing Gold Coin?

That Part of my Plan is not necessary. My Object would be equally effected

Mr. David Ricardo. fected by either of the other Modes. I prefer my own only because it is more economical, and because it would be of more speedy Operation.

25. Have you formed any Estimate of the Saving by the Plan you propose, when compared with the Resumption of Payments in Cash as before the Restriction?

The Saving must depend entirely on the Preference of the Public for metallic Circulation: if they continued to use Paper in smaller Payments, on the Supposition of the Bank paying in Coin, as it did before 1797, there would be no Saving at all by my Plan.

26. What Amount of Bullion would it be necessary for the Bank to be possessed of on your Plan, for the Purpose of regulating the Amount of their Notes; and what would be the Amount of the Coin that the Bank should be possessed of under the old System, for the Purpose of enabling them to pay their Notes in Coin?

On both Plans I think the Quantity would be the same, but what the Quantity should be, must depend on the Knowledge of the Bank of the true Principles of Currency; because they have always the Power to regulate the Price of Bullion, by limiting or increasing the Quantity of their Notes. My Answer applies to the habitual Reserve the Bank would be obliged to keep up, according as the Currency was settled upon one or the other Plan.

27. What would be the Amount of the Difference of the Bullion and Coin which the Bank would have to provide, for enabling them to open, under the one Plan or the other?

If the Bank were to limit their Circulation till they had raised the Value of their Notes to an Equality with the Value of Bullion, it would perhaps be necessary, or they might think it prudent, to provide a sufficient Quantity of Coin against the extreme Case of their being called upon to replace all the small Circulation of the Town and Country with Coin, if Cash Payments be resumed on the old Plan. On my Plan no such Provision of either Coin or Bullion to replace small Notes would be necessary. In the First Case, an Amount of 15 Millions might probably be required, merely for the Purpose of answering the smaller Notes, and a further Reserve of Coin for larger Notes.

28. What in your Judgment would be the necessary Reserve of Coin for the larger Notes according to the old Plan, and what would be the Amount of Bullion to answer the Demand according to your Plan?

I have already observed, they would in my Opinion be equal, and must depend on the Knowledge of the Bank of the Principles of Money. I should think that a Reserve of Three Millions would under good Management be amply sufficient upon a Supposition of 24 Millions of Bank of England Notes in Circulation.

29. Would not the Object of your Plan be most completely effected by there being no Gold Coin in Circulation, unless it should be necessary for the Government to issue a Proportion of such Coin, in consequence of the Bank having reduced their Issues of Paper too low?

The Object of my Plan would be most completely effected by there being no Gold Coin in Circulation; and the latter Measure would be unnecessary if the Bank were obliged to purchase Gold.

30. Would not such an Obligation be a much better Security for the Public against too reduced an Issue, than any Discretion, wherever vested and however guarded?

Much better; it can be done so rapidly, and so certainly in proportion to the Demand for Money.

31. Is not, in one Case, the Operation performed by the necessary Effect of such a Provision, constantly operating on the Interests of the Bank itself, set in Motion by the Interests of Individuals; while, on the other, it must depend on the Judgment to be formed on the particular Circumstances of the Case?

It is certainly so.

32. What Security is there that the Bank would always be able to purchase Bullion at that Rate, and therefore would always be able, by the Notes issued for such Purchases, to keep up a Sufficiency of Circulating Medium?

I am of opinion, that the Bank, by regulating the Quantity of their Paper, would either lower the Price of Bullion to £3 17s. 6d.; that is, to one of the Limits mentioned; or raise it to the other Limit of £3 17s. 10½d.

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33. If such Circumstances, as you have alluded to in your former Answer, as raising the general Value of Gold Bullion in the World, should again occur, and if other Circumstances, to which you have also alluded, in the State of Commerce between this and other Countries, should also again occur, and produce, as far as any of these Causes can effect it, a considerable Increase of the Price of Gold Bullion, and a very unfavourable State of Exchange, would it not require a Reduction of the Issue of Bank Notes proportionably great, to keep down Gold Bullion to this Price in spite of the Tendency of all these Circumstances to raise it?

Certainly, in every such Case it would be incumbent on the Bank to raise in an equal Degree the Value of their Paper, which could only be done by a Reduction in Quantity. In 1783, there was in a few Months, on a very small Circulation of Paper, a Reduction in the Amount of Bank Notes of about Three Millions, the Bank being then compelled to make the Value of their Paper conform to the Value of Gold Bullion.

34. Can you conceive the Existence of any other real Standard of Value, besides Bullion, out of which that Inconvenience would not arise in the same or a greater Degree?
None.

35. What, in your Opinion, would be the Convenience or Inconvenience of allowing the Bank the Option of paying either in Gold or Silver Bullion, according to some fixed Proportion of Value established between them; establishing at the same Time only one of the Metals as the fixed Standard or Measure of Value, to which the other Metal should be made to conform by a Review of the Proportion at regular fixed Periods, according to the relative Prices of the precious Metals, as then ascertained in the Markets of the World?

The greatest Inconvenience would result from such a Provision. I consider it a great Improvement having established one of the Metals as the Standard for Money. The Bank and all other Debtors would naturally pay their Debts in the Metal which could at the Time be most cheaply purchased, and at certain fixed Periods the Currency might be suddenly increased or lowered in Value, in proportion to the Variation in the relative Value of the Two Metals from one of these Periods to the other. I find, from a Paper I have in my Hand, extracted from Muthet's Tables, which, I believe, will be found correct on a Comparison with Official Documents, that frequently in the Space of Two or Three Years the relative Value of Gold and Silver has varied as much as from 9 to 15 per Cent. From 1777 to 1779, the relative Proportion varied from 13.19 to 15.01, a Difference of 9 per Cent. From 1782 to 1785, it varied from 13.04 to 15.07, a Difference of 15 per Cent. From 1782 to 1809, it varied from 13.04 to 16.49, a Difference of 25 per Cent. The greatest Inconvenience would result in raising or lowering suddenly the Value of the Currency to so great an Extent.

36. Considering the great Variation in the relative Value of Gold and Silver, and considering that Silver is the Standard Measure in most other Countries, what will be the Advantage in our having Gold as the Standard Measure in Value in this Country, on the Supposition of your Plan being adopted, which supercedes the Necessity of a Gold Circulation?

My only Reason for preferring one Metal to the other is its being less variable in Value. I had at one Time thought Silver would be less variable; but having heard that Machinery is particularly applicable to the working of Silver Mines, and cannot be applied to increase the Quantity of Gold, I now think that Gold is the more invariable Metal.

37. Supposing this Country has a Gold Standard, and other Countries a Silver Standard, shall we not experience from the Variations of Gold and Silver, in our Intercourse with other Nations, the same Difficulty in the Exchanges, which our internal Circulation would sustain if the Bank had the Option, as is supposed, of paying in either of the Two Metals?

I think we should; the Inconveniences would be of the same Nature, but the Exchanges would be regulated accordingly.

38. If

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38. If we had a Gold Standard, and other Countries continued to have a Silver Standard, would it be possible to state the Par of Exchange for any Length of Time together?

It would be quite impossible. But that I do not think a Matter of the least Importance; and with respect to the Inconvenience before mentioned, it would not exist if all the Debts to this Country and from this Country were contracted in our Currency: they would exist only on the Supposition that they would be contracted partly in British Currency and partly in Foreign Currency.

39. If all Debts were contracted in our Currency, would it not be an Extension to Foreign Countries of our Standard?

As far as we were concerned in Trade with them.

40. Is that the Practice in contracting Debts in Foreign Countries?
I should think not; they are as often contracted in the Currency of the one Country as in that of the other; the Advantage in the Payment may be in our Favour or against us, that is Matter of Chance.

41. Would not the Inconvenience of leaving the Advantage or Disadvantage in Payments to be a Matter of Chance, be corrected by our adopting a Silver Standard?
Certainly.

42. Would not our adopting Silver as the Standard of Value, and as the general Medium of Circulation, have in some Degree an Effect, which you have stated as a Benefit attending your Plan, viz. the keeping in Circulation more Bank Notes, than our adopting a Gold Standard, and paying in Gold Coin, as before the Restriction?
Certainly.

43. Is it intended to form an essential Part of your Plan, that the Bank of England Note, and the Country Bank Note, should circulate after the Bank has begun to pay in Bullion, upon the same Footing as at present?
It is an essential Part of my Plan.

44. Would the Plan, of requiring from the Bank the Delivery of Gold Bullion in Exchange only for large Sums in their Notes, be compatible with the Circulation of a certain Quantity of Gold Coin, if that were judged desirable?

Quite compatible; the Gold Coin should, in that Case, be subject to a Charge equal to the Expence of Coinage, but not sufficiently high to afford Temptation to false Coining. The Advantage of making the Coin very perfect, and immediately procurable in Exchange at the Mint, without any Delay or any Deduction, for an equal Weight of Gold Bullion, would be considerable, as far as regards our internal Circulation; but it would expose us to an additional Charge, as all Exporters of Bullion would be desirous of exchanging their Bullion for Coin, previous to its Exportation; the coined Metal being of course more valuable than an equal Weight of Gold Bullion. All the Advantages of a metallic Circulation would be obtained by allowing such a Charge on the Coin, and giving the Option to the Holder of Bank Notes, of demanding at the Bank either Gold Bullion or Gold Coin subject to such a Charge, in Exchange for his Note. If no such Privilege be allowed, of demanding Bullion from the Bank in Exchange for Notes, the Bank, by augmenting their Issues, might sink the Value of the whole Currency, and therefore of the coined Part of it, to the intrinsic Value of the Metal of which it is composed.

45. Would it not be more convenient that the Demand for Money coined, on the Principle stated in your last Answer, should be made at the Mint only, and not at the Bank in Exchange for their Notes; and that the Mint should keep in Readiness for that Purpose a certain Quantity of Gold already coined?

The Effect would be the same; but I think the Plan suggested by the Question would be an Improvement.

46. In that Case, would it be expedient to subject the Bank to the Obligation of paying small Sums in Coin, or would it be more advisable to make its small Notes completely a legal Tender?

Under those Circumstances, I think small Notes should be exchanged for Coin at the Bank, if required.

(30.)

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47. Might

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47. Might it not be sufficient if the Bank were discharged from the Obligation of paying Coin in any Cases for their small Notes, except when presented in large Sums; and would not the Facility which Individuals would thus have of procuring Coin for their small Notes from Bankers and others, who could present them in large Sums for Payment in Bullion, and obtain Coin for that Bullion from the Mint, be sufficient to keep in Circulation a certain Quantity of Gold Coin, and to prevent any Discredit of small Notes?

Bankers would be under no Obligation to give Coin for small Notes; and I do not see any other Advantage in making large Notes exchangeable for Coin, but to give the Public the Option of using Coin instead of small Notes. I think the small Notes could never fall into Discredit, while you have the Power of regulating the Quantity of large Notes, by the Obligation imposed on the Bank to pay their Notes to a large Amount in Bullion.

48. Is it a necessary Part of the proposed Plan that the Trade in Bullion and Coin should be wholly free, and the melting of Coin, as well as its Exportation, be permitted by Law?

It is; and on any Plan of Currency I think such a Regulation would be desirable.

49. Would it not also be necessary, that the internal Traffic as well as the Foreign Trade in all Bullion should be completely free?

Certainly.

50. If the Mint were obliged to keep in reserve a certain Quantity of Gold ready coined, would it not be necessary, in order to secure the Public against great Expence, to make a Charge upon the Coin equal, not only to the Expence of Coinage, but to the Loss of Interest upon the probable Quantity of Coin there to be kept in reserve?

I think the Charge should be as high as it could be, consistently with the Object of not encouraging false coining.

51. Supposing then that Gold Coin should be issued at 8os. per oz., that is 2s. 1½d. above the Mint Price, of which Advance one Part should be considered as Seignorage, and the other Part as the strict Cost of Manufacture; supposing in this Proportion, 1s. 6d. per oz., viz. 4½d. each Sovereign, be considered as Seignorage, and 7½d. per oz. as the Braffage; will you state, in case such Coin by Wear should lose Part of its legal Weight, whether it will not be just to allow the Whole of what may be called Seignorage, subjecting the Holder only to the Loss of Weight and Cost of Manufacture?

I think it would be unjust to deduct from the Holder of light Money any thing but the mere Loss of Weight.

52. Suppose, in any Country, Gold were declared by Law the Standard of Value, and that Gold de facto engrossed the Circulation in Exclusion of all Silver Money, would not the Course of Exchange with that Country regulate itself with Reference to its Gold Money?

Certainly, the Course of Exchange would be regulated with Reference to the relative Value of Gold and Silver.

53. Supposing, in any Country, Silver were declared the Standard of Value, and Silver were de facto in Circulation to the Exclusion of all Gold Money, would not, in such a Country, the Exchange regulate itself with Reference to its Silver Money? It would.

54. With the Exception of War and Conquest, can Foreign Commodities ever be acquired, but in Exchange for something which has been manufactured or produced at Home, either immediately or after Two or more different Exchanges? They can be procured in no other Manner.

55. Is it not sound Policy to encourage the Importation of Manufactures, or Raw Materials which a Country does not itself produce, with a View to encourage the Increase of its own Produce and Manufactures, which must go Abroad in Quantities similar in Value to the Value of what it acquires?

It is the soundest Policy to make the Trade both of Import and Export as free as possible, as that will be the Means of giving us the greatest Abundance of Articles for our own Consumption.

56. Have

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56. Have you not stated, that if the Bank was to resume Payments in Bullion upon your Plan, it would be exempted from providing Gold necessary for circulating its small Notes to a given Sum, say 15 Millions; and that the general Wealth of the Country would be increased by enriching the Bank in consequence of this Saving? I have said so, and I think so.

57. Do you believe the following Account to be an accurate Account of the Profits of the Bank since the Restriction, viz.

In Bonuses and Increase of Dividends	7,451,136
New Bank Stock (£2,910,600) divided among the Proprietors	7,276,500
Increased Value of Capital of £11,642,400, (which on an Average of 1797 was worth 125, and which is now worth 250), that is	14,553,000

Making in all, on a Capital of £11,642,400, a Gain } £29,280,636
in 19 Years of

I have no Reason to doubt it; I believe it is accurate as far as I recollect. Part of that increased Value is derived from the increased Value of all funded Property.

58. Suppose we were to resume Cash Payments under a Plan which required that the Bank should provide themselves with only Three Millions of Treasure, would not there be a Demand for 15 Millions less of the Produce and Manufactures of this Country, than would be created by imposing on the Bank the Necessity of providing 18 Millions?

Yes, there would; but as we should export these Commodities without procuring a Return of any other which would contribute to our Advantage, the Gold would not be a very desirable Importation.

59. Would not the additional Demand for 15 Millions enrich our Manufacturers, who are the greatest Sufferers by the present State of the Circulation?

In the same Way as if we were to throw those 15 Millions of Manufactures into the Sea, which would also create a Demand for them.

60. Does it signify to our Manufacturers, after they have found a Sale for their Manufactures in France, whether the Purchaser uses them, or throws them into the Sea?

It is of no Importance to them, but of the greatest Importance to the Country, inasmuch as in that Case we should have 15 Millions less of productive Capital.

61. Do you mean to say, that if we sold those 15 Millions for Gold, we should not acquire a Value equal to them in Exchange?

We should acquire a Value equal to them in Exchange; but as such Gold would be a dead Stock, it would be no Advantage or Profit.

62. Do you think it would be advisable to adopt a Plan, under the present Circumstances of the Country, the Consequence of which would be to enrich the Bank, who has been such an inordinate Gainer by the Restriction, at the Expence of abstracting a Demand for 15 Millions worth of their Commodities from our Manufacturers, at a Time, when they have been the greatest Sufferers by the Restriction, and are likely to be great Sufferers by the Resumption of Cash Payments?

In whatever way Compensation was made to the Manufacturers, I should regret that we should think it necessary to make so great a Sacrifice of national Profit and Income, which I think we should be doing if we consented to make 15 Millions of our Capital totally unproductive.

63. Supposing we were to adopt a Plan which should annihilate that Demand for 15 Millions of our Manufactures, do you suppose that that Portion of Wealth would at all exist, in so far as it is composed of Manufacturing Labour?

I think it would; because the Quantity of Labour employed and Commodities produced must be in proportion to the Capital we have; and there can be no Production without occasioning an equal Consumption. In this Case, I think we should consume the Commodities ourselves; in the other Case, they would be consumed by others.

64. Do

from some great discovery in the science of agriculture
the demand would not greatly increase, for no man
could desire more than he could satisfy his wants, & as the
demand would not increase, neither would the supply.
(192)

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64. Do you mean to say, that an extra Demand for the Commodities of the Country would not produce any Increase of its Manufactures?
I should very much doubt whether it would; the sole Difference would be, with respect to what Commodities would be produced, and to the more advantageous Exchange we should make, by having a more extended Market.

65. Do you mean, that you doubt whether an Increase of Foreign Demand has not always a Tendency to increase the Production and Wealth of a Nation?
In no other Way than by procuring for us a greater Quantity of the Commodities we desire in Exchange for a given Quantity of our own Commodities, or rather for a given Quantity of the Produce of our Land and Labour.

66. Do you then think that it is true, as a general Principle, that the Demand does not regulate the Production of a Country, and that the Increase of the Demand does not add to its Wealth?

An Increase of Demand is serviceable to a Country, inasmuch as it procures for it a more extensive Market, and enables it to get a greater Quantity of Foreign Goods in Exchange for its own; but the Amount and Value of the Commodities produced, whether the Country possess Foreign Trade or not, is always limited by the Amount of Capital employed; and therefore Foreign Trade may alter the Description of Commodities produced, but cannot increase their aggregate Value.

67. Is it possible, then, there should exist an increased Foreign Demand to the Extent of Five Millions, for Cotton Goods for Example, without an Increase of their Price in the Home Market immediately taking place?

Certainly not; but those Cotton Goods cannot be produced unless Capital be withdrawn from other Employments.

68. Do you not know, that when the Demand for our Manufactures is great in this Country, the very Credit which that Circumstance creates enables the Manufacturer to make more extended Use of his Capital in the Production of Manufactures?

I have no Notion of Credit being at all effectual in the Production of Commodities; Commodities can only be produced by Labour, Machinery, and raw Materials; and if these are employed in one Place they must necessarily be withdrawn from another. I am not denying the Advantages of Foreign Trade; but I wish to reduce those Advantages to what I consider their just Value.

69. Have you never known Machinery, raw Materials, and Labour, paid for by any Individual who used them to a greater Extent than the Capital he actually possessed, by Means of the Credit he commanded?

Yes; but if he had not had that Credit, it would have been in the Power of somebody else to have employed them.

70. Whence would that other Person have obtained that Capital, if you suppose that the Capital of the Country is always employed, and that Foreign Demand cannot therefore produce a greater Quantity of Manufacture or rude Produce, which is limited by the Quantity of our Capital?

Credit, I think, is the Means, which is alternately transferred from one to another, to make use of Capital actually existing; it does not create Capital; it determines only by whom that Capital should be employed: the removing Capital from one Employment to another may often be very advantageous, and it may also be very injurious.

71. If Credit always represents an existing Capital, what Advantage does this Country derive from the Institution of Banks of Credit, which is not enjoyed by Countries who have only Banks of Deposit?

The Disadvantage to which those Countries are exposed which have Banks of Deposit only, is, that they are obliged to use a Part of their Capital unproductively; whereas those which have Banks of Credit use their whole Capital productively, except such Part as is kept in Reserve to answer Demands.

72. Am I then to understand, that in Countries which have Banks of Credit, there is never any Capital employed productively, of which there does not exist a similar

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similar Quantity of either productive or unproductive Capital, that might be applied to the same Object?

I do not understand the Question: for my Supposition is, that there is no Capital used unproductively, where Banks of Credit exist in a great Degree of Perfection: I think the whole Capital is used productively.

73. Are not the Capitals invested in Land, for Example, capable of Two Uses. 1. Is it not productively used, as vested in Land. 2. May not Money be raised by Credit on that Land, which may be applied to the Purposes of Manufactures?

The Question supposes Two Capitals, the Land, and the Instruments employed in Manufactures; the Money which circulates them forms no Part of the productive Capital, it determines only by whom it shall be employed.

74. May not a Man get Credit from a Bank of Credit on the Security of his Capital, which is profitably employed, whether vested in Stock or in Land, and may he not by means of that Credit purchase or create an additional Quantity of Machinery and raw Materials, and pay an additional Number of Labourers, without disploding Capital from any existing Employment in the Country?

Impossible; he can purchase Machinery, &c. with Credit, he can never create them. If he purchases, it is always at the Expence of some other Person; and he displaces some other from the Employment of Capital.

75. Are you then of Opinion that there never can be made in any Country Two Uses of the same Capital; one to acquire an annual Revenue, which it produces by the Modes in which it is invested, and the other to acquire a Capital on Credit, which may also be profitably employed by the Person who acquires it, and which will be so whenever there is an increased Demand for Commodities?

Capital can only be acquired by saving. It is impossible that one Capital can be employed by Two Persons at the same Time, or for Two Objects: the greatest Advantage will be fought and obtained at all Times by the Employer of Capital.

76. Will not a great Diminution of the Demand for Commodities prevent his obtaining those Advantages from his Capital, which a great Increase of the Demand for them would secure?

It may, as far as regards the particular Commodity; but if there be a less Production of one Commodity, the Production of another would in a Degree be encouraged.

The Witness is directed to withdraw.

This Committee is adjourned to Friday next, at Twelve o'Clock.

Die Veneris, 26° Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. VINGENT STUCKEY was called in, and examined as follows :

Mr. Vincent Stuckey.

1. What is your Business? I am a Country Banker at Bristol, Bridgewater, and Langport, the latter Establishment having existed for 50 Years.

2. Are you enabled to give the Committee any Information as to the Amount of the Country Bank Notes in Circulation at different Periods?

I am; I hold in my Hand a Scale for the last Four Years of our Circulation, taking the Scale in March.

1816	-	at	-	10	in March.
1817	-	it was	-	12	
1818	-	-	-	16	
1819	-	-	-	17½	

I think it may in general be inferred that the Circulation of the Country Banks have been generally stationary for the last Twelve Months. Our Increase I conceive to have arisen from a Neighbouring Bank having got into Discredit. In the last Seven Years we have introduced much Economy in the Circulation of Paper in the County of Somerset, by meeting at a central Point in the County Once a Week, and exchanging our Paper, and paying the Difference in London; we also adopt the Plan of settling every other Day at Bristol.

3. Previous to 1816, was the Circulation of Country Bank Notes greater or less than it is at present?

I should think it was about equal to what now is, in 1813 and 1814; but if I am to form a Judgment from our Circulation, it was not so high at any other Period.

4. Did the Circulation of the Country Bank Paper decline at all towards the End of 1818, compared with what it was at the Beginning of that Year?

Ours did not, but rather increased; but that was owing to particular Circumstances.

5. Can you form any Estimate of what has been the total Amount of Country Bank Notes at different Periods?

I should, at the present Period, according to the best Estimate I can form, calculate that Amount at between 15 and 20 Millions. I have taken Somersetshire as the Basis, then gone through the Kingdom, excluding London, and those Counties where Country Cash Notes do not circulate.

6. What do you calculate the Circulation of Somerset at?

At about £250,000 excluding Bristol and Bath, but more than double that including those Two; Bristol may be £250,000, and Bath £100,000.

7. According to your Calculation, and the Data you have proceeded upon, what do you suppose may be the Circulation of the County of Nottingham and the County of Norfolk?

I took Nottingham and Norfolk, according to my Recollection, at about £250,000 each.

8. What

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8. What Proportion of Bank of England Notes do Country Banks usually keep, compared to its own Notes in Circulation?

We find that $\frac{1}{10}$, £1000 to £20,000, in quiet and ordinary times, is ample; the Mode of communicating with London is so rapid now, that in case of Alarm we can soon have a further Supply.

9. Assuming the Circulation of the Bank of England to be 25 Millions, would the Reduction of that Circulation to the Amount of Three Millions in Six Months have any material Effect on the Country Circulation, and to what Extent?

I think it would have a material Effect in diminishing the Country Circulation also.

10. What Effect would such a Diminution in the Circulation have on the Agriculture and Commerce of those Parts of the Country with which you are best acquainted?

It would certainly be attended with great Distress to many Individuals; but I conceive we have had an Issue of too much Paper. I think it must be ultimately attended with beneficial Effects to the Kingdom in general.

11. Would such a Diminution as that stated, have any important Effect in lowering the Price of Articles in general Use?

I think it would lower them in some Measure.

12. Would it have any prejudicial Effect upon the Revenue?

I think it would, but not to a very great Extent.

13. The Circulation of Bank of England Notes having been diminished, in the Course of the Year 1818, nearly Three Millions; how do you account for no corresponding Diminution having taken place in the general Circulation of the Country Banks during that Period?

I was not aware that so large a Diminution had taken place in the Bank of England Notes; but as that has been the Case, I am led to conclude, that a corresponding Diminution of Country Bank Notes has taken place also. Nothing is more uncertain than the Amount of the Circulation; it varies at different Periods of the Year, and frequently a sudden Demand is made for it. We issue at one of our Banks, on a large Fair Day, within one Month of this Period, nearly £10,000 in Cash Notes, almost the whole of which we give in Exchange for other Country Bank Notes and Bank of England Notes. In the County of Somerset, which is a Grazing and Agricultural County, the Circulation is always larger from October to May, when the Farmers are selling their Produce, than it is from May to October.

14. Is it your general Opinion, that the Increase of Bank of England Notes is attended by a corresponding Increase of Country Bank Paper?

It is with those Banks which are in good Credit. But there have been Periods, when the Bank of England Paper has been very high, and the Country Paper very low. In 1816, when Country Banks were very much out of Credit, we kept instead of One in Twenty, Four or Five in Twenty. In 1817, we had a Circulation of Guineas, which we found very inconvenient. It cost us near £100 to transmit Gold and Silver to London in the First Six Months of the Year 1817. People were then in the Habit of coming to our Bank with Guineas, requesting we would give our Notes for them. I suppose they had been hoarded. I brought up 1,000 Guineas in May 1817, and taking them to our London Banker, they requested as a Favour I would not leave them; they had lately sent in so many to the Bank of England, that they did not like to trouble them any more. Besides, the Bank only took those which were quite full Weight. The Result was, that I took them to a Dealer in Coin, and sold them at £3 17s. 6d. an Ounce. This was in May 1817. When I came to Town a Month ago, the Bank of England Notes, which were payable in Coin, were selling at Four per Cent. Premium; and now they are at £2 10s. My Reason for ascertaining the Fact was, that about Six Months ago, Guards and Coachmen were coming to our Bank and asking for old Notes. They used to give us Silver for them at Par.

Witness is directed to withdraw.

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Then Mr. DAVID RICARDO is called in again, and further examined as follows :

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77. Supposing the Plan of the Bank paying its Notes in Bullion, at the Mint Price, as explained in your preceding Examination, to be adopted by the Legislature, will you state your Opinion as to what Period it would be most advantageous to fix for the Commencement of such a System ?

It would be difficult to fix on any one Period as most advantageous ; but as I think the Effects of a Return to Cash Payments have been already in a great Degree borne, I should not think that there would be any great Difficulty attending the commencing the Bullion Payments even as early as July next.

78. Are you of Opinion that it would be more advantageous to require the Bank to commence this System by Payment of its Notes in Bullion at the Mint Price, or that any Facility would be given to the Plan, by the Adoption of a graduated Scale, by which they should pay at first at the present Market Price, and at Prices successively reduced at stated Periods, until they came down to the Mint Price ?

Facility would be afforded by a graduated Scale, commencing at the present Market Price. By far the most important Consideration with me is, preventing the Currency being depreciated, as compared with Bullion, below the present Rate of Depreciation, and by adopting the graduated Scale you would have complete Security upon that Point. At the same Time, I think we should attain the ultimate Result of reducing the Price of Bullion to the Mint Price of £3 17 s. 10 d., before the Time to which the Regulation might apply.

79. Would it not therefore be necessary, in the Adoption of such a graduated Scale, to allow the Bank a Discretion to accelerate, but not to retard, the successive Reduction of Prices at which they would give Bullion in Exchange for their Notes ?

I think such would be a very good Regulation.

80. Supposing the Bank had Power to accelerate the Rate of Reduction, might not those who were in the Knowledge of the Intention so to accelerate it, take Advantage of that Knowledge, which they would be precluded from doing, if it was to take place at fixed Days ?

Such an Effect might possibly take place in a slight Degree. But I have already said, that I think the ultimate Effect would be anticipated, and as every Person would be certain that in a short Space of Time Gold would fall to the Mint Price, they would not be induced to make Purchases above that Price, notwithstanding a premature Reduction in the Price of Gold by the Bank, below that fixed by the Scale.

81. State your Opinion, supposing the System of successive Reduction were adopted, at what Time that Operation might be safely commenced, and how long the Interval ought to be from thence to the Period of Payment at the Mint Price ?

I think it could not commence too soon ; and with respect to the Interval, it appears to me a Matter of slight Importance ; probably Twelve Months would be a good Period. I cannot conceive that the Fall in the Value of Commodities to the Amount of Four per Cent. would be a very formidable Operation, or one likely to be attended with serious Consequences.

82. Do you, having stated that you think that they might begin to pay at the Mint Price on the 5th of July next, suppose that there would be any Advantage derived from postponing that Obligation, by adopting a graduated Scale, other than to save the Funds of the Bank ?

I think there would be other Advantages, besides saving the Funds of the Bank ; for when I said that on the 5th of July next the Bank might without Difficulty commence paying in Bullion at the Mint Price, I supposed the Bank was to retain the same unlimited Power of increasing their Issues, between this Time and the 5th of July, that they now have. On the Principle of a graduated Scale, commencing at the present Market Price, I concluded that the Regulation of making them pay at the Market Price would be adopted immediately ; with that Security, I think there are Advantages in deferring the ultimate Reduction to the Mint Price.

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83. If the graduated Scale was to be adopted, so as to afford that Security at the earliest possible Period in which an Act of Parliament could be passed, do you think there would be any Danger to the Public from accelerating the Gradations of that Scale, so as to come to the Payment in Bullion at the Mint Price by the 5th of January 1820 ?

I think that no Danger would attend the coming to the Mint Price by the Beginning of next Year ; in every Change of this Sort, there is some Advantage in making it as gradual as possible.

84. Do you recollect whether within these last Eight Years we have not frequently seen the Circulating Medium of the Country undergo much more formidable Changes with respect to Value than 4 per Cent., within a shorter Period than Six Months, judging of the Value of the Circulating Medium by the Price of Gold ?

In my Opinion it has undergone much greater Variations than 4 per Cent. ; and in the soundest State of our Currency, it would be liable to such Variations.

85. From what Causes could it undergo Variations, exceeding that Amount, if the Currency were restored to its soundest possible State ?

It would not undergo any Variation, as compared with the Standard ; but I mean, that the Standard itself might undergo Variations exceeding that Amount ; the whole Currency is of course subject to all the Variations of the Standard.

86. In that Case, would not the Currency of other Countries, in an equally sound State, undergo similar Variations ?

Certainly ; the Inconvenience, as far as regarded England, would not be less on that Account ; I consider any Variation in the Value of the Currency as an Evil, from producing a Variation in the Prices of all Articles.

87. Is there not this Difference between the Case of a Variation occasioned by Causes peculiarly affecting England, and that of a Variation occasioned by Causes affecting equally all Countries enjoying a sound State of Currency ; that in the first Case, the Exchange between this Country and those Countries would be affected ; in the Second, the Exchanges between England and those Countries would not be affected ?

In the first Case, the Exchanges would be affected ; in the Second, they would not, if the Causes operated on all Countries at once ; but Scarcity and increased Value of the precious Metals might take place in one particular Country, which would ultimately affect their Value in all ; but in the Interval, the Exchange would be affected. The Circumstance of the Exchange being unfavourable, does not seem to me to be any Disadvantage to us.

88. Do you believe, that if this Plan were adopted of Payments in Bullion, according to a graduated Scale of Reduction, there are any Circumstances arising, either from the general State of the Bullion Market, or from any other Causes whatever, which are likely to create Dangers and Difficulty to the Bank in their procuring such Quantities of Gold, and at such Prices, as this Plan would require ?

None whatever. The Bank would always have the Power of keeping the Price of Gold rather below that which was fixed by the Scale ; and therefore the Price of Gold might gradually be reduced to the Mint Price, without the Bank being under any absolute Necessity of exchanging one Ounce of Bullion for its Notes.

89. If, contrary to all reasonable Expectation, any unforeseen Contingency of such a Tendency as stated in the preceding Question should by Possibility arise, would not the Plan of a graduated Scale, operating as above proposed for the next 12 Months from the present Time, afford to the Legislature the fullest Opportunity of meeting and providing for such a Case as its Exigency might require ?

It certainly would.

90. Is it not also a great Advantage of such a Plan, that nearly the whole Progress of its Operation, and that of our Currency as connected with it, would thus

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be brought successively under the View of Parliament, instead of its being left to the Discretion of the Bank, until the Arrival of the Time ultimately fixed for Payment in Cash or Bullion at the Mint Price, without any such Gradation?
That would be a considerable Advantage.

91. Having stated that a Circulation of 24 Millions of Bank Notes might be conducted with Three Millions of Bullion; do you not think, that it might be injurious to the general Credit of the Bank, for Parliament to legislate upon the Supposition that it would require one Twelvemonth for them to provide a Sum in that Proportion to any Currency which the Country may require?

The Wealth of the Bank is so well established as a Fact in the Opinion of the Public, that I do not think such a legislative Measure would in the slightest Degree affect the Credit of that Body.

92. Would not the Facility of dispensing with the Gold Coin in Circulation, according to the Plan you have suggested, operate as a Saving of the general Stock; so that a Country which adopted it might be considered, as in that Proportion, richer than a Country which did not?

That is the precise Advantage which I expect to follow from that Measure.

93. Supposing all, or most other Countries successively to adopt the same Plan of Paper Currency, regulated only by the Price of Bullion; must not that Circumstance, by occasioning a great Diminution in the Demand for that Bullion, and consequently lowering its Value throughout the World, ultimately occasion a Depression in all Currency, and a considerable Rise in the nominal Prices of all Commodities?

For a short Time the Value of Gold would be affected, and it would be lowered by such a general Regulation; but, in my Opinion, it would not ultimately be depressed; the Value of Gold and of all other Commodities depending on the Cost of Production, that is, on the Quantity of Labour necessary to produce them, which is not supposed to be either increased or diminished.

94. Supposing Two Countries in every other respect enjoying the same State of Wealth, but with this Difference, that one possesses a Circulating Medium which is conducted with Three Millions of Bullion, and the other, over and above the same Degree of Wealth in every Thing (except in Circulating Medium), has a Circulating Medium of Eighteen Millions of Bullion, which of these Two Countries in your Opinion possesses the greatest Wealth?

The Country possessing the Eighteen Millions; but if they had any Intercourse with each other, it would be impossible for the Twenty-one Millions, the Aggregate of the Two Circulations, to be divided in these Proportions.

95. You have stated that a Reduction of Paper in Circulation, to the Amount of nearly Four per Cent., would be necessary, in order to restore the Currency to the legal Standard of the Mint; would those Reductions have any very sensible Effect on the general Rate of Interest or Discounts?

Reduction or Increase of the Quantity of Money always ultimately raises or lowers the Price of Commodities; when this is effected, the Rate of Interest will be precisely the same as before; it is only during the Interval, that is, before the Prices are settled at the new Rate, that the Rate of Interest is either raised or lowered.

96. Are we to understand that, when Money is lent, Capital is advanced, and that Interest only can be effected by the Abundance or Scarcity of real Capital, combined with the Opportunity of employing it?

Precisely so; Money is only the Medium by which the Borrower possesses himself of the Capital which he means ultimately to employ.

97. State what in your Opinion is the Difference between that State of Things, in which a Stimulus is given by fictitious Capital arising from an Over-abundance of Paper in Circulation, and that which results from the regular Operation of real Capital employed in Production?

I believe that on this Subject I differ from most other People. I do not think that

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that any Stimulus is given to Production by the Use of fictitious Capital, as it is called.

98. State what in your Judgment are the Effects on Agriculture, Commerce, and Manufactures of a superabundant Issue of Paper?

Under some Circumstances it may derange the Proportions in which the whole Produce of Capital is divided, between the Capitalist and the Labourer; but in general I do not think it even affects those Proportions. It never I think increases the Produce of Capital.

99. Has such Issue, in your Judgment, any Tendency to the Encouragement of the Commerce or Industry of any People?

I think none, excepting that by affecting the Proportions into which Produce is divided, it may facilitate the Accumulation of Capital in the Hands of the Capitalist; he having increased Profits, while the Labourer has diminished Wages. This may sometimes happen, but I think seldom does.

100. Has not the Increase of Prices during the progressive Depreciation of Paper a Tendency to produce Over-trading, and excessive Speculation?

I think Over-speculation has rather been encouraged by the Facility with which Speculators have been enabled to raise Money upon Discount, in consequence of the progressive Increase of Paper Issues. This Facility would be in a great Degree destroyed, as soon as the full Effect of any given Abundance of Issue on Prices was felt.

101. Is not that Facility, while it exists, wholly given at the Expence of Persons already holding Paper previously in Circulation; or of those who may be compellable by Law to receive it at Par for Payments previously stipulated for, in Money of account?

It is only given at their Expence.

102. Are you of Opinion that the occasional Success of Speculators, and Over-traders, even when beneficial to themselves, is advantageous to the Community, or that such individual Benefits are overbalanced by the general Evils of such a System?

The Public are only interested in the Abundance of Production; these will not be increased; and therefore, if one Party gains, it must be at the Expence of another.

103. Is not the Irregularity of the Distribution, and the Inequality of the Demand, under the System supposed in the last Answer, very injurious to the Country?

Frequently.

104. From what Circumstance do you draw the Conclusion, at any particular Period, that there is a Superabundance of Circulating Medium?

From the Market Price of Gold exceeding the Mint Price in those Countries where Gold is the Standard, and the unfavourable State of the Exchanges.

105. Is not the Market Price of Gold, and the State of the Exchanges, liable to vary, when there is no Variation in the Amount of the Circulating Medium?

The Rate of Exchange is; but the Market Price of Gold I think is not.

106. Does not the Market Price of the precious Metals vary at Hamburgh, when there is no Variation in the Amount of the Circulating Medium; but Payments are made by a Transfer of Credit on the Bank, representing a given Quantity of Silver of a given Fineness?

The utmost Limits of Variation to which Silver would be subject at Hamburgh, would be the Difference of Price at which the Bank purchases Silver, and the Price at which it sold it. And if the Bank of England were to fix the Price of £3 17s. 10^d. for the Rate of Gold, and the Price of £3 17s. 6d. for the Purchase of Gold, as proposed, I think that Gold could never vary but between those Limits.

107. Are

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107. Are not the Rates of Exchange affected by the Balance of Payments on all Accounts?

Yes, within the Limits of the Expence attending the Transmission of Gold.

108. Must not therefore a Part of the Depression of the Exchange between any Countries, be attributable to a Cause independent of the Amount of the Circulating Medium?

Very frequently, but the real Exchange would be in favour of the Country, while the nominal Exchange is against it.

109. Can you therefore conclude, from the Degree to which the Exchange is at any Moment against any Country, that the whole Per-centage of that unfavourable Exchange is owing to the Amount of its Circulating Medium?

A Part may be owing to other Causes. There is no unfavourable Exchange, which might not be turned in our Favour, by a Reduction in the Amount of Currency; it might not however be wise to make such a Reduction.

110. If a considerable Portion of such unfavourable Exchange were at any Time owing to the Balance of Payments being against us, would not a Reduction of our Circulating Medium, grounded on a Supposition that the unfavourable Exchanges was owing to its Excess, be productive of considerable Distress?

It might; but the best Criterion of an Excess of Circulation, is the Agreement of the Market Price of Gold with the Mint Price.

111. Would you then conclude, that when such Agreement exists there can be no Excess in our Circulating Medium?

There might be a temporary Excess in our Circulating Medium, but it would be attended with such a State of Exchange, as would make it profitable for Individuals to export Bullion, or Coin, which would have the Effect of reducing the Circulating Medium to its proper Limits.

112. Can such a State of Exchange be compatible with an Equality between the Mint Price and Market Price of Bullion?

If there was no Seignorage on Coin whatever, nor any Delay in returning Coin for Bullion at the Mint, it is quite compatible.

113. Would you conclude, then, that when not only the Market Price of Bullion does not exceed the Mint Price, but the Exchanges are also favourable or at Par, that there is no Excess of Circulating Medium?

It is quite possible, that under such Circumstances there might be a Deficiency of Circulating Medium, but there could not be any Excess.

114. You have stated that you consider the abundant Issue of Paper as having given Facilities to Speculation; do you conceive, that if on the Balance such Speculations have been unsuccessful, it would have been possible for so large an Increase to have taken place in the internal and external Commerce of the Country, as has occurred within the last 20 Years?

I think the Increase of the external and internal Commerce of the Country totally independent of those Causes.

115. To what Causes then do you attribute it?

To the Discovery of improved Machinery, and to the Industry and Ingenuity of our People.

116. You have stated that the most important Consideration in the Mode of returning to Cash Payments, was preventing the Currency being further depreciated; and if the graduated Scale were adopted you think the ultimate Effect would be anticipated; and with the Security which the Adoption of the graduated Scale would give, that the Bank must ultimately pay in Bullion at the Mint Price, there were Advantages in deferring the Period of the ultimate Reduction to that Price. Do you think, on the whole, that any Inconvenience would arise from prolonging that Period beyond the Period of 12 Months from July next, with a Security that at the different Stages of it the Plan would be put into Execution, sufficient

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sufficient to counterbalance the Convenience which such a Prolongation would give, by giving further Time to the Bank to increase its Treasures, by allowing more gradual Reduction of its Issues, and by enabling all Persons engaged in Commerce to accommodate their Transactions gradually to the new State of our Circulation?

I think the Advantages to be derived from a Prolongation of the Period would preponderate, provided the Public had complete Security, by obliging the Bank to sell Gold at the present Market Price, against a further Excess of Paper Circulation. I say the present Market Price, because I am averse to entrusting the Bank, for even the next Three Months, with the Power of raising the Price of Bullion.

117. Would not the Danger be completely obviated by providing, that on the 5th of July next the Bank should pay its Notes in Bullion at the present Market Price, and not at the Price at which it may then be?

Nothing could prevent it but gross Misconduct on the Part of the Bank.

118. Do you think the Balance of the Advantage of Prolongation would extend to a Period of Two Years from July next?

I think Two Years an ample Time; I should say a less Period; but it may be prudent to consult the Fears of even the most timid.

119. If the Period were to be so prolonged, what would in your Opinion be the best Gradation of Scale, both in Price and Time?

I should think the Price of Gold should diminish 6d. per Ounce at stated and equal Intervals.

120. Do you not think, that the longer the Time allowed the Bank for the Payment of their Notes in Cash or Bullion at the Mint Price, the more necessary the graduated Scale would be, as a Security to the Parliament and to the Public for the Accomplishment of their ultimate Object?

Certainly; without it we should not have complete Security that the ultimate Object would be attained.

121. As Part of the Advantages, to which you look, as facilitating the Operation of the Plan of a graduated Scale, arise from the Certainty which Dealers in Bullion will have, that Bullion will in a short Time be brought down to the Mint Price; would not those Advantages be in some Degree diminished, even by deferring the Period of that ultimate Operation for 6 or 12 Months longer than could really be necessary?

The Advantages would be diminished by deferring the Period: and I am only reconciled to a further Length of Time by a Consideration of the Fears which I think many People very unreasonably entertain.

122. As far, therefore, as your own Judgment goes, should you prefer the Period of One or of Two Years for the Operation?

I should prefer One Year.

123. Do the Prices of Commodities conform to the Fluctuations in the Market Price of Gold, or does not a Length of Time elapse before such Conformity takes place?

They do not immediately conform, but I do not think it very long before they do.

124. If the Prices of Commodities have not already fallen to a Level with the present Market Price of Gold, is it certain there will not be a greater Reduction in their Prices than 4 per Cent., on the Market Price of Gold falling to the Mint Price?

I think the Prices of Commodities fall from a Reduction of the Paper Circulation quite as soon as Gold falls. If the Prices of Commodities and of Bullion have not already fallen in proportion to the Reduction of Paper, I should think that, to make the Value of Bullion and Paper agree, a less Reduction of Paper would be necessary.

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David Ricardo.

125. If the Bank should for their own Security think proper to make a further Reduction of their Notes to the Amount of Three Millions, between this Time and the Month of July next, what Effect would this have upon the Prices of Commodities?

I think a greater Effect would be produced on the Prices of Bullion, on the Currency and on the Prices of Commodities, than what is necessary to bring Bullion down to the Mint Price. Both Bullion and Commodities might probably fall 8 or 10 per Cent. No such Fall could take place if the Mint were open, or the Bank were obliged to buy Bullion at £3 17s. 6d. The Bank could not then reduce the Circulation Three Millions.

126. If, in consequence of large Foreign Payments, the Course of Foreign Exchanges should become more unfavourable, unless counteracted by a great Contraction of Bank Notes, would it not be necessary to make such Contraction for the Purpose of reducing the Market Price of Gold to the Mint Price?

It certainly would; but this is an Inconvenience to which our Currency was always exposed before 1797.

127. Might it not then be necessary for the Bank to make a Reduction of Three Millions between this and the 5th of July; notwithstanding the present favourable Tendency of the Exchanges?

Possibly it might.

128. Supposing the Bank not to think that they could engage with Safety to pay their Notes in Bullion at any specified Period, according to the present Market Price, without previously making a considerable Purchase of Gold, would not such Purchase have a Tendency to increase the Price of Bullion?

I think it would have such a Tendency; but I should not admit this Plea, for I should think it not founded on a Knowledge of the true Principles of Currency, the Purchase of any great Quantity of Gold being wholly unnecessary.

129. Has not the present Suspence of Commercial Transactions, in consequence of the Examination now taking place, the Effect, to a certain Extent, which a contracted Issue of Notes would have had?

I think it has.

130. If then that Suspence were relieved by a Decision one Way or the other, would not the Price of Gold have a Tendency to rise, unless it were counteracted by some further Reduction of Bank Notes?

It would very much depend on the Decision taken.

131. Would not the Danger of any improvident Diminution of Issues by the Bank during the Progress of these Operations, of which we have been speaking, be best obviated by applying to the Period of gradual Reduction the same Principle which you have proposed for Bullion Payments at the Mint Price, viz. an Obligation on the Bank to purchase Bullion at Prices bearing a fixed Proportion to those at which they are to deliver it?

It undoubtedly would; still I am inclined to recommend that the Price at which the Bank should be obliged to purchase Gold, should be at once fixed at £3 17s. 6d. The only Inconvenience that could arise from such a Regulation might possibly be a more rapid Diminution of the Amount of the Currency, than what a graduated Scale would require.

132. But if the Apprehensions of the Bank should so far exceed all just Reasoning on the Subject, as to lead them to make a sudden and excessive Diminution of the Currency, far beyond what the Necessity of the Case might require; might not such a Provision as above stated be useful, not only as a Corrective of the Evil, but also as an Indication to them of the real Circumstances of the Case?

The Provision above stated would afford a complete Security against a sudden and mischievous Reduction in the Amount of the Circulating Medium.

133. How would it afford that complete Security?

Without such a Provision the Bank might diminish their Issues till the Price of Bullion fell to £3 17s. 6d. per oz., with it they could only diminish them till it fell to the Price fixed for the Purchase on the graduated Scale.

134. Might

Mr.
David Ricardo.

134. Might not the Bullion Merchant under such Circumstances, by occasionally bringing forward their Gold to the Bank immediately before the Time at which the Price would be lowered for the Bank to make such Purchases, and by watching the Variations occasioned by the Increase or Diminution of the Issue of Notes, for the Purpose of meeting such Demand, throw great Confusion during the whole Time into the Market Price of Gold; and would not the Uncertainty in which the Bank would be placed, oblige them to withhold the Issue of their Notes on Discount to a considerable Extent?

I think, if the selling Price of Gold and the buying Price of Gold should be fixed too near to each other, the Bank might be exposed to this Inconvenience, but if they differ as much as a Shilling, no great Inconvenience would arise. As to the Question of Discount, the Accommodation to Commerce must depend on the whole Amount of the Circulation, and not on that Part of it which the Bank may issue in that particular Manner.

135. If the Bank were to be the only Market to which Persons would resort for Bullion, as distinguished from Coin, at a fixed Price; might there not be, under extreme Circumstances, a peculiar Run upon the Bank for that Article?

The Run upon them must necessarily be limited by the Amount of their Notes, because it is with their Notes only that the Bullion could be purchased. The Diminution of the Quantity of Bank Notes would increase their Value, and would consequently stop the Demand for Bullion. In this respect we should be precisely in the same Situation that we were previous to 1797, the only Difference would be, that we could then demand Coin, and now we should demand Bullion; as Articles of Commerce they may be considered as the same.

136. Supposing the Bank to keep no more Treasure than what you consider would be necessary, or Three Millions of Bullion, might not a Run for Bullion to that Amount be made with so much greater Rapidity, than could possibly be made for the same Amount of Coin, as to expose the Bank to greater Danger in the new State of Things, than it could ever have incurred in the former?

Bullion could be drawn out of the Bank in a shorter Space of Time than an equal Amount of Coin, as there would be no Necessity for counting.

137. Might not a Demand for Bullion be made upon the Bank to that Extent, in so short a Space of Time, as not to allow of the Effect which a Diminution of the Quantity of Notes would have in raising their Value, to operate in Time to check such a Run?

I should answer, in no greater Degree than before 1797, and this could only happen in the extreme Case of a Panic, against which no System of Banking can possibly provide.

138. Do you think, on the whole, that the Danger of any such Panic would be increased or diminished, by making Bank Notes payable in Bullion for large Amounts only, or in Coin for the smallest Amounts, as before 1797?

If there is any Difference, I should think that the Danger of Panic would be less in the former Case than in the latter.

139. Would there be, in case of a Panic, less Eagerness to demand Bullion than Coin, if that were demandable?

I think there would be less Eagerness to demand Bullion.

140. Would not such a Demand be made, without any Reference to the Market Price of Gold?

Certainly.

141. Referring to Question and Answer (No. 84), you have stated, that our Currency and Prices have undergone, during the last Eight Years, much greater Variations than what you conceive would be now produced by the Resumption of Cash Payments; was not the Inconvenience which may have resulted at any of those former Periods, from the Fall of Prices, much mitigated by the unlimited Power then possessed by the Bank of increasing its Issues, without any regard to the Price of Gold and the State of Exchanges?

The

*Mr.
David Ricardo.*

The Variations in the Value of the Currency, and in Prices, have generally been in a different Direction from that at present to be provided against; the Bank having the Power to issue Paper unchecked, could certainly mitigate the Inconvenience resulting from a sudden Fall.

142. When the Bank have lost that Power, might not the same Degree of Reduction of Currency which took place in former Periods produce a greater Reduction of Prices, and of course greater Distress?

Equal Effects would follow equal Amounts of Reduction; but when the Bank was unchecked, they had the Power of arresting that Reduction; an Advantage counterbalanced by other Disadvantages.

The Witness is directed to withdraw.

This Committee is adjourned to Monday next, at Twelve o'Clock.



Die Lunæ, 29^o Martii 1819.

The LORD PRESIDENT in the Chair.

Mr. MATTHEW FLETCHER is called in, and examined as follows:

1. What Profession are you of?
I am a Merchant, engaged in the Mediterranean Trade.
2. How long have you been so?
Eleven Years in active Business, almost entirely Abroad.
3. Have you during that Time been accustomed to attend to the Exchanges, and the Value of the different Monies current in the Countries bordering on the Mediterranean?
I have.

*Mr.
Matthew Fletcher.*

Certain written Questions were then delivered to Mr. Fletcher, to which he was desired to give written Answers on Wednesday.

The Witness is directed to withdraw.

Then Mr. ROBERT MUSHETT is called in, and examined as follows:

1. What is your Profession?
First Clerk to the Master of the Mint.
2. How long have you been so?
Nearly Fifteen Years.
3. Previous to being in the Mint Office, had you turned your Attention particularly to the State of the Exchanges between this and other Countries, and other Subjects connected with Currency?
Not at all.
4. Have you made out Tables of the Exchanges, and Prices of Gold, of late Years?
I have, from 1760 to 1810. I have not continued them.
5. Could you continue them?
I could with a little Labour.
6. From what Materials is your Statement of the Price of Gold and Silver collected?
From Lloyd's List, published Twice a Week.
7. In what Manner is the Price of Gold and Silver, as stated in Lloyd's List, made out?
I believe by an Average Amount of Sales and Purchases of the Bank of England, or Merchants, on Tuesday and Friday in each Week.

*Mr.
Robert Mushett.*

Mr.
Robert Myllett.

8. Are there no Sales of Gold and Silver except those which are made at the Bank of England?

I believe there are Private Sales among the middle Dealers, but they go to a very small Amount; when the Accumulations of these private Dealers become considerable, they are usually carried to the Bank for Sale.

9. Do you know whether those Statements of the Prices of Bullion are made out and prepared antecedent to the Sales of the Day, and are often put to the Prefs before the Sales of the Day take place?

I do not know.

10. Do you know whether the Statements of the Exchanges in those Lists, are not uniformly different from the Rates of Exchange at which Houses of good Credit sell their Bills?

I cannot answer that Question.

11. Has there not been sent to the Mint a Collection of Papers, stating the relative Weights of almost all the Coins in Europe, and the Pars of Exchange with different Countries, being the Result of Information obtained by a Circular Letter written by the Secretary of State to the Ministers and Consuls Abroad?

The Weights have been sent, but I never heard of the Pars of Exchange being sent.

12. Do you know the Number of Grains in pure Gold contained in a Sovereign, and the Number of Grains of pure Silver in Twenty Shillings, coined at the present Mint Regulations?

113 $\frac{1}{4}$ Grains Troy of pure Gold in a Sovereign, and 1,614 $\frac{1}{8}$ Grains Troy of pure Silver in Twenty Shillings of the new Silver Coin.

13. How many Grains of pure Gold are there in a Twenty Franc Piece, and of pure Silver in Twenty Francs of the French Coin?

89,597 Grains of Gold in a Twenty Franc Piece, and 1,388 Grains of Silver in Twenty Francs.

14. What is the usual Length of Time between the sending Standard Gold Bullion to the Mint, and the Delivery of the Coin?

I should apprehend, as a general Average, Thirty Days.

15. What would be the Difference in the Time, if pure Gold were sent to the Mint instead of Standard Gold?

I should apprehend no Difference.

16. Supposing Portugal Pieces were sent, would that make any Difference? None whatever, our general Arrangements being such, as to make the general Average about Thirty Days. We have a general Rule not to receive Gold alloyed beyond Two Carrats worse than the Standard.

17. Can Individuals, taking Bullion to the Mint, depend on having Coin in Thirty Days, or in any given Time?

The Public has not for a great many Years coined Gold individually; it has been exclusively brought in by the Bank of England. If Individuals did bring Gold to be coined, they must wait their Turn; and if there was a large Demand from the Bank, the Time might exceed Thirty Days; and as a Consequence, Individuals have not brought in Gold for the last 70 or 80 Years.

18. This Delay and Uncertainty then, as to the Time of receiving Coin, acts as a Discouragement to Individuals to send Bullion to the Mint; is it not in fact a Duty upon the Coin, by the Loss of Interest?

It has operated in point of Practice as a Duty upon the Coin; operating on the Price of Bullion in the Market, depressing it below the Standard or Mint Price of £3 17s. 10½d. per oz., enabling the Bank to make generally their Purchases of Bullion at £3 17s. 6d. per oz., 4½d. per oz. being withheld from the Bullion Dealers for the Facility of acquiring Currency on Demand at the Bank, causing thereby a Fluctuation and Variation in the Standard of Currency of

Mr.
Robert Myllett.

of about 10s. per Cent., and which enabled the Bank to repay herself the Loss of Interest occasioned by the Detention of Bullion at the Mint during the Process of coining. This in fact was a Duty upon Coin, altering the Value of Property, by which Debts and Credits would be affected by the Amount of the Duty: when Debts were paid in this Currency, £3 17s. 6d. of which could purchase 480 Grains, or an Ounce of Gold, Creditors received that Advantage, and Debtors in proportion were subjected to a Loss.

19. Can you suggest any Means for avoiding this Inconvenience?

The opening the Mint, at which Gold Coin could be obtained for Bullion by the Public, subject only to the Delay of ascertaining its Value by melting and assaying, which Delay would be only from Twenty-four to Forty-eight Hours, would for ever prevent any Fluctuation of the Price of Gold above or below the Mint Price in the Market.

20. Would not that make it necessary for Government to keep a Stock of Gold ready coined at the Mint?

It would.

21. Would not there be a Loss of Interest upon that Bullion to the Government?

The Loss of Interest would be equivalent to the Capital employed.

22. Do you not think that, in order to keep such a Stock in Hand as would enable the Mint to be prepared for all Demands, the Sum Total of Interest thereby lost by Government would be greater than the Sum Total of Interest which the Bank would lose by the present Mode of conducting the Business?

To a former Question, I gave an Answer, that the Bank would be indemnified for the Loss of Interest, by purchasing Gold at 4½d. under the Mint Price; and that the Loss of Interest to Government would be according to the Amount of Capital employed, which Capital might vary from £100,000 to £300,000; which would enable us to coin, say, with a Capital of £100,000, Three Millions per Annum, and with one of £300,000, Twelve Millions per Annum. The great Object in View, in opening the Mint upon this Principle, would be to prevent any Fluctuation in the Standard of our Money; it never could be in any permanent Excess, it never could be permanently deficient, which in my Opinion might have been and has been the Case on many Occasions, when the Bank was subject to Cash Payments. Much Commercial Distress has been occasioned by that Scarcity of Currency, particularly in 1797 and 1798; the Test of its Scarcity being the high favourable Exchange with Foreign Countries, and continuing for a Length of Time, which could only be accounted for on the Principle of the excessive Scarcity of Currency. Bringing the Mint into Action, by giving Coin, on Demand, for Bullion, would much sooner correct those Inequalities in the Currency, than if left at the complete and sole Controul of the Bank of England. The Operations of the Mint, in this Case, would come in competition with the Issue of Paper Money by the Bank, would restore Public Confidence, and equalize the Value of the Currency.

23. Why do you suppose that a Capital of from £100,000 to £300,000 would be sufficient?

Upon the Supposition that the Bank returns to Cash Payments, a great Coinage of Gold would be required, which would, in the first Instance, require the larger Capital of £300,000; but after the Bank had resumed Cash Payments, the Coinage of the Bank and the Public may average about One Million and a Half per Annum, which was about the average Coinage of the Bank from 1778 to 1797; in which Case a smaller Amount of Capital than £100,000 would be required.

24. What is the Cost of the Manufacture of the Coin per Cent. with the present Machinery?

About 10s. per Cent.

25. How

Mr. Robert Mufbett.

25. How many Sovereigns, supposing there were no want of Bullion, could you coin in a Day?

We could generally coin a Quarter of a Million per Week, a Million per Month; and the Quantity might be increased, if required. This supposes a sufficient Stock of Bullion, so as to enable us to use the whole Power of the Mint.

26. What Objection would there be to deducting from the Coin the exact Cost of the Manufacture?

It would create, in my Opinion, an artificial Fluctuation in the Value of our Standard.

27. Do you mean Alteration or Fluctuation?

Both; by taking out of the Weight of the Coin the Cost of the Manufacture, you get a nominal Value to a smaller Weight of Standard Gold: £3 17s. 10½d. would no longer weigh 480 Grains, or One Ounce; that would be an Alteration. The Fluctuation would take place in consequence of not being able at all Times to obtain 480 Grains of Standard Gold for £3 17s. 10½d. An extra Issue of Bank Paper might so reduce the Value of the Currency, that the Seignorage, or Charge of Coinage, might disappear by a Rise in the Price of Gold; or, in other Words, £3 17s. 10½d. would weigh 475 or 476 Grains; and, when the Currency is in a perfect State, these 476 Grains should purchase 480 Grains of Standard Gold. If, by an Addition to the Currency, it required 480 Grains, or £3 18s. 6d., to purchase an Ounce of Gold, the Seignorage would disappear.

28. Do you think it probable that, after the Resumption of Cash Payments, there could be such an Excess of Paper from the Bank, as to reduce the Value of the Metal Currency?

I should apprehend it would depend entirely on the Knowledge of the true Principles of Currency possessed by the Bank: if it issued an Excess, the Price of Gold would rise above the Mint Price, Coin would be demanded, and the Amount of Currency be reduced, by returning Paper for Coin; Coin would be demanded for melting, and so the Price would be equalized, and reduced to the Mint Price. It would not be the Interest of the Bank to do this.

29. Is there any Instance, before the Bank Restriction, of the Bank having reduced the Value of the Metallic Currency, by an excessive Issue of Paper?

It has never been apparent, by the Market Price of Gold exceeding the Mint Price; but it has been apparent from the Price of Foreign Gold exceeding the Price of Standard Gold in the Market, which is usually sold at the same Price as Bar-Gold, and a consequent unfavourable State of the Exchange.

30. Are you aware that the French Mint takes out of the Coin at least the Cost of the Manufacture?

I believe they do.

31. Are you aware that the Fluctuations of the Price of Gold at Paris have never exceeded ¼ per Cent.?

I am not conversant with the Prices of Gold at Paris. The Gold usually circulates there with an Agio, which, I believe, depends on the Market Proportion of Gold to Silver being above the Mint Proportion.

32. It is understood, that in France a perfect Freedom is allowed for the Export of Coin, do you recommend the same Freedom here?

I do; I believe that our Prohibition of it is one of the great Causes of the Fluctuation of the Standard of our Money. The Fluctuation is apparent, by the Difference existing between the Price of Home Gold and our Foreign Gold Coin, which in many Cases has been above the Market Price of Home Gold 4 to 5½ per Cent.

33. Whenever we shall have a Gold Circulation, state what are the most likely Means of preserving the Weight and Perfection of that Coin?

By

Mr. Robert Mufbett.

By maintaining its current Weight as near its Standard Weight as possible; whenever a great Reduction takes place in its Weight, it acts as a Seignorage, and a consequent Imperfection in the Standard of our Money; there is an Excess of the Mint Price of Gold, as was the Case before the Gold Re-coinage.

34. Can you state by what practical Regulations that Object would, in your Opinion, be best secured?

Weighing the Coin is the only Check we have.

35. Do you think that a perfect Gold Currency can be maintained in the Country with a Silver Currency coined on the Principles of the present Silver Currency, and a Prohibition of any Agio being taken on Gold?

I have not a Shadow of Doubt of our maintaining a perfect Gold Currency with our present Regulations for the Coinage of Silver.

36. Are you acquainted with the Principle stated by Sir Isaac Newton, in the Paper delivered to Government in 1718, which at that Time produced the Alteration in the current Value of the Guinea?

The Principle of that Paper was to raise the Standard of Silver, by causing Gold to circulate at a less nominal Amount. The Guinea had circulated at 21s. 6d. and Sir Isaac Newton recommended that it should be current at 21s.; the Object for so doing was to bring the Coinage Proportion of Gold and Silver to the Market Proportion, by which we should have been enabled to have obtained again a Silver Currency. When the Alteration was made, and a Guinea circulated at 21s. the Proportion of Standard Gold to Silver at the Mint became fixed at 15.0725 to 1, the relative Price of Gold being £3 17s. 10½d. and Standard Silver 5s. 2d.; the Proportion of the Market, however, remaining at about 14½ to 1, no Silver was brought to the Mint for Coinage; for no Person would bring 14½ to be coined into about £3 15s., when an Ounce of Gold, which could be purchased with 14½ Ounces of Silver, could be coined into £3 17s. 10½d.; Debtors by that Means being able to discharge their Debts at a cheaper Rate in Gold than in Silver Coin, both being equally legal Tender to any Amount.

37. Is not the denominative Value of Silver Coin raised to a greater Proportion above its real Value, than the denominative Value of our Gold Coin was before 1718 raised above its real Value?

It is difficult to answer that Question. Before 1718, Gold was allowed to circulate without any Mint Regulations; it found its Value in Silver, as Gold Coin now does in France: in fact, it was at an Agio. But the Coinage of Silver in this Country had not been altered from the 43d Eliz., when 5s. 2d. was fixed as the Mint Price of Silver. Gold became the Standard of our Currency soon after the Coinage of King William, in consequence of less Silver being obtained for an Ounce of Gold, as I have already explained, the Market Proportion of Standard Silver being only 14½ to 1, while Sir Isaac Newton's Recommendation fixed it at 15.0725 to 1; so that no Alteration has taken place since such Regulation was adopted, until the late Act.

38. Did not Sir Isaac Newton assign that Disproportion as the Cause of our Silver Money having disappeared; and did he not express his Doubts, whether the Guinea, being left at its high denominative Value of 21s. in Comparison to its real proportionate Value to Silver, our Silver Coin would continue to circulate in Purity, or whether Silver would be brought to the Mint?

When Sir Isaac Newton recommended the Reduction of the current Value of the Guinea to 21s., he expressed a Doubt of that having the Effect of bringing Silver to the Mint for Coinage, and suggested, that in the Place of Sixpence, Ten-pence should be taken off, leaving it at 20s. 8d.; by doing so, he expected that the Coinage Proportion of Gold to Silver would be upon a Par with the Market Proportion.

39. Acting upon these Principles, what must have been his Opinion of a Currency framed in the relative Proportions of real and denominative Value, in which our Gold and Silver Coin are framed at present?

That

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Mr. Robert Mufshett.

That involves a very important Principle in Currency, of which I have no Recollection of Sir Isaac Newton taking Notice, that of having only one Standard of Value. Upon the Principles of our Mint at the Period of 1718, as amended by Sir I. Newton, both Coins were legal Tender to any Amount; if the proportionate Price of Standard Gold to Silver in the Market was the same as that determined upon, by fixing the Price of Gold at £3 17s. 10½d. and Silver at 5s. 2d., both Metals would be coined; while these Proportions existed in the Market, each being a legal Tender, and the Coinage free of Expence, it was Matter of Indifference which Metal was coined; but as no Mint Regulations can controul the Market Proportions of Gold and Silver, it would be the Interest of the Importers of Bullion to carry that Metal to the Mint which could be obtained cheapest in the Market; or, in other Words, when the Market Proportion of Gold and Silver became as 14½ to 1, Gold would be coined and Silver would be at a Premium; its Price would be 5s. 4½d. per oz.; when the Proportion in the Market became as 15½ to 1, no Gold would be coined, because no Person would carry one Ounce of Gold to the Mint for Coinage, when that Ounce in the Market would purchase 15½ Ounces of Silver, which coined at the Rate of 5s. 2d. per oz. could be coined into £4 os. 1d., leaving a Profit on the Transaction of 2s. 2½d. per oz. Had Sir Isaac Newton seen the Effect of this Principle, he would have recommended, that one of the Coins only should be legal Tender. But though by the Mint Regulations we may say we have Two Standards, we can in point of Practice only have One.

40. Supposing the Mint were at present open for the Coinage of Silver, and our Silver Coin could be a legal Tender to any Extent, as well as our Gold Coin, as both are at present coined; do you think that our Gold Coin could remain in Circulation, or that any Gold could be brought to the Mint?

My Answer to that Question is, that Silver and Gold would still continue to be coined, provided that the Proportion of Gold to Silver in the Market were the same as the Proportion of the Mint. If the Proportion of the Market were as 14½ to 1, no Silver would be coined; and if the Proportion were as 15½ to 1, no Gold would be coined.

41. Are the Market Proportions of Gold to Silver nearly as 15½ to 1? The present Market Proportion of Standard Gold to Silver is not quite 14½ to 1; under such Circumstances no Silver could be coined, because at that Proportion of Silver to Gold the natural Price of Silver should be 5s. 4½d. per oz.

42. Is that the Proportion in our Market, or in the Markets of Europe? In our Market; I am not acquainted with the Markets of Europe.

43. Is it the Proportion of any particular Market, or the general Market of Europe, which would determine whether Silver or Gold should be brought to the Mint?

It would be the Proportion in the Market of London which would determine that Question.

44. Is not the Price of Gold in the Market of London completely in the Power of the Bank. In my Opinion, it is.

45. What Time is saved in the new Machinery for Coinage? I should think at the Rate of 3 to 1.

46. Was not the Calculation of 4½d., between the Market Price of £3 17s. 6d. and the Mint Price £3 17s. 10½d., made with Reference to the former System of Coining, and is it therefore applicable to the present Rate of Coinage?

I should think it had no Connection with the Powers of the Mint; it was an Arrangement entirely for the Convenience of the Bank and Bullion Dealers.

47. The Coinage Proportion of Gold to Silver being 15½ to 1 in Paris, while in the London Mint it is only 15.0725 to 1, what Effect would this Circumstance have upon the Circulation of our Gold Coin?

Under

Mr. Robert Mufshett.

Under the Circumstance here stated, One Ounce of our Gold Coin carried to Paris and exchanged for 15½ oz. of French Coin, would afford an apparent Profit of £2 16s. 8d. per Cent., from which must be deducted the Expences of Freight, Insurance, &c. &c. The real Profit, however, does not depend upon getting 15½ oz. of Silver at Paris for the Ounce of Gold, but in disposing of the Silver when it is brought to London. To obtain the Profit of £2 16s. 8d. above stated, the Ounce of Silver must sell for 5s. 2d.; that is, at the Proportion of 15.0725; but suppose the Price of Silver 5s. 0½d. per Ounce in London, when these 15½ oz. of Silver come to Market, it is evident that if One Ounce is worth 5s. 0½d., 15½ will be precisely worth £3 17s. 10½d., or One Ounce of Gold, and consequently there would be no Profit, because the London Market Proportion is exactly equal to the Proportion of the Paris Mint; and if the Proportion of the Market here was only 14½ to 1, the Profit would be about £5 13s. 4d. per Cent.

48. If the present Mint and Market Price or Proportion of Gold and Silver in Paris was the same, and the present Mint and Market Price or Proportion in London the same, do you think that any Traffic would take place in the Currencies of France and England, by exchanging English Gold Coins against French Silver Coins?

I have already stated, that under these Circumstances the Profit would be £2 16s. 8d. per Cent., subject to a Deduction of the Expences of Freight, Insurance, &c. But it appears to me evident, that the Attempt to obtain this Profit must equalize the relative Proportion of the Metals in the Two Countries, and the Profit would immediately cease; for Example, if when the London Proportion of Gold to Silver is 15.0725 to 1, I export Gold to Paris to obtain 15½ oz. of Silver, I decrease the Proportion of Gold in the Market and increase its Value, and increase the Quantity of Silver and decrease its Value; consequently I shall obtain a greater Proportion of Silver for my Gold, or, in other Words, in place of my Ounce of Gold purchasing only 15.0725 of Silver, it may purchase 15½, and consequently there could be no Profit on sending our Gold Coin to Paris. But it is evident that it is not the Coinage Proportion of Gold to Silver at the Paris or the London Mint, that would occasion a Traffic in the Coins of the Two Countries. The Regulations of these Mints only point to an Alteration in the relative Value of the Metals in the Two Countries, and the Inequality would immediately adjust itself by Exportation from the one, and Importation from the other. This Doctrine can be farther illustrated by a Reference to the History of our Currency. In the Year 1782, 13 oz. of Silver could only be had in the London Market for One Ounce of Gold; at this Period the Coinage Proportion of the Metals at the Paris Mint was about 15 to 1, and the London Proportion as at present; consequently the Profit of sending Gold Coins to Paris would have been about 13 per Cent.; but this Inequality in the relative Value of the Metals in France and England would soon adjust itself, by both Parties endeavouring to obtain the Profit, the English by sending their Gold to France, and the French their Silver to England. Again, in 1812, about 16½ oz. of Silver could be obtained in London for One Ounce of Gold, consequently Gold brought from France to purchase Silver would be done at a Profit of about Six per Cent. But as I have already stated, the Transaction would only take place upon the Supposition that the Market Proportion of Gold to Silver at Paris corresponded with its Mint Proportion. If the Market Proportion in Paris was 16½ to 1, the same Profit would be obtained upon the Coinage of Silver at the Paris Mint, that appears upon bringing Gold to the London Market to exchange for it. When this Coinage of Silver had reduced its Proportion to Gold, then Silver would flow from the London Market to the Paris Mint, until the Proportion of the Two Metals would be equalized in the Two Countries. But it is evident that these Transactions take place, not in consequence of One Mint having fixed a Proportion of 15½ of Silver to 1 of Gold, and the other only 15; they take place in consequence of the varying Value of the Metals; and the Mint Proportions are only an Index of the Amount of these Variations, and when it would be profitable for the Dealers in Bullion to adjust them.

49. If

Mr.
Robert Mufbett.

49. If we were to alter the Proportion of Gold to Silver in our Mint to $15\frac{1}{2}$ to 1, what Protection would that afford to the Circulation of our Gold Coins?

In my Opinion it would afford no Protection whatever, for the mere Alteration of the Mint Proportion in London would neither increase nor decrease the Market Proportion in Paris or in London, which would determine when the Coins of one Country would profitably exchange against those of another. When 13 oz. of Silver could only be got in London for One Ounce of Gold, it was not any Disproportion between the Coinage Rates of the London and Paris Mints, or indeed any other Country, that occasioned that Traffic which under such Circumstances would occur, it was that Variation in the Value of the Metals which no Mint Proportions can controul. When a Mint determines to coin both Gold and Silver, the nearest Proportion to the general Average is fixed upon, and while no Disproportion exists between the Mint and the Market Proportions, both Metals are coined. Now if all Mints adopted the same Proportion, and if the Market would always conform to the Mint Proportion which all had agreed upon, then no Traffic would take place in these Coins of the Countries. But notwithstanding the Proportion of all Mints being the same, the Market Proportion would vary, and the Level would be restored by one Country exporting, and another importing Gold or Silver, so as to attain the general Proportion; and this would be the Effect, even though One Mint took the Proportion of 14 to 1, another 15 to 1, and another 16 to 1.

50. If the Mint of London fixed the Coinage Proportion of Gold and Silver at 15 to 1,—Paris $15\frac{1}{2}$ to 1,—and Spain 16 to 1,—what, in your Opinion, would be the general Effect upon the Currencies of these Countries?

If the Mints of those Countries are open to the Public for Coinage, and the Coins of both Metals *Legal Tenders*, the following, in my Opinion, would be the Effect in each Country. In London, where the Market Proportion of the Metals was 15 to 1, both Metals would be coined. But when the Proportion was $14\frac{1}{2}$ to 1, Gold only would be coined, and Silver would be withdrawn from the Circulation, in consequence of its increased Value. If the Proportion became $15\frac{1}{2}$ to 1, then Silver would be coined, and Gold would be withdrawn from Circulation. In the one Case, Silver would be at a Premium in Gold; in the other, Gold would be at a Premium in Silver. The same Effect would be produced in France and Spain: both Metals would be coined in France when the Market conformed to the Mint Proportion; so likewise in Spain. In France, however, Silver is the Standard Coin, and a Protection is afforded to the Gold Currency, by its continuing to circulate at an Agio in Silver; that is to say, when the Market Proportion is $15\frac{1}{2}$ to 1, the Gold Coin is at Par with the Silver; but when 1 oz. of Gold is worth 16 oz. of Silver, more of it is given for a given Weight of Gold, and Gold is at an Agio proportioned to the Excess which the Market is above the Mint Regulation. When the Proportion is only 15 to 1 at Paris, then Gold is at a Discount in Silver, and in proportion as its Power of purchasing Silver is less than its Coinage Rate. By this Regulation, France maintains her Gold and Silver Currency; and it is customary in other Countries, where Silver is the Standard, to protect the Gold in this Way. In Conclusion, it may be stated, that the nearer all Mints come to the Market Proportion of Gold to Silver, the greater is the Probability of a plentiful Metallic Currency of both Metals. And it may be stated generally, that the Proportion of Gold and Silver Coins possessed by all Countries will be in the Ratio of the general Market relative Proportion of the two Metals, supposing the Coinage of each to be upon the same Footing, and each a legal Tender.

51. If the Mint of London altered the Proportion of Gold to Silver to $14\frac{1}{2}$ to 1, would that Circumstance, in your Opinion, deprive us of our Gold Coins; the Proportion at the Paris Mint remaining at $15\frac{1}{2}$ to 1?

In my Opinion it would not; for even upon the Supposition that an Ounce of Gold is sent to Paris and $15\frac{1}{2}$ Ounces of French Silver Coin is obtained for it, these $15\frac{1}{2}$ the Importer cannot coin; for the Privilege of coining is taken from him under

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under the late Act for Coinage. The Profit upon the Sale of these $15\frac{1}{2}$ Ounces of Silver, as Bullion, will depend upon the relative Proportion of the Metals in the Market. If that Proportion is $14\frac{1}{2}$ to 1, the Profit on the Sale, as Bullion, would be the same as on converting them into Coin. If the Proportion is 15 to 1, the Profit would be about £3 9. per Cent.; but if $15\frac{1}{2}$ to 1, there would be no Profit, and of course no such Traffic.

This Principle may be put in a very strong Point of View, by supposing a Cafe, and a probable one: If the Produce of the American Mines, by the Introduction of Steam Engines, is doubled, with the same Portion of Labour as formerly applied to Half the Quantity; that is, that the same Labour now produced Two Ounces instead of One; and the same Powers are not applicable to the Production of Gold, the relative Proportion of the Metals will be doubled in the Market; that is, that One Ounce of Gold, which now purchases $15\frac{1}{2}$ Ounces of Silver, will purchase 31 Ounces. Now suppose, under such Circumstances, the Mint Proportion of Paris and London remain as $15\frac{1}{2}$ and 15 to 1, the following Effect would take place: if Paris continued to coin $15\frac{1}{2}$ Ounces to 1 of Gold, as at present, and the Gold circulate at an Agio, the Gold Coin, which now purchased 31 Ounces of Silver instead of $15\frac{1}{2}$, would be at a Premium of £100 per Cent. in Silver. If the French Mint still continued the Proportion of $15\frac{1}{2}$ to 1, the Weight of all her Silver Coins might be doubled, and the Premium on Gold would cease. In the London Mint, where the Proportion remained at 15 to 1, the following Effect would be produced: Silver would fell in Gold at 2s. 6d. or 2s. 7d. per Ounce, and, with the same Seignorage as at present, Government would obtain a Profit on the Coinage of Silver of 106 per Cent. If so great a Profit encouraged illegal Additions to the Silver Coinage, and induced the Government to relinquish this high Profit, the doubling the Weight of the Crown, Half-crown, Shilling, and Sixpence, would bring the Seignorage to 6 per Cent. as at present, and might be above or below 6 per Cent., in proportion to the relative Proportion of the Two Metals. In these Two Examples it must be evident, that if the Coinage of both Metals was free at both Mints, that 30 Pieces of Silver would be in Circulation in place of $15\frac{1}{2}$ and 15; or if $15\frac{1}{2}$ or 15 was still to be the Proportion to the Gold, the Weight of each Piece would be doubled.

Let us carry the Supposition a little farther, and allow the French to have conformed her Mint Proportion of $15\frac{1}{2}$ to 1, to the new Market Proportion of 30 to 1, and the Proportion of the London Mint to remain at 15 to 1; those that maintain we cannot keep our Gold Coin in Circulation, while the Proportion of the Paris Mint is $15\frac{1}{2}$ to 1, while our own is 15 to 1, would now say, that our Gold Coin would necessarily go, for at Paris Thirty Ounces of Silver can be got for One Ounce of our Gold; but even under those Circumstances I should deny the Principle that our Gold Coin must be driven out of Circulation, because, if Thirty Ounces of Silver exchange for One of Gold in the general Market, and France coin at that Proportion, the same Proportion may exist in the Market of London, which will not conform to the Proportion of 15 to 1, while 30 to 1 is the general Market Proportion; and those that suppose that our Gold Coin will leave us for France, in consequence of the Coinage Rates differing, do so under the Impression, that the Proportion of a Mint can govern and limit the Proportion of Gold and Silver in the Market, which I cannot agree to.

If the Coinage of Silver were even open to the Public, while its legal Tender is limited to 40s., I should not apprehend that our Gold Coins would disappear from Circulation. The high Proportion of Silver, which could be purchased by Gold, or Bank Paper payable in Gold, in the Market, would induce very large Coinages of Silver, and the Silver Currency would be in such Abundance, that it would circulate at a Discount; this Discount would be in proportion to the Difference between the Mint and Market Proportion; it might be 10, 20, 30, or 50 per Cent. Gold Coin in Paris, under similar Circumstances, would be at a Premium, and in proportion to the Market exceeding the Proportion of the Mint.

Die Mercurii, 31^o Martii 1819.

Vifcount GRANVILLE in the Chair.

Mr. JEREMIAH HARMAN is called in again, and further examined as follows :

Mr. Jeremiah Harman. 21. Referring to the Scale of Cash and Bullion delivered in by the Bank, was not the Amount of Treafure in Poffeffion of the Bank, in May 1815 lower than at any Period fubfequent to the Period of 1797? I can anfwer from Memory, I have no Doubt it was.

22. Was not the Treafure of the Bank greater in Amount, in October and November 1817, than it was at any Time within your Recollection, or as far as you know, at any Time fince the Bank has been a Corporation? Yes, it was.

23. Can you ftate whether it was not as high at that Time, in proportion to the Ifsues of the Bank, as at any former Period? In my former Anfwer I ftated, I believe, that it was; but I have Reafon to think fince I rather over-ftated it.

24. Was it not higher then, in proportion to the Ifsues, than it has ufually been, with fome very few Exceptions? Unqueftionably relatively higher.

25. Was not the great Increafe made in the Treafure of the Bank, fince the Peace, made between March 1816 and July and Auguft 1817? A great Increafe, certainly; but it feems to have begun increafing in November 1815.

26. It appears, by Accounts before the Committee, that there was a confiderable Increafe of Bank of England Notes in 1817, was that, in any Degree, to be afcribed to the Purchafes made of Bullion during that Period, or wholly to be afcribed to what appeared to the Bank to be the Wants of the Commercial World? I fhould attribute a great deal of it, perhaps the chief of it, to the Purchase of Bullion.

27. It appears that the loweft Price given for Bullion, during the Time that the Bank were collecting their Treafure, was £3 18s. 6d.; would not the Price, in your Judgment, have fallen then to £3 17s. 6d. or at leaft to the Mint Price, if the Bank had not thought it expedient to keep the Price fomewhat higher? I cannot fay that the Price might not have fallen; but the Fact is, that the Bank never made Purchafes of Gold when there was any other Buyer of Gold in the Market.

28. Were there any Purchafers at £3 18s. 6d. during the Period to which the former Queftion refers? I cannot charge my Memory fufficiently to fay there were; but at the Period referred to, while the Bank were making their Purchafes, there was generally a Demand, and fome for India.

29. In

29. In September 1817, when the Bank advertifed the Payment of their Notes outstanding before the Month of January 1817, had not the Bank every Reafon to believe that they fhould be enabled to refume Cash Payments in July 1818, fupposing the Advances of Six Millions and Three Millions, ftipulated to be antecedently paid by Government, had been made good before that Time? Mr. Jeremiah Harman.

I had myfelf no Doubt of it, I muft candidly acknowledge; though I was perfectly aware that Events might occur which might render it more difficult and uncertain.

30. Was not the Period, at which Doubts were firft ferioufly entertained by the Bank, whether the Object of refuming Cash Payments in 1818 could be accomplifhed, about Chriftmas 1817, when it was known that a Second large Loan was to be raifed in France, for the Service of that Country, by Merchants connected with Perfons engaged in Bufinefs in the City of London? Yes, it was.

31. Previous to that Period, was it not the Opinion of the Bank, that if the Government Advances were reduced, antecedent to the Refumption of Cash Payments, to about 20 Millions in the whole, that that Reduction would be fufficient to enable the Bank to conduft their Bufinefs with Safety after the Refumption? That was the Opinion entertained at the Time.

32. Referring to the Statement of the Amount of Advances of the Bank on Exchequer Bills, can you fay whether, in the early Part of 1816, they had not been reduced to fomewhat below 20 Millions? Yes, they had.

33. Are you of Opinion, that when the Loan was made for Six Millions, foon after that Period there would not have been great Difficulty, in the then diftreffed Situation of the Country, in procuring a Loan in the Market, unlefs on the moft difadvantageous Terms? I think there would have been very great Difficulty.

34. When the Loan of Six Millions was contracted in 1816, was it not ftipulated that it fhould be repaid in April 1818, it being then the Opinion, that as the Limitation of the Bank Reftriction was to ceafe in July 1818, if the Payment took place before the above Period, the Refumption might be expected to take place with Safety? It was fo ftipulated, and for the Reafons ftated.

35. Was there ever any Application made by Government, from the Spring of 1816, to the Bank, to purchafe additional Exchequer Bills in the Market, except about February 1818, when they were repaid in a few Months? No, there was not.

36. Was not the Advance on the Irifh Treafury Bills, which appear in the Accounts to have been firft made by the Bank of England in 1816, made antecedently by the Bank of Ireland, and at an advanced Interest? That was the Cafe.

37. Was not this Arrangement made in confequence of the Confolidation of the Two Treafuries about that Time? I have underftood it to be fo.

38. You have ftated that the principal Part of the Treafure in Poffeffion of the Bank, about October 1817, had been collected between March 1816 and July 1817; what Effect did the Collection of that Amount of Treafure, within that Period, produce on the Price of Gold? No unfavourable Effect; on the contrary, the Price of Gold fell; the Market fell during the Purchase, up to a certain Date.

39. Did the Bank experience any and what Difficulty in collecting that Mafs of Treafure during that Period? None whatever.

40. At

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40. At what Date was any Part of that Treasure first re-issued by the Bank?
I did not come prepared with Dates: it was partially issued very soon after the first Advertisement, which was in April 1817; but the Bank soon found the Public not inclined to take Gold; on the contrary, considerable Sums of Gold were paid in.

41. Were any considerable Quantities issued till after the Publication of the Second Advertisement?
No, not even then.

42. Did you perceive that the withdrawing from the general Market of Europe so considerable a Portion of the Gold previously existing therein, produced any Effect in raising the Price of that Commodity here or on the Continent?
I have already explained that the Market here fell during the Purchases; and I discovered no Symptom of the Nature alluded to on the Continent, till the French Loan was negotiated.

43. You have stated, that down to the Period of Christmas 1817, you entertained confident Expectation that the Bank would be enabled safely to resume its Cash Payments at the Period then fixed by Law, viz. in the Month of July following; will you state what were the Circumstances which, in your Judgment, changed that Prospect?
The principal Cause, in my Estimation, was the French Loans already referred to.

44. Can you inform the Committee about what Period any considerable Remittances were first made to the Continent on account of the French Loans, and to what Amount?
I cannot inform the Committee upon that Subject.

45. Had not a considerable Loan been previously raised in this Kingdom on account of the French Government, and the Remittances made thereon in the Course of the Year 1817?
I think there had, but I speak from Recollection only.

46. Did that Transaction excite in your Mind, or in that of the Directors of the Bank, as a Body, any Apprehensions of its impeding the intended Resumption of Cash Payments in July 1818?
From that Period I lost all Confidence in the Exchanges: from the first Knowledge we had of the financial Operations on the Continent, as connected with England, we ceased to have any Confidence in the Permanency of the Exchanges.

47. Can you state nearly about what Period you obtained that Knowledge?
Unless I had the Dates to refer to, I cannot tell.

(A Paper containing the Account of the Variations of the Exchanges was shewn to the Witnesses, and the Question was repeated.)

If I may be permitted to refresh my Memory by this Paper, I can confidently say it was not till the Spring of 1817, in April 1817.

48. Were any Representations made at that or any subsequent Period to His Majesty's Government, of the Apprehension of the Bank, that the intended Resumption of Cash Payments might be impeded by these Operations.

As soon as it was known that these Operations were taking place, and that British Subjects were engaged in them, I can safely aver, that we did express serious Apprehensions to His Majesty's Government, in verbal Communications with them.

49. Can you recollect the earliest Date of such Communications?
I will refer to my Papers.

50. Do you know at what Period Remittances first began to be made to the Continent on account of either of these Loans?

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Having no Connection whatever with them myself, I have no Means of knowing, when the Principals made their Preparations to meet those Loans; but there can be little Doubt that other Persons, who usually operate in the Exchanges, would anticipate the Commencement, and probably take Bills in Expectation of a Fall.

51. At what Period, in your Judgment, did the unfavourable Consequences, which you ascribe to these Loans, first begin to manifest themselves in their Operation on our Foreign Exchanges?

To judge from the Dates of the Paper I have looked at, I should think in the Month of April 1817.

52. Did the Bank, either at the Period when they were first apprised that such Operations were likely to take place, or at any subsequent Period, either from Observation, or Apprehension of the Consequences, judge any Effort necessary on their Part to counteract those Consequences, by a Diminution in the Amount of their own Issues.
No, we certainly never did.

53. Can you state, at what Period the Treasure accumulated by the Bank in 1816 and 1817 first began to be re-issued by them in considerable Quantities?

The First Issue of Sovereigns in considerable Quantities was in October 1817; there was a Diminution in the Three succeeding Months; but in February 1818 the Issue increased, till August of the same Year. The Issues of the Bank were from that Time in Guineas. From August 1818, no Sovereigns were issued; but a diminished Issue of Guineas continued after August.

54. You have said that after the Month of August 1818, a diminished Issue of Guineas took place; was it not from the Commencement of September, and during the Months of October and November, that the Bank paid away Guineas less than the Mint Weight, though not reduced to the Weight at which the Law prohibits their Currency?

If I mistake not, we issued passable Guineas during those Months, which we had not issued before.

55. When did you begin issuing Guineas at full Weight?
I believe at the latter End of 1818.

56. Can you form any Judgment, whether the Issues so made by the Bank, during the Period to which you have referred, were demanded of them for the Purpose of internal Circulation, or for that of Exportation.
Decidedly for Exportation.

57. Is it therefore your Opinion, that no considerable Portion of Coin did at that Time find its Way into the internal Circulation of the Country.

I am convinced it did not; and I think that the Circumstance of there having been no Demand for Coin, till it offered a Profit on Exportation, is a Corroboration of that Opinion.

58. Did the Bank, during any Part of that Period, on perceiving that these large Demands were made upon them, of Coin for Exportation, deem it necessary to make any Effort for counteracting that Drain of their Treasure previously accumulated, by any Reduction of the Issues of their Paper?

No, we did not make any Reduction with a View of checking the Export of Gold and Silver.

59. In consenting that the Amount of Advances to Government should, during the Time of immediate Preparation for resuming Cash Payments, be increased from something less than Twenty Millions, to upwards of Twenty-eight Millions; did not the Bank take into Consideration, that by such an Increase of Advances, the total Amount of Bank Paper in Circulation must of Necessity be suddenly and very greatly increased?

(30.)

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There

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There is no Doubt, that the Amount in Circulation was considerably increased; and we should not have made the Increase as a Matter of Choice; but knowing, perfectly well, that a large Proportion was to be repaid before the Restriction Bill expired, and that if the Money had been raised in any other Way, the Aid of the Bank would have been required, we were more tranquil under the Circumstance.

60. At what Period did the Bank first understand that Circumstances would not admit of the Reduction of their Advances, on the Expectation of which they had grounded that of resuming Cash Payments in July 1818?
I really cannot recollect.

61. At whatever Period that Reduction had actually been made of an Excess of Eight Millions beyond the Amount of Government Advances, under which the Bank thought they might safely carry on Cash Payments, must it not have produced a great and sudden Diminution of the Amount of Bank Paper then in Circulation?
No Doubt of it.

62. Were any Preparations made by the Bank, before the Month of May 1818, for carrying such a Reduction into Effect gradually, and thereby to diminish the Effect likely to result from such a Change in the Amount of the principal Currency of the Country, between the Beginning of May and the End of June 1818?
No other Measures were taken, than that of repeated Applications to Government to reduce the Amount of their Debt to the Bank.

63. Had not the Bank experienced, that between February 1816 and August of the same Year, the Advances to Government were increased from £19,863,000 to £27,222,000; and that in August the Prices of Bullion were lower, and the Exchanges more favourable, than they had been in February?
That was unquestionably the Case.

64. Subsequent to the passing of the Act of Parliament, by which the Date of the Resumption of Cash Payments was prolonged from July 1818 to July 1819, what Preparations have been made by the Bank for complying with the Intention of the Legislature, as indicated by that Act?
We had no Means of making any other Preparation than by a Reduction of the Amount of our Issues; and at this Period, as well as during the former Periods, we looked rather to the Reduction of the Government Debt, than to a Diminution of our Discounts.

65. Do you continue of Opinion, that about 20 Millions is the Sum of Advances to Government, under which, if Circumstances are in other Respects favourable to the Operation, the Bank may with Safety resume and carry on Cash Payments?
I think that is the very highest at which they ought to be; and it must depend on Experience whether a still further Reduction may not be found expedient.

66. Exchanges having become unfavourable in April 1817, and you having stated, that from that Time you lost all Confidence in the Permanency of the Exchanges, was it ever, in Conversation among the Directors, attributed to the Issue of the new Silver Coinage which took place in March 1817?
We never attributed the unfavourable State of the Exchanges to that Circumstance.

67. Had you, among yourselves, any Conversation concerning the Effect of this Measure?
Frequently; and had our Doubts whether the Alteration which took place in the Coinage of the Silver might not have an unfavourable Effect on the Price of Gold; but this was rather private Conversation than any general Discussion.

68. Did

68. Did the Reduction of the Issues in the Course of the Year 1818 check, as far as your Observation went, the Desire of getting Gold Coin for Exportation?
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I do not believe it had any Effect of that Kind.

69. In looking at the Price of Gold and the State of the Exchanges at the End of the Year 1818, were not the Temptations to export Gold greater then than at the Beginning of that Year, though your Issues appear to have been reduced Three Millions?
I believe the Temptation was greater; and though I may be very wrong, I do not think that the Reduction of our Issues would lessen the Temptation to export Gold.

70. What is your Opinion of the Consequences of throwing our new Silver Coin into Circulation in March 1817, coupled with His Majesty's Proclamation of the 1st of July in the same Year, declaring and commanding that Sovereigns or 20s. Pieces should not be paid away or received for more in Value than 20s. of that new Silver Coin?
I would rather be excused from entering into that Subject; but it appears to me that, under certain Circumstances, there is little Chance of retaining Gold Coin in the Country at the present Standard; and the Alteration which lately took place in our Silver Coin would, as far as it goes, probably increase the Evil.

71. In the Course of those Conversations which you have had among yourselves at the Bank upon this Subject, did you take into Consideration the Circumstance, that the Price of Gold had been at or near the Mint Price in 1816 and the Beginning of 1817, and that the Exchanges had been, during that Period, favourable; but that the unfavourable Turn which has ever since continued, took place in April 1817, being the Month after that in which the Silver Coin was issued?
No; and if we had adverted to it, I should never suppose that such an Effect could be produced so suddenly; moreover, to justify the Opinion that the Alteration in the Exchanges and the Price of Gold were attributed to the Alteration of the Silver Standard, we must, I should think, prove that Gold had been exported for Silver, which I do not believe to have been the Case to any Extent.

72. If it was proved, that Gold had uniformly been exported since that Period, and Silver uniformly imported with a Profit, what Effect would that have on your Opinion?
If it was proved that that had taken place to any great Amount, I should think differently from what I now do.

73. Was not, during the greater Part of the Time that large Purchases were made of Gold, the Amount of Discounts considerably diminished?
They were.

74. If they had continued at the usual Rate, would there not have been a still greater Increase of the Amount of Notes issued in consequence of the Purchases of Gold made by the Bank?
Necessarily.

75. If the Bank were to resume Cash Payments at a Time when One and Two Pound Notes of the Bank of England are in Circulation, to the Exclusion of any Gold Currency, would not that expose the Bank to more sudden Demands for Cash than they experienced previous to the Restriction?
I think it would.

76. Would it not therefore be necessary for the Bank to have a larger Treasure, in proportion to the Number of Notes in Circulation, than they had before the Restriction?
I have no Doubt it would require a larger Amount.

77. Supposing

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77. Supposing the Bank to have at present an Amount of Treasure not much larger than it had at the Time of the Restriction; and supposing it were necessary for them to resume Cash Payments, must they not make a very large Increase of the Treasure actually in their Possession, or reduce their Notes to what they were at the Time when the Restriction took place in 1797?

In order to meet the Opening, we must of course either have a great Addition to the Amount of our Treasure, or reduce our Issues proportionably, and that for our own Security.

78. Was not the Facility, which the Bank experienced in purchasing large Amounts of Gold in 1816 and 1817, owing to the favourable Balance of Payments, and the favourable Course of Exchanges, at that Period?

I have already ventured an Opinion, here and elsewhere, which I see no Reason to change, that that favourable Course of Exchange, and the Import of Gold, was in some Measure a forced Operation; though I am willing to attribute this Event, in part, to a more favourable Balance.

79. Supposing the Bank of Paris to have it in their Power, by an Operation of theirs, to prevent the Exportation of Gold from France; and supposing that the Bank of Paris, knowing that the Bank of England was under the Necessity of purchasing Gold, at any Rate, to a considerable Extent within a given Period, were to prevent such Exportation, would not such a Circumstance add very materially to the Difficulties which the Bank of England would have in making the Purchases of Gold which might be necessary?

Under the Circumstances supposed, I think the Bank of England would be tributary to the Bank of France.

80. If, from favourable Circumstances, Cash Payments had been resumed before January last, what Effect, in your Opinion, would have been produced on the Circulating Medium of the Country, by the Crisis then existing in the Affairs of the Bank of France?

I incline to believe a very ruinous one.

81. Has the Bank ever regulated its Issues with a View to keep down the Price of Silver Bullion?

Never.

82. If Silver Coin was declared to be legal Tender to any Amount, and our Gold Coin were allowed by Law to be current at an Agio, the Course of Exchange having been for Two Years favourable to us, when calculated in Silver Coin, and Silver Bullion having never exceeded the Mint Price of 5s. 6d.; do you think, setting aside all Considerations of Public Interest, that the Bank could within Six Months, with Safety to itself, resume Payments in Cash under such an Alteration in the Law?

I have no Conception of it; at the same Time I must acknowledge myself not competent to answer that Question satisfactorily.

83. It being stated that the Bank have, since the Period of the Bank Restriction, thought right to limit their Issues as far as possible; can you state to the Committee what has been the Rule or Principle of that Limitation to which they have thought it right to adhere?

Generally to endeavour to keep our Advances to Government and Individuals as low as we can.

84. Does that Principle, in your Opinion, sufficiently explain the great Increase of the Purchases of Government Securities voluntarily made by the Bank in the latter Part of the Period referred to?

I have already said, that on certain Occasions those Advances have been increased, not as a Matter of Choice, but under the Circumstances we thought it better to comply with the Application, trusting that the Repayment would come round in sufficient Time to meet, what we always had in View, the Cessation of the Restriction Act.

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85. Do you conceive that, since the Period of passing the Bank Restriction Act, any new Duty or Responsibility towards the Public have been thrown on the Bank Directors, of a Nature different from that which previously attached to their Situation?

I certainly do think that the State of the Country rendered it utterly impossible for us to regulate our Conduct exactly in the same Way as it was regulated before that Event; and I hope I shall not be going too far when I add, that our Conduct on this Subject having been repeatedly before the Legislature, and not by it objected to, is a strong Authority for that Conclusion.

86. In the Years 1813, 1814, and 1815, when Exchequer Bills purchased on the Application of Government appear to have been at the highest, were not those Applications grounded on a Declaration that the Exertions which the Country were then making in the War, rendered them indispensably necessary?

Undoubtedly they were.

87. Since the Arrangement made in 1816, when the Exchequer Bills were reduced below Twenty Millions, of which the Amount of Bills purchased by the Bank were something more than Thirteen Millions, has any Application been made by Government to the Bank, to make any Addition to the Amount of Exchequer Bills so purchased?

I think not, with the Exception of somewhat more than a Million and a Half upon a special Application, which was repaid in a few Months.

88. Supposing that the Legislature were to determine on a final Removal of the Restriction now in force on the Cash Payments of the Bank, at any given Period, say Twelve or Eighteen Months from the present Time; do you think that any Facility would be afforded to the Bank, either for the actual Resumption, or for the Continuance of its Payments, if the Bank were permitted by the Legislature to make its Payments in Gold Bullion, valued at the Mint Standard Price, instead of making them in Gold Coin valued at the same Rate; but permitting the Bank to make such Payments only in case of Demands made upon them to an Amount of not less than a Sum to be specified, say 2, 3, or £500?

I do not conceive it would make any Difference, because the Persons who would make it their Business to export Gold would unite together, and get rid of the only Advantage which I presume is intended by it, that of avoiding small Demands; thus the Bank would equally be exposed to pay their Notes at the Standard Price. The Plan suggested would be a great Change in our ancient Monetary System, without an adequate Object, as it strikes me; and no one can foresee all the Consequences it might lead to.

89. Whenever the Resumption takes place, does it not imply that on the Completion of that Measure, the Bank must pay its Notes in a Value equal to that of the Gold Bullion, or Gold Coin, as stated in the preceding Question?

Undoubtedly; but I understood the Question to be, what Facilities the Payment in Bullion, rather than Coin, would afford to the Resumption.

90. Is it not probable, that if the Bank were thus protected against Demands for Payment in Coin of small Sums, the Danger of a Run upon them from sudden or local Alarms would be greatly diminished?

I conceive not, unless by local Alarm is meant internal Alarm, when it is possible it might have that Effect, but I think not to any great Extent. The local Alarms would probably soon subside; and if they did not, Means would be found by Dealers in Bullion to take Gold out of the Bank.

91. The Answer supposes a State of Exchanges favourable to the Exportation of Bullion, does not the Experience of the Year 1797 shew the Possibility of the Bank being brought under considerable Difficulties, arising from local and internal Alarm, when the State of the Exchanges is generally unfavourable to the Exportation of Gold?

The Case alluded to certainly does apply, that was a very special Case.

Mr.
Jeremiah Harman.

92. Is it not probable that the Proportion of Gold Coin, that would form a Part of the general Circulation of the Country, would be considerably less, if the Holders of Bank Notes could not, in any sudden Moment of internal Alarm, realize their Amount, otherwise than by Measures of some Preparation and Delay, than it would be under any System in which all such Notes, even the smallest, were on the shortest Notice convertible into Coin?

I cannot help thinking, that the very Measure itself would create Alarm. When the Public should be apprized that there would be no Opportunity of exchanging their Notes for Coin, in case they wished to have it.

93. Independently of these Considerations, affecting the general Interests of the Country, are there any particular Circumstances which would render the Operation of such a Plan more or less convenient for transacting the Business of the Bank?

I am not aware of any.

94. Supposing the Resumption of Payments at any such Period as is above described, can you point out to the Committee by what Measures any Inconvenience resulting to the Public from the Change could be rendered more gradual in its Operation, than if the Transaction were sudden and total?

No, I cannot.

95. Would it not be, in your Judgment, a Matter of great Importance to the Public Interest, that those Inconveniences, particularly if there was Reason to think them considerable, should, if the same were practicable, rather be spread over the whole of the intermediate Interval, in some Scale of gradual Operation, than be at once suddenly and entirely incurred?

I think it would be very desirable, provided the Means devised were free from other Objections.

96. What Objection occurs to you to the Proposal of applying to this Interval the Principle of Payments in Bullion at a Scale of gradually reduced Prices, so that the Bank should, for the first Three Months, for Instance, from the Time of commencing the Operation, pay its Notes in Bullion valued at the present Market Price; and thence in equal Periods, say of Three Months or more, at successively reduced Prices, until the same were brought down to the Mint Standard?

I think that would be a virtual Re-opening at £3 17s. 10½d.; and at the Expiration of the Period, the Bank must then of course, be the Foreign Exchanges what they may, continue to issue Gold at the Mint Price. It then becomes a Question whether the Period afforded would be sufficient, and whether the Exchanges would be favourable for the Introduction of Gold at the Expiration of that Period; otherwise we should be holding out that there was a Bullion Market opened in England cheaper probably than in any other Part of the World. Then will occur the Question of contracting our Issues, a Measure which, however ineffectual it may have been found on former Occasions, must be resorted to as the only Means of Self-preservation, at Periods when, owing to low Exchanges and high Price of Bullion elsewhere, the Demands on the Bank for Gold exceed the Possibility of Supplies.

97. Would there be any Objection to the graduated Scale, provided the Period of ultimate Payment at the Mint Price was so fixed as to be, in your Judgment, sufficiently remote; and during the Interval, whatever it may be, would not the Plan, as far as it goes, facilitate the ultimate Operation?

One of my chief Objections is the graduated Scale; I think it would oblige the Bank to go into the Bullion Market at a very great Disadvantage, and subject it to be the Sport of Bullion Dealers and Exchange Jobbers.

98. State in what Manner it would produce that Effect?

It would be known of course at what Periods the Price of Bullion was to fall; and, as one of the Bank Directors, I should greatly prefer meeting the Opening by Issues of Coin, than be subject to the Inconvenience I anticipate from the Plan proposed.

99. Are

99. Are you of opinion, that when the Period for Resumption is fixed by the Legislature, it is or is not in the Power of the Bank, supposing a sufficient Contingent given to them over their own Funds, by an adequate Repayment of Government Advances, so to regulate their Issues as to govern the Price of Gold in the Market of this Country.

Putting the Convenience of the Public wholly out of the Question, I think it is. But perhaps, as a Man of Business, I may be permitted to add, that it would be by such a Reduction of our Paper as might be ruinous to the Country.

100. Does that Opinion apply to the present Period only, or do you mean to say that the Resumption, whenever it shall take place, can be effected only by such a Reduction of the Issues of Bank Paper as would, in your Judgment, be ruinous to the Country?

I am glad that that Question has been put to me; as I should regret that such an Inference should be drawn from what I had said. I allude to the present Period and existing Circumstances. I must acknowledge my Apprehension that considerable Time must elapse before the Public can bear that Degree of Reduction which shall enable the Bank to pronounce the Resumption of Payments in Cash an advisable Measure.

101. If your former Answer applies only to the present Period, upon what Grounds do you infer the Amount of Reduction of the Issues of the Bank of England, which may in a subsequent Period be necessary to bring the Price of Gold to the Standard of the Mint?

My Answer I beg to be understood as applicable to the present State of the Country, and of the Bank of England. I have already given it as my Opinion, that no material Reduction can take place at present; and until the Exchanges shall turn in favour of the Country, the Impediments to removing the Restriction will continue.

102. If there was a Run upon the Bank from local Alarm, and the Bank was prohibited from paying its Notes in Cash under the Value of £200, might not the Desire of the Holder of the Note, when in a State of Alarm, to realize a Portion of their Value in Gold, induce them to sell the Notes to Dealers in Bullion at a Discount, greatly to the Discredit of the Bank?

It is possible it might.

103. Do you feel certain that, if such a Regulation was adopted, you would find the same Facility in issuing and keeping in Circulation your small Notes, of One and Two Pounds, as you had previous to the Restriction of keeping in Circulation those of Five Pounds and Ten Pounds?

I should think so, because the Public would have nothing else.

104. Do you conceive that there would be any considerable practical Inconvenience in affixing a numerical Limit, upon an Average, to the Amount of Notes in Circulation, during the Period of the Restriction, supposing that, upon an Average of Six Months, the Issues of the Bank of England should not exceed Twenty-five Millions, until such Time as the Bank had resumed Payments in Cash?

I think it might be inconvenient. I should venture to say, that if such a Measure was thought desirable, it would be better to leave it to the Bank, and trust to their not exceeding the Amount; because I do not see any great Advantage likely to result from imposing Limits; and we may suppose Cases where it might be found inconvenient.

105. If, however, the Limit was deemed upon the whole advisable, and if the Average was taken on such a Period as Six Months, would there not be a sufficient Latitude for an increased Issue at particular Periods, say at the Time of the Dividends, or when any special Demand might be made upon the Bank?

Perhaps there might be; but at the same Time I cannot help adverting to my preceding Answer; and the Occasion for any material Excess of the present Amount can hardly be contemplated.

106. If

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Jeremiah Harman.

Mr. Joseph Harman. 106. If there would be an Objection to any legislative Measure to this Effect, does it appear to you there would be any Inconvenience arising from a Parliamentary Declaration respecting the same, qualifying it with Exceptions in any very special Cases?

I conceive none; I need not say it would be most implicitly followed by the Bank.

107. Would a System of gradual Reduction in the Amount of the Issues of Bank Notes be applicable to what is now proposed; and would it be subject to any serious Objection: Say that the Circulation, on an Average of Six Months, shall not exceed 25 Millions; and, on an Average of Six Months following, shall not exceed 24 Millions; and so on successively, in Periods of Six Months, till it came to 22 Millions. The Limit of course to cease when the Bank declared the Resumption of Cash Payments?

If it should be determined by Parliament wise and expedient that such a Reduction should take place, the Mode proposed may be as unobjectionable as any.

108. If the Reduction was as gradual as is proposed, that is, One Million in every Six Months, till it came to Twenty-two Millions, is it probable, in your Judgment, that any material Inconvenience or Distress would result from such a Reduction?

I take for granted that the Reduction would be in Advances to Government, and that these Advances would be reduced in a greater Proportion than the proposed specified Reduction in the Amount of the Notes; though I cannot answer that some Inconvenience might not result, I do not anticipate any which should militate against making the Experiment.

109. If, in the Progress of this Measure, any serious Inconvenience should result, would it not be an Advantage, that Parliament would have the Opportunity of arresting the Progress of it; and would not that make the Trial of the Experiment safe?

I cannot help thinking that, should the Measure be adopted, it would be better to do it as quietly as possible; because I believe, that from the Alarm which would pervade the Public, from the Knowledge of an Intention to reduce the Circulating Medium, much of the Inconvenience would result.

110. Would it not be a countervailing Advantage, that the Knowledge of the Trial of a gradual but not excessive Reduction of the Circulation would, in some Degree, check Speculation?

I have no Doubt it would have the Effect of checking Speculation.

The Witness is directed to withdraw.

This Committee is adjourned 'till Friday, at Twelve.

See App. A. 12.
For a paper delivered in by Mr. Harman in explanation of his evidence.

Die Veneris, 2^o Aprilis 1819.

The LORD PRESIDENT in the Chair.

Mr. SAMUEL THORNTON was called in again, and further examined as follows:

95. Supposing that the Legislature were to determine on a final Removal of the Restriction on the Cash Payments of the Bank, at any given Period, say Twelve or Eighteen Months from the present Time, do you think that any Facility would be afforded to the Bank, either for the actual Resumption, or for the Continuance of its Payments, if the Bank were permitted by the Legislature to make its Payments in Gold Bullion, valued at the Mint Standard Price, instead of making them in Gold Coin, valued at the same Rate; but permitting the Bank to make such Payments only in case of Demands made upon them to an Amount of not less than a Sum to be specified, say 2, 3, or £500?

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Understanding that such Payments would for a Time be confined to Bullion only, and not extended to Coin, I should be of Opinion that the Bank would have fewer Demands, and I conceive that such Demands would be made almost exclusively for Exportation, unless the Mint was at the same Time open for the Coinage of Gold. It must be a Question of Experiment, whether this Measure would facilitate the ultimate Resumption of Payments in Cash. I suppose it would be necessary, in such a Case, to allow the free Exportation of Gold.

96. Is it not probable, that if the Bank were thus protected against Demands for Payments in Coin for small Sums, the Danger of a Run upon them, from sudden or local Alarms, would be greatly diminished?

I think the Run from local Alarms would be diminished; but it would be very practicable to demand a large Payment in Bullion, by the Collection of a Number of Notes to make up the Amount of the Sum to which the Demand will be restricted.

97. If that Plan were adopted, the Mint at the same Time not being opened for the Coinage of Gold; are you not of Opinion that the Bank of England Notes must be made completely a legal Tender for the Notes of Country Bankers?

I think decidedly they must.

98. Would there not, by this Means, be a Saving to the Community in general of the Value of the Metal necessary for the Circulation of Coin, as under our former System?

I think there would be a considerable Saving of the precious Metals.

99. Is it not probable that the Removal of the Impediments on the Exportation of Gold, would facilitate the carrying on that Traffic, both as to Import and Export?

I should doubt whether it would facilitate the retaining in the Country so large an Amount of Gold as when used for general Circulation, inasmuch as no Person can hold it without a Loss of Interest upon it.

100. Two Modes having been suggested for the Execution of the Plan of Payments by the Bank in Bullion only, One of which is, that the Mint should not

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continue open to the King's Subjects for coining of Gold; the other, that it should continue so open, but that Gold so coined should be subject to as large a Seignorage as shall be found practicable, without giving too much Encouragement to the counterfeiting of Coin; which of these Two Plans would, in your Opinion, be most convenient for the Interests of the Bank, separately considered, and also for the general Interest of the Community?

I should prefer greatly having a Gold Coinage, taking such a Seignorage as is described in the Question; for I am of Opinion, that if there should be no Gold Coinage, the Amount of the precious Metal in the Country would be very limited indeed.

101. Should you think this Modification of the Plan of Payment by the Bank in Bullion only, preferable on the Whole as a permanent System, to a Resumption of Cash Payments according to the System existing previous to the Restriction?

Not as a permanent System; but I think it may facilitate the first Resumption of metallic Payments.

102. Do you think it advantageous for a Country to have a larger or smaller Quantity of the precious Metals in it for general Circulation?

I think in a Country like this, where Credit is so fully established, a metallic Circulation equal to small Payments is quite sufficient.

103. If you think that the best Mode of executing the Plan would be to have a metallic Circulation subject to a Seignorage, does not that Opinion almost necessarily imply, that the Plan, if adopted at all, must be adopted permanently, on account of the Inconvenience of making a fresh Change in the Nature of our general Currency, by abandoning the Seignorage, on reverting completely to the old System?

I think frequent Changes very undefireable; and therefore I should rather prefer, that if the Plan be adopted, it should be continued, notwithstanding that in my former Answer I advised its not being a permanent Plan.

104. On the Whole are you of Opinion, that the Plan of Payment by the Bank in Bullion only, with a Prohibition on the Payment of any Notes in Gold Coin, or the old System of Payment in Gold Coin, would be most advantageous finally to the Country?

I should prefer for the Bank and the Public the old Plan, if equally attainable within the Period intended by the Legislature. But I think in the new one there are Facilities for an earlier Resumption, which do not exist in the old Plan.

105. As you have said that you think the Change would be disadvantageous, and if we adopt the new Plan, with a Gold Currency subject to a Seignorage, we must persevere in it; do you think that the Advantages resulting from our being able to resume Payments according to the new Plan at an earlier Period, will compensate the Sacrifice we make in abandoning the old Plan?

I understand it is the Wish of the Legislature to change the existing System of Paper Currency not convertible into Gold, and it is therefore open to Parliament to choose any Plan they think most advisable, the comparative Advantages of which, with respect to a later or earlier Resumption of Payments, I do not feel altogether qualified to judge of.

106. What are the Facilities which you consider that the Plan of the Bank paying in Bullion only, would afford for the Operation of the Resumption of metallic Payments?

That the Demand for Payment of Notes in Bullion, would require a much less Provision, than if Payment in Cash be required for general Circulation.

107. Do you consider therefore, that in that respect the Operation would be rendered both more practicable and more economical to the Bank?

It would be more practicable and more economical, if I am right in my Opinion, that less Bullion would be wanted.

108. Do

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108. Do you think that any Advantage would arise for facilitating the Operation, and also for rendering more gradual any Inconvenience, of whatever Nature; to which it might for a Time subject the Bank and the Public, if the Resumption were to be made to take place in the following Manner; viz. that the Bank should, for a Time to be limited, say Six Months from the Commencement of the Operation, pay its Notes in Bullion valued at the present Market Price, and that the Price at which such Bullion should successively be valued in such Payments should be reduced according to some graduated Scale, until the Period at which in the Close of the Operation the Bullion should finally be valued at the Mint Price?

I think it would facilitate the Operation; but that the successive Reduction of Prices should not be made too rapidly.

109. Can you state what would, in your Judgment, be a Scale of Reduction sufficiently slow, stating both Time and Rate, to ensure the Advantages of this Plan without the Inconvenience of too rapid an Operation?

I should prefer making a Reduction of 1s. every Six Months, to making Half that Reduction in Three Months, as being less open to Speculation.

110. If the Reduction of Prices was previously known to be necessary to be made to so large an Amount as 1s. on a given Day, would there not be some Danger of Speculations, and Operations possibly injurious to the Bank, being carried on within a few Days immediately preceding or immediately following the Day so fixed?

I think those Persons whose Demands for Export were not pressing, would of Course postpone them till the Time of Reduction; but in ordinary Demands the Knowledge of the precise Period of Reduction of Price would have a Tendency to counteract Speculation.

111. Would any other Inconvenience result to the Bank from postponing the Demands, than that the Demands so postponed would come at once after the Day fixed in a larger Mass, and at an increased Value in Gold?

No other, that I am aware of.

112. Might it not be preferable, the Period being fixed for the Bank to sell Bullion at £4 1s. per oz., say on the 5th of July next, and a Period sufficiently remote at which to sell at the Mint Price, to leave to the Bank the Discretion in the Interval to graduate the lowering of the Scale according to the State of the Market and other Circumstances, it being understood that the Prices are not to be raised, having been once lowered?

I think it would be preferable to let the Bank graduate the Scale; and I can assure the Committee it would be their Endeavour to bring it down as speedily as Circumstances would permit; but I must state that the Bank is not in a Situation to begin the Operation so early as the Month of July.

113. State the Grounds of that Opinion, it being understood that the Operation would be, to commence only by paying in Bullion at the present Market Price?

The Ground of my Opinion is, that I think the Bank should be allowed some further Time to prepare for an Operation, the Effect of which they cannot immediately contemplate. I conceive they must increase their Stock of Bullion beyond the present Amount, which may for a Time advance the Price beyond what it is in the Market now.

114. Would a Rise in the Price of Bullion above the present Market Price be at all probable, if in the Interval a sufficient Payment was made of the Debt of Government to the Bank, to enable the Bank to make Purchases of Bullion without an Increase of its present Issue of Notes?

I think a Payment of Government to the Bank would much facilitate the Measure; but the Knowledge that the Bank would be liable to pay for all Notes to a given Amount, even at the present Market Price, would induce the Holders and Importers of Bullion to raise the Price of it.

115. Suppose

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115. Suppose Parliament was to pass a Law which prevented the Bank from issuing more than Twenty-five Millions of Notes for the next Twelve Months, and that the Bank were to advertise that, for the next Three Months, they would give for all Gold Bullion brought to the Bank, £4 10s.; are you not of Opinion that upwards of Ten Millions would be offered to them in that Period?

I am of Opinion that the Proposal in the Question would neither be the most economical, nor the most effectual Way of attaining the Object. The Bank has, upon some Occasions, pledged themselves to receive Gold at a fixed Price for Three Months together; but the Quantity brought in consequence has not been always equal to their Expectation.

116. Setting aside all Views of Economy, are you not of Opinion that the Bank, by offering the advanced Price of £4 10s., or, if necessary, £4 15s., for Three Months certain, would have a Tender of upwards of Ten Millions?

It is impossible to say whether so high a Price might not induce large Offers to be made; but I am clearly of Opinion, that this Measure would impede more than any other the bringing down the Price of Gold to the Mint Price.

117. When you state your Preference of Coin, with a Seignorage, to Paper convertible only into Bullion, from an Apprehension, that in the latter Case a small Quantity of Gold would be left in the Country, what do you conceive would be the Disadvantage attendant upon that Circumstance, supposing an adequate Currency of Paper, but adjusted to a Metallic Standard, to be provided?

I do not believe there would be any Disadvantage, though I am of Opinion that the Public would be better pleased to have the Option of Coin, with a Seignorage, than Payment in Bullion, which can only be used for Exportation.

118. The Market Price of Gold being once the same as the Price to which the Bank might be compelled, under the Plan referred to, to exchange Gold Bullion for their Notes, what temporary Advance beyond that Price would, in your Opinion, operate as a sufficient Inducement to Dealers to collect small Notes to exchange for Bullion, and afterwards run the Risk of exporting the Gold thus procured?

Persons employed in this Traffic undertake it at a very moderate Profit, and I think One per Cent. Advance over the fixed Price, would be a sufficient Inducement.

119. Do you conceive that such an Advance would operate so rapidly as to prevent the Bank from being able, by a Diminution of their Notes, to counteract its Effect, before Bullion had been drawn out to any great Amount?

I think the Bullion might be drawn out more rapidly than the Bank could produce that Effect by a Reduction of its Notes. A Collection of Notes, to the Amount proposed in the Plan, may be made instantaneously.

120. Must not the same Operation have produced the same Effect before the Bank Restriction, and was not the Bank able then to counteract it in the Mode referred to?

It certainly was; and the Bank did, in One or Two Instances, so counteract it; though in other Instances that Proceeding has failed.

121. If Parliament were to relieve the Bank from the Necessity they have placed themselves under, of paying all Notes of a certain Date in Cash, and from the Payment of fractional Sums, would not that enable the Bank to commence the Operation of the Plan of Bullion Payments, on a graduated Scale, at an early Period?

I think it would be a necessary Part of the Plan to pay on a graduated Scale, to relieve the Bank from their present Liability to make the Payments in Cash described in the Question; and that it would facilitate the Measure being adopted at an earlier Period.

122. Do you conceive there would be any considerable practical Inconvenience in affixing a numerical Limit, upon an Average, to the Amount of Notes in Circulation

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ulation during the Period of the Restriction, supposing that, upon an Average of Six Months, the Issues of the Bank of England should not exceed Twenty-five Millions, until such Time as the Bank had resumed Payments in Cash?

I cannot think a Limit of Bank Notes desirable, as I think it would fetter the Bank in the Purchase of Gold, and in giving that temporary Assistance which it has been in the Practice of doing in many Emergencies that have arisen. If an Opinion should be expressed by Parliament, that the Amount of the Bank Notes shall not exceed a given Sum, I am confident nothing but some unforeseen and extraordinary Circumstance would induce the Directors to exceed it; but, on the contrary, they would be disposed to avail themselves of it, as a Reason to restrain their Issues.

123. If the Limit was adopted, and if the Average was taken upon such a Period as Six Months, would there not be Room for a sufficient Latitude for an Increase at particular Periods, say, at the Time of the Dividends, or when any very special Demand was made upon the Bank for Assistance, or for the Purchase of Gold?

There would be a Latitude given, in taking an Average of Six Months; but I think it would be impossible to foresee every Demand, of the Description in the Question, that might be pressed upon the Bank. I can assure the Committee, my Objection does not arise from any Desire to keep up the Profits of the Bank, as I conceive it is much better for them to have a reduced Issue, at a comparative higher Interest, than an extended Issue at a low Rate of Interest.

124. Would not the Objection, stated in the last Answer, be in a considerable Degree obviated, if, while the Issues of the Bank were limited, the Debt of Government to the Bank were considerably reduced?

It would be in a Degree obviated by a Reduction of the Government Debt to the Bank; but I have a View, in my Answer, to the Circulation necessary for the Country.

125. Would a System of gradual Reduction, in the Amount of Bank Notes, be subject to any serious Objection, say, that the Circulation, on an Average of Six Months from the 5th of July next, shall not exceed Twenty-five Millions; and, upon an Average of the Six Months following, shall not exceed Twenty-four Millions; and so on successively, in Periods of Six Months, till it was reduced to Twenty-two Millions, the Limit of course to cease when the Bank shall declare the Resumption of Cash or Metallic Payments; and the Debt of Government to be discharged in a greater Proportion than the Reduction of Issues?

The Difficulty in a fixed Reduction of Bank Notes, consists in the Restraining it puts on the Operation of the Bank, which I beg Leave to explain, by adverting to the Effect of a Bill lately passed into a Law. By that Act the Bank is subject to a Repayment of Six Millions, in case of a Deficiency to that Amount in the Consolidated Fund, at the End of every Quarter; to provide for which Payment, they must antecedently have reduced their Circulation from 24 Millions (if that were the Limit) to 18 Millions to be entitled to make the Issue up to the Amount limited.

126. Would not the Reduction of the Issues of the Bank, founded on the Necessity under which they might be placed, of selling Bullion at lower Rates at certain stated Periods, leave a greater Freedom to the Bank in all its Operations, as well as a greater Chance of an Accommodation to the real Demands of the Public, than a positive numerical Reduction at similar Periods of the Amount of its Notes, supposing the Repayment made by Government to be the same in both Cases?

I think the graduated Scale of Payment in Bullion would have a Tendency to produce a Reduction of Bank Notes with less Inconvenience, than any numerical Limit of their Amount.

127. Might not the Circumstances of Commerce and other Transactions be such, as to make the same numerical Amount of Notes in Circulation operate on
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the Exchanges and the Price of Gold, so as to have all the Effect which under other Circumstances a positive and numerical Reduction might have had?

The Circumstances and Transactions of Commerce do at different Times require a different Amount of Circulation, and may operate on the Exchanges and the Prices of Bullion, without an absolute Reduction of the Amount of Notes.

128. In your Opinion, does any Criterion exist by which you can judge Six Months before the Period, what Quantity of Circulating Medium may be requisite for the Wants of the Country?

I know of no Criterion by which you can judge prospectively; the Nature and Extent of the Demand for Bank Notes, and the Description of Security offered for them, are the Guides by which the Bank has regulated its Issues.

129. Referring to the Proposal contained in Question No. 108, what Objection would there be to the Bank being at the same Time obliged to purchase Gold at 6d. or 1s. per oz. below the Price at which they were bound to deliver it in Exchange for their Notes?

I think the Bank would more readily bring down Gold to the Mint Price, if left free in their Purchases.

130. Which would appear to you the least inconvenient, that the Bank, at the Time when it was bound to deliver Gold Bullion for its Notes, should be required to buy Gold Bullion at 1s. or 6d. below the Price at which it was then compelled to sell it, or that it should be under no Obligation as to the Purchase of Bullion, but that the Mint should be open to the Public for Gold Coin?

I should prefer that the Mint should be ultimately opened to the Public, but I apprehend till Bullion was brought to the Mint Price, the Amount of Seignorage cannot be ascertained; and if the Bank are to be controuled as to the Purchase, I should hope the Price would once for all be fixed at something below the Mint Regulation; I do not propose this with the View to bring any pecuniary Advantage to the Bank, for it must purchase at the Market Price to meet the Demand for Bullion to which it will be subject.

131. If a Law was passed in this Country, imposing a Maximum on the Price of any Commodity, and ordering it to be sold for $8\frac{1}{2}$ per Cent. less than its general Value in the Continental Market, would not that Commodity be immediately exported?

Certainly.

132. If a Law were passed, preventing our Gold Coin from exchanging in Silver Coin for more or less than $8\frac{1}{2}$ per Cent. less than the Value of Silver, which it could command Abroad; would it not have the Effect of driving our Gold Coin Abroad?

If both Gold and Silver were the Standard of Value, I apprehend it would; but as the Limit to Payments in Silver is confined to 40s., I do not think it would have that Effect.

133. If the Value of the Gold Coin is fixed and tied down by Penalties to pass for neither more nor less than our present Silver Coin, out of which a Seignorage is taken, must not that Gold Coin naturally go where it can acquire a greater Weight and Value in Silver; and how can the Limitation of Silver, as a legal Tender, prevent our Gold from being sent Abroad, where it can purchase in the French Funds, discharge a Debt, and acquire Goods; in each of which Cases the Exporter must derive a Benefit of $8\frac{1}{2}$ per Cent.?

I apprehend that the Comparison made by Dealers in Bullion is between the Market Price of Silver and the Mint Price of Gold, and that one or the other will be exported, according to their relative Proportion taken in that Manner.

134. Under the Circumstance that our Mint Regulations make our Gold proportionate to our Silver, as 1 to 14.160, and that the general Proportion in the Market of Europe has been as 1 to $15\frac{1}{2}$, varying to $15\frac{1}{3}$, since our Silver Coin

Coin has been thrown into Circulation, do you think it possible that our Gold Coin would have continued to circulate in the Country?

The Gold Coin has been exported, but whether from these Considerations I am uncertain; but if the Plan referred to in a former Question, of coining Gold with a Seignorage, should be adopted, I apprehend it would have a Tendency to keep the Coin in the Country.

135. Do you not apprehend it will have this Effect, because it will bring the Mint Proportions between Gold and Silver Coin more near to the Market Proportions between Gold and Silver Bullion than it is at present?

I think it will have that Effect, by bringing the Proportions of the Market and Mint Prices of Gold and Silver nearer to each other.

136. In your Conversations with one another as Bank Directors, when you saw the Exchanges become unfavourable, and the Price of Gold Bullion rise in the Month after our Silver Currency was put into Circulation, the Exchanges having been favourable, and the Price of Gold Bullion at or under the Mint Price for a Length of Time previous, did you not take into your Consideration how far such an unfavourable Change might or might not proceed from the Alteration in the Value of the Silver Coin?

I cannot say it was the Opinion of any Number of Bank Directors, though it might be of some Individuals amongst them, that the Advance in the Price of Gold arose from that Cause. I know that, so long ago as 1795 and 1796, I was an Advocate for taking a Seignorage out of the Silver Coin, which was then exceedingly debased. I attended many Meetings of the Committee of Council upon Coin at that Time, when the Expediency of taking such Seignorage was, I understood, generally admitted; and I understood, in the then Fluctuation of the Market Price of Silver, the Difficulty was to ascertain the Amount of Seignorage proper to be taken.

137. Was it on these Occasions a Matter of Discussion, in the Privy Council, whether, having taken a Seignorage out of the Silver Coin, it would be wise or prudent to tie down the Gold Coin by Proclamation; and, under Penalties enacted by Parliament, not to be paid or received for more or less than the Silver Coin subject to the Seignorage?

I do not recollect any Discussion on the Subject of the Gold Coin, other than the coining Pieces of another Denomination, principally Seven Shilling Pieces, on the Standard then in use.

138. What is your Opinion of the Consequence of taking a Seignorage of $6\frac{1}{2}$ per Cent. out of the Silver Coin, and tying down the Gold Coin, under Penalties, not to be paid or received for more or less than the Silver Coin subjected to such a Seignorage?

I think it has a Tendency to make Gold Coin a preferable Remittance; but whether it may be wise to exchange the Standard of Gold, is a Question which I confess myself not competent to decide.

139. You having stated that Merchants, in making Payments from or to this Country to or from other Countries, will consider the relative Value of the Currency to that of the precious Metals, in the Terms on which they offer to sell or buy Bills, do you not suppose that, since March 1817, when there has been no Metallic Currency in Circulation, but our Silver Currency subjected to a Seignorage, that must have had an Effect on the Course of Exchange?

I do not know that it has.

140. Do you think, upon the Principles you have stated, it is possible it should not?

I apprehend the Principle on which Bills on this Country are taken by Foreigners is, that they are payable in Pounds Sterling, estimated at the Standard Price of our Gold.

141. Are

Mr.
Samuel Thornton.

Mr.
Samuel Thornton.

141. Are you not aware that the Principle is, that they are taken at the Pound Sterling, estimated at the Value of the Coin that can be obtained for them; do you not, for Example, know that, between 1759 and 1773, when our Gold, depreciated by Wear, was the only Metallic Currency capable of being tendered in Payment, that Gold was, on an Average, during that Period £3 19s., and that the Exchanges were uniformly unfavourable?

I apprehend that Bills are estimated at the Pound Sterling, at the Value of the Coin that can be obtained for them. What the Value of Bullion, at the Period mentioned, was, I am not informed. I hold in my Hand an Account of the Prices given by the Bank for Bullion, from 1772 to 1797, which never exceeded (except in One or Two Instances of Purchase Abroad) £3 17s. 10½d. per Ounce; that is, in those Years when the Gold Coinage had been renewed.

142. You have stated that you think the 5th of July too early a Period to oblige the Bank to give Gold Bullion in Exchange for its Notes at the present Market Price, because it would be necessary for the Bank to add to its Stock of Bullion, and that its Purchases of Bullion in a short Period must raise the Price; what Interval would, in your Judgment, be sufficient to allow the Bank to make an adequate Addition to its Treasure, previously to its incurring the Obligation of paying its Notes in Bullion at the present Market Price, supposing always the Government to repay its Advances in the Proportions stated in a former Question; but the Bank still to remain liable to its present Engagements?

I cannot contemplate an earlier Period for commencing to pay in Bullion at the Market Price than January 1820; nor that a sufficient Repayment from Government can be effected before that Time. If by the Words "that the Bank is to remain liable to its present Engagements," is meant the paying all outstanding Notes dated antecedent to January 1817, and the continuing to pay fractional Sums, I apprehend the Drain on the Bank from these Two Sources may retard the Period of the Bank's commencing to pay Bullion on a Scale to be fixed upon, whenever such Plan is publicly announced.

143. Supposing such a Period to be fixed for the Bank commencing to pay Notes in Bullion at the present Market Prices, what Interval would, in your Opinion, probably be sufficient to enable the Bank, through the Medium of a Scale of successive Reductions of Price, to pay its Notes in Bullion at the Mint Price?

I should think from Twelve to Eighteen Months from the Time of the Commencement of this Operation. Upon the Supposition of the Commencement in January 1820, this would carry the Conclusion to January or July 1821.

144. Supposing the Plan of Bullion Payments not to commence till some Months from the present Time, would there be any Inconvenience in providing, that the Issues of the Bank should not, on an Average of that Interval, exceed a given Amount, say Twenty-five Millions?

It might fetter the Operation in procuring Bullion; but I am not aware of any other Inconvenience except that, and those I have stated in a former Answer.

145. Do you not think it would be a preferable Mode, to ensure the Bank's opening for Payment, as intended, at the End of Nine Months, to leave their Issues totally to their own Discretion; but to subject the Funds of the Bank to great Penalties, if the Intention of the Legislature were not carried into Execution, in respect to the Operation commencing at the Expiration of the Nine Months?

It is not for me to decide what coercive Measures should be used; but of the Two, I should prefer limiting the Issues.

146. Whether any Inconvenience would arise from beginning the Operation at an earlier Period than Nine Months, but at a Price somewhat higher than the present Market Price?

I think the Object would be more effectually and speedily obtained by deferring the Commencement of the Operation to the Time I have mentioned.

147. If,

Mr.
Samuel Thornton.

147. If, upon full Consideration, it should not be thought expedient to impose any Limit to the Issue of Bank Notes in the Interval between the present Time and the ultimate Opening for Metallic Payments at the Mint Standard, either by a numerical Limit on the Amount of their Notes, or by the Restriction which the Obligation to pay in Bullion at successive fixed Prices would impose upon it; and supposing further, that it should be thought necessary to lay down some Rules respecting its Issues during that Interval; do you think it would be practicable or desirable to impose any Rule upon the Bank as to the Increase or Decrease of its Issues, with a Reference to the Price of Gold or the State of Exchanges?

I apprehend there will be the greatest possible Difficulty in restraining the Issues of the Bank proportionably to the Price of Gold and the State of the Exchanges.

148. Do you feel certain that the Bank can commence Payments in Gold Bullion, or in Gold Coin at the Mint Price, with Safety to itself, under the present Mint Regulations?

It is very difficult to speak with Certainty on such a Subject; but I am confident the Bank Directors will attempt it; and I hope they will succeed.

149. While the Bank is preparing for the Resumption of Cash Payments, will it not increase its Treasure in a larger Proportion to its Notes than it used to find necessary previous to the Restriction, or than it will probably find necessary after the Resumption, supposing the Exchange and the Price of Gold to continue after the Resumption at or nearly at Par?

I think it would.

150. Do not the Profits of the Bank, during the Continuance of the Restriction, depend upon a Comparison between their Gain upon an increased Number of Notes, issued in consequence of such Restriction, and their Loss upon the increased Amount of Treasure collected to prepare for a Resumption of Cash Payments?

Certainly.

151. Does not the Bank find, by Experience, that an abundant Supply of its Paper, whether issued for the Purchase of Gold, for Advances to Government, or for Purchases of Exchequer Bills, by enabling Bankers and Merchants to discount Commercial Bills at a lower Interest than the Bank is in the Habit of discounting them, diminishes the Demand upon the Bank for Discounts at Five per Cent., and of course diminishes the Amount of their Profit on that Part of their Transactions?

When the Amount of Circulation is abundant, the general Rate of Interest of Money is low, and the Demand on the Bank for Discounts, at Five per Cent., is small. I have always held it to be more advantageous to the Bank to maintain a reduced Circulation, as it brings them nearly an equal Profit as an extended Circulation, for a great Part is then advanced on Government Securities, at a low Rate of Interest.

152. Does not this Circumstance give the Bank a direct pecuniary Interest in not making an over-abundant Issue of their Notes?

I think it does.

153. Does not the Bank find, by Experience, that an abundant Supply of its Paper, by making what is called Money plenty, enables Government to issue Exchequer Bills at a lower Rate of Interest; and as the same Abundance has been found to diminish the Demand upon the Bank for Discounts at Five per Cent., and therefore to oblige the Bank to have Recourse to Government Securities so issued at a lower Rate of Interest, does not this Circumstance also give the Bank a direct pecuniary Interest in not making an over-abundant Issue of their Notes?

It does; and I have often expressed the Opinion, that the Abundance of Paper in Circulation, has not only operated against the Emoluments of the Bank, by

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Mr. Samuel Thornton. lowering their Rate of Interest, but that it has induced Capitalists to invest their Property in Foreign Securities in Preference to those of this Country.

154. If the Consequence of a Diminution of Bank Issues would be the Increase of the Demand upon it for Discounts at Five per Cent., and an increased Interest upon its future Advances to Government, and upon the Exchequer Bills it might purchase, might not the Bank derive an equal or even a larger Profit from a diminished Issue of its Notes, than it receives at present?

I think it clearly would.

155. Has not however the Bank of England, in consequence of Applications from the Chancellor of the Exchequer to the Directors, to purchase Exchequer Bills, or in consequence of Advances made to supply the urgent Wants of Government, been induced to increase the Amount of their Notes, or to diminish Discounts?

It certainly has, in consequence of such Application, increased its Advances to Government, and by having an undue Proportion of its Notes in Circulation, on Government Securities, the Demand for Commercial Discounts has been proportionably diminished.

156. Referring to Question No. 38, in your former Evidence, you have stated in your Answer, that in 1779 the Amount of Bank Notes in Circulation was Six Millions, but by a printed Return it appears, that in the Month of February of that Year, the Amount was £9,360,000, and in the Month of August £7,690,000; will you give an Explanation of that Difference?

I will endeavour to explain it. Upon my former Examination, I spoke of the Amount of Bank Notes subsequent to the Year 1782, and was misunderstood if I was supposed to have spoken of the Amount in 1779, as I was not a Director of the Bank till 1780, and meant to confine my Evidence to what I knew since I was a Bank Director.

The Witness is directed to withdraw.

The Committee is adjourned to Monday, at Twelve.



Die Lunæ, 5^o Aprilis 1819.

The LORD PRESIDENT in the Chair.

Mr. THOMAS TOOKE was called in again, and delivers in to the Committee certain written Papers, which are read, and are as follows:

Mr. Thomas Tooke.

P. 172.

" I have the Honour, pursuant to your Lordships Desire, with reference to Questions No. 34 and 35 in my First Examination, to submit the following Observations relative to the Exchanges on Hamburg and Paris, from the 13th April 1804 to the 17th September 1805, both Dates inclusive.

" By the inclosed Note of the Quotations, it appears that the Average during the above Period, is on Hamburg 35/8 at 2½ Ufance, and on Paris 25 Livres 9 Sous at 1 Day's Date.

" At Hamburg there is no fixed Gold Par in its Exchange with this Country, as the Ducat, in which the Computation is made, is at a variable Price in Banco Money. The nominal Par of the Ducat is 6 Marcs Banco, or 96 Shs. Lubs. which compared with our Gold Coin at £3 17s. 10½d. brings out the nominal Par of Exchange on London 34/3½ or 34/1½, according as the Remedy is or is not allowed. But in fact the Market Price of the Ducat has not for many Years past been so low; and the Average of the Quotations in the Years 1804 and 5 is 99½, which compared with £3 17s. 10½d. is equal to an Exchange of 35/5 at Sight *Hamburg on London*. But an Exchange of 35/5 Hamburg on London, is equal to rather more than 36 from London on Hamburg at 2½ Ufance, to cover Interest of Money, Risk of Bills, and the usual Difference between the printed and real Course. And as the Expences of Conveyance, including Insurance from Hamburg to London, cannot at that Time have been less than from 4 to 5 per Cent., it would have required a Quotation of from 37/6 to 38, London on Hamburg, at 2½ Ufance, to have made it answer to send Gold from thence hither.

" On Paris, the Quotations are upon the Face of them below the acknowledged Gold Par, independent of the Expences of Transmiffion, which during the Period referred to, viz. in 1804 and 5, cannot have been less than from Two to Three per Cent.

" The Exchanges therefore do not appear, during the Interval referred to by Question 34, to have been favourable in the Sense to which I conceive the Term should be restricted, nor to present any Indication inconsistent with the Price of Gold at £4. And restricting the Term of favourable Exchanges to this Sense, viz. the *real* Gold Par with all Places, plus the Charges of Importation, my Answer to Question No. 35. should be simply in the Negative.

" London

Mr. Thomas Tooke. " London Exchange with Hamburg and Paris, between 13th April 1804, and 17th September 1805.

	Hamburg, 2½ Ufance.		Paris, 1 Day's Date.			Hamburg, 2½ Ufance.		Paris, 1 Day's Date.	
	Shillings and Pence Flemish Banco, per £ Sterling.	Livres and Sous, per £ Sterling.	Shillings and Pence Flemish Banco, per £ Sterling.	Livres and Sous, per £ Sterling.		Shillings and Pence Flemish Banco, per £ Sterling.	Livres and Sous, per £ Sterling.	Shillings and Pence Flemish Banco, per £ Sterling.	Livres and Sous, per £ Sterling.
1804.					1805.				
13th April	35 10	25 6	4th January	35 6	25 8	11th	35 6	25 8	
20th	35 8	25 6	18th	35 6	25 8	25th	35 6	25 10	
27th	35 9	25 6	1st February	35 6	25 10	8th	35 4	25 10	
4th May	35 9	25 6	15th	35 5	25 10	22d	35 8	25 12	
11th	35 11	25 7	1st March	35 8	25 14	8th	35 8	25 14	
18th	36 3	25 10	15th	35 8	25 15	22d	35 6	25 15	
24th	36 3	25 10	29th	35 5	25 15	5th April	35 2	25 13	
1st June	36	25 8	11th	35 5	25 13	19th	35 2	25 14	
8th	36 4	25 8	19th	35 2	25 14	26th	35 3	25 14	
15th	36 4	25 8	26th	35 3	25 14	3d May	35 5	25 14	
22d	36	25 8	3d May	35 6	25 14	10th	35 6	25 14	
29th	35 11	25 8	10th	35 6	25 14	17th	35 6	25 14	
6th July	35 8	25 6	17th	35 6	25 14	24th	35 8	25 16	
13th	35 7	25 4	24th	35 8	25 16	31st	35 7	25 16	
20th	35 8	25 4	31st	35 7	25 16	7th June	35 7	25 16	
27th	35 8	25 4	7th June	35 7	25 16	14th	35 8	25 18	
3d August	35 8	25 4	14th	35 8	25 18	21st	35 8	25 18	
10th	35 8	25 4	21st	35 8	25 18	28th	35 8	25 18	
17th	35 10	25 4	28th	35 8	25 18	5th July	35 9	25 18	
24th	35 10	25 4	5th July	35 9	25 18	12th	35 9	25 18	
31st	35 10	25 4	12th	35 9	25 18	19th	35 5	25 17	
7th September	35 10	25 2	19th	35 5	25 17	26th	35 6	25 12	
14th	35 10	25 2	26th	35 6	25 12	2d August	35 6	25 12	
21st	35 5	25 2	2d August	35 6	25 12	9th	35 3	25 12	
28th	35 7	25 2	9th	35 3	25 12	16th	35 4	25 12	
5th October	35 5	25 4	16th	35 4	25 12	23d	35 5	25 12	
12th	35 5	25 2	23d	35 5	25 12	30th	35 5	25 12	
19th	35 8	25 2	30th	35 5	25 12	6th September	35 5	25 12	
26th	35 3	25 4	6th September	35 5	25 12	13th	35 3	25 12	
2d November	35 6	25 4	13th	35 3	25 12	17th	35 1	25 12	
9th	35 6	25 4	17th	35 1	25 12				
16th	35 6	25 4							
23d	35 6	25 6							
30th	35 6	25 6							
7th December	35 5	25 6							
14th	35 5	25 6							
21st	35 6	25 6							
28th	35 6	25 6							
			Average of 76 Weeks	35 8	25 9				

P. 178, 179. Q. 73, 74.

" If I might be permitted, I should be glad to be allowed to make a very short Addition to my Answer to the Question, wherein it is supposed that the Bank and Country Bankers might discharge all their One Pound Notes, by tendering 20s. in Silver for each. My Answer was, that the Limitation of Issue would prevent their getting a sufficient Amount of Silver Coin for the Purpose: I should have added, unless they bought Silver in the Market, and took it to the Mint to be coined. By doing so, however, they would, by the present Proportions in the Market, lose more

more than if they offered to pay in Gold Coin: For in order to pay 31 Notes of £1 each, they would have to buy 10 Pounds Troy Weight of Standard Silver, for which the Mint would return to them 620 Shillings, and these, at the present Price of 5s. 6d. per Ounce, would cost £33 in Bank Notes. " But £33 in Bank Notes would, at £4 2s. per Ounce, buy as much Gold as is contained in 31 Sovereigns, and leave 6s. 9d., or above 1 per Cent. as the Profit on paying in Gold instead of Silver."

Mr. Thomas Tooke.

Then the Governor and Deputy Governor of the Bank are called in again, and are further examined as follows:

7. Whether in or after the Month of August last, and before the End of the Year, the Bank did not dispose of a Sum of Silver Bullion in Value between Half a Million and a Million? (By the Governor.) I do not recollect our selling any Silver Bullion to any considerable Amount about that Time. But we cannot answer precisely without referring to Documents. We have sold some to the Mint and some to the East India Company. We have sold to Mr. Roffchild more than Half a Million, but do not recollect whether it was within that Period.

The Witnesses are directed to withdraw.

Then Mr. Fletcher is called in again, and the following written Questions were read to him, to which he read the following respective Answers:

Mr. Matthew Fletcher.

4. What is the intrinsic Par of Exchange between London and Paris, by our present Mint Regulations, in Silver and in Gold?

The Silver Par is 23 Francs 23 Cents, French Silver Money, for Twenty Shillings; the Gold Par is 25 Francs 20 Cents, French Gold Money, for One Sovereign; reckoning 15.444 Grains English to be equal to One Gramme French, and considering the Coins of both Countries to be strictly conformable with the respective Mint Regulations, without Remedy for Weight or Fineness.

5. How do you account for the great Difference between the Par in Gold, and the Par in Silver?

It arises from the relative Proportion between Silver and Gold being greater by the French than by our Mint Laws. It is to be observed, that the Pars now mentioned are those of the Mint; that is, the Pars according to the Denominations assigned to the Coins when issued from the Mint. The Mint Par is perfectly nominal, unless founded on the Standard Metal, by which I mean that One of the Two precious Metals, which compared with the other has affixed to it in the Coinage a Value superior to that which it bears in the Market. The legal Standard when differing from this, the real Standard, I conceive to be merely a Name, and without any Effect.

6. If Two Countries trade together, and one pays both in Gold and Silver, and the other pays only in Silver, what Sort of Par of Exchange will take place between them?

To state a Par between Silver and Gold, the relative current Proportion must be taken, and as that is continually varying, so must such Par. In the Case mentioned in the Question, Gold and Silver in one Country, and Silver in the other, the Par will depend on that which is the real Standard Metal in the Country where Gold and Silver circulate; if Silver, the Par will be that of the Silver Coins; if Gold, the Par will vary according to the varying Proportion of Gold to Silver. I here speak of the real Par, the one which is actually the Basis of the current Exchanges.

7. What is the present Course of Exchange between Paris and London? It is 23 Francs 80 Cents for a Pound Sterling, for Bills at Three Days Sight.

Mr. Matthew Fletcher.

8. Is this Course of Exchange in favour of the Country, or against the Country? Compared with the Silver Par, the only one at this Time actually operating on the Course of Exchange, that Par being 23.23, the Current Exchange is nearly 2 1/2 per Cent higher; or as it is usually termed, in favour of this Country, as inducing the Import of Bullion.

9. This being the Case, has Silver Bullion flowed into this Country during the last Year? Certainly; I believe such to have been the Case.

10. Do you know this of your own Knowledge? The Question I understand to refer to the neighbouring Parts of the Continent. My own Business lies with the South of Europe, whence Silver has been imported during the last Year. From Gibraltar, large Importations of Silver in Dollars have been constantly taking place.

11. What, by the present Regulations of the English Mint, is the relative Value between Gold and Silver? 14 1/2 of pure Silver to 1 of pure Gold.

12. Do any such Proportion exist in any other Part of Europe, either by the Market Prices of Gold and Silver Bullion, or by Mint Regulations?

The Market Proportions throughout Europe, and probably America, prevails pretty uniformly between 15 and 16 Silver to 1 Gold; that is, Silver is constantly between Five and Twelve per Cent. of less Value, compared with Gold, in Commerce, than in our Coin. The Mint Proportions of other Countries I believe mostly exceed 15 of Silver to 1 of Gold; the Spanish Coins, the most extensively circulating of any, are in the Proportion of 16.45 to 1. The Mint Proportions, however, are of little or no Avail; the Silver and Gold Coins in the Circulation adapt themselves to the Market Proportion of Bullion by an Agio on the one or the other.

13. What is the relative Value between Gold and Silver according to the Regulations of the French Mint? It is 15 1/2 of Silver to 1 of Gold, by the Mint Regulations.

14. Is there any Seignorage in France? On coining Gold, nearly 1/2 per Cent., (being a Reservation of Ten Francs on 3444 Francs 44 Cents); on coining Silver 1 1/2 per Cent.

15. If we were to coin in the same Proportions as the French, what ought to be the present Mint Price of Gold, supposing it to be measured by our depreciated Silver Currency?

The Ounce of Standard Silver being coined into 5s. 6d., the Ounce of Standard Gold would be £4 4s. 5 1/2 d. on the Paris Mint Proportion of 15 1/2 to 1. The Guinea would then be worth 22s. 9 1/2 d., and the Sovereign 21s. 8 1/2 d.

16. If we were to do away with the Seignorage upon Silver, and Coin in the Proportion of 1 to 15 1/2, what would then be the Mint Price of Gold?

Were we to reckon the Standard Silver at 5s. 2d. per Ounce, the Price of Standard Gold would be £3 19s. 4 1/2 d., on the Proportion of 15 1/2 to 1.

17. If we were to coin in the same Proportions as the French, is there any thing, either in the present State of the Exchange, or in any other Circumstance, that you are aware of, that would cause Gold to be exported from this Country to the Continent?

With the French Proportion, Gold would not be exported to France, nor, I conceive, to any other Part of the Continent, at the actual Exchange; nor from any other Cause at present, of which I am aware.

18. Do you think the Balance of Trade between this Country and the Continent is against this Country, or in favour of this Country? It is at this Moment, I have no Doubt, in favour of this Country.

19. Must

19. Must not Paper promising to pay Coin on Demand, take the Value of the Coin into which *de facto* it is convertible?

Being convertible into Coin, it is identified with that Coin; and consequently of the same Value. It operates the same in Transactions; the Coin acts for the Paper in Foreign Payments, and the Paper for the Coin in Domestic Payments.

Mr. Matthew Fletcher.

20. Are you aware that our new Silver Coin, fabricated according to the Regulations enacted in the 56th of the King, Chap. 68, was first thrown into Circulation in the Month of March 1817, and that a large Sum was then issued? I have observed that Circumstance.

21. Are you aware Gold Bullion was at that Time at £3 18s. 6d., a Price of which we are told by one of the Directors, it was kept up by the Bank; Exchange with Paris 25 fr. 40 c. Three Days.

25 60 Two Usances? With that Exchange, the Price of Gold could not have long remained so high as £3 18s. 6d. unless by extraordinary real or artificial Demand.

22. Are you aware that our Gold Coin, as fabricated according to the Regulations of the 56th of the King, Chap. 68, was never thrown into Circulation till the Month of July 1817, and that during that and the Two following Months it was issued by the Bank in very inconsiderable Quantities? I have noticed that in the printed Reports.

23. Are you aware that the Circulation of the Bank of England was in the Spring of the Year 1817 considerably larger than it was at the Conclusion of the Year 1818: it being, on an Average of the Spring Months of 1817, £27,486,045, and on an Average of the last Three Months of 1818, £26,005,248; and that in the course of the Year 1818, it was reduced Three Millions? That also I remark in the Reports.

24. Our Silver Coin having been depreciated nearly 6 1/2 per Cent. by the Pound of Silver Bullion being coined into 66 Shillings instead of 62; and the Law having enacted, "That no Person shall by any Means, Device, Shift, or Contrivance, receive or pay more or less in Value, Benefit, Profit, or Advantage, than the true lawful Value which such Gold Coin doth by its Denomination import, under a Penalty of Six Months Imprisonment for the First Offence, of One Year's Imprisonment for the Second Offence, and of Two Years for the Third;" does not our Gold Coin circulate in this Country under a Limitation that is not imposed on it in France, and other Countries on the Continent?

Such Limitation does not exist in Practice in France, nor in any other Country, that I am aware. I have always found One of the Two Coins bear an Agio, or fluctuate in Value, to an Extent to bring the Mint to conform with the Market relative Value of the Two Metals. I have heard of such Limitation having been attempted to be enforced, but never with Success.

25. Our Silver Coin having been issued in the Month of March 1817, when we are told by a Bank Director, that the Price of Gold was kept up to £3 18s. 6d. or that it would have been at the Mint Price, and Gold having risen in Value in the Course of next Month; do not you think it probable that the Limitation and Restraint put upon Gold in this Country occasioned its going Abroad, and might give rise to the increased Value of Gold Bullion?

That is my Opinion. It was a necessary Consequence of the reduced Price of Silver, that the Gold Coin should take its due proportionate Value; and that being prevented here, the Gold disappeared.

26. Are you aware that, since the new Mint Regulations, Gold Bullion has never been more than 6 1/2 per Cent. above the Mint Price, and that our Foreign Exchanges have never been nominally unfavourable to a greater Extent than about 5 1/2 per Cent.?

Since the new Mint Regulations have, as I conceive, rendered it impossible for the Gold Coin to circulate at the Mint Price, to consider the Exchange with Reference to that Mint Price, is to reckon on an unreal Basis; one which cannot exist, and

Mr.
Matthew Fletcher.

and has not existed, since those Mint Regulations. Gold is not the real Standard at this Moment, either in France or England; the Proportion assigned to the Metal here, has counteracted what the Law has declared regarding the Standard.

27. Supposing that there had been no Bank Paper in Circulation, and that our Silver Coin, $6\frac{1}{2}$ per Cent. depreciated, issued in sufficient Abundance, had been the only Circulating Medium; would not the Value of Gold have naturally risen, and would not the Foreign Exchanges have become unfavourable?

In a Circulation wholly Metallic, with the present Mint Regulations, the Value of Gold must have risen, and the Foreign Exchanges have adapted themselves to the prevailing or Standard Metal; this must be Silver, when issued in Coin beyond its Value, compared with Gold, in the general Market.

28. If the Price of Gold has, since the Issue of our Silver Coin, never risen to a greater Extent than the Depreciation of our Silver Coin, if the sole Circulating Medium, would account for;—and our Exchanges have never been unfavourable to a greater Degree than, under such Circumstances, might have been expected;—and if the Notes of the Bank of England have, since the Issue of that Silver Coin, been considerably reduced;—can any Person be certain that the Rise in the Value of Gold, and the unfavourable State of our Foreign Exchanges, proceed from an Over-issue of Paper, and not from the Depreciation of our Silver Currency, which is the only Metallic Money in Circulation into which Bank Paper is convertible?

I attribute the depressed Foreign Exchanges, (so named depressed with reference to the Gold Par) and the Advance of Gold, entirely to the Issue of the depreciated Silver Coin since the Period of the new Mint Regulations. I do not think generally that Bank Paper has been issued in Excess, so as to affect the Circulation, other than would have been the Case without any Notes whatever.

29. Do not the Prices of Commodities naturally adjust themselves to the intrinsic Value of the Circulating Medium by which their Value is measured; falling in nominal Value if the intrinsic Value of the Circulating Medium is greater, and rising in Value if it is less?

Certainly, I conceive so.

30. When our Silver Coin was issued, into which our Paper is convertible, in the Month of March 1817, there being no Gold Coin in Circulation, must not the Prices of Commodities have naturally adjusted themselves to the intrinsic Value of that Coin into which our Paper was alone convertible?

That must have been one of the Consequences of establishing the Currency on a depreciated Basis.

31. Our Gold Coin being issued in the Month of July 1817, tied down under severe Penalties not to pass for more or less than our Silver Coin; would it not naturally go Abroad, there to obtain its real intrinsic Value, instead of passing in the Country for $6\frac{1}{2}$ per Cent less, as by Law enacted?

Affuredly.

32. Do you not conceive it possible, by reducing the Amount of Bank Notes, to bring the Market Price of Gold down to the Mint Price?

In my Opinion, never with the present Mint Price of Silver; unless, indeed, the relative Market Proportion of Silver to Gold should come to agree with our Mint Proportion. The Attempt must be attended with incalculable Mischief. I conceive that the Bank cannot pay in Specie, nor a Metallic Circulation subsist, according to our present Mint Regulations.

33. In your Opinion, what Course ought to be pursued to remedy the Evils attendant upon our existing System of Circulation?

To bring the Proportion between the Silver and Gold Coins to a Conformity with the Market Proportions; and that by leaving one of the Coins to bear an Agio. The readiest Remedy would perhaps be, to make the present Silver the Standard, but with a reduced Seignorage, and to allow the Gold Coin to take its Value with an Agio.

34. Do

34. Do you consider, that the present Silver Coin being declared the Standard, Cash Payments would be soon practicable?

Mr.
Matthew Fletcher.

So far as I have Means of judging, I can see nothing against their being immediately practicable. Silver Bullion being at or under the Mint Price, 5s. 6d., no one would apply to convert Notes into Specie at present, or in any ordinary Times.

35. Suppose the Bank were to pay in Gold Bullion instead of Gold Coin, would not that lessen the Difficulty arising from Disagreement between the Market and the Mint Proportions of the Two Metals?

Not unless one of the Metals were left to vary according to the Market Proportion. This fluctuating Metal could not, with any Convenience, be Silver, on account of its indispensable Use for small Payments; more important, with a View to the great Portion of the Community, than the large ones. On the other Hand, to allow the Bank to pay Gold Bullion at variable Prices, would be to invest the Bank with an entire Controul over the Currency even when metallic. In paying Bullion I see much Inconvenience to the Public, and no Advantage, when compared with Payments in Coin.

Then the Question and Answer No. 15. are read; and the Witness is asked,

36. How have you made the Calculation that led to the Conclusion that the Ounce of Standard Gold would be £4 4s. 5 $\frac{7}{8}$ d.?

By taking the pure Contents of the Ounce of Gold, which are 440 Grains, and the pure Contents of the Ounce of Silver, which are 444 Grains.

37. Supposing you were to compare the Ounce of Standard Silver and Ounce of Standard Gold?

The Ounce of Standard Gold would be £4 5s. 3d. at the Proportion of 15 $\frac{1}{2}$ to 1, if the Difference of Alloy were not reckoned.

38. What is the Instance of the Limitation, which you allude to in your Answer to Question 24?

In Leghorn, where I have resided, Foreign Bills of Exchange are by Law required to be paid in Gold Money; but by the Mint Proportions One Ounce of Gold being worth only 14.46 Ounces of Silver, while in the neighbouring States and in the Market, One is worth about 15 $\frac{1}{2}$ of Silver, the Gold Coin disappeared; much Distress occurred among the Mercantile Body to find Gold Coin to pay Bills of Exchange, and an Agio was given, settling at Length at about 7 per Cent. As, however, to make Payments in a Mode so fluctuating was destructive of Banking Operations, and unsafe for those of Merchandize, by common Consent it was agreed, to pay all Bills of Exchange in Silver Money, with an Addition of Seven per Cent. as a Compensation for Gold; and this is the Practice at this Day.

39. Was there, at the Period you mention, any Paper Money, representing Gold, circulating in that Country?

We had no Paper Money.

40. Is there at this Period, in your Opinion, any Paper Currency representing Gold?

I conceive not.

41. Was the Mint open for the Coinage of Silver at that Time?

It was.

42. Was there any Restriction to the Amount at which Silver could become a legal tender?

According to Law, for the Payment of Foreign Bills of Exchange, I understand Silver would not be a legal Tender for any Sum.

(30.)

3 P

43. Was

Mr. Matthew Fletcher. 43. Was Silver Coin a legal Tender to any Amount in every thing but Foreign Bills of Exchange?
It was, in every other Mode of Payment.

44. Do you conceive that the Circumstance of our Silver Coin being a legal Tender to the Extent only of 40s. affords any Safeguard against those Evils which you have stated as proceeding from our Mint Regulations?

I conceive that it does not, entirely; it is at the Option of the Receiver of a Payment to object to Silver; but it is also at his Option, as I understand the Law, to accept it; and I am of Opinion that Necessity will constrain a Connivance in Payments to accept our Silver.

45. Notwithstanding the Regulation that 40s. is the greatest Amount to which a legal Tender in Silver can be made in this Country, cannot a Person, who has a Debt to pay in France, a Merchant who wants to purchase Goods in France, or an Englishman who wants to purchase French Stock, by sending our Gold Coin Abroad, ensure to himself the Advantage which the respective Mint Regulations of the Two Countries afford?

He can take Advantage of this, notwithstanding that Limitation.

46. Can he not send our Gold Coin Abroad, demand Silver Coin from the French Mint, or having obtained Gold Coin from the French Mint, can he not exchange that for 15½ Ounces of Silver, which he may employ in paying a Debt, in the Purchase of Goods, or in the Purchase of Stock?

Certainly he can.

47. How is the Merchant to obtain the Gold Coin of this Country in Exchange for English Silver Coin?

On account of the Limitation of 40s. by a more laborious and detailed Operation than if that Limitation did not exist; nevertheless with perfect Effect.

48. How is he to obtain the Silver Coin?

Simply by the Operation of an Exchange, giving a Value for it.

49. Suppose he sells Goods to the Amount of £100, if Gold Coin be current in the Country, might he not receive 100 Sovereigns in Payment for those Goods?

He might, supposing it to be current in the Country, which I do not think can be the Case with Mint Proportions so far differing from the Market Proportions.

50. If Gold Coin was not current in the Country, how could he obtain it all by any Means?

Coin he could not obtain.

51. And supposing it was current in the Country, what Motive could he have for requiring Payment in Shillings, instead of in Sovereigns?

I have not supposed he ever would, if he had the Opportunity of being paid in Sovereigns.

52. What Motive could he have, if he received Sovereigns, to exchange those Sovereigns for Shillings?

I can conceive no Motive any Man could have to exchange Sovereigns for Shillings.

53. Supposing he had a Bank Note of £100, and Sovereigns were current, what Motive could he have for preferring Payment of that Bank Note in Shillings to Payment of it in Sovereigns?

He must always prefer Payment of it in Sovereigns, in order to derive the Profit of exchanging it against Silver in Foreign Countries, and in the Market of this Country.

54. How then could any Man obtain £100 worth of Shillings in this Country profitably, to obtain 100 Sovereigns to send Abroad?

With

With 100 Sovereigns he might get its Value in Silver Bullion, which is to be converted into so much Silver Coin, and that Coin into Gold Coin; and this will leave him a Profit, when the Market Proportion is as 1 to 15½.

Mr. Matthew Fletcher.

55. In your Opinion, if Silver was a legal Tender to any Extent, could not the Bank defend itself much more easily against the Profit to be acquired by Gold being demanded for its Notes of £10, and upwards, than it can under the Circumstance of its not having it in its Power to pay off Notes of £10, and upwards, in Silver Coin?

Gold being, under any Circumstances, obtainable from the Bank, I conceive, with the present Mint Proportions, injurious Consequences must ensue.

56. Supposing Standard Silver, in the London Market, to be at the Rate of 5s. 2d. per oz., how many Ounces of Standard Silver could be purchased in London with 100 Sovereigns?

387.09 oz.

57. How many Ounces of Silver of the same Fineness could be purchased at Paris for the same Number of Sovereigns, at the Proportions of 15½ of Silver to 1 of Gold?

394.48 oz.

58. What is the Difference per Cent.?

1½ per Cent.

The Witness is directed to withdraw.

Then the GOVERNOR and DEPUTY GOVERNOR of the Bank were again called in, and further examined as follows:

8. Supposing a Day to be fixed on which the Bank Restriction was to expire, would there be any Advantage in the Bank being permitted to make its Payments in Gold Bullion, if demanded in Sums of not less than 2, 3, or £500 at the Mint Standard Price, instead of paying all Notes in Gold Coin, as before the Restriction?

The Governor and Deputy Governor of the Bank.

(By the Governor.) It seems to me, that it would be a Security to the Bank, and would be a Check to any sudden Drain or Run upon the Bank.

(By the Deputy Governor.) I think it might be some Benefit, but I do not see it as holding out so large an one.

9. Would not the Amount of Treasure necessary to meet the Opening upon the above Principle be much less than if the Bank, immediately upon opening, were obliged to pay in Coin?

(By the Governor.) The Application for Gold in that Instance must be confined to much fewer Persons, and it may be expected a smaller Quantity of Treasure would answer the Purpose.

(Deputy Governor.) I concur.

10. Would it be desirable, with a View to the Attainment of the Object stated in the former Question, that the Bank should be required, in the first Instance, at a given Time to pay its Notes in Bullion, at a Price to be fixed beforehand, with reference to what might be expected to be the Market Price at that Time; and then to reduce the Price, as Circumstances might permit, until it shall by a given Time be reduced to the Mint Standard Price; it being always understood that the Price, when once lowered, should not afterwards be raised?

(The Governor.) I think the Principle might be advantageous; but I conceive there would be some Difficulty in the Details, which might be got over when the Subject was fully matured.

(Deputy Governor.) I approve of the Plan.

11. Would there be any Inconvenience in the First of December next being fixed as the Period when the Bank should commence such Payments in Bullion, at the Price of £4 1s. per oz., or at the average Price of the Three Months immediately preceding, if that should be lower?

(The

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*The Governor, and
Deputy Governor
of the Bank.*

(*The Governor.*) I conceive, myself, that the Time is too short for the Bank to be sufficiently provided with a Stock of Bullion to meet the Opening, under all Circumstances, even at £4 1s.

(*Deputy Governor.*) I concur.

12. Should you see the same Difficulty if the Bank were, in the Interval, restrained from paying their outstanding Notes, which they have given Notice they will pay in Cash?

(*Governor.*) The Difficulty would be removed in a Degree; but in all Probability the Bank would think it necessary to purchase immediately, to meet the Demand which might be made upon them in December, under these Circumstances; and the Effect of such Preparation might be injurious to the Trade of the Country.

(*Deputy Governor.*) I concur.

13. Would not the Difficulty be further removed, if the Government were progressively to pay, before the 1st of December next, towards that Object, Three Millions, in addition to what has been already paid; and during the Interval between the 1st of December and the Completion of the Operation, Five Millions more?

(*The Governor.*) It is absolutely necessary that the Government should repay a large Part of the Debt owing to the Bank, and that such Repayment should be secured by Act of Parliament. But even under such Circumstances I consider the Period of the 1st of December as too early to meet the Operation of paying in Bullion.

(*Deputy Governor.*) I concur in this Answer.

14. Can you state to the Committee at what Period it would be safe and practicable for you to commence the above Operation of Payment in Bullion at £4 1s.?

(*Governor.*) I conceive the Effect expected to be produced by a Repayment of Part of the Government Advances to the Bank, would not be felt within Six Months after such a Repayment, so as to operate upon the Exchanges in favour of this Country; and therefore I should think that a Period of not less than a Year and a Half would be necessary to prevent any Inconvenience which would otherwise arise to the Commerce of the Country, in consequence of the Measures which the Bank might take to provide Bullion.

(*Deputy Governor.*) Before I can fix on a Period for the Commencement of the Operation, I must first be certain of the Repayment of Government to the Bank; as I consider it would require some Period subsequent to such Repayment before the Plan could be begun with Safety. I question whether Three Millions before the First of December would be sufficient.

15. Would it be necessary, in your Judgment, with a View to the Commencement of the Operation, that any considerable Reduction should take place in the Notes of the Bank of England, from their present Amount of Twenty-five Millions, to prevent a further Rise in the Price of Gold above the Mint Price?

(*Governor.*) If a Period is fixed for commencing Bullion Payments at £4 1s., every Effort must be made by the Bank to meet that Regulation; and it may be found necessary to reduce the Issue of Bank Notes much below Twenty-five Millions, to prevent the Price of Gold from rising higher.

(*Deputy Governor.*) I should think it would be requisite to keep Bank Notes in the Market in a State of Scarcity. I consider Twenty-five Millions may in some Instances be too much, while in others it may not be sufficient.

16. Supposing the Period fixed, at which the Operation was to commence, at £4 1s.; what further Time would probably be required for lowering the Price, so as to bring it down to the present Mint Standard?

(*Governor.*) If it is not to be a forced Operation, I should suppose about Twelve Months.

(*Deputy Governor.*) I feel incompetent to answer that Question.

11. Can

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17. Can you state, in the Case of a longer Interval being allowed for the Commencement of the Operation, whether any Security could be given to the Public, that the Price of Gold should not rise materially above the present Price during that Interval?

(*Governor.*) I think that if considerable Repayments were made by Government to the Bank, and that the Demands for Accommodation by the Trade of the Country was in proportion to the actual Wants of Commerce, the Bank would be able to keep the Price of Gold where it now is.

(*Deputy Governor.*) The more the Bank have a Controul over their Issues, the more likely, I conceive, the Price of Gold is not to rise.

18. Supposing the Market Price of Gold on the Continent afforded a Profit of $3\frac{1}{2}$ per Cent. on its Exportation from this Country, do you think that less Gold would be demanded from the Bank, with a View to Exportation, in consequence of a Regulation, that Notes under the Amount of 2, 3, or £500, should not be payable in Bullion on Demand?

(*Governor.*) If Gold afforded a Profit of $3\frac{1}{2}$ per Cent. on Exportation, it would undoubtedly be demanded.

(*Deputy Governor.*) I concur.

19. Has there been any Market for Gold in this Country, for the last Two Months, of so considerable a Nature, that can authorize any Man to say what would be the Market Price of Gold, if there existed the usual Demand for it?

(*The Governor.*) The Bank have not had any Transactions in buying or selling Gold during the last Two Months, and I believe there has been very little done in it.

(*Deputy Governor.*) I concur.

20. Do you think that from the State of the Market for these last Two Months, you can infer what would be the Price of Gold, if Measures were taken such as would create the Necessity for the Bank's going into the Market?

(*Governor.*) The Consequence must be a considerable Rise in the Price of Gold; but I do not apprehend that at any Rate a considerable Quantity could be bought at this Time.

(*Deputy Governor.*) I concur.

21. If you apprehend that the Supply is likely to be very small, must you not naturally expect, that the Demand on the Part of the Bank, in the Market, would have the Effect of raising Gold higher, than the same Demand would, if the Supply was ample?

(*Governor.*) Yes, it would have that Effect.

(*Deputy Governor.*) The Price of the Article must naturally depend on the Supply.

The Witnesses are directed to withdraw.

This Committee is adjourned to Wednesday at Twelve.



(30.)

3 Q

Proclamation 10 Aug 1772, to pass in all payments under the value of 6d. — But in 1797 when Copper two pence & four pence first made by royal authority it was added by your Majesty's Proclamation of the 26th Feb of that year, that no person should be obliged to take them in any one payment that shall exceed the value of one shilling: and since by your Majesty's Proclamation of the 4th Dec 1799, it was added that no person should be obliged to take the Copper Halfpence & Farthings, authorized in like manner to be made by your Majesty, in any one payment that shall exceed the value of a shilling.

Die Mercurii, 7^o Aprilis 1819.

Letter to the King by the Earl of Liverpool — page 131

Mr. Robert Musher.

Mr. ROBERT MUSHETT was called in again, and the following Questions were read to him, to which he gave the following respective Answers:

52. What is the present Mint Proportion, betwixt the Value of our Gold and Silver Coin, as issued from the Mint? The Proportion of Standard Gold to Standard Silver in our Gold and Silver Coins, is as 1 to 14.1590, that is, the Ounce of Gold is coined into £3 17s. 10½d. and Silver into 5s. 6d.

53. Assuming the real Difference in the Market betwixt Gold and Silver Coin to be as 1 to 15½, how much per Cent. is there of Difference betwixt that Proportion, and the Proportion we have adopted in our Mint Regulations?

Assuming a Market Proportion of Gold to Silver as 1 to 15½, the Difference betwixt that Proportion and the Proportion of our present Silver Coins is about 9½ per Cent.

54. Have you not drawn out the Questions and Answers, which you delivered into this Committee, on the Supposition that though an Ounce of our Gold Coin, if sent to Paris, would exchange for 15½ Ounces of French Silver Coin, yet that the Profit which would be secured on that Transaction could alone depend on the Rate at which the Silver Coin, so obtained, could be disposed of, when it is brought to London?

The Questions and Answers which I had the Honour of delivering into the Committee, relative to an Ounce of our Gold Coin being sent to Paris and exchanged for 15½ Ounces of French Silver Coin, supposed the Profit to depend entirely upon the Sale of such Silver in the London Market. I maintain the same Opinion still; for as I cannot convert these 15½ Ounces of Silver at the Rate of 5s. 2d. at our Mint, it not being open for the Coinage of Silver, which, if I could, would produce me £40s. 1d., leaving me a Profit, on £3 17s. 10½d. of Gold, of 2s. 2½d., having no other Mode of disposing of my Silver but carrying it to the Market, my Profit would depend entirely upon the Price which I could obtain for it. If the Market Price was 5s. 2d. per Ounce, my Profit would be the same as if I carried it to the Mint for Coinage, viz. £2 16s. 8d. per Cent. If the Market Price was 5s. 4d. per Ounce, the Profit would be £6 3s. per Cent. But if the Market Proportion of Gold in London corresponded to the Proportion of the Paris Silver Coin, Silver would be sold here at 5s. 0½d. per Ounce, and I should only obtain £3 17s. 10½d. for my 15½ Ounces of Silver. For if 15.0725 Ounces of Silver be worth £3 17s. 10½d., One Ounce will be worth 5s. 2d.; so that if 15.5 Ounces of Silver is obtained for One Ounce of our Gold Coin, each Ounce of Silver will be purchased at 5s. 0½d. To me it appears evident then, that the Profit upon sending our Gold Coin to Paris to be exchanged for Silver Coin, whenever such Transactions take place, has its Origin, not in the Coinage Proportions of the Two Mints, but in the varying Value of the Metals in the Two Countries, and can never either temporarily or permanently, in my Opinion, deprive us of our Gold Currency.

55. Do

Mr Boulton coined, by your Majesty's order, 10115 Tons of Copper into 200 penny pieces, penny pieces, halfpence & farthings, amounting in nominal value to £ 2012 075 - 5 - 0 1/2 The principle applied in making this coin was, that the nominal value of

55. Do you then mean to say, that if an Englishman owes a Debt at Paris, he cannot secure a Profit by sending Abroad Gold Coin, instead of Silver Coin, to discharge it?

Mr. Robert Musher.

I have no Hesitation in admitting, that if a Debt in Paris required to be discharged in English Coin, Gold would be preferred to our present Silver Currency, with a Seignorage of 6 per Cent. But as Debtors discharge their Debts at the least Expence to themselves, Gold Coin may purchase such a Proportion of Silver Bullion in the London Market, as to render it the Interest of the Debtor to export Silver Bullion in preference to our Gold Coin. In fact, if the Debt must be discharged in the precious Metals, it will be the relative Value of the Bullion Currencies of the Two Countries which will determine whether Gold Bullion or Coin, or Silver Bullion, will be employed for that Purpose.

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56. If an Englishman wants to purchase French Goods, can he not secure a Profit by sending our Gold Coin to Paris, and purchasing French Silver Coin, for the Payment of such Goods, instead of paying them with our own Silver Coin?

The Profit which an Englishman can obtain, by taking our Gold Coin to Paris, and purchasing Silver Coin for the Payment of Goods, will in my Opinion depend entirely upon the Market relative Proportion of Gold to Silver in the London Market. If an Ounce of Gold purchase 15½ Ounces of Silver in the London Market, it will be equally profitable for an Englishman to carry his 15½ of Silver to Paris as One Ounce of our Gold Coin; and of course Goods purchased with the Gold Coin, or the Silver Bullion, would be equally advantageous. In other Words, it is the relative Proportion of Gold Bullion to Silver Bullion in the Markets of France and England, that would determine which Metal would be used in the Discharge of a Debt at Paris. By the Regulations of our Mint, as they now stand, it is no longer Silver Coin but Silver Bullion which should guide us in Questions of this Nature. The late Act for Coinage has as completely, in my Opinion, neutralized the Effects of our Silver Coin from affecting the Gold; first, by restraining its legal Tender to 40s., and secondly, confining the Coinage of it to the Hands of Government, as that of our Copper Coinage, which is a legal Tender to 12d., and the Coinage of it in the Hands of Government. Still an Export of Copper to Paris might be the most advantageous Mode of discharging a Debt, and if in Cake Copper, why not in Silver Bullion, both being purchased by Gold in the Home Market, and the deteriorated Coinages of Silver and Copper left at Home for domestic Circulation.

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57. If an Englishman wants to purchase into the French Funds, will he not secure the same Profit by sending out our Gold Coin, and purchasing therewith French Silver Coin to pay for his Stock, instead of sending out our Silver Coin therewith to purchase it?

As French Stock is a Commodity in the Paris Market, like any other Species of Goods, I can only refer to the foregoing Answer, as equally applying to this Question.

58. If the Par betwixt London and Paris in Gold Coin is 25 Francs, and the Par in Silver Coin 23 Francs per Pound Sterling, would it not be natural for an Englishman, in all his Transactions with France which require the Exportation of our Coin, to send out Gold Coin in Preference to Silver Coin?

This Question appears to me to involve an Error in Principle. We cannot, in my Opinion, have Two Pars of Exchange with Paris—One in Gold, and One in our Silver Coin. Gold being the Standard in England, and Silver in Paris, the Par of Exchange with the Two Countries will vary in the Proportion of the relative Value of the Two Metals in the Market. For Example, our Mint Price of Gold being £3 17s. 10½d. and Silver 5s. 2d. per oz. (and it does not alter the Question that a Stamp of 5s. 6d. is now put upon the Ounce of Silver; for if the Mint was open to the Public, Silver would not now be carried to the Mint, more than before the new Act for Coinage, unless its Price in Gold was 5s. 2d. per oz.), the Proportion is as 15.0725 to 1. According to the Table of the Pars of Exchange which Dr. Kelly laid before the Bullion Committee, the fine Silver in 24 f. 91 c. of French Currency was exactly equal to the fine Grains contained in 20s. of our Cur.

Mr.
Robert Missett.

Currency, coined at the Rate of 5s. 2d. per oz., or 1718.7100 Grains. If Silver continued in the London Market at 5s. 2d. per oz., the Par of Exchange with Paris would also continue at 24 f. 91 c.; but Gold being our Standard, in a healthy State of the Circulation, its Price would never be above and never under £3 17s. 10½d. per oz. But its Power of purchasing Silver would vary; at one Time it might purchase 15½ oz. of Silver, and at another only 14½. The Par of Exchange would fluctuate in the same Proportion. If Silver was 5s. 0½d. per oz. an Ounce of Gold would purchase 15½ of Silver, and consequently would purchase more of Paris Currency. The Par would then be 25.61.; for as 15.0725 : 24.91 :: 15.5 : 25.61. If Silver in the Market was 5s. 4½d. per oz. then £3 17s. 10½d. of Gold would only purchase about 14½ oz. of Silver, and of course would purchase less Paris Currency; so by the same Rule, if 15.0725 : 24.91 :: 14.5 : 23.94. the Par when the Market Price of Silver is 5s. 4½d. per oz. The same Result will be obtained by saying, if 5s. 0½d. : 5s. 2d. :: 24.91 : 25.61. Again, as 5s. 4½d. : 5s. 2d. :: 24.91 : 23.94. So that, in my Opinion, it would be the Market relative Proportion of Gold to Silver Bullion that would determine whether a Debtor would pay in Gold Coin or Silver Bullion.

59. In the Course of Payment of Debts due abroad, of purchasing Commodities abroad for Importation, and of making Purchases in Foreign Funds, may not then our Gold Coin be carried away, with a Profit to the Exporter, without any Foreign Silver Coin being imported into this Country, for the Purpose of realizing such Profit?

Our Gold Coin may be exported for the Payment of Debts abroad, and for the Purchasing of Foreign Commodities, without Foreign Silver Coin being necessarily imported into this Country for the Purpose of realizing a Profit upon the Transaction. Our Gold Coin would not be exported unless it was relatively cheap here, compared with Foreign Countries, and we should export no more Gold than would equalize the Bullion Value of it in our Country compared with Foreign Countries.

60. If one Country establishes the relative Value between Gold and Silver Coin, as 1 to 15½, and another Country as 1 to 14, if this is practically to lead to no Consequence, where is the Utility for establishing any relative Value at all, or why may not one Country establish a Proportion of 1 to 10, while another establishes it at 15 or 16?

If a Country determine to have a Gold and Silver Currency, each a legal Tender to any Amount, it is of great Importance to have the Proportion of the Two Metals in that Mint as near to those of the Market as possible, as fewer Transfers would necessarily take place from a Gold to a Silver Standard. The Regulations of the French Mint are very highly praised, and are held up to us by some People as the most perfect in Europe; but France can only have one Standard of Value, and her Gold Coin is kept in Circulation by being received at a Premium in Silver, that is, when the Market Proportion of Gold to Silver is above 15½ to 1, a 20 Franc Gold Coin will pass current for more than 20 Francs of Silver Coin, which establishes one Price of Commodities in Gold and another in Silver; and if I am correctly informed, Gold is a legal Tender in France at the Coinage Proportion of 15½ to 1; consequently, when 1 Ounce of Gold will only purchase 15 Ounces of Silver, Gold will be preferred for Coinage and the Payment of Debts, &c.; when an Ounce of Gold will purchase 16 Ounces of Silver, then Silver will be preferred for Coinage and the Payment of Debts; so that France is subject to all the Evils of a Standard which may be Silver this Month and Gold the next, in addition to the varying Value of the precious Metals.

By the late Act for Coinage, I conceive we have established a much more perfect System of Currency in allowing only one Standard of Value, so that it is subject to no other Fluctuation than the varying Value of the Metal. I am further of Opinion, that no other Inconvenience would arise from our adopting a Coinage Proportion in our Mint of 10 to 1, than the Temptation it would hold out to the illegal Coiner. If 10 Ounces of Silver was coined into £3 17s. 10½d., each Ounce would

Mr.
Robert Missett.

would be coined into 7s. 9½d., and the Seignorage would be nearly 50 per Cent.

If all Mints adopted one Standard of Value, as we have, there could be no other Inconvenience that I am aware of, from establishing a Coinage Proportion of 10 to 1, than the one just noticed.

61. You have stated, that you never can admit that the Proportions of a Mint can govern and limit the Proportions of Gold to Silver in the Market; but may not the Proportions of One Mint be nearer the general Market Proportions than those of another; and if the Proportions of a Mint accurately accord with the Market Proportions, would not a Variation from those Proportions, to a great Extent, give Rise to all the Difficulties which must take place when the Mint and Market Prices widely differ?

When a Mint is open for the Coinage of Gold and Silver, and both Coins legal Tenders, it is certainly important to fix a Proportion as near to the general Average Market Proportion of the Two Metals as possible; but when this is done, it appears to me quite evident that the Proportion of the Market can alone determine which of the Metals can be coined. Every Variation in the Market from the Mint Proportion is attended with Inconvenience, and the melting of the Coins of that Metal which rises above its Coinage Price in consequence of the altered Market Proportion; the History of our Currency is a continual Exposition of this Doctrine.

62. Do you not know that since the Proportions of 15½ to 1 has been established in France, the Difference between the Market Price and the Mint Price has never in the Paris Market exceeded One Half per Cent.?

I am not acquainted with the Market Proportion of Gold to Silver in the Paris Market since the Establishment of the present Rates of Coinage: If the Fluctuation has been confined to One Half per Cent., the Fact is of Importance in the History of Currency. Two Causes worthy of Notice, in my Opinion, may operate to produce a Market so nearly corresponding to the Mint Proportion of the Two Metals: First, the Mint of Paris, I have within these few Days been informed, is open to the Public, and Coin is delivered on Demand for Bullion; and Second, the Coins of France are, I believe, legally exportable: so that the Mint immediately supplies any Deficiency in the Currency, and a free Export as speedily relieves her from any Excess. In England the Case has hitherto been materially different; the Bank of England has had, for nearly a Century past, the complete Controul over the Value of our Currency. If the Currency was in Excess, the Laws interfered to prevent the speedy Exportation of it; and if the Currency was deficient, the Mint was not so conducted as to relieve us from the Pressure of a deficient Supply. Let us amend our present excellent Regulations for Coinage, by rendering the Coins legally exportable, and opening our Mint for the Delivery of Coin for Bullion on Demand; and then coined Money will be fairly brought into Competition with Bank Paper.

63. A Case having been supposed by you, that the Mint of London fixed the Proportions of Gold and Silver at 15 to 1, Paris 15½ to 1, and Spain 16 to 1; and you having admitted that in London, when the Market Proportion was only 14½ to 1, Gold only would be coined, and Silver would be withdrawn from Circulation, in consequence of its increased Value; and that if the Proportion became 15½ to 1, then Silver would be coined, and Gold would be withdrawn from Circulation; you are desired to state your Reasons for thinking that Gold when coined in Proportion to Silver, as established by our Mint Regulations, will remain in Circulation, if the Market Price of Gold and Silver should be as 1 to 15½?

The new Regulation for the Coinage of Silver, neither increases nor decreases the Market Proportion of Gold to Silver, by which alone Silver could be coined before the Act in Question, and by which it can be advantageously coined now. If the Market Proportion of Gold to Silver is 15.0725 to 1, we know its Price

<p>Mr. Robert Myllett.</p>	<p>will be 5s. 2d. per oz. Now if the Coinage of Silver was open to the Public under the new Act, it is true that is coined at 5s. 6d. per oz., into £3. 17s. 10½d., but the Mint demands for the Coinage</p>	<p>14.1590 oz. .9135 oz. <hr/> 15.0725</p>
	<p>Making the ancient Proportion of 15.0725 to 1. If the Market Proportion was 15½ to 1, then the Importer would get Seignorage to Government</p>	<p>14.1590 .9135 <hr/> 15.0725 .4275</p>
	<p>Profit to the Importer of</p>	<p>15.5000 .4275</p>
	<p>Making the Market Proportion of In other Words, the Market Price of Silver, when 15½ oz. of Silver is obtained for 1 oz. of Gold, will be And the Profit will be</p>	<p>5s. 0½d. 1½d. per oz.</p>
	<p>Making the Mint Price of</p>	<p>5s. 2d.</p>

To me it is evident, that if no new Act for Coinage had been made, and the Mint open for the Coinage of Silver, the same Profit would have been made by an Importer of Silver to the Mint, when the Market Proportion was 15½ to 1. There would have been this Difference, no Gold would have been coined; for while an Ounce of Gold would exchange for 15½ of Silver, which would be coined into £4 os. 1d., and with £3 17s. 10½d. discharge a Debt of that Amount, leaving a Profit of £2 16s. 8d. per Cent., Gold would not only not be coined, but it would be withdrawn from Circulation at a Premium of £2 16s. 8d. per Cent.

To prevent this Evil, the new Act was passed, which first limits the legal Tender of the new Coins to 40s.; and secondly, left such a Proportion of Gold to Silver should exist in the Market as to induce large Coinages of Silver at a considerable Profit to the Importer, and inconveniencing the Public with too large a Supply of Silver Currency, the Government withheld from the Public, and in my Opinion properly, the Privilege of coining Silver at the Mint. Consequently the Profit of a Market Proportion of the Metals, exceeding that of 15.0725 will always be obtained by the Government. For these Reasons I maintain my former Opinion, that if the Market Proportion of Gold to Silver was 30 to 1, still we should maintain in Perfection our Gold Currency.

If the Mint was open for Coinage, and an Importer could obtain 15½ Ounces of Silver for an Ounce of Gold, and could coin 14.1590 of the 15½ into £3 17s. 10½d. and discharge his Debts to any Amount, then I should agree that our present Act for Coinage would not enable us to maintain our Gold Coin in Circulation, and those that think the late Act for Coinage must necessarily deprive us of our Gold Currency, are, I fear, under some such Misapprehension.

This Misapprehension has carried some Individuals so far as to predict the Ruin of the Bank if it attempt to open while the present Regulations of the Mint are in force. There is something so alarming in the Idea of ruining the Bank, that I may be excused if I state, in my Opinion, what, in point of Fact, would be the Consequences to the Bank of England, if the Regulations of the Mint could produce all the Effects which are by some attributed to them.

In order to render the Case more clear, let it be supposed that the Mint is open to the Public for the Coinage of Silver.

Let us suppose also that the Bank has just opened to pay in Cash, and that the Price of Gold is £3 17s. 10½d. per Ounce, and Silver 5s. 0½d. making a Proportion of 15½ to 1, which is admitting the whole which the Opponents of the Mint Proportions require.

Silver Bullion therefore being 5s. 0½d. per Ounce, there would be a Profit of 1½d. per Ounce, or about £2 16s. 8d. per Cent., abating the Loss of Interest by the

the Delay of Coinage. This Profit would induce largely the Coinage of Silver. The Public generally would wish to participate in the Advantage. Silver Bullion would be purchased for this Purpose by Bank Paper, the Demand being for Silver Bullion and not for Gold Coin, as is generally supposed, there would be no Temptation in the first Instance to purchase in Gold, in preference to Paper, interchangeable for Gold. In the first Steps, therefore, of this Process, there would be no Run upon the Bank for Gold. Its Market Price, however, would soon assimilate itself to the Market Proportion of 15½ to 1, and would be £4 os. 1d. per Ounce; then would come the serious Demand upon the Bank for Gold, for then only existed a Difference between the Value of its Paper and the Gold Currency; but I think it would be hazarding too much to affirm, that this Drain would continue upon the Bank while it had a Note in Circulation.

Let us take the Circulation of the Bank at 27 Millions, and let us suppose that a Demand is made on the Bank, by Notes returned, for 9 Millions. We should then have 18 Millions of Paper and 9 Millions of Gold in Circulation. As soon as the Mint could coin 9 Millions of Silver, they would replace the 9 Millions of Gold. We should then have 9 Millions of Silver, and 18 Millions of Paper Currency. The Gold Coin to be sold for the Price of £4 os. 1d. per Ounce must be melted and sold as Bullion, for in this State only can the Profit be realized; for as Gold rose to £4 os. 1d., Silver would rise to 5s. 2d., and the Profit would not appear upon the Coinage of Silver, but as it was obtained for Gold Bullion sold for £4 os. 1d.; and that owing to the Law which prohibits the selling Gold Coin for more than its nominal or current Value, and would prevent the Guinea from circulating at 22s. or 21s. 6d. as it did in King William's Reign. The Mass of Gold Bullion in the Market would be increased by 9 Millions Sterling, while that of Silver was diminished to the same Amount. This Circumstance would alter the relative Value of Gold to Silver, in which Case the Price of Gold would fall. If the Proportion became as 15.0725 to 1, then the Price of Gold would be £3 17s. 10½d., and Silver 5s. 2d. per Ounce, and the Bank would suffer no other Loss than that of the Profit attending the Circulation of 9 Millions of Paper, or in other Words, the Bank was called upon to pay 6s. 8d. in the Pound of her Notes in Circulation. The 9 Millions of Paper withdrawn from Circulation could not be re-issued. We have still 27 Millions of Currency, with the same Amount of Commodities, so that there could be no Demand for more; and if the Bank attempted to re-issue her Notes, she would only increase the Evil she wished to diminish.

Let us carry the Supposition further, and suppose other Nine Millions of Notes returned to the Bank for Gold, we should then have Nine Millions of Gold, Nine Millions of Paper, and Nine Millions of Silver Currency. The Bank would thus be deprived of the Profit attending the Circulation of Eighteen Millions of her Notes, or, in other Words, was required to pay 13s. 4d. in the Pound of her Paper. If the Drain continued until the remaining Nine Millions of Notes were returned to the Bank, the Currency, by the Supposition, would consist of Eighteen Millions of Silver and Nine Millions of Gold, and when the Mint could supply Nine Millions additional of Silver, then the whole Twenty-seven Millions would be Silver. If the Bank were obliged to issue Twenty-seven Millions of Silver Coin, in place of that Amount of Paper, her Loss, by Interest, on the inexpensive Currency, compared with the Metallic one, would be £1,350,000; but there would be no Ruin to the Bank, for the Bank would continue to lend her Metallic Currency in the Discount of Bills, and Purchase of Government Securities, as formerly. If the Bank had to purchase all the Gold for the Notes returned for Coin, under this Supposition, its Market Price being £4 os. 1d. the Loss upon such Purchases would, at the Rate of £2 16s. 8d. per Cent., amount to about £765,000. In both these Cases it is a Diminution of Profit only, for the Capital of the Bank would remain entire. In fact, if Matters could be carried to such an Extreme, it would be exactly what occurred to the Bank soon after the Re-coinage of King William, when Gold was substituted for a Silver Standard.

This

Mr. Robert Myllett.

Mr. Robert Mufbett.

This Transfer of the Standard from Gold to Silver then, if it could take place as a Consequence of our Mint Regulations, which I contend could not, the only Loss to the Bank would be that of Profit, not Capital, as is supposed; and as soon as the Currency was fairly equalized, and the Circulation of Paper restored to its usual Amount, the Profits of the Bank would be restored to their usual Rate. No one however could wish such Inconvenience to the Bank, and such a Transfer of the Standard of our Money. So far from thinking that the late Regulations for the Coinage of Gold and Silver have such a Tendency, I am confident in the Opinions I maintain, that these Regulations are a perfect Safeguard against all Transfers in the Standard of our Money in future.

64. You having stated that in 1812 about 16½ Ounces of Silver could be obtained in London for an Ounce of Gold, and consequently, that Gold brought from France to purchase Silver would secure a Profit of about Six per Cent; do you not know, in point of Fact, that both Gold and Silver, driven out by our Paper Currency, were at that Period sent in large Quantities to France?

Admitting the general Principle that a Paper Currency, not convertible into the precious Metals, and in Excess, will cause the Exportation of Gold and Silver, I should not doubt that, in 1812, Gold and Silver might be exported to France, though I am not practically acquainted with the Fact. When I admitted that 16½ Ounces of Silver could be obtained for one Ounce of Gold in London, I also admitted, that if the Proportion of the Paris Market was 16½, the Ounce of Gold would be more profitably employed in purchasing Silver there for Coinage; the Expences of Freight, Insurance, &c. would be saved.

65. Under the Circumstances that our Gold Coin is bound down by His Majesty's Proclamation of the 1st of July 1817, (which you are desired to read) not to be paid away or received for more than the Value of Twenty Shillings of our present lawful Silver Money of Great Britain and Ireland, which Obligation to give in Gold 1 for 14½ Parts in Silver, is enforced by severe Penalties in the Act of the 56th of the King, Chap. 68; can our Gold Coin remain in Circulation if Gold Bullion is in the Market as 1 to 15½?

The Proclamation of the 1st July 1817, in my Opinion, cannot affect the Circulation of our Gold Coin in any Degree whatever. The Object of the Proclamation seems to me to be, to prevent the Circulation of our Gold Coin at an Agio in Silver. The Coinage of Silver being entirely in the Hands of Government, the Obligation in the Act to pay and receive at the Rate of 20s. only for our Gold Coin may be deemed unnecessary, for the Supply may be so managed as never to be able to give or receive more than at the Rate of 20s. of Silver for a Sovereign.

66. Should you be of Opinion that it can, you are desired to state your Reasons for so thinking?

My Reasons for supposing our Gold Coin can continue to circulate under the Operation of the Provisions of the Act of the 56th of the King, Chap. 68, I have already stated, particularly in my Answer to the 63d Question.

67. Should you be of Opinion that it cannot, you are desired to state, whether under these Circumstances it could, if Gold was in the Market as 15 to 1?

My general Opinion is, that even with a Coinage Proportion of 10 to 1, or a Market Proportion of 30 to 1, under the Regulations of our Mint, and the Limitation of the legal Tender to 40s., we could maintain our Gold Coin in Circulation; and beg to refer to the supposed Case stated in the Questions and Answers which I had the Honour of delivering into the Committee, and to the Answer to the 9th Question of the present Series, in Support of that Opinion.

68. Is there any Mint in Europe in which Gold is coined in the Proportion to Silver, as 1 to 14½ Parts?

I know of no Mint in Europe where Gold is coined at the Rate of 14½ to 1.

69. What

Mr. Robert Mufbett.

69. What is the Proportion nearest to it, and in what Mint? According to the Table of Dr. Kelly, of the relative Value of Gold and Silver in Foreign Mints,

The Proportion in Naples is per Regulations	14½ to 1
by Assays	14½ to 1
Leghorn	14½ to 1
by Assays	14½ to 1
Venice per Regulations	14½ to 1
per Assays	14½ to 1

so that the Leghorn Mint has the nearest Proportion to 14½ to 1.

Then the Witness is asked,

70. Referring to your Answer to Question No. 55, what do you mean by the Expression of Bullion Currencies?

My general Meaning is, that the relative Market Values of Gold and Silver Bullion of Two Countries, would determine which of the Metals in Bullion would be employed in Discharge of Debts.

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Then Question 29 and his Answer thereto, in his Examination on a former Day, being read to the Witness at his Request, he reads from a written Paper as follows:

"I wish now to correct that Statement; for I find, by Reference to Lloyd's Lists for the Year 1788, that Bar Gold sold for £3 18s. per Ounce; the Price is so quoted, from the 2d May 1783, to 2d April 1784. The Rise was only 3s. 2½d. per Cent. The Price of Standard Silver, during the same Months, fluctuated from 5s. 10½d. to 5s. 4d. and 5s. 3d. per Ounce. During the same Period, the Exchange with Hamburgh was unusually low, ranging from 31 sk. 6g. to 32 sk. 10g. When the Price of Gold fell to £3 17s. 6d. the Exchange rose to 35.6; and Silver fell to 5s. 1½d. per Ounce.

"I beg also to state, that in March 1780 the Price of Gold, in Bars, and Foreign Gold, in Coin, was £3 17s. 6d.; Silver, 5s. 2½ per Ounce; the Exchange with Hamburgh was 35.7; the Prices of Gold, in Bars and Coin, continued during the whole of 1780 at the above Prices; while Silver rose to 5s. 5½d. per Ounce; and the Exchange with Hamburgh fell to 33.8. In 1781, Gold, in Bars, continued at £3 17s. 6d., but Foreign Gold, in Coin, rose to £3 18s. 6d., was as high as £3 19s. 6d. and £4. os. 6d. per Ounce; Silver rose from 5s. 5½d. to 5s. 10½d. per Ounce; and the Exchange with Hamburgh fell to 32 and 31.11. In 1782, Foreign Gold, in Coin, rose to £4 os. 9d. £4 1s. 3d. and £4 2s. per Ounce; Bar Gold to £3 17s. 9d.; and Standard Silver, in December, was 5s. 11½d. and Dollars 5s. 11½d. per Ounce; and the Exchange with Hamburgh fell to 31.10 and 31.8.

"In May 1783, Gold, in Bars, as I have already stated, rose to £3 18s.; Foreign Gold, in Coin, was £4 os. 3d.; Standard Silver 5s. 10½d. and Dollars 5s. 8d.; and the Exchange with Hamburgh 31.9. In June, Bar Gold was still £3 18s. but Foreign Gold Coin rose to £4 2s. 3d.; Silver was 5s. 10d. and Dollars 5s. 8½d.; and the Exchange with Hamburgh was 31.5.

"In May 1784, Gold, in Bars, and Foreign Gold, in Coin, was £3 17s. 10½d. per Ounce; Silver 5s. 3½d., Dollars 5s. 1½d.; and the Exchange with Hamburgh rose to 34 sk. 4g.

"Foreign Gold, in Coin, and Gold, in Bars, continued at £3 17s. 10½d.; and Silver at 5s. 2½d. and 5s. 2d. until September 1785, when both Gold in Bars and Coin fell to £3 17s. 6d. per Ounce; Silver 5s. 1½d., Dollars 5s.; and the Exchange with Hamburgh rose to 35.4.

"From this last-mentioned Period to the Year 1792, Foreign Gold, in Coin, and Gold, in Bars, was sold uniformly at £3 17s. 6d. per Ounce. In June 1792, Foreign Gold, in Coin, rose to £4 1s.; Bar Gold continued at £3 17s. 6d.; Standard

Mr. Robert Mufhett. Standard Silver rose to £5s. 6d. per Ounce, and Dollars 5s. 5d.; the Exchange with Hamburg was 34.4.

"In these Extremes, we have the Influence of a redundant and deficient Circulation. The Excess in the Circulation continued for a Period of Eleven Months. Two Causes might operate to produce this Effect: One was, in the Law which prevents the melting and exporting of the Coin; the Second, in the Difficulty which the Bank might have in observing that her Paper was in Excess. The Coin was at so slight a Premium, that it would necessarily be a tedious Process to reduce the Currency by a Demand on the Bank for Coin. If the Coin had been legally exportable, the Excess might have been reduced in One-tenth Part of the Time. The Consequences of such Excess of the Currency (supposing we had had even a Currency of Silver of the present Weight) would have been very expensive to Government. When the Market Price of Silver rose to 5s. 10d., and continued for a considerable Time at that Rate, much of the Currency would have been melted. Now, if the Bank were open as formerly, we are not free from a Recurrence of a similar high Price of Silver. In France, it is said that the Fluctuations, in the Proportion of Gold to Silver in the Market, has for many Years been confined to One Half per Cent.; and I am strongly impressed with the Belief, that France owes this Equality in the Mint and Market Proportion of the Metals, to the free Export of her Coins, and the Facility of converting Bullion into Coin at her Mint."

The Witness is directed to withdraw.

Dr. Kelly. Then Dr. KELLY is called in, and delivers in certain Papers which he had prepared at the Request of the Committee, the Titles of which are read, and are as follows:

Appendix, C. 8. "The Par of Exchange between England and the following Places, viz. Amsterdam, Hamburg, Paris, Madrid, Lisbon, Leghorn, Genoa, Naples, and Venice; the same being computed from the intrinsic Value of their principal Coins, by comparing Gold with Gold and Silver with Silver, both according to their Mint Regulations, and to Affairs made at the London and Paris Mints."

Appendix, C. 9. "The relative Value of Gold to Silver in the principal trading Places of the World; computed from the Proportional Quantity of Pure Metal in their principal Coins, and the legal or current Price of those Coins respectively."

Appendix, C. 10. "A Statement of the Prices of Gold and Silver in Bars in the principal Bullion Markets of Europe, from April 5th 1816 to April 5th 1819, reduced to English Money, from the corresponding Courses of Exchange, and also according to the Pars of Exchange."

Then he is examined as follows:

1. Explain to the Committee whether those Prices of Gold and Silver which you state in the Paper entitled "A Statement of the Prices of Gold and Silver in Bars in the principal Bullion Markets of Europe," &c. are not the Prices, which, on Calculation, you infer from the State of Exchanges were the Value of those respective Metals in the different principal Markets of Europe?

They were the Value of those Metals reduced to Sterling according to the corresponding Courses of Exchange, and also according to the Weight and Fineness of the Monies in the different Quotations.

2. How do you explain the Fluctuation in the Price of Silver Bullion in the Hamburg Market, as given in your Statement, from 27 Marcs 7 Sols to 29. 2. such Silver Bullion being paid for in Marks Banco, which represent a given Quantity of Silver of a given Fineness?

The greatest Fluctuation was in the latter Part of the Year 1818, when, as I am informed, large Quantities of Silver Bullion were purchased for Russia; and in

in consequence of this the Exchange rose in favour of Hamburg so high as fully to compensate for the Difference of Price. I likewise understand from good Authority, that the Interest of Money, which is not limited by Law at Hamburg, generally varies with the Market Prices of the precious Metals, so as in a great Measure to balance any extraordinary Fluctuation that may take place.

Dr. Kelly.

The Witness is directed to withdraw.

Then Mr. ISAAC LYON GOLDSMID was called in, and examined as follows:

Mr. I. L. Goldsmid.

1. What is your Line of Business?

I am a Partner in the House of Mocata and Goldsmid, who are Brokers between the Bank and Merchants, and between Merchants and Merchants, in Bullion.

2. How long have you been so?

Twenty Years as a Partner, and Seven Years as a Clerk. The House has been Brokers to the Bank ever since it was established.

3. Is there any other Person engaged in the same Profession in the City of London?

I believe there are more than one who act in a greater or less Degree as Brokers.

4. In making Purchases of Bullion for the Bank, or for Merchants, is it possible for the Seller to learn whether you are purchasing for an Individual or for the Bank?

He is not generally informed of it. When there is an Arrival of Bullion, a Communication takes place between the Seller and ourselves, either by our applying to him, or by our being sent for; we give him all the Information we possess concerning the State of the Market, and he forms his own Opinion with Reference to the Exchanges, or with respect to any other Circumstances, at what Price he will sell. Supposing the Bargain to be completed, having discovered a Purchaser, we send him a Contract of Sale, and he delivers the Bullion at the Bullion Office of the Bank, whether it is purchased on account of the Bank or of a Merchant, and he receives Payment in Bank Notes. The Clerk of the Bullion Office does not part with the Bullion, unless the Purchaser pays for it at the same Moment. I should have mentioned, that we send early on the following Morning the Particulars of the Transaction to the Clerk at the Bullion Office, the Names of the Seller and of the Purchaser, the Quantity and the Price. If the Bank are the Purchasers or Sellers, they have the Names of the Buyer or the Seller; if other Persons buy or sell, the Names are generally not given either of the Buyer or the Seller, as we are often enjoined to Secrecy, as the Knowledge of the Parties would frequently counteract subsequent Operations. The Clerk of the Bank is acquainted with all Particulars.

5. In case of a Purchase being made by any other Person, who is also in the same Profession, is the Contract made to be delivered at the Bullion Office of the Bank?

No.

6. As far as you are concerned in the Transaction of purchasing of Bullion, must not the Seller be uniformly led to imagine, from the Contract being made to deliver Bullion at the Bank, that the Purchase is made by the Bank?

Certainly not; he is quite aware it may either be for the Bank, or for a Merchant.

7. Has there been, during the last Year, any considerable Quantity of French Five Franc Pieces, Dollars, or Silver Bullion, imported into this Country?

There has, of Five Franc Pieces and Dollars; but not any considerable Quantities of Bar Silver.

8. Has

Mr. I. L. Goldsmid.

- 8. Has Silver been imported generally, or is it only from one particular Market it has come, during the last Year?
It has been imported from the West Indies, South America, and France.
- 9. Has not Silver Coin or Bullion been imported from Gibraltar, Leghorn, and other Parts of the Mediterranean?
From Gibraltar and Malta.
- 10. Has there been any Supply of Gold in the Market of late?
A trifling Quantity; it came from Jamaica and Africa.
- 11. Has there been such a Supply or Demand in the Market of late of Gold Bullion, as could lead to any Inference what would be the Market Price, provided there existed that Species of Demand which on former Occasions you have generally experienced?
The Supply has been extremely small; the Demand has been principally for the Continent, and particularly for France, and some small Quantities have been sent to the East Indies.
- 12. Have these Transactions been considerable enough to afford a Foundation for judging of the real Price of the Article?
Yes, I think it has, in some Instances.
- 13. At what Period do you think this might be?
In Foreign Gold there is very little doing, but in English Gold, in which we have had almost no Concern, we understand there have been very large Transactions. The Notes that have been issued before 1817 have been bought up, I have heard by Report, at a Per-centage; Gold received in Exchange has been sent abroad.
- 14. Could the Sale of any such Bullion influence the Prices as quoted?
I think it would; some English Bar Gold in a small Quantity was sold at £3 19s. 6d., and now it is worth (since the Bill passed) 1s. per oz. more; and Foreign Gold is considerably more in demand now than it was before the Bill passed.
- 15. Supposing, on the 25th of January last, a Quantity of Gold arising from the melting of Guineas or Sovereigns in an illegal Manner had been clandestinely sold, would that have affected the Prices as quoted of Bullion on that Day?
Yes, I think it would.
- 16. How?
By Persons sending English Gold, instead of sending any other Gold.
- 17. In what Manner are the Prices, quoted in Loyd's List, ascertained?
The Prices are furnished by our House, from actual Transactions.
- 18. What is the smallest Transaction which you should think sufficient to warrant the Quotation of a new Price?
The Sale of £1,500 or £2,000 in Value. The Quotation is made to justify Merchants to their Foreign Correspondents, and to make the World generally acquainted with the Prices. We take the Prices on Tuesdays and Fridays, being the only Post Days.
- 19. In the course of last Year did not the Importation of Five Franc Pieces, and the Exportation of our Gold go on to a great Extent?
Speaking from Memory I believe they did; but I could answer accurately by referring to my Books.
- 20. Is not the Seller generally influenced by the Information and Advice you give him, relative to the Price he takes?
He is guided by his own Information, together with the Confidence he reposes in us; but very frequently we give him no Advice, we only state Facts.
- 21. Has

Mr. I. L. Goldsmid.

- 21. Has the Supply of Silver from America, in the last Two Years, been more or less abundant than usual?
I will endeavour to ascertain it, as accurately as I can.
- 22. In what Shape does Silver usually come from America and the West Indies?
In Dollars and Bar Silver, and what we call Provisional Dollars; they are Dollars coined by the Provisional Governments of South America; which latter vary considerably in Standard from each other.
- 23. Do the larger Part come in Dollars?
From Buenos Ayres, Dollars and Provisionals; the greatest Part is in Dollars and Provisionals, which are melted here before they are sold, in consequence of the Uncertainty of the Assay; and then Bar Silver: these Provisionals are generally worse than the Dollar.
- 24. In what Shape does Gold come?
The small Quantity that comes from Africa, comes in Dust; the Gold from France in 1816 and 1817, came principally in 20 Franc Pieces; the Gold from the West Indies, in Bars and Doubloons; that from Portugal, in Johannes.
- 25. What Species of Gold did the Bank chiefly purchase in 1815, 1816, and 1817?
Bar Gold chiefly; besides Johannes and Napoleons.
- 26. What is now the Proportion between the Market Prices of Gold and Silver?
About 14½ to 1: on Friday last, Silver was 5s. 6d. an oz. Standard; Bar Gold was 81s. per oz. Standard.
- 27. Has the Proportion of Silver to Gold been higher in the last Twelve Months than it was in the preceding Periods?
To be accurate, I must refer to my Books.
- 28. Is there any particular Demand for Silver at this Period, which should cause it to be higher now than Two Years ago?
There is a very great Demand now for the East Indies; I think greater now than did exist Two Years ago, I conceive arising from Cotton and other Articles arriving from the East Indies not being able to be sold, and the Articles exported to the East Indies being in a similar Situation. Merchants are here making their Returns to India, prior to those Sales, to furnish their Correspondents with Money.
- 29. Has the Demand for Gold been equal to what it was Two Years ago?
There has not been the Quantity sold, arising from the Supply being so small; but Gold can always be sold at the Coinage Price.
- 30. Can Gold be exported to Profit to the Continent when bought at 81s. at the present Moment?
It can, according to the present Rate of Exchange.
- 31. On what Calculations do you form that Opinion?
By reckoning the Cost in this Country with the Charges, and what it will yield in France when coined into Louis, and then receiving the Returns at the present Rate of Exchange.
- 32. Can you give any Explanation why Dollars are selling at the same, or a higher Price than Standard Gold, being intrinsically worth 2½d. less?
The Demand for Dollars being for India, Merchants are certain of being able to purchase any Article they please with Dollars, the Natives being accustomed to them; Merchants have been sending Five Franc Pieces, at a Difference of as much as 2d. per oz., when the intrinsic Value of the Five Franc Piece is quite as good as that of the Dollar.

Mr. I. L. Goldsmid.

33. At what Price do you conceive that the Bank could make any considerable Purchases of Gold, supposing it was prudent to make such Purchases? I should be at a Loss to state any Thing like a probable Price, because of the Impression it would make on the Exchange; it would be anticipated by the Merchants immediately.

34. Have you any Reason to doubt that a considerable Quantity might be procured, provided the Price was sufficient? I think there is no Doubt.

35. Suppose you were directed to make a Contract for Half a Million of Gold within a Fortnight or Three Weeks, what Effect would that have on the Exchanges? I should think it would have an unfavourable Effect, possibly 1 1/2 or 2 per Cent.

36. Do you conceive that the Bill passed Yesterday, for preventing the Bank paying certain of its Notes in Cash, is likely to have any permanent unfavourable Effect on the Exchanges, and the Price of Gold?

In as far as it shuts out a Source of Supply, it certainly is likely to have a continued Effect.

37. Supposing a Bargain for Half a Million lowered the Exchanges from 1 1/2 to 2 per Cent., what is the corresponding Effect you would expect in the Price of Bullion?

Gold answers to be exported at 81s. at the present Rate of the Exchange; there is then the Profit of Exportation, and the Charges of Exportation to be added to the Price; there is then to be the Profit of Importation and the Charges of Importation, and to which is likewise to be added the Reduction of the Exchanges; and therefore I should guess from 4 to 4 1/2 per Cent.; viz. 1 per Cent. Charges of Exportation, and 1/4 per Cent. Profit; the other Way 1 per Cent. Charges of Importation and 1/4 per Cent. Profit, and then the Reduction of the Exchanges 1 1/2 per Cent. for the large Operation of £500,000, and the Exchanges would fall more, if such a considerable Contract were to be made, because Merchants would consider that other similar Contracts would follow.

38. Who does the Bank employ as Melter? Messrs. Brown and Brinn exclusively.

39. Of what Value are the usual Bars of Silver? About £150 Value.

40. Of what Value are the usual Bars of Gold? Brown and Brinn melt them into Bars of about £700.

The Witness is directed to withdraw.

The Committee is adjourned till To-morrow at Twelve.

Die Jovis, 8. Aprilis 1819.

VISCOUNT GRANVILLE in the Chair.

Mr. THOMAS BAINBRIDGE is called in, and examined as follows:

Mr. Thomas Bainbridge.

1. What is your Business? A Merchant, in the House of Puget, Bainbridge, and Co.
2. State the Nature of your Connection with the Bank of Ireland? Their Agent since their original Establishment.
3. What Business do you transact for them in that Capacity? Every thing they have to do in London.
4. Are you Agent for other Banks in Ireland? For several Private Bankers.
5. Can you state the actual Amount of the Issues of the Bank of Ireland? I cannot.
6. State what Proportion generally the Paper Circulation of other Banks of Ireland bears to that of the Bank of Ireland? Without being apprised beforehand of this Question, it is impossible for me to answer it.
7. Can you state whether, in the Course of the last few Years, there has been any material Variation in the Amount of Country Bank Paper circulated in Ireland? Several of the Country Banks have certainly increased their Circulation since 1797, but to what Extent it is impossible to say.
8. Was it not much more considerable before 1815, than it has been since? I cannot answer that with any Accuracy.
9. Have you been employed lately in making any Purchases or Sales of Bullion for the Bank of Ireland? No Purchases; but I have sold both Gold and Silver in Bars.
10. Do you recollect the Date of the last Sale of Gold? Yesterday.
11. At what Price? 8os. 6d.
12. Is this not below the Market Price? I believe it is.*
13. Why did you sell under the Market Price? The Market for Gold is limited to Brokers employed by the Bank of England, and we are obliged to submit to the Price they will give; as I do not consider myself authorized to attempt to sell to any Individuals who may wish to export to the Continent.
14. Do you then conceive, that the Quotations, as published, of the Prices of Gold, depends solely on the Brokers to the Bank of England? I do.

* Mr. Bainbridge afterwards (26th of April. See post. 267.) stated to the Committee, that he was satisfied upon enquiry that he had received the best Price, that was to be got at the Time.

15. Have

Mr. Thomas Bainbridge.

15. Have you then never sold Gold of the Bank of Ireland, except to the Bank of England?
It is not the Custom for the Bullion Brokers to give the Name of the Purchasers of the Gold. It is deposited at the Bullion Office at the Bank; and, before it is taken away, I receive the Value in Bank Notes; and further I know not.

16. What greater Certainty then can you have, that the Gold so purchased is not intended for Exportation, than if you sold it to any other Broker?
I always understood that, before Gold can be exported, it requires an Affidavit, that it is not melted from the Coin of this Kingdom; without that Oath it must be clandestinely exported.

17. What greater Certainty have you that such an Oath will not be taken in one Case than another?
I have no Certainty that it may not be exported; I know of no other public Way of selling it, but by a Broker employed by the Bank of England.

18. You are not aware then of the Existence of any other public Broker to whom it could be sold?
I am not.

19. Did you never hear of a Broker of the Name of Sharp?
Not as a Bullion Broker.

20. Were there any public Bullion Brokers, would there be any Objection to your selling Gold to them, which would not equally apply to selling it to the Broker employed by the Bank of England?
I do not see any Objection whatever; but, if I may be permitted, I would say that, with those I have conversed with on the Subject, it has been Matter of Regret, both that the Bullion Trade is so confined, and that there are legal Restraints on the Exportation of Gold.

21. Do you remember that within this Month the Price of Foreign Gold was quoted as at £4 2s. per Ounce?
I do.

22. Had you not a Quantity of English Standard Gold for Sale, within a few Days of its being so quoted?
I had a small Quantity.

23. What Price was offered?
I sold it at 79s. 6d.

24. Can you state the Days?
I sold on the 29th March 1819

	2,500 oz.	} a 79s. 6d.
31st do. — — — —	670	
1st April — — — —	540	} a 80s. 6d.
2d do. — — — —	630	
6th do. — — — —	2,400	
7th do. — — — —	380	

25. Can you state the Motives which lately induced the Bank of Ireland to part with a considerable Quantity of Bullion?
I have that Opinion of the Prudence of the Bank Directors of Ireland, that they have only sent such Gold as was useless; I mean light Guineas.

26. Did you receive it in Guineas or Bars?
I received it in Bars.

27. Can you state what Portion of its Notes the Bank of Ireland had obliged itself to pay in Cash?
I do not know.

Do

Mr. Thomas Bainbridge.

28. Do you know whether they had obliged themselves to pay any Portion of their Notes in Gold?
I cannot answer that, to a Certainty.

29. What Length of Time did you keep this Gold in your Possession, in the Instance before alluded to?
Part I had above a Month, and Part I received this Week.

30. Have you sold that you received this Week?
All.

31. When?
The last Yesterday.

32. What Value did the Sale of Yesterday amount to?
About £1,500 Value.

33. Has there not been a considerable Rise in the Exchange on Ireland, in the last few Months?
About 2½ per Cent.

34. What is the Exchange at present?
12½, that is more than Four per Cent. above Par.

35. Can you state the Cause of this Rise?
Principally from the Act of last Sessions, which enabled Individuals to transfer Stock from the English Funds to the Irish Funds, and from the greater Amount of Rents remitted to Landlords resident here from Ireland in the last Year, arising, as I have been informed, from Arrears, in many Instances, having been paid up.

36. Will you explain in what Mode the Act permitting the Transfer from the English to the Irish Funds has raised the Exchanges with Ireland to Twelve and a Half per Cent.?
The Act enables the Proprietors of certain English Stock to transfer it at Par, by which Individuals were encouraged to make Purchases here, as the Price of Stock in Ireland was always higher than here.

37. Have any large Sums been remitted for this Purpose?
I understand to the Extent of more than Four Millions of Capital.

38. What is the Expence of transmitting Gold and Silver Bullion from Dublin to London, and vice versa?
I have sent Gold from London to Holyhead at 3½ Guineas per 1,000 Guineas, to which must be added about 1 Guinea per 1,000 Guineas for the Freight from Holyhead to Dublin; since which we have had the Gold by long Sea, in consequence of the Proprietors of the Mail Coach increasing their Demand. Upon Silver the Freight is considerably higher.

39. What is the Amount of the Expence of Freight by long Sea?
I can't answer that without reference to my Accounts.

40. In the Event of the Restriction being removed from the Bank of England, have you any Doubt that the Bank of Ireland would be able, within a Period limited by Law, to pay their Notes in Cash?
Confiding in the Prudence of the Directors of the Bank of Ireland, I should think they would be fully prepared to comply with the Act of Parliament.

41. In the Event of the Bank of England being permitted by the Legislature to pay their Notes on Demand in Bullion, to an Amount of not less than 2, 3, or £500, at a Price to be fixed by Law, are you aware of any Objection to the Bank of Ireland adopting the same Mode of Payment within the same Period allowed to them by the present Law, after the Bank of England had commenced its Payments?
That must depend on the internal Regulation of the Bank of Ireland.

58 9: 11 6: 8

(30.)

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42. At

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Mr.
Thomas Bainbridge.

42. At what Rate does the Bank of Ireland usually discount Bills?
I have always understood at Five per Cent.

43. Is not that below the legal and usual Rate of Interest in Ireland?
The legal Interest is Six per Cent.; there are private Bankers in Dublin who discount at Five per Cent., but some of the Provincial Bankers charge Six per Cent.

44. Did the Bank of Ireland discount at Five per Cent. during the last War?
They have never charged more since their Establishment.

The Witness is directed to withdraw.

Then Mr. GOLDSMID is called in again, and further examined as follows:

Mr.
I. L. Goldsmid.

41. What is the lowest Amount of the gross Transactions between one Quotation and another, which would induce you to print it, as a Quotation of the Market Price of Gold?

If the Gross Amount were about £2,000. It is however to be understood that that would be the Case, if the Quantity in the Market were small, and that that Sale bore a fair Proportion to the Quantity to be sold. But supposing there were £60,000 or £70,000 Value of Bullion for Sale, we should not think ourselves justified in printing a Price, unless Sales were effected to the Amount of 5 or 6,000 Pounds Sterling, as it would otherwise tend to mislead the Sellers. The Bar Gold, the Price of which is at present printed, refers to Foreign Bar Gold, sworn off before a Court of Aldermen; but many Persons transact a great deal of Business in Gold which cannot be sworn off, and of which there is no Price printed, as the Value is very often affected by the Facility or Difficulty with which it can be exported from this Country. The Price of all Descriptions of Gold is printed, if bought for Coinage or Manufacture. When, as before stated, Transactions take place in the following Species of Coin and Bullion, the Prices are printed, viz.

Portugal Gold in Coin.
Gold in Bars.
New Doubloons.
New Dollars.
Silver in Bars, Standard.

42. What would be the Effect of permitting the Bank of England to pay its Notes not below 2, 3, or £500 in Amount in Gold Bullion at the Mint Price, instead of paying its Notes generally in Cash?

I think it would make no Difference whatever, except saving the Expence of Coinage.

43. Would it not save the whole Expence of the Coin itself, which would be put into Circulation in the Event of the Bank paying in Cash?

I think it would not answer the Purpose of a Circulating Medium. Gold Bullion would only be called for the Purpose of Exportation, with the Exception of a very trifling Amount which would be required for home Manufacture.

44. Do you think if Notes of 2, 3, or £500, or Notes to the Amount of that Sum could alone command Gold on demand, that this Circumstance would so regulate the Value of all Bank Notes, as to keep them constantly at Par with Gold at the Rate at which they were paid?

I think the Facility with which 2 or £500 could be collected together would make no Difference, and therefore the Value of all Notes would be adjusted by it to the same Standard.

45. As

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45. As Gold under one Plan would be called for for Exportation only, and on the other both for Exportation and Internal Circulation, would not the Bank be enabled to prepare itself for the Execution of the former Plan by a less Increase of Treasure than the latter?

I think the comparative Difference of Demand would be very trifling as compared with the whole Amount. I think the Demand for Coin and for Bullion would be very nearly the same, and I do not think there would be any great Anxiety to possess Guineas in preference to Bank Notes for Home Circulation.

46. Are you then of Opinion that if the Bank were liable to pay in Sovereigns, they would never be called for, but under Circumstances which would make it profitable to melt them down for Exportation?

Not to any great Extent.

47. Might not that however depend on the Amount of Forgeries on the Bank of England?

Yes, I think it would.

48. Have not the Bank been liable to Demands for Cash, in consequence of local Alarms, without any Reference to the Market Price of Gold?

I believe they have, but the Circumstance has not come within my own Knowledge.

49. Would they not be secured from such Demands by the Measure proposed?
I should think not; there would possibly be a Preference to Guineas, but not to any great Extent.

50. If the Bank of England were permitted to pay their Notes in Gold Bullion on any given Day in December, at £4 1s. and afterwards at Prices lowered at successive Periods for the Year following, till the Scale was reduced to the Mint Price, would not that Plan have a less sudden Effect on the Prices of Bullion and Commodities, and require a less sudden Reduction of Bank Notes, than if the Bank were required to pay in Gold Bullion at the Mint Price, on the same Day in December 1820?

I think the Bank would be obliged to be prepared at the first Period with as much Bullion as they would be at any subsequent Period, when the Prices were lowered; because the Merchant who imports Bullion being aware that the Bank would be required to be in Possession of a sufficient Quantity of Gold to answer the Demands made against it, he would anticipate their Purchases, and the Exchanges would be affected accordingly.

51. Do you attribute the high Price of Gold which has taken place in the Country to an over Issue of Paper?

I do not.

52. To what do you attribute it?

I think the Price of Bullion has increased from the great Exertions made by the Continent to have a Metallic Circulation, and also from the Balance of Payments being against this Country, both with respect to the Continent and India; and that the Increase of Bank Notes has been the Consequence of those Demands, as a Supply for the Vacuum thus occasioned.

53. Do you think as much Gold would have been demanded for Exportation, if Silver had continued to be coined in this Country at 5s. 2d. per oz.

I do not; because the relative Value of Gold and Silver being formerly higher than it now is, Silver would then have earlier come in Aid of Gold, to correct any Depression in the Exchanges.

54. Are

Mr.
I. L. Goldsmid.

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Mr. I. L. Goldsmid. 54. Are you of Opinion, that if our Silver Currency continues to circulate at the Rate of 5s. 6d. per oz., that when the Bank opens to pay in Gold at £4 1s. in December, there will or will not be a Demand for Gold to export?
I should not think it depended on that Circumstance, but on whether the Balance of Payments is against us or not.

55. If the Balance of Payments were against this Country, which would be exported, the Gold at £4 1s. or the Silver at 5s. 6d.?
The Gold: the very Thing occurs at present; Merchants import Silver and export Gold.

56. What is the Market Price of Silver?
5s. 6d. per oz. Standard.

57. What is the Market Price of Gold?
Last Week the Price of Silver was 5s. 6d. and Gold was then £4 1s.

The Witness is directed to withdraw.

The Committee is adjourned to Friday the Twenty-third of April.

(265)

Die Veneris, 23^o Aprilis 1819.

VISCOUNT GRANVILLE in the Chair.

ORDER of Adjournment is read.

Minutes of the last Meeting are read.

Then Mr. GOLDSMID is called in again, and further examined as follows:

58. Have there not been of late large Sums of Silver in French Five Franc Pieces come into this Country?
Yes.

59. What has been sent Abroad in return for these Five Franc Pieces?
To a small extent, Gold.

60. In cases in which Gold has been sent, in what Proportion has it been sent as Payment for the Silver so imported?
As $14\frac{2}{3}$, and $14\frac{1}{3}$ to 1.

61. Can you state what Proportion of the Value of the Silver imported has been paid for by the Exportation of Gold?
I should think above 200 times as much intrinsic Value of Silver imported as of Gold exported.

62. Do you include in that Calculation, Gold which has been smuggled out of the Country?
No, I do not, because I have no means of judging of that.

63. In what Mode has the Remainder of the Value of Silver imported been paid for?
By Bills of Exchange.

64. Can you state what have been the Variations in the Price of Gold since the 5th of April?
Foreign Bar Gold has been sold at 82 s. per oz., and English Bar Gold rose gradually, from 79 s. 6 d. to 82 s., and is now 81 s.

65. Can you state what Quantity of Foreign Bar Gold, and what Quantity of English Gold not exportable has been sold since that Period?
Of Foreign Bar Gold, not more than £3,000 in Value; of the Extent of English Gold, I have no Means of judging, with the Exception of £14,000 or £15,000 Value, which came from Ireland.

66. What is your Opinion as a Professional Man, of the Consequences of the Mint Regulations adopted in 1817, in so far as they settled the Proportion between Gold and Silver, as 1 to 14.160?

I conceive, that the putting a Seignorage upon Silver has been the Means of keeping a Silver Circulation in the Country. But it would have been more advisable to have had Silver the Standard of Value, in conformity to the general Practice of other Nations, instead of Gold; in that case we should have been enabled to ascertain more accurately the Pars of Exchange.

The Witness is directed to withdraw.

The Committee is adjourned till Monday next at Twelve o'Clock.

(30.)

3 X

Die Lunæ, 26^o Aprilis, 1819.

VISCOUNT GRANVILLE in the Chair.

Mr. BAINBRIDGE is called in again, and desires to correct his former Evidence; and Question No. 12, and his Answer thereto are read, and he says,

Mr. Bainbridge. I have Reason to think, from Letters I have since seen, that the Price I obtained was the best Price that Circumstances admitted of my getting at that Period. Since I was examined before the Committee, I have effected further Sales of Gold, for Part of which I obtained 81s., and for Part 81s. 6d.

The Witness is directed to withdraw.



0417

Die Veneris, 30^o Aprilis 1819.

The LORD PRESIDENT in the Chair.

Mr. HARMAN is again called in, and further examined.

He was referred to a Part of a Paper delivered in, in Explanation of his Evidence on the 31st March (See Appendix, A. 12.) and he was asked, *Mr. Harman.*

111. On what Account were the passable Guineas paid in, which you state as having made an Addition to the Treasure of the Bank subsequent to March 1817? Those Guineas were brought into the Bank by Bankers and others, in exchange for Bank Notes. (By passable Guineas, I mean Guineas sufficiently heavy to be current, though under the Mint Weight.) The Amount of the passable Guineas brought into the Bank between March and October 1817, was about £700,000. Light English Gold Coin was brought in to the Amount of £340,000, and Bank Notes to the Amount of £940,000. Part of the Bank Tokens were exchanged for Current Silver, and Part for Bank Notes. The Gold was all received in Exchange for Bank Notes.

112. Was the Bank under any Obligation to receive these passable Guineas, and to give their Notes in exchange?
I should not have considered myself justified in refusing them.

113. Were these passable Guineas probably paid in, in Expectation of the new Coinage?
I presume they were; and also in Expectation of the Expiration of the Restriction. The light English Gold was purchased by the Bank.

The Witness is directed to withdraw.

Then Mr. NATHANIEL SNEYD, Governor of the Bank of Ireland, and Mr. JAMES M'CALL, One of the Directors of the Bank of Ireland, are called in, and examined as follows:

1. Does the Bank of Ireland pay fractional Parts of Dividends in Cash? *Mr. N. Sneyd and Mr. J. M'Call.*
(Both.) They do not.
2. Has the Bank of Ireland ever given any Notice to pay in Cash any of its Notes?
Yes; similar Notices to those given by the Bank of England.
3. Can you state what Proportion the Notes, of which Notice was given to pay in Cash, bore to the whole Amount of outstanding Notes?
We cannot.
(Governor.) I should think very inconsiderable.
4. Can you state the present Amount of outstanding Notes?
The present Amount is about Four and a Half Millions.
5. Has there been any considerable Variation in the Amount for the last Ten Years?
(Governor.) There has not been any considerable Variation for the last Year, but I cannot answer from Memory to a more distant Period.
6. Can

Mr. N. Sneyd
and
Mr. J. M'Call.

6. Can you state what Proportion the Amount of Notes for One Guinea and Thirty Shillings bears to the whole Amount of outstanding Notes?
We cannot.

7. What Proportion of the Issues of the Bank of Ireland is made upon Discounts, and what upon Government Securities?

It would be difficult to answer from Memory correctly; Discounts on Promissory Notes with Collateral Government Securities vary much more considerably than regular Commercial Discounts.

8. Have you any Means of knowing what Proportion the Issues of the Bank of Ireland bear to that of the Provincial Banks of Ireland?
None whatever.

9. Was there not a considerable Diminution in the Circulation of the Provincial Banks of Ireland in 1815 and 1816?

(Governor.) I believe there was, in Parts of the Kingdom.
(Director.) A Reduction in the South, but a considerable Increase in the North.

10. Did not that Circumstance lead to a considerable Application for Discounts to the Bank of Ireland?

To an Increase certainly; but not perhaps in proportion to the Diminution of the Circulation of such Notes.

11. How then do you account for no considerable Increase of the Circulation of the Bank of Ireland taking place at that Period?

Although the Applications were very considerable, the Caution necessary to be observed did not induce us to discount to the Amount desired: we have also to observe on the Diminution of Trade at the Periods alluded to.

12. Has the Bank of Ireland uniformly discounted at 5 per Cent.?
Uniformly.

13. Is not the usual and legal Rate of Interest 6 per Cent.?
Yes; but the Bank is bound by Act of Parliament to discount at 5 per Cent.

14. At what Date does the Bank of Ireland discount?
Sixty-one Days are considered as Bills in course.

15. In the former Acts, in which Parliament has fixed a Period for the Resumption of Cash Payments, that Period having been fixed at Three Months later for the Bank of Ireland than for the Bank of England, do you foresee any Inconvenience to the Bank of Ireland from taking similar Periods, in any Act which Parliament may now pass for fixing that Time?
No Inconvenience from that Period being adopted.

16. In the Event of the Bank of England being permitted by the Legislature to pay their Notes on Demand in Bullion to an Amount of not less than 2, 3, or £500, at a Price to be fixed by Law, are you aware of any Objection to the Bank of Ireland adopting the same Mode of Payment within the same Period allowed to them by the present Law, after the Bank of England had commenced its Payments?

We should endeavour to follow any Regulation imposed on the Bank of England.

17. Can you state what Proportion the Forgeries have borne lately to the Amount of your Notes in Circulation?
They are wonderfully diminished of late Years.

18. To what do you attribute that Diminution?
To the extreme Difficulty of Imitation.

19. Has

Mr. N. Sneyd
and
Mr. J. M'Call.

19. Has that Difficulty then been increased by any Alteration made of late Years in the Fabrication of the Notes?
Yes.

20. Describe particularly the Nature of the Alterations?
A considerable Proportion of the Engraving is now performed by Machinery. The Border has been found particularly difficult to imitate, as well as the Oval round the Sum. One Half of the Engraving of the Figure is Wood, and Half Copper, so that it requires Two Artists of Eminence to execute it. Owing to the Improvements in Machinery, all our Impressions hereafter will be Proof Impressions.

21. Have any Measures been taken by the Bank of Ireland to enable the Inhabitants of Ireland to distinguish any Attempt at Imitation?

We have deputed intelligent Clerks to the principal Towns in Ireland, and to Fairs, supplying them with Specimens of the Engraving, without Sums or Dates, put upon Pasteboard, by which Traders could easily discover Forgeries. It is reported to us that this Practice has been attended with considerable Success.

22. Can you state any Opinion as to the Causes of the great Variations in the Exchange between Ireland and England, within the last Six Months?

I conceive the Transfer of the 3½ per Cent. or Stock in general into Ireland to a very great Amount, is a principal Cause of the Advance in the Exchange.

23. Are you aware of any Circumstance connected with the State of the Circulation of the Two Countries, which should have operated upon the Exchanges, independent of the Cause you have assigned?

Independent of the Cause assigned, that of Absentee Remittances are to be added. I conceive, independent of these Causes, the Exchange would be under instead of over Par, inasmuch as the Balance of Trade was in favour of Ireland.

24. How long was it probable the First Cause would continue to operate?
I cannot possibly answer; about £3,600,000 have been already transferred, and Transfers of the same Kind still continue.

25. Could it have operated to the Extent to which it has, if the Banks of the Two Countries had been paying in Cash?
Not to the same Extent.

The Witnesses are directed to withdraw.

The Committee is adjourned to Twelve o'Clock on Monday.

(30.)

3 Y

A P P E N D I X.

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A.

Relative to Bank Proceedings.

APPENDIX, A. 1.

THE DATES of all the APPLICATIONS, from the Chancellor of the Exchequer to the Bank, to PURCHASE EXCHEQUER BILLS, with the Amounts since the Year 1797.

Date of the Court of Directors.	Application.	Amount.	
1798		£	
January 4	To advance on Loans or Exchequer Bills 1798	3,000,000	Agreed to.
Aug. 23	Ditto	3,000,000	Ditto.
Dec. 20	Ditto on Malt Duty 1799	750,000	Ditto.
1799			Ditto.
Jan. 3	Ditto, Pensions	2,000,000	£1,500,000 granted.
Mar. 14	Ditto on Loan 1799	3,000,000	
April 4	To receive, in Payment of Interest on £3,000,000, Part of	1,500,000	Agreed to.
Dec. 12	To advance on Vote of Credit	1,000,000	Agreed to on the 19th Dec.
	Ditto on Malt Duty 1800	750,000	Ditto.
	Pensions, Offices, &c. 1800	2,000,000	Ditto.
1800			Ditto.
Dec. 11	Malt 1801	750,000	Ditto.
	Pensions, &c. 1801	2,000,000	Ditto.
1801			
Jan. 22	Messrs. Goldsmid and others	500,000	To be purchased.
Feb. 12	To advance on Loan 1801	500,000	Agreed to, under a Promise to propose the Payment of all Exchequer Bills now due in the hands of the Bank;
			Agreed to.
Aug. 13	Ditto	3,000,000	Agreed to, on the Chancellor of the Exchequer proposing to Parliament that the Bills shall be received in payment of the First and Second Instalments of the Loan 1802.
October 1	To receive on Vote of Credit	1,000,000	
Nov. 19	To advance on Pensions, Offices, &c. 1802	2,000,000	Agreed to.
	Ditto, Malt, &c.	750,000	
Dec. 31	Ditto, Loans 1802	1,500,000	Ditto; provided the Chancellor of the Exchequer will pledge himself that the Repayment shall be made from the earliest Instalments of the Loan for the ensuing Year.
1802			
March 4	Ditto	1,000,000	Agreed to; or the same Amount will be purchased in the Market.
Dec. 16	Ditto on Pensions 1803	2,000,000	Agreed to.
	Malt, &c.	750,000	Ditto.
1803			
Jan. 6	Ditto for the Service of the Year	2,000,000	Agreed to.
Mar. 31	To advance	1,000,000	Ditto.
June 2	Ditto	1,000,000	Ditto. To be repaid out of the Instalments on the ensuing Loan.
23	Ditto, Loan 1803	1,000,000	Agreed to.
Oct. 6	Ditto, Aids 1804	1,500,000	Ditto.
Dec. 15	Ditto on Malt, &c. 1804	2,000,000	Ditto.
	Pensions, &c.	750,000	
1804			
March 8	To advance on Aids 1804	1,000,000	Agreed to.
29	Ditto, Loan	1,000,000	Agreed to, on the Chancellor of the Exchequer proposing to Parliament that these Bills shall be received in Payment of the 1st, 2d, or 3d Instalment of the Loan 1804.

A. 1.—The Dates of the Applications to the Bank to purchase Exchequer Bills—continued.

Date of the Court of Directors.	Application.	Amount.	
1804 (cont.)		£	
June 21	To purchase, on account of Exchequer Bills being at a Discount	500,000	Agreed to.
Nov. 29	To advance on Vote of Credit	2,000,000	Ditto. But there being a Variance between this Act and former ones, an Indemnity to be procured from Parliament if necessary.
Dec. 6	Ditto	1,500,000	Agreed to, as above.
1805			
Feb. 7	To advance on Pensions, &c. 1805	2,000,000	Ditto.
	Malt 1805	750,000	
May 16, 23	To advance to the East India Company, on a Deposit of their Bonds	500,000	Ditto.
Oct. 31	To receive on account of Bullion bought for Government	1,512,501 13/4	Ditto.
Dec. 12	To pay off Treasury Bills	500,000	Ditto.
1806			
Feb. 6, 13	To advance on Pensions, &c. 1806	2,000,000	Ditto.
	Malt, &c.	750,000	
March 13	To advance for the Service of the Year	2,000,000	Agreed to.
April 3	To pay off 5 per Cents 1797	700,000	Ditto.
1807			
Jan. 15	To purchase	2,000,000	Ditto.
22, 29	To advance on Pensions, Offices, &c. 1807	2,000,000	Ditto.
	Malt	750,000	
June 25	To purchase	2,000,000	Ditto.
Aug. 27	Ditto	2,000,000	Ditto.
1808			
Jan. 14, 21	To advance on account of the Public Balances	3,000,000	Ditto, 21st January 1808.
Feb. 4	To purchase	1,000,000	Ditto.
18	To advance on Duties on Malt, Pensions, &c. 1808	3,000,000	Ditto, on 25th February; and instead of £2,750,000 on Land and Malt, &c., Malt Taxes, the Duty on Personal Estates, and Duty on Pensions, &c. to be substituted, and the Bills to be paid off on or before the 25th March next.
April 7	To purchase	2,000,000	Agreed to.
Sept. 15	To —	2,000,000	Ditto.
Dec. 29	To —	2,000,000	Ditto.
1809			
Feb. 16	To advance on the Duties on Malt, Sugar, &c. 1809	3,000,000	Ditto.
June 29	To purchase	2,000,000	Ditto.
Sept. 28	To ditto	2,000,000	Ditto.
Dec. 21	To ditto	2,000,000	Ditto.
1810			
Feb. 15	To advance on Malt, Sugar, &c. 1810	3,000,000	Agreed to.
Mar. 29	To purchase	2,000,000	Ditto.
Aug. 9	Ditto	2,000,000	Ditto.
Sept. 20	Ditto	2,000,000	Ditto.
Oct. 3	Ditto, on account of Messrs. Goldsmids	1,000,000	Ditto.
11	To purchase	1,000,000	Ditto.
Nov. 15	To be accommodated, on Loans or Exchequer Bills 1810	1,500,000	Ditto.
1811			
Jan. 31	To purchase	2,000,000	Ditto.

A. 1.—The Dates of the Applications to the Bank to purchase Exchequer Bills—continued.

Date of the Court of Directors.	Application.	Amount.	
1811 (cont.)		£	
Mar. 7	To advance on Malt, Sugar, &c. 1811	3,000,000	Agreed to. The Governor and Deputy Governor to wait on the Chancellor of the Exchequer, and express to him the anxious Desire of the Court, that Provision be made for an early Discharge of Part of the Exchequer Bills held by the Bank.
May 16	To purchase	2,000,000	Ditto, on condition that the Bank be relieved from a corresponding Sum within Three Months; and that a Reduction be made, by Degrees, of the Amount of Exchequer Bills at present held by the Bank.
Aug. 15	To purchase of Messrs. Puget and Co.	1,414,000	Agreed to.
29	To purchase	2,000,000	Ditto. But the Governor and Deputy Governor to communicate to the Chancellor of the Exchequer the anxious Wish of the Court, that he will not avail himself of any Part of this Credit whilst Exchequer Bills can be sold in the Market.
Nov. 21	To purchase	2,000,000	Agreed to.
1812			
Jan. 2	Ditto	1,000,000	Ditto, in full Reliance that the Chancellor of the Exchequer will carry into Effect the Arrangement referred to in his Letter, for the Reduction of Exchequer Bills held by the Bank.
30	To advance on Malt, Sugar, &c. 1812	3,000,000	Agreed to.
Mar. 19	To purchase	2,000,000	Ditto, on condition that Provision be made for a further Reduction of the Amount of Exchequer Bills held by the Bank.
May 14	Ditto	500,000	Agreed to.
21	Ditto	1,000,000	Ditto.
June 4	Ditto	1,000,000	Ditto, on condition that this, as well as the Two former Advances of £1,000,000 and £500,000, should be repaid out of the Loan for the Service of the Year 1812.
18	To purchase	2,000,000	Agreed to.
Sept. 24	Ditto	2,000,000	Ditto.
Nov. 26	Ditto	2,000,000	Ditto.
Dec. 23	To advance on Malt, Sugar, &c. 1813	3,000,000	Ditto.
31	To purchase	1,100,000	Ditto.
1813			
Feb. 4	To advance	1,000,000	Ditto.
Mar. 4	To purchase	2,000,000	Ditto. The Governor and Deputy Governor to arrange with the Chancellor of the Exchequer, in the best Manner they can, the Terms of the Repayment of this Advance, as well as the Sum of £1,000,000, lent the 4th February last.
April 1	Ditto, on account of the Treasury of Ireland,	800,000	Agreed to.

A. 1.—The Dates of the Applications to the Bank to purchase Exchequer Bills—*continued*.

Date of the Court of Directors.	Application.	Amount.	
1813 (cont.)		£	
April 1	To purchase, on account of the East India Company,	2,000,000	Agreed to. The Governor and Deputy Governor to present a Statement of all Exchequer Bills held by the Bank, to the First Lord of the Treasury and the Chancellor of the Exchequer, with a renewed Application, that the Amount may be considerably reduced out of the Ways and Means of the Year.
May 20	To purchase	2,000,000	Agreed to, on condition that it be reimbursed out of the early Instalments of the present Loan; and that a further Reduction in the Amount of Exchequer Bills held by the Bank be made, agreeably to the Promise of the First Lord of the Treasury and the Chancellor of the Exchequer.
June 10	To purchase	2,000,000	Agreed to.
July 29	Ditto	2,000,000	Ditto.
Aug. 12	Ditto	2,000,000	Ditto.
Sept. 9	Ditto	2,000,000	Ditto, on condition that Arrangements be made for the Repayment as soon as the Public Service will permit.
Oct. 6	Ditto	2,000,000	Ditto, on condition that such Arrangements be made, soon after the Meeting of Parliament, as will enable the Chancellor of the Exchequer to repay this Sum.
Nov. 25	To advance on Malt, Sugar, &c. 1814	3,000,000	Agreed to.
1814			
Jan. 20	To purchase	2,000,000	Ditto.
Mar. 10	To ditto	2,000,000	Ditto.
May 5	To ditto	2,000,000	Ditto. The Governor and Deputy Governor to state to Lord Liverpool and the Chancellor of the Exchequer the Expectation of the Court, that the present and former Advances made by the Bank be repaid out of the Instalments of the next ensuing Loan.
19	To ditto	2,000,000	Agreed to.
June 9	To ditto	850,000	Ditto.
—	To ditto	2,000,000	Ditto.
—		including the 850,000	
16	To ditto	2,000,000	Ditto, on account of the urgent Necessity of Government, under the peculiar Circumstances of the Moment, and also that so large a Portion of the said Advances is settled to be paid off out of the Instalments of the present Loan.
July 6	To ditto	2,000,000	Ditto. But the Chairs to acquaint the First Lord of the Treasury and the Chancellor of the Exchequer, that the Court cannot grant any further Advances; and expect such Arrangements may be made as shall tend to a very considerable Reduction of the present enormous Amount of these Advances.

A. 1.—The Dates of the Applications to the Bank to purchase Exchequer Bills—*continued*.

Date of the Court of Directors.	Application.	Amount.	
1814 (cont.)		£	
July 28	To purchase	2,000,000	Reluctantly complied with, under the Assurance that every Endeavour will be made to bring the Advances of the Court within reasonable Bounds as soon as possible.
Oct. 13	To ditto	1,000,000	Agreed to.
Nov. 3	To ditto	800,000	Ditto.
24	The Loan advanced in 1808 to be continued till April 1816	3,000,000	Agreed to, on 1st December.
Dec. 1	To advance on Malt, &c. 1815	3,000,000	Ditto.
1815			
Mar. 19	To purchase	2,000,000	Ditto, on the Terms that the Repayment of the Two Millions shall, as well as the Sum specified in a Memorandum, be provided for in the ensuing Financial Arrangements.
April 13	To ditto	2,000,000	Ditto, on the Terms that the Two Millions now applied for, as well as the Sum specified in the Minute of the 9th March, will be provided for in the ensuing Financial Arrangements.
May 18	To ditto	1,600,000	Agreed to.
—	To ditto	2,000,000	Ditto.
Aug. 24	To ditto	2,000,000	Ditto, upon condition that the Repayment be made as soon as the Convenience of the Public Service will permit.
—	To ditto	1,800,000	Agreed to.
Dec. 28	To ditto	1,000,000	Ditto.
1816			
Feb. 8	To ditto	1,000,000	Ditto.
—	To continue the Loan of Three Millions for Two Years	3,000,000	Ditto.
—	Also to advance a Loan of	6,000,000	Ditto.
22	To advance on Duties on Malt, Sugar, &c. 1816	3,000,000	Ditto.
Mar. 7	To purchase	1,000,000	Ditto.
April 18	To ditto	1,000,000	Ditto.
May 23	To advance, on the Capital of Bank Stock being increased	3,000,000	Ditto.
Dec. 19	To purchase	1,000,000	Ditto.
1817			
Jan. 30	To ditto	1,000,000	Ditto.
Feb. 13	To advance on Malt Duties, &c. 1817	3,000,000	Ditto.

A. 1.—The Dates of the Applications to the Bank to purchase Exchequer Bills—*continued.*

Date of the Court of Directors.	Application.	Amount.	
1817 (cont.)		£	
Feb. 27	To purchase - - -	1,000,000	Agreed to.
May 29	To ditto - - -	1,000,000	Ditto.
July 10	To advance for Payment of the Dividends, on a Deposit of Exchequer Bills - - -	1,200,000	Ditto.
Oct. 16	Advances to make good the Deficiency in the Income of the Consolidated Fund, with the Charge upon it - - -	- - -	Ditto
1818			
Jan. 1	To purchase - - -	1,000,000	Ditto.
8	To make Advances to equalize the Receipts with the Charge upon the Consolidated Fund - - -	- - -	Ditto.
Feb. 26	To advance upon the Malt Duties, &c. 1818 - - -	3,000,000	Ditto.
April 9	To make Advances to equalize the Receipts with the Charge upon the Consolidated Fund - - -	- - -	Ditto.
July 2	Ditto - - -	- - -	Ditto.
—	That Exchequer Bills be received as Money for Payment of the Dividends, to the Amount of - - -	600,000	Not complied with.
Oct. 8	To make Advances to equalize the Receipts with the Charge upon the Consolidated Fund - - -	- - -	Agreed to.
1819			
Jan. 7	Ditto - - -	- - -	Ditto.
Feb. 11	To make Advances on the Malt Duties, &c. 1819. - - -	3,000,000	Ditto.

11 March 1819.

ROBERT BEST, Secretary.

APPENDIX, A. 2.

THE Governor of the Bank presents his Compliments to Lord Harrowby, and has the honour to send his Lordship, herewith Copies of Minutes of the Court of Directors, and of Conferences which have passed between the Governor and Deputy Governor, and His Majesty's Ministers.

Bank of England,
19th of February 1819.

COPIES of Minutes of the Court of Directors of the Bank of England, and the Committee of Treasury, of the Conferences and Conversations, with the Resolutions thereon, which have passed between the Governor and Deputy Governor and His Majesty's Ministers, from the 1st of July 1816, to the 1st of February 1819.

AT a Court of Directors at the Bank, on Thursday the 8th of August 1816.

The following Letter from the Chancellor of the Exchequer being read, viz :

“ Gentlemen, Treasury Chambers, 7th of August 1816.
“ I beg leave to acquaint you, that it will be an Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession dated in September 1815, for the like Amount to be dated on the 19th Instant, bearing Interest at the Rate of Three-pence One Farthing per Centum per Diem. I request therefore you will have the goodness to move your Court to consent to such Exchange accordingly.

I have the honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART.”

“ To the Governor and Deputy Governor of the Bank.”

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 5th of September 1816.

The following Letter from the Chancellor of the Exchequer being read, viz :

“ Gentlemen, Treasury Chambers, 3d of September 1816.
“ I beg leave to acquaint you that it will be an Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in October 1815, for the like Amount to be dated on the 10th Instant, bearing Interest at the Rate of Three-pence One Farthing per Centum per Diem. I request therefore you will have the goodness to move your Court to consent to such Exchange accordingly.

I have the honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART.”

“ To the Governor and Deputy Governor of the Bank of England.”

Resolved,
That the Request contained in the said Letter be complied with.

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[Appendix,

AT a Court of Directors at the Bank on Thursday the 10th of October 1816.

Upon reading the following Letter from the Chancellor of the Exchequer, viz:

" Gentlemen, Downing Street, 7th October 1816.

" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to purchase Treasury Bills, made out for the Service of Ireland, under the Authority of Two Acts passed in the last Session of Parliament, (bearing Interest at the Rate of £5 per Cent. per Annum) to the further Amount of One million two hundred and thirty thousand Pounds.

" I request therefore you will have the Goodness to move your Court to consent to the proposed Purchase.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

AT a Court of Directors at the Bank on Thursday the 9th of December 1816.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Treasury Chambers, 18th of December 1816.

" As the Sale of Exchequer Bills to the Public may not be sufficient to satisfy the Demands that will be required to be satisfied at the latter End of the present Quarter, it will be a great Accommodation to the Public Service, if your Court will consent to purchase Exchequer Bills bearing Interest at the Rate of Three-pence per Centum per Diem, to the Amount of One million, if the same should be found necessary.

" I request therefore you will have the Goodness to move your Court to consent to such Purchases accordingly.

I have the Honour to be,
Gentlemen,
Your most obedient humble Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank on Thursday the 2d of January 1817.

Upon reading the following Letter from the Chancellor of the Exchequer, viz:

" Gentlemen, Downing Street, 31st of December 1816.

" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to purchase Treasury Bills made out for the Service of Ireland, under the Authority of an Act passed in the last Session of Parliament (bearing Interest at the Rate of £5 per Cent. per Annum) to the further Amount of Eight Hundred and fifty thousand Pounds. I request therefore you will have the Goodness to move your Court to consent to the proposed Purchase.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

A. 2.]

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AT a Court of Directors at the Bank, on Thursday the 30th of January 1817.

Upon reading the following Letter from the Chancellor of the Exchequer, viz:

" Gentlemen, Downing Street, 29th of January 1817.

" I beg to acquaint you that it will be a very great Accommodation to the Public Service, if your Court will consent to purchase One million of Exchequer Bills, bearing Interest at the Rate of 3d. per Cent. per Diem, and I have therefore to request that you will move your Court accordingly.

I have the Honour to be,
Gentlemen,
Your very obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

AT a Committee of Treasury, 13th February 1817.

THE Governor and Deputy Governor reported to the Committee, that it was the Chancellor of the Exchequer's Intention to reduce the Interest on the Exchequer Bills to be charged on the Annual Duties on Malt, Sugar, Tobacco, and Snuff, and on Pensions and Offices, to £3 per Cent. per Annum, being the usual Rate in time of Peace, and presumed that no Objection would be made on the part of the Bank; and a Letter from the Chancellor of the Exchequer was then read, requesting the Bank to advance the Sum of Three Millions, on the Credit of Exchequer Bills, to be charged on the above mentioned Duties, when the Act of Parliament shall have passed.

Resolved,
That it be recommended to the Court of Directors to comply with this Application.

AT a Court of Directors at the Bank, on Thursday the 13th February 1817.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Downing Street, 11th February 1817.

" I beg leave to acquaint you, that it will be an Accommodation to the Public Service, if your Court will consent to advance the Sum of Three Millions, on the Credit of the Exchequer Bills, bearing an Interest at the Rate of £3 per Cent. per Annum, being the usual Rate in time of Peace, to be charged upon the Annual Duties on Malt, Sugar, Tobacco, and Snuff, and on Pensions and Offices:

" I request therefore, you will have the Goodness to move your Court to make such Advance accordingly, when the Act of Parliament shall have passed.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

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AT a Court of Directors at the Bank, on Thursday the 20th February 1817.

Upon reading the following Letter, from the Chancellor of the Exchequer, viz:

" Gentlemen, Downing Street, 19th February 1817.
" Your Court having been pleased to purchase Exchequer Bills to the Amount of £315,900, bearing Interest at the Rate of 3s. per Centum per Diem, in Part of One Million, applied for by my Letter of the 18th December last, and it being thought expedient for the Public Service, that the Exchequer Bills to be issued under the Act now before Parliament, for raising the Sum of £24,000,000, should bear an Interest of 2½d. per Centum per Diem only:

" I request you will move your Court to consent to purchase such Part of the Sum wanting to complete the said Million, as may be issued under the said Act of Parliament, when it shall have passed at the reduced Interest of 2½d. per Centum per Diem.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank, &c. &c. &c."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 27th February 1817.

Upon reading the following Letter, from the Chancellor of the Exchequer, viz:

" Gentlemen, Treasury Chambers, 27th February 1817.
" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to purchase Exchequer Bills, bearing Interest at the Rate of Two-pence halfpenny per Centum per Diem, to the Amount of One Million, if the same should be found necessary. I request therefore, you will have the goodness to move your Court to consent to such Purchases accordingly.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday the 20th March 1817.

The following Letter from the Chancellor of the Exchequer, being read, viz:

" Gentlemen, Treasury Chambers, 15th March 1817.
" I beg leave to represent to you, that it will be an Accommodation to the Public Service, if your Court will consent to hold the Exchequer Bills in your Possession, dated in March 1816, and advertised to be paid off on the 18th Instant, until Friday the 21st Instant, and then to exchange them for the like Amount, to be dated on that Day, bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem.

" I request therefore, you will have the goodness to move your Court to consent thereto.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 17th April 1817.

The following Letter from the Chancellor of the Exchequer being read, viz.

" Gentlemen, Treasury Chambers, 14th April 1817.
" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in April 1816, and advertised to be paid off on the 18th Instant, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem.
" I request therefore, you will have the goodness to move your Court to consent thereto."

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday the 8th May 1817.

The following Letter from the Chancellor of the Exchequer being read, viz.

" Gentlemen, Treasury Chambers, 6th May 1817.
" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in the Months of May and June 1816, and advertised to be paid off on the 12th Instant, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem.
" I request therefore, you will have the Goodness to move your Court to consent thereto.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 29th May 1817.

Upon reading the following Letter from the Chancellor of the Exchequer, viz.

" Gentlemen, Treasury Chambers, 28th May 1817.
" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to purchase Exchequer Bills, bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem, to the further Amount of One Million, if the same shall be found necessary.
" I request therefore you will have the Goodness to move your Court to consent to such Purchases accordingly.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 5th June 1817.

The following Letter from the Chancellor of the Exchequer being read, viz.

" Gentlemen,
 Treafury Chambers, 4th June 1817.
 " I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in the Months of July and August 1816, and advertised to be paid off on the 9th Instant, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem.
 " I request therefore you will have the Goodness to move your Court to consent thereto.

I have the Honour to be,
 Gentlemen,
 Your most obedient Servant,
 N. VANSITTART."

" To the Governor and Deputy Governor
 of the Bank."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday the 3d July 1817.

The following Letter from the Chancellor of Exchequer being read, viz.

" Gentlemen,
 Treafury Chambers, 1st July 1817.
 " Observing that One Million of Irish Treafury Bills, which will become due on the 4th Instant, are in the Possession of the Bank of England; I have to request that you will submit to your Court a Proposition for exchanging the same for new Treafury Bills, to be made out under the Authority of an Act now under the Consideration of Parliament.
 " I beg to observe, that since the Period when the Treafury Bills in your Hands were issued, the Interest on Exchequer Bills has been very much reduced, and as it appears reasonable that a corresponding Reduction should take place in the Interest of other Securities of a like Nature, I request you will submit to your Court that the new Bills should bear an Interest of Two-pence Halfpenny per Centum per Diem, being the same which is allowed on Exchequer Bills.

I have the Honour to be,
 Gentlemen,
 Your most obedient Servant,
 N. VANSITTART."

" To the Governor and Deputy Governor
 of the Bank."

Resolved,
 That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 10th July 1817.

The Governor acquainted the Court, that having received an Intimation on Saturday last from Mr. Hafe, that Mr. Fisher of the Exchequer has informed Mr. Honey that it would be necessary to deposit with the Bank, a Sum in Exchequer Bills not less than One Million, to make up the Amount of the Money for Payment of the Dividends, and no Application having been made by the Chancellor of the Exchequer on the Subject, the Governor considered it a Matter of too much Importance to leave in uncertainty, and accordingly lost no Time in waiting on Mr. Vansittart, who confirmed the Intelligence, expressing very great Concern, that in the Multiplicity of Affairs, it had escaped him to make earlier Communication of this Arrangement, which Circumstances had rendered indispensable; that he would immediately write the official Letter, requesting the Accommodation, which

he relied on being granted; under all these Circumstances of the Case, the Governor had no Hesitation to take upon himself, the Responsibility of the Advance of the Sum immediately wanted, and gave Orders accordingly, not doubting the Approbation of the Court.

Resolved unanimously,
 That this Court does approve the Governor's having advanced the Sum of £1,200,000 on the Security of Exchequer Bills, and that the Thanks of this Court be given to him, for his Conduct upon this Occasion.

The following Letter from the Chancellor of the Exchequer having been read, viz.

" Gentlemen,
 Downing Street, 5th July 1817.
 " As it will be very important to the Public Service, that your Court should authorize an Advance upon the Credit of Exchequer Bills, to be made out under the Authority of the Act of the 57 Geo. III. cap. 48.; to such an extent as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain, beyond its Income in the Quarter ended this Day, I must request you will move your Court to authorize such Advances as may from Time to Time, be necessary to make good the said Charge in the Manner directed by the said Act.
 " The above Bills will bear an Interest of Two-pence per Cent. per Diem, being nearly the same Interest as is payable upon the Bills made out upon the Malt Act of the present Year, and the Principal thereof, together with such Interest, will be repaid, out of the First Receipts upon the growing Produce of the Consolidated Fund, in the ensuing Quarter.

I have the Honour to be,
 Gentlemen,
 Your very obedient Servant,
 N. VANSITTART."

" To the Governor and Deputy Governor
 of the Bank of England."

Resolved,
 That the Request contained therein be complied with.

AT a Court of Directors at the Bank, on Thursday the 17th July 1817.

The following Letter from the Chancellor of the Exchequer being read, viz.

" Gentlemen,
 Treafury Chambers, 16th July 1817.
 " I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in the Months of September and October 1816, and advertised to be paid off on the 29th Instant, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence Halfpenny per Centum per Diem.
 " I request therefore, you will have the goodness to move your Court to consent thereto.

I have the Honour to be,
 Gentlemen,
 Your most obedient Servant,
 N. VANSITTART."

" To the Governor and Deputy Governor
 of the Bank of England."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday 16th October 1817.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Treafury Chambers, 15th October 1817.

" As it will be very important to the Public Service, that your Court should authorize an Advance upon the Credit of the Exchequer Bills to be made out under the Authority of the Act of the 57 Geo. 3 cap. 48, to such an Amount as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain, beyond its Income, in the Quarter ended the 10th Instant; I must request you will move your Court to authorize such Advances as may from Time to Time be necessary to make good the said Charge, in the Manner directed by the said Act.

" The above Bills will bear an Interest of Two-pence per Centum per Diem, and the Principal thereof, together with the Interest, will be repaid out of the first Receipts upon the growing Produce of the Consolidated Fund, in the Current Quarter.

I have the Honour to be, Gentlemen, Your most obedient Servant,

N. VANSITTART."

" To the Governor and Deputy Governor of the Bank."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday the 27th November 1817.

The Governor laid before the Court, the following Minute and Resolution of the Committee of Treafury, viz:

" Committee of Treafury, 26th November 1817.

" The Governor having reported to the Committee, the Substance of a Conference at Five Houfe, on Friday the 20th Instant, wherein Lord Liverpool and Mr. Vansittart stated it to be their Intention to advertise the Exchequer Bills dated in December, January, and February last, provided the Bank would agree to exchange the Bills of those Dates held by them."

Resolved,

This Committee having taken the Subject into its serious Consideration, sees no Cause to alter the Sentiments already expressed respecting the Reduction of the Rate of Interest. But the First Lord of the Treafury, and the Chancellor of the Exchequer having urged the extreme Inconvenience that would result from a Refusal on the Part of the Bank in the present Juncture, and before the Meeting of Parliament, the Committee is induced to comply with the Application.

If the Court should think proper to adopt this Recommendation, the Committee would suggest the expediency of instructing the Governor and Deputy Governor to signify to the Ministers that, although this Application has been complied with, the Court will expect that the Amount of Advances on Exchequer Bills should be materially reduced.

Resolved,

That this Court do comply with the Recommendation of the Committee of Treafury.

AT a Court of Directors at the Bank, on Thursday the 4th December 1817.

The Governor acquainted the Court, that the Deputy Governor and himself had waited on the Chancellor of the Exchequer, to communicate to him the Substance of the Resolution of the last Court, respecting the Exchange of the Exchequer Bills, dated in the Months of December, January, and February, and he laid before the Court, the following official Letter on the Subject, since received, viz.

" Gentlemen,

" Gentlemen, Treafury Chambers, 29th November 1817.

" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in the Months of December 1816, and January 1817, and advertised to be paid off on the 17th Day of December next, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence per Centum per Diem; I request therefore, you will have the goodness to move your Court to consent thereto.

I have the Honour to be, Gentlemen,

Your most obedient Servant,

N. VANSITTART."

" To the Governor and Deputy Governor of the Bank of England."

AT a Court of Directors at the Bank, on Thursday the 1st January 1818.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Downing Street, 30th December 1817.

" It being absolutely necessary that the Sums advanced out of the Consolidated Fund in Ireland for the Public Service, should be replaced to the Credit of the Consolidated Fund, before the close of the present Quarter, and it appearing probable that the Payments into the Exchequer will not afford the Means of doing it, and of providing for other necessary Payments; I have to request you will have the goodness to move your Court to give Directions for the Purchase of Exchequer Bills, bearing Interest of Two-pence per Centum per Diem, to the Amount of One Million, if it should be necessary.

I wish it to be understood that this Advance is not intended to Increase the permanent Advances of the Bank, and I shall be happy to confer with you, previous to the Meeting of Parliament, respecting the mode of reducing the same.

I have the Honour to be, Gentlemen,

Your most obedient Servant,

N. VANSITTART."

" To the Governor and Deputy Governor of the Bank of England."

" Memorandum,

" The Amount of Advances from the Consolidated Fund in Ireland, in the Quarter ended the 10th Day of October last, and to be immediately repaid, was £628,105 7s. 1½d."

The Court agreed thereto.

AT a Court of Directors at the Bank, on Thursday the 8th January 1818.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Downing Street, 3d January 1818.

" As it is probable that a considerable Sum will be required to equalize the Receipts of the Consolidated Fund in the present Quarter, with the Charges upon it, I must take the Liberty of requesting you to move your Court to give Directions for making such Advances as may be necessary for this important Purpose, according to the Provisions of the Act of the 56th Geo. 3. cap. 48. of His Majesty.

I have the Honour to be, Gentlemen,

Your faithful and obedient Servant,

N. VANSITTART."

" The Governor and Deputy Governor of the Bank.

Resolved,

That the Request contained in the said Letter, be complied with.

AT a Court of Directors at the Bank on Thursday the 22d of January 1818.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Downing Street, 19th of January 1818.
" Having received from Ireland the Sum of One million eight hundred thousand Pounds (British) in Irish Treasury Bills, made out pursuant to the Directions of an Act passed in the last Session of Parliament; I beg leave to request that you will move your Court to give Directions for receiving the same, in Exchange for an equal Amount of Irish Treasury Bills, now held by them.

" I am to acquaint you, that I expect the Arrival of the further Sum of Three hundred thousand pounds in similar Bills, and request you will also move your Court to give Directions for exchanging them in like Manner upon their Arrival.

" And I am further to acquaint you, that it is intended to pay the remaining Irish Bills held by your Court, together with the Interest on the whole of the Irish Treasury Bills, in Money.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank."

Resolved,
That the Request contained in the said Letter be complied with.

AT a Court of Directors at the Bank, on Thursday the 26th of February 1818.

The following Letter from the Chancellor of the Exchequer being read, viz:

" Gentlemen, Downing Street, 19th of February 1818.
" I beg to acquaint you that it will be an Accommodation to the Public Service, if your Court will consent to advance the Sum of Three millions on the Credit of the Exchequer Bills, bearing an Interest at the Rate of Three per Centum per Annum to be charged upon the Annual Duties on Malt, Sugar, Tobacco and Snuff, and on Penfions and Offices.

" I request therefore you will have the Goodness to move your Court to make such Advances accordingly, when the Act of Parliament shall have passed.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

The Governor laid before the Court, the Draft of a Bill which he had received from the Chancellor of the Exchequer, intituled:

" An Act to authorize the Issuing, and Circulation of Promissory Notes, payable by the Holders of any Public Stocks or Funds, upon the Security and Deposit of such Stocks or Funds in England and Ireland, respectively."

AT a Court of Directors at the Bank, on Thursday the 5th of March 1818.

The Court of Directors of the Bank, upon the Perusal of the Plan for the Issue of Stock Notes, thought it right to take the Opinion of their Law Officers, which Opinion the Court desire may be communicated to His Majesty's Government.

That, under all the Circumstances, this Court decline to be Parties to the Issue of the Notes in Question, being convinced that the Conduct of such a Business will be incompatible with a due Attention to the existing Affairs of this House.

AT a Court of Directors at the Bank, on Thursday the 9th of April 1818.

Upon reading the following Letter from the Chancellor of the Exchequer, viz:

" Gentlemen, Treasury Chambers, 1st of April 1818.
" As it will be very important to the Public Service, that your Court should authorize an Advance upon the Credit of the Exchequer Bills, to be made out under the Authority of the Act 57 Geo. 3. cap. 48. to such an Amount as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain, beyond its Income in the Quarter ended the 5th Instant, I must request you will move your Court to authorize such Advances, as may from Time to Time be necessary to make good the said Charge, in the Manner directed by the said Act.

" The above Bills will bear an Interest of 2d. per Centum per Diem, and the Principal thereof, together with the Interest, will be repaid out of the First Receipts upon the growing Produce of the Consolidated Fund in the ensuing Quarter.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" The Governor and Deputy Governor
of the Bank of England."

Resolved,
That the Request contained in the said Letter be complied with.

THE following Letter from the Chancellor of the Exchequer was also read, viz:

" Gentlemen, Downing Street, 7th of April 1818.
" I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in the Months of February and March 1817, and which were advertised to be paid off on the 9th Day of March last, for other Bills to the like Amount, to be dated on that Day, and bearing Interest at the Rate of Two-pence per Centum per Diem.

" I request therefore you will have the Goodness to move your Court to consent thereto.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART."

" To the Governor and Deputy Governor
of the Bank of England."

The Court agreed thereto.

AT a Committee of Treasury, 8th of May 1818.

The Governor acquainted the Committee, that he and the Deputy Governor had seen the Chancellor of the Exchequer, and conversed with him respecting the Advances of the Bank to Government. He proposed to pay the April Bills, amounting to £846,900, and in that Case he might require a further Loan to that Amount towards the End of the Year, to make good the Payment of the Loan of Six millions, which it is considered is to be paid off; otherwise he would pay £800,000 on Account of the Six Millions, provided the Bank would exchange the April Bills. Further Payment should be made to the Bank as the Money comes into the Exchequer, to the Extent of not less than Eight millions before the Meeting of Parliament.

Resolved,
That the Governor and Deputy Governor should again see the Chancellor of the Exchequer, and acquaint him, that the Committee will not recommend the Renewal of the April Bills, or of those becoming due, without some specific Arrangement for the Repayment of those Loans which were due in April, viz. of Six and of Three Millions.

AT a Court of Directors at the Bank, on Thursday the 14th May 1818.

The Governor laid before the Court the following Minute of the Committee of Treasury, viz.

“ Committee of Treasury, 14th May 1818.

“ That it appears by an Advertisement in the Gazette of Saturday last, that the Exchequer Bills dated in May 1817 are to be paid off, and that in the same Advertisement it is stated, ‘ That all Exchequer Bills dated prior to May 1817 have been advertised to be ‘ paid off, and the Interest thereon has ceased.’

“ And that it appears, from the Report of the Governor, that no Measures have been taken for the Payment of the Exchequer Bills held by the Bank, dated in April, amounting to £846,900.”

Resolved,

That the Governor and Deputy Governor wait again upon the First Lord of the Treasury, and the Chancellor of the Exchequer, and request that the above Bills may be paid off.

The Governor having further reported that no Stipulation has yet been made for the Repayment of the Loans of Six Millions, at £4 per Cent., which expired the 11th of April last, or for Three Millions, which became due on 5th of the same Month—

Resolved,

That this Court cannot consent to renew the Exchequer Bills which have been advertised to be paid, or those which may become payable, until a satisfactory Arrangement has taken place for reducing, to the Extent agreed upon, the Advances which the Bank has made on Government Securities.

AT a Court of Directors at the Bank, on Thursday the 28th May 1818.

The following Memorial, to the Right Honourable the Lords Commissioners of His Majesty's Treasury, was read and agreed to, viz.

“ To the Right Honourable the Lords Commissioners of His Majesty's Treasury.

“ The Memorial of the Court of Directors of the Governor and Company of the Bank of England.

“ Sheweth,

“ That upon the Treaty and Negotiation for the late Loan of Three Millions, by the Transfer of Three per Cent. Annuities into Annuities of Three and a Half per Cent., and for granting Annuities to discharge certain Exchequer Bills, it was settled and arranged between your Lordships and your Memorialists, that your Memorialists should be paid, and should be at Liberty to retain at the Rate of Eight hundred Pounds for every Million subscribed in Money, and at the Rate of Four hundred Pounds per Million, in respect of the Sum of Principal Annuities to be transferred, as an Allowance for the Service, Pains, and Labour of the Officers of your Memorialists, in receiving, paying, and accounting for the said Loan, and in performing the Trusts reposed in them, in relation to the said Loan, and the Annuities to be transferred; and in the Manuscript Copy of the Bill, prepared under the Direction of your Lordships, to be brought into Parliament for effectuating the said Objects, and which was laid before your Memorialists by your Lordships, Provision was made for authorizing your Memorialists to retain both the said Rates of Compensation, for the Services of their Officers, out of the Sums to be received by them in respect to the said Loan.

“ That upon referring to the printed Copy of the Act of the 58 Geo. 3. chap. 23., passed for effectuating the above Objects, your Memorialists find, that by some Mistake or Omission in the Progress of the said Bill through Parliament, the following Words, ‘ And ‘ a Sum at the Rate of Four hundred Pounds per Million, in respect of the Principal Sum ‘ of Annuities so transferred,’ being the Words applicable to the Compensation in respect of the said Annuities, have been omitted, and the Compensation at the Rate of Eight hundred Pounds per Million, upon the said Loan of Three Millions only has been granted to your Memorialists by the said Act, by which Means, your Memorialists are deprived of the

the Authority to receive and retain the said Compensation of Four hundred Pounds per Million, upon the Sum of Twenty-seven Millions two hundred and sixty-two thousand Pounds of Annuities, subscribed and transferred, or to be subscribed and transferred, under and in pursuance of the said Act, in conformity to their Agreement with your Lordships.

“ Your Memorialists therefore pray, that your Lordships will be pleased to authorize and empower them to retain out of the Sums of Money they may receive in respect of the said Loan, the said Compensation of Four hundred Pounds per Million, upon the said Sum of Twenty-seven Millions two hundred and sixty-two thousand Pounds of Annuities, subscribed and transferred, or to be subscribed and transferred, under and in pursuance of the said Act; and that your Lordships will be pleased to submit to Parliament, the Propriety of passing an Act to rectify the said Omission, and to give to your Memorialists the Authority of Parliament, to receive and retain the said Compensation of Four hundred Pounds per Million, upon the said Twenty-seven Millions two hundred and sixty-two thousand Pounds of Annuities.”

Ordered,

That the Secretary do sign the same.

The Governor reported to the Court that he and the Deputy Governor had waited upon the First Lord of the Treasury and the Chancellor of the Exchequer, with the Resolutions of the 14th Instant, and had in consequence received the following Letter from His Majesty's Ministers, with the Memorandum inclosed, viz.

“ Lord Liverpool and Mr. Vanfittart present their Compliments to the Governor and Deputy Governor of the Bank, they have given all the Attention in their Power to the Resolution of the Court of Directors, communicated to them on the 15th Instant by the Governor and Deputy Governor, and request they will communicate the inclosed Memorandum to their Court, as the best View Lord Liverpool and Mr. Vanfittart are able to take at present of the Arrangements for repaying the Advances made by the Bank to Government to the Extent agreed upon.”

“ Memorandum,

Fife House, 22d May 1818.

“ The Sum necessary for the Supply of the Year 1818, beyond the ordinary Revenues of the Year, may be estimated at about Fourteen Millions; and it has been agreed that a Sum of from Eight to Nine Millions shall be repaid to the Bank on account of their Advances to Government, of which Repayment the Loan of Six Millions advanced in 1816 shall form a Part.

“ To meet these Charges, and to effect a further Reduction of the funded Debt, Provision has been made by a Loan of Three Millions in Money, and a gradual Funding of Exchequer Bills, to the Amount of about Twenty-seven Millions, with a Power to the Subscribers of making Money Payments, instead of bringing in Exchequer Bills.

“ The Nature of this Arrangement makes it impossible to foresee exactly at what Periods, and in what Proportions it may be practicable to discharge the Bank Advances; but it is thought desirable to pursue the following Plan, so far as Circumstances may allow.

- “ 1st. That the Repayments should be gradual, and as nearly as may be at the Rate of about One Million per Month, beginning with the Month of May.
- “ 2dly. That if, in the early Part of a Quarter, more than One Million per Month shall have been paid, the Payments might be reduced, if thought desirable, in the latter Months of the Quarters.
- “ 3dly. That for the Purpose of effecting such Repayments, the Bank might retain One Half of the Monies paid in on Account, as well of the Loan as of the Exchequer Bill Payments, to the Extent of Monthly Payments above mentioned.”

Resolved,

That the same be agreed to.

AT a Court of Directors at the Bank, on Thursday the 2d July 1818.

The following Letter from the Chancellor of the Exchequer being read, viz.

“ Gentlemen, Treafury Chambers, 1st July 1818.

“ As it will be very important to the Public Service, that your Court should authorize an Advance upon the Credit of the Exchequer Bills, to be made out under the Authority of the Act 57 Geo. 3. c. 48. to such an Amount as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain, beyond its Income in the Quarter ending the 5th Instant; I must request you will move your Court to authorize such Advances as may from Time to Time be necessary to make good the said Charge, in the Manner directed by the said Act.

“ The above Bills will bear an Interest of 2d. per Centum per Diem, and the Principal thereof, together with the Interest, will be repaid out of the First Receipts upon the growing Produce of the Consolidated Fund in ensuing Quarter.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART.”

“ Governor and Company,
Bank of England.”

The Court agreed thereto.

The Governor laid before the Court the following Minute of the Committee of Treafury, viz:

“ Committee of Treafury, 2d of July 1818.”

The following Letter from the Chancellor of the Exchequer was read, viz:

“ Gentlemen, Downing Street, 1st of July 1818.

“ It being absolutely necessary that the Sum advanced out of the Consolidated Fund in Ireland for the Public Service, should be replaced to the Credit of the Consolidated Fund before the Close of the present Quarter, and it appearing probable that the Payments into the Exchequer will not afford the means of doing it, and of providing for other necessary Payments, in which Case the only Mode in which the same can be replaced, will be by an Issue of Exchequer Bills for that Purpose, which will not exceed Six hundred thousand Pounds;

“ I request therefore you will have the Goodness to move your Court to consent to receive such Exchequer Bills as Money, to be applied towards Payment of the Dividends becoming due on the 5th Instant.

“ I wish it to be understood that this Advance is not intended to increase the Permanent Advance of the Bank, but is to be provided for separately.

I have the Honour to be,
Gentlemen,
Your most obedient Servant,
N. VANSITTART.”

“ The Governor and Deputy Governor
of the Bank of England.”

“ Resolved,
“ That the Committee cannot recommend to the Court of Directors to comply with the foregoing Application.”

Resolved,
That the Application of the Chancellor of the Exchequer cannot be complied with.

AT a Court of Directors at the Bank, on Thursday the 9th of July 1818.

The Governor reported that himself and the Deputy Governor had waited upon the Chancellor of the Exchequer, with the Resolutions of the last Court. The Chancellor of the Exchequer said he was sorry the Court were not inclined to advance the £600,000 in the Manner proposed, he should therefore borrow the whole Sum on the Terms agreed upon, namely, to be repaid out of the First Receipts upon the growing Produce of the Consolidated Fund in the ensuing Quarter.

At a Committee of Treafury, 22d of July 1818.

The following Letter from the Chancellor of the Exchequer was read, viz:

“ Gentlemen, Downing Street, 21st of July 1818.

“ I beg leave to represent to you, that it will be a great Accommodation to the Public Service, if your Court will consent to exchange the Exchequer Bills in your Possession, dated in May 1817 (beyond the Amount of One Million, of which Part has already been paid off, and the Remainder will be paid as soon as the Convenience of the Public will admit) for other Bills to the like Amount, to be dated on the 4th of August next, and to bear Interest at the Rate of Two-pence per Cent. per Diem. I beg therefore to request you will have the Goodness to move your Court to consent thereto. And,

I have the Honour to remain,
&c. &c. &c.
N. VANSITTART.”

“ To the Governor and Deputy Governor
of the Bank of England.”

“ Resolved,

“ That under the Circumstances of the deficiency of £383,000, of the Sum of One Million engaged to be paid for the Month of May, the disappointment in not receiving One Million for the Month of June, and no Provision being yet made for the Bills of the present Month, now nearly expiring; the Committee are of Opinion that the Court of Directors are not likely to comply with the Request contained in the said Letter, nevertheless, they are ready to submit it to the Court, if the Chancellor of the Exchequer desire it.

“ That the Governor and Deputy Governor be requested to wait upon the Chancellor of the Exchequer, with the above Resolution.”

“ At a Committee of Treafury, 23d July 1818.

“ The Governor acquainted the Committee that himself and the Deputy Governor had waited upon the Chancellor of the Exchequer, and had communicated to him the Resolution of the Committee on his Letter of the 21st Instant, in consequence of which the Chancellor of the Exchequer had desired that his Letter might not be laid before the Court.”

“ At a Committee of Treafury, 5th August 1818.

“ The Governor laid before the Committee, a Proposition delivered to himself and the Deputy Governor this Morning, by the Chancellor of the Exchequer, as follows:

“ It is proposed to complete the Payment of One Million on the May Bills held by the Bank, and to pay £200,000 on the June Bills, and to advertise the June Bills, the Bank consenting to exchange the remainder of their May Bills.”

Resolved,

The Committee having taken into Consideration the Proposition of the Chancellor of the Exchequer, are of Opinion, that consistently with the Sentiments expressed on the 8th and 14th May, and on 21st July, they cannot recommend the Court to exchange the Bills dated in May, whilst the Instalments for June and July are unpaid; and that the Governor be desired to acquaint the Chancellor of the Exchequer with the above Resolution.

AT a Court of Directors at the Bank, on Thursday the 27th August 1818.

Resolved,

That the Governor and Deputy Governor be requested to wait upon the First Lord of the Treafury, and the Chancellor of the Exchequer, to communicate to them, that as the Court of Directors of the Bank of England, have agreed to make the future Advances on the Loan, it is their Intention to make the Payment into the Exchequer in Exchequer Bills, unless some satisfactory Arrangement can be made to repay to the Bank, the chief part of the Payment, towards the Reduction of the great advances in Exchequer Bills, made by the Bank to Government.

AT a Court of Directors at the Bank, on Thursday the 3d of September 1818.

Upon reading the following Minute of the Committee of Treafury, viz :

“ Committee of Treafury, 1st September 1818.

“ The Governor laid before the Committee, the following Communication from Lord Liverpool and Mr. Vansittart, in reference to the Refolution of the Court of Directors on the 27th ult. viz :

“ Lord Liverpool and Mr. Vansittart have considered the Refolution of the Court of Directors of the Bank, communicated to them by the Governor and Deputy Governor, and desire to state, that they see very considerable inconvenience likely to ensue, if the Payments into the Exchequer upon the Instalments of the Loan should be made by the Bank of England in Exchequer Bills, as it might deprive the Public of the Supply of Money necessary for the Payments of the Current Service, and as it would, if carried into Execution in the manner explained by the Governor and Deputy Governor, viz. By allowing the Parties to redeem without making any Compensation for the Premium on Exchequer Bills, or the Interest to be paid from the 1st of August, hold out too great an inducement to the Parties concerned in the Loan, to throw their Payments on the Bank, instead of making them, so far as they may be able themselves.

“ They therefore trust that the Court of Directors will not resort to such a proceeding, and they hope that the Arrangement of applying to the Repayment of the Advances made by the Bank to Government, not less than One Half of the Money Payments upon the Loan, to an Extent of from Eight to Nine Millions, including the Payments already made, will be satisfactory to the Court, especially until the Payment of the approaching Instalments shall have made it appear how much of the Loan is likely to be paid up in Money, and what Proportion thereof will be furnished by the Parties themselves contributing.”

“ Fife Houfe, 28th August 1818.”

“ Resolved, “ That the Instalment upon the Loan of this Day be made in Money, and not in Exchequer Bills.”

The Court approved thereof.

AT a Court of Directors at the Bank, on Thursday the 8th October 1818.

The following Letter from the Chancellor of the Exchequer being read, viz.

“ Gentlemen, Treafury Chambers, 6th October 1818.

“ It will be very important to the Public Service, that your Court should authorize an advance upon the Credit of the Exchequer Bills, to be made out under the Authority of the Act 57 Geo. 3. cap. 48. to such an Amount as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain beyond its Income, in the Quarter ending the 10th Instant.

“ I must request you will move your Court to authorize such Advances as may from Time to Time be necessary to make good the said Charge, in the Manner directed by the said Act.

“ The above Bills will bear an Interest of 2d. per Centum per Diem, and the Principal thereof, together with the Interest, will be paid out of the First Receipts upon the growing Produce of the Consolidated Fund in the ensuing Quarter.

I have the honour to be, Gentlemen, Your most obedient Servant, N. VANSITTART.”

“ The Governor and Deputy Governor of the Bank of England.”

The Court agreed thereto.

AT a Committee of Treafury, 3d December 1818.

“ The Governor laid before the Committee a Certificate signed by the Chief Accountant stating, that in pursuance of the Act of 58 Geo. 3. cap. 23 there had been transferred to the Account of the Commissioners for the Reduction of the National Debt £16,945,000, £3 per Cent. Consolidated Annuities, and £10,327,000 Reduced Annuities Consolidated, making together £27,272,000, being the whole of the Stock subscribed to be transferred by the said Act : And it was agreed, that the said Certificate be transmitted to Mr. Vansittart, with a request that the Lords of the Treafury will order the Compensation of £400 per Million to be issued from the Exchequer, in conformity with Mr. Abuthnot's Letter of the 20th August last, as follows, viz.

“ Gentlemen, Treafury Chambers, 20th August 1818.

“ Having laid before the Lords Commissioners of His Majesty's Treafury your Memorial of the 28th of May last, praying that you may be authorized to retain out of the Sums of Money you may receive in respect of the Loan of Three Millions by the Transfer of Three per Cent. Annuities into Annuities of Three and a Half per Cent., the Compensation of £400 per Million on the Sum of £27,262,000 of Annuities to be subscribed, the said Compensation having been omitted in the Act of the 58 Geo. 3. cap. 23. passed for effectuating the above Objects ; I am commanded by their Lordships to acquaint you, that the Words granting an Allowance of £400 per Million upon the Sum of £27,262,000 to be subscribed from the Three per Cents. Consols or Reduced Annuities, into a 3½ per Cent. Stock, were omitted in the Loan Act by some Mistake which my Lords cannot explain, as a Motion that those Words should be omitted passed in the negative, and consequently they should have appeared in the Act. Under these Circumstances, although my Lords cannot authorize you to retain this Allowance, they will give Directions for issuing the Amount to you, or to your Chief Cashier, from the Exchequer, upon receiving from you a Memorandum, stating that the whole of the said Stock has been transferred, and that the Service is completed.

I am, Gentlemen, Your obedient Servant, C. ARBUTHNOT.”

“ Governor and Deputy Governor, Bank of England.”

AT a Court of Directors at the Bank, on Thursday 7th January 1819.

The following Letter from the Chancellor of the Exchequer being read, viz.

“ Gentlemen, Downing Street, 4th January 1819.

“ As it will be very important to the Public Service, that your Court should authorize an Advance upon the Credit of the Exchequer Bills, to be made out under the Authority of the Act 57 Geo. 3. cap. 48., to such an Amount as may be necessary to cover the Excess of the Charge of the Consolidated Fund in Great Britain, beyond its Income, in the Quarter ending the 5th Instant ; I must request that you will move your Court to authorize such Advances as may from Time to Time be necessary to make good the said Charge, in the Manner directed by the said Act.

“ The above Bills will bear an Interest of Two-pence per Centum per Diem, and the Principal thereof, with the Interest, will be repaid out of the first Receipts upon the growing Produce of the Consolidated Fund in the ensuing Quarter.

I have the Honour to be, Gentlemen, Your most obedient Servant, N. VANSITTART.”

The Court agreed thereto.

AT a Committee of Treafury, 15th January 1819.

“ The Governor stated the Conversation which had passed at Fife Houfe on Tuesday last, and that a Question to the following Effect had been put to the Chairs,

“ Whether, in case the Advances of the Bank to Government should be reduced to Twenty Millions in the Month of April, it would enable the Bank to controul the Foreign Exchanges, and give the Directors sufficient Confidence to meet the Opening ?”

“ The

" The Committee of Treafury beg to give it as the Opinion of its Members, that if the Advances of the Bank to Government are only reduced in the Month of April to the Degree propofed during the laft Seflions of Parliament, the Interval between that Time and the 5th July will be too fhort to effect fo effential a Reduction in the Iflue of Bank Notes, as appears to them neceffary to try the Experiment; of whether the Foreign Exchanges can by that Meafure be turned in favour of Great Britain, and be afterwards maintained in that Courfe, more efppecially at a Time when the comparatively high Rate of Intereft given abroad induces Perfons to inveft their Capital in Foreign Countries.

" It has ever been the Defire of the Directors to keep the Iflue of Bank Notes at as low an Amount as they could find confiflent with a due Attention to the great Interests of the Country, which they deem to be the peculiar Object of their Care; and although a Reduction from their prefent Amount may be thought expedient, with a View to the Refumption of Cafh Payments, yet fuch a Meafure cannot be attained by any other than gradual Means, without great Injury to the Commercial Part of the Community, whofe Co-operation is moft defirable in promoting a favourable Turn in the Exchanges.

" Whilft the Standard of the Gold Coin is continued, as now eftablifhed, the Experience of the laft Two Years, in which a large Iflue of Specie has been made, as well as the Experience of a Courfe of former Years, evinces that the Law cannot refrain its Exportation, under Circumftances fimilar to thofe in which this Country is now placed, and its relation to the reft of Europe; it is not a fudden, but a fteady and fettled favourable Rate of Exchange, which can alone give Hopes to the maintaining a Metallic Currency, amidft the extending Circulation required by the Financial and Commercial Interests of Great Britain.

" There remains another Queftion on which the Directors request the Opinion of Government, as in giving it they will be doubtlefs affifted by the Law Officers of the Crown. This relates to the moft proper Proceeding on the Part of the Bank, in profecuting the Perfons who are almoft daily committing the Crime of forging or uttering counterfeit Bank Notes.

" Alfo, whether any and what Proceeding it becomes them to take againft a Defcription of Perfons, who by their Writings are endeavouring to decry the Public Credit of the Country, and to vilify thofe Perfons whofe Duty it is to maintain it.

" The Directors have an anxious Hope that His Majefty's Government will confider it to be no improper Application of its Authority, to become the Profecutors in the moft flagrant of thefe Cafes, and not let the Task fall upon Gentlemen, who, from the Delicacy of their confidential Truft, are very much averfe to become the Defenders of their own Reputation, although fo unjuftly attacked."

" At a Committee of Treafury, 20th January 1819.

" The Governor having reported the Subftance of the Converfation at a Conference at Fife Houfe, on the 15th Inftant, which was attended by feveral Members of the Committee, as well as the Chairs of the Bank;

" Refolved,

" This Committee having deliberately weighed the Subject, and confidered the Improbability that the Foreign Exchanges will be turned and permanently fettled in Favour of Great Britain by March 1820, the Time to which it is propofed to limit the Duration on the Reftriction of Cafh Payments, think it a Matter of the higheft Importance that the Public fhall not be deluded with an Expectation which is not likely to be realized.

" That it appears preferable to fubmit to the Confequences of a Parliamentary Inquiry, rather than pafs a Bill for a Time inadequate to the Circumftances in which the Country may be placed."

AT a Court of Directors at the Bank, on Tuefday the 26th January 1819.

The Governor having laid before the Court the Particulars of the Conferences, which the Chairs and the Committee of Treafury had held with His Majefty's Government, relative to the Renewal of the Bill for the Reftriction on Cafh Payments;

Refolved,

That this Court entirely approve the Conduft of the Committee of Treafury upon this Occafion.

APPENDIX, A. 3.

MEMORANDUM refpefting the Iflue or Purchase of Exchequer Bills by the Bank.

THE Aft of the 5th and 6th William and Mary, cap. 20. (Bank Charter) impofes a Penalty upon the Directors of the Bank, if they purchafe, on account of the Corporation, any Crown Lands, or if they advance or lend to His Majefty any Sum or Sums of Money by way of Loan or Anticipation on any Part or Branch of the Public Revenues, other than on fuch Funds or Branches of the Revenue only on which a Credit of Loan is or fhall be granted by Parliament.

The Aft of the 32d Geo. 3. cap. 32., after reciting the laft-mentioned Aft, provides, that nothing therein contained fhall be conftrued to fubject or to have fubjected the Governor, &c. of the Bank to any Penalty or Forfeiture for or by reafon of having advanced or lent, or for advancing or lending, in future, any Sum or Sums of Money, for the Purpose of paying any Bills of Exchange, accepted for or on account of the Lords of the Treafury, and made payable at the Bank, but not fpecially charged, lent, or advanced on any Part or Branch of the Revenue.

By the Aft 37 Geo. cap. 45. (Bank Reftriction) they were prohibited from advancing more than £600,000 for the Public Service.

By the Aft 37 Geo. 3. cap. 91. (continuing the Reftriction) they were prohibited, during the Reftriction, from advancing any Sum of Money whatever for the Public Service.

In almoft every Exchequer Bill Aft paffed fince that Time, a fpecial Claufe has been introduced, authorizing the Bank to advance the Whole or a Portion of the Amount fpecified in the Aft; and the Bank do not advance any Money upon Exchequer Bills, when there is not a fpecial Claufe authorizing them to do fo; nor do they advance any Sum beyond the Amount fpecified in the Aft.

The Bank have likewife attended to this Limitation in the Purchase of Bills, fo that the Bills iflued to them, and Bills purchafed by them, have not together exceeded the Amount which they were authorized by Parliament to advance.

The Bills defcribed as iflued, are thofe paffing direftly to the Bank from the Exchequer, under fpecial Contracts or Agreements with the Treafury; as the annual Malt Bills, and the Bills under the Afts of 44 Geo. 3. cap. 46., 46 Geo. 3. cap. 41. &c.

The Bills purchafed, are thofe which are bought by the Bank in the public Market, or of the Government Broker. The Bank feldom, if ever, buy Securities, of any Defcription, at a Premium; and therefore they have not, of late years, made any confiderable Purchafes of Exchequer Bills in the Market, as thofe Bills have generally been kept at a Premium, to prevent the Embarraffment which might enfue from their being paid into the Exchequer for Revenue; but the Bank take the Bills they hold of the Government Broker, and they in no Inftance credit any Premium, or deduft any Difcount, upon the Bills fo taken; but they never refell in the Market any Bills which they purchafe from the Government Broker.

When it has been abfolutely neceffary to raife Money upon Exchequer Bills, for carrying on the Public Service, and when they cannot be fold in the Market at a Premium, the Chancellor of the Exchequer has generally applied to the Bank to purchafe Bills, from

the Government Broker, to a limited Amount; and, when they have assented to the Application (which they sometimes refused), they have taken Exchequer Bills, in compliance with such Application; but they are never fold to the Bank when they can be fold to the Public.

The Bank either exchange or take Money for Bills advertised to be paid off, as may be agreed with the Treasury; if they take Bills in exchange, the Bills so taken form a Part of the Amount upon which they may be authorized to make Advances.

They now hold over, by a Deviation from the usual Practice, about £11,000,000 of Exchequer Bills, which have been advertised to be paid off; most of those Bills bear an Interest of 2½d. per Centum per Diem. If they had been exchanged, they could have been exchanged for Bills bearing an Interest of 2d. per Centum per Diem only.

The accompanying Account shews the total Amount of Exchequer Bills, authorized to be issued by Parliament, in every Year since the Year 1792, as well as the Amount which the Bank were authorized to take of each Description of Bills. It will be observed that, in the Year immediately succeeding the Date of the Restriction Act, the Bank were authorized to make Advances only on the Exchequer Bills issued on the Aids, on Land and Malt, on Bills for £1,000,000, in case of Invasion, and on £3,000,000 on the Supplies of the succeeding Year; but no such Authority was contained in some other Exchequer Bill Acts of that Year. In the Year 1799, the Bank were permitted to advance the full Amount of Exchequer Bills authorized by Parliament to be issued.

In some succeeding Years, the Bank were only authorized to advance upon particular Descriptions of Bills, in case of Invasion; but, notwithstanding this Restriction, it appears that they did, in a few Instances, make Advances on such Bills; for which they were indemnified by an Act of the 45th Geo. 3. cap. 119.

APPENDIX, A. 4.

AN ACCOUNT of the Amount of EXCHEQUER BILLS authorized to be issued by Parliament in every Year since the Year 1792; specifying the Funds upon which those Bills were charged, and upon what Proportion the Bank might make Advances by special Clauses in each Act.

Date of Acts.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
32 Geo. III. cap. 5	2,000,000	- - -	Land Tax - - -	2,000,000	
6	482,000	- - -	Malt Tax - - -	482,000	
15	3,500,000	- - -	Supplies 1793, or Surplus of Consolidated Fund	3,500,000	
16	2,000,000	- - -	Supplies 1794 - - -	2,000,000	
		7,982,000			7,982,000
33 Geo. III. cap. 11	750,000	- - -	Malt Tax - - -	750,000	
7	2,000,000	- - -	Land Tax - - -	2,000,000	
17	2,000,000	- - -	Supplies 1794, or Surplus of Consolidated Fund	2,000,000	
18	2,000,000	- - -	Do. Do. - - -	2,000,000	
32	1,500,000	- - -	Do. Do. - - -	1,500,000	
72	2,500,000	- - -	Surplus of Consolidated Fund	3,464,000	
	1,000,000	- - -			
		11,750,000			11,714,000
34 Geo. III. cap. 7	750,000	- - -	Land Tax - - -	750,000	
8	2,000,000	- - -	Malt Tax - - -	2,000,000	
28	2,000,000	- - -	Supplies 1795, or Surplus of Consolidated Fund	2,000,000	
29	1,500,000	- - -	Do. Do. - - -	1,500,000	
49	2,697,000	- - -	Surplus of Consolidated Fund	2,697,000	
62	2,500,000	- - -	Supplies 1795, or Surplus of Consolidated Fund	2,500,000	
		11,447,000			11,447,000
35 Geo. III. cap. 1	750,000	- - -	Malt, &c. - - -	750,000	
2	2,000,000	- - -	Land Tax - - -	2,000,000	
21	2,000,000	- - -	Supplies 1796, or Surplus of Consolidated Fund	2,000,000	
22	1,500,000	- - -	Do. Do. - - -	1,500,000	
37	2,500,000	- - -	Do. Do. - - -	2,500,000	
120	2,895,000	- - -	Surplus of Consolidated Fund	2,895,000	
		11,645,000			11,645,000

A. 4.—An Account of the Amount of Exchequer Bills, &c.—continued.

Date of Act.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
36 Geo. III. cap. 1	750,000	-	Malt Tax	750,000	
2	2,000,000	-	Land Tax	2,000,000	
29	2,000,000	-	Supplies 1797, or Surplus of Consolidated Fund	2,000,000	
30	1,500,000	-	Do. Do.	1,500,000	
31	2,500,000	-	Do. Do.	2,500,000	
126	3,500,000	-	Surplus of Consolidated Fund	3,500,000	
		12,250,000			12,250,000
37 Geo. III. cap. 1	750,000	-	Malt Tax	750,000	
2	2,000,000	-	Land Tax	2,000,000	
114	3,500,000	-	Supplies 1798, or Surplus of Consolidated Fund	3,500,000	
144	2,000,000	-	Surplus of Consolidated Fund	2,000,000	
10	7,000,000	-	On Instalments of Loan	-	
		15,250,000			8,250,000
38 Geo. III. cap. 4	750,000	-	Malt Tax	750,000	
5	2,000,000	-	Land Tax	2,000,000	
8	3,000,000	-	On Aids 1798	3,000,000	
20	3,000,000	-	On Loan	-	
82	3,500,000	-	Supplies 1799	-	
83	3,000,000	-	On Loan £17,000,000	-	
84	1,750,000	-	On Contributions and Convoy Act	-	
90	1,000,000	-	Supplies 1799, or Surplus of Consolidated Fund	1,000,000	Bank may advance the Sum in case of Invasion.
91	3,000,000	-	Supplies 1799	3,000,000	
		21,000,000			9,750,000
39 Geo. III. cap. 2	750,000	-	Malt Tax	750,000	
3	2,000,000	-	Land Tax	2,000,000	
18	3,000,000	-	On Aids 1799	3,000,000	
33	1,500,000	-	Do. Do.	1,500,000	
41	3,000,000	-	Do. Do.	3,000,000	
68	3,000,000	V. C.	Supplies 1800	3,000,000	
69	3,500,000	-	Do. or Surplus of Consolidated Fund	3,500,000	
70	3,000,000	-	Supplies 1800	3,000,000	
71	3,000,000	-	Income Tax 1799	3,000,000	
114	3,229,000	-	Surplus of Consolidated Fund 1799	3,229,000	
		25,979,000			25,979,000
39 & 40 G. III. c. 2	750,000	-	Malt Tax	750,000	
3	2,000,000	-	Land Tax	2,000,000	
4	2,500,000	-	Aids 1800, or Surplus of Consolidated Fund	2,500,000	
6	3,000,000	-	Convoy and Income Duties	3,000,000	
28	3,000,000	-	Bank Charter Supplies 1806	3,000,000	B.
33	7,000,000	-	On Aids 1800	3,000,000	
102	3,500,000	-	Supplies 1801	3,500,000	
103	3,000,000	-	Do. Do.	3,000,000	
104	3,000,000	-	Do. Do.	3,000,000	
109	5,200,000	-	Surplus of Consolidated Fund	5,200,000	
		32,950,000			28,950,000

A. 4.—An Account of the Amount of Exchequer Bills, &c.—continued.

Date of Acts.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
41 Geo. III. cap. 7	750,000	-	Malt Tax	750,000	
8	2,000,000	-	Land Tax	2,000,000	
14	3,500,000	-	On Aids 1802, or Surplus of Consolidated Fund	3,500,000	
4	3,000,000	-	On Aids 1801	3,000,000	In case of Invasion.
81	2,000,000	-	Supplies 1802	2,000,000	
82	6,500,000	-	Do. Do.	6,500,000	
83	3,000,000	-	Do. Do.	3,000,000	
84	3,100,000	-	Surplus of Consolidated Fund 1801	3,100,000	
		23,850,000			23,850,000
42 Geo. III. cap. 1	750,000	-	Malt, &c. 1802	750,000	
2	2,000,000	-	Land Tax	2,000,000	
7	5,000,000	-	Supplies 1803	5,000,000	
17	2,100,000	-	Do. Do.	2,100,000	
21	1,000,000	-	Do. Do.	1,000,000	
41	1,984,100	-	On Aids 1802	2,000,000	
110	5,000,000	V. C.	Supplies 1803	5,000,000	
111	1,500,000	-	Do. Do.	1,500,000	
		19,334,100			19,350,000
43 Geo. III. cap. 3	750,000	-	Malt Tax	750,000	
4	2,000,000	-	Land Tax	2,000,000	
5	5,000,000	-	On Aids 1803	2,000,000	
36	4,000,000	-	Supplies 1804	2,000,000	
93	5,000,000	-	Do. Do.	2,000,000	
146	2,000,000	-	Do. or Surplus of Consolidated Fund	2,000,000	In case of Invasion.
147	1,500,000	-	Supplies 1804	1,500,000	
148	None issued	-	On Aids 1803	2,000,000	
		20,250,000			14,250,000
44 Geo. III. cap. 15	5,000,000	-	On Aids 1804	2,000,000	
16	750,000	-	Malt, &c. 1804	750,000	
17	2,000,000	-	Land Tax	2,000,000	
31	2,000,000	-	On Aids 1804	2,000,000	
45	3,000,000	-	Supplies 1805	2,000,000	
46	1,500,000	-	Supplies 1805	1,500,000	
73	816,500	Issued	On Aids 1804	2,000,000	B.
81	2,500,000	V. C.	Supplies 1804, or Surplus of Consolidated Fund	2,500,000	In case of Invasion.
		22,566,500			14,750,000
45 Geo. III. cap. 1	750,000	-	Malt Tax	750,000	
2	2,000,000	-	Land Tax	2,000,000	
7	3,000,000	-	Aids 1805	3,000,000	
27	10,337,000	-	Do.	6,000,000	
118	8,000,000	-	Supplies 1806	4,000,000	
119	2,500,000	-	Do. Do.	2,500,000	Bank indemnified for advancing on 41 Geo. III. c. 81. 43 — c. 146. 44 — c. 81. notwithstanding no Invasion.
120	1,500,000	-	On Aids 1805	1,500,000	
		28,087,000			19,750,000

A. 4.—An Account of the Amount of Exchequer Bills, &c.—continued.

Date of Acts.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
46 Geo. III. cap. 2	750,000	-	Malt Tax	750,000	
3	2,000,000	-	Land Tax	2,000,000	
6	5,000,000	-	On Aids 1806	5,000,000	
25	10,500,000	-	Supplies 1807	6,500,000	
26	1,500,000	-	Do. Do.	1,500,000	
41	3,000,000	-	Do. Do.	3,000,000	B.
93	7,137,500	-	On Aids 1806	6,000,000	
		29,887,500			24,750,000
47 Geo. III. cap. 3	10,500,000	-	Supplies 1808	6,500,000	
4	750,000	-	Malt Tax	750,000	
5	2,000,000	-	Land Tax	2,000,000	
Sess. 2. - 6	3,000,000	-	Supplies 1808	3,000,000	B.
7	1,500,000	-	Do. Do.	1,500,000	
28	15,655,100	-	Aids 1807	6,000,000	
73	4,500,000	-	Supplies 1808	4,500,000	
		37,905,100			24,250,000
48 Geo. III. cap. 3	3,000,000	-	Malt Tax	3,000,000	
7	10,500,000	-	Supplies 1809	6,500,000	
53	3,000,000	-	(Not provided)	3,000,000	B. paid off 1815.
54	1,500,000	-	Supplies 1809	1,500,000	B.
97	15,000,000	-	On Aids 1808	6,000,000	
114	6,000,000	-	Supplies 1809	6,000,000	
		39,000,000			26,000,000
49 Geo. III. cap. 1	3,000,000	-	Malt Tax	3,000,000	B.
2	10,500,000	-	Supplies 1810	6,500,000	
3	1,500,000	-	Do. Do.	1,500,000	B.
52	6,000,000	-	Do. Do.	6,000,000	
93	15,000,000	-	On Aids 1809	6,000,000	
114	3,000,000	-	Supplies 1810	3,000,000	
		39,000,000			26,000,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		42,000,000			29,000,000
50 Geo. III. cap. 1	3,000,000	-	Malt, &c.	3,000,000	B.
2	10,500,000	-	Supplies 1811	6,500,000	
3	1,500,000	-	Do. Do.	1,500,000	
69	6,000,000	-	Do. Do.	6,000,000	
70	14,854,100	-	On Aids 1810	6,000,000	
113	3,000,000	-	Supplies 1811	3,000,000	
114	1,500,000	-	Do. Do.	1,500,000	
		40,354,100			27,500,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		43,354,100			30,500,000
51 Geo. III. cap. 2	3,000,000	-	Malt Tax	3,000,000	
3	10,500,000	-	Supplies 1812	6,500,000	
4	1,500,000	-	Do. Do.	1,500,000	B.
53	6,000,000	-	Do. Do.	6,000,000	
54	1,490,000	-	Do. Do.	1,500,000	
85	14,670,500	-	On Aids 1811	6,000,000	
112	3,000,000	-	Supplies 1812	3,000,000	
		40,070,500			27,500,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		43,070,500			30,500,000

A. 4.—An Account of the Amount of Exchequer Bills, &c.—continued.

Date of Acts.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
52 Geo. III. cap. 1	3,000,000	-	Malt Tax	3,000,000	
4	10,500,000	-	Supplies 1813	6,500,000	
5	1,500,000	-	Do. Do.	1,500,000	
86	5,000,000	-	Do. Do.	5,000,000	
114	18,814,200	-	On Aids 1812	6,000,000	
164	3,000,000	-	Supplies 1813	3,000,000	
		41,814,200			25,000,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		44,814,200			28,000,000
53 Geo. III. cap. 15	3,000,000	-	Malt Tax	3,000,000	B.
16	10,500,000	-	Supplies 1814	6,500,000	
26	5,000,000	-	Do. Do.	5,000,000	
27	1,500,000	-	Do. Do.	1,500,000	B.
42	20,000,000	-	On Aids 1813	6,000,000	
118	5,670,700	-	Supplies 1814	5,670,700	
119	1,000,000	-	Do. Do.	1,000,000	
161	5,000,000	-	Do. Do.	5,000,000	
		51,670,700			33,670,700
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		54,670,700			36,670,700
54 Geo. III. cap. 2	3,000,000	-	Malt, &c.	3,000,000	
18	10,500,000	-	Supplies 1815	6,500,000	
39	5,000,000	-	Do. Do.	5,000,000	
53	17,000,000	-	On Aids 1814	6,000,000	
79	6,000,000	-	Supplies 1815	6,000,000	
80	1,500,000	-	Do. Do.	1,500,000	B.
188	3,000,000	-	Do. Do.	3,000,000	
		46,000,000			31,000,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		49,000,000			34,000,000
55 Geo. III. cap. 3	3,000,000	-	Malt Tax	3,000,000	
4	12,500,000	-	Supplies 1816	8,000,000	
5	28,242,900	-	On Aids 1815	8,000,000	
148	4,500,000	-	Supplies 1816	4,500,000	
149	1,500,000	-	Do. Do.	1,500,000	B.
196	6,000,000	-	Do. Do.	6,000,000	
		55,742,900			31,000,000
48 Geo. III. cap. 53	-	3,000,000	-	-	3,000,000
		58,742,900			34,000,000

A. 4.—An Account of the Amount of Exchequer Bills, &c.—continued.

Date of Acts.	Amount to be raised.		On what charged.	Proportion which may be taken by the Bank.	
	£	£		£	£
56 Geo. III. cap. 3	3,000,000	- - -	Malt, &c. - - -	3,000,000	B
4	11,000,000	- - -	Supplies 1817 - - -	9,000,000	
14	6,000,000	- - -	{ Payable at the End of Two Years, &c. &c. }	6,000,000	
28	12,152,500	- - -	On Aids 1816 - - -	8,000,000	
54	13,000,000	- - -	Supplies 1817 - - -	9,000,000	
		45,152,500			35,000,000
57 Geo. III. cap. 2	24,000,000	- - -	Supplies 1818 - - -	15,000,000	B.
5	3,000,000	- - -	Malt, &c. - - -	3,000,000	
16	18,000,000	- - -	Supplies 1818 - - -	12,000,000	
80	9,000,000	- - -	Do. Do. - - -	9,000,000	
		54,000,000			39,000,000
56 Geo. III. cap. 14	- - -	6,000,000	- - -	- - -	6,000,000
		60,000,000			45,000,000
58 Geo. III. cap. 3	3,000,000	- - -	Malt, &c. - - -	3,000,000	
4	30,000,000	- - -	Supplies 1819 - - -	20,000,000	
86	11,600,000	- - -	Do. Do. - - -	8,000,000	
		44,600,000			31,000,000

APPENDIX, A. 5.

THE AMOUNT of ADVANCES made by the BANK OF ENGLAND to GOVERNMENT, on EXCHEQUER BILLS and other Securities; including Exchequer Bills, Navy Bills, Victualling Bills, &c. purchased.

	Out of Sums issued for the Payment of Dividends.	Exchequer Bills issued.	Exchequer Bills purchased.	Navy and Victualling Bills.	Treasury Bills of Exchange.	American Debentures.	TOTAL.
	£	£	£	£	£	£	£
1792. Feb. 25	376,739	9,420,600	- - -	468,056	26,999	675,912	10,968,306
Aug. 25	376,739	9,891,600	- - -	701,077	21,150	693,918	11,684,484
1793. Feb. 26	376,739	8,609,600	- - -	844,004	69,685	629,800	10,529,828
Aug. 26	376,739	9,430,000	585,570	844,004	57,232	557,843	11,851,388
1794. Feb. 26	376,739	7,685,900	342,190	1,202,046	718,349	491,643	10,816,867
Aug. 26	376,739	5,484,000	- - -	1,124,059	1,334,015	418,993	8,737,806
1795. Feb. 26	376,739	8,593,000	- - -	1,665,263	2,127,961	355,050	13,118,013
Aug. 26	376,739	9,413,000	- - -	1,038,263	2,352,317	279,825	13,460,144
1796. Feb. 26	376,739	10,795,000	- - -	689,898	651,002	204,600	12,717,239
Aug. 26	376,739	7,089,000	1,717,200	318,594	823,706	129,375	10,454,614
1797. Feb. 25	376,739	8,222,800	- - -	15,899	1,512,274	54,150	10,181,862
Aug. 26	376,739	5,916,800	700,000	14,545	96,438	40,612	7,145,134
1798. Feb. 26	376,739	8,176,000	1,228,000	- - -	- - -	27,075	9,807,814
Aug. 25	376,739	7,128,000	1,926,700	- - -	- - -	13,537	9,444,976
1799. Feb. 26	376,739	8,670,000	1,036,000	- - -	- - -	- - -	10,082,739
Aug. 26	376,739	7,140,000	1,469,700	- - -	- - -	- - -	8,986,439
1800. Feb. 25	376,739	8,772,500	4,052,400	- - -	- - -	- - -	13,201,639
Aug. 26	376,739	9,684,500	2,838,000	- - -	- - -	- - -	12,899,239
1801. Feb. 26	376,739	10,663,500	4,249,200	- - -	- - -	- - -	15,289,439
Aug. 26	376,739	8,618,000	2,953,800	- - -	- - -	- - -	11,948,539
1802. Feb. 26	376,739	9,928,000	3,979,500	- - -	- - -	- - -	14,284,239
Aug. 26	376,739	8,483,000	4,692,600	- - -	- - -	- - -	13,552,339
1803. Feb. 26	376,739	7,224,000	1,995,200	- - -	- - -	- - -	9,595,939
Aug. 26	376,739	7,137,000	6,121,500	- - -	- - -	- - -	13,635,239
1804. Feb. 25	376,739	7,588,000	6,750,500	- - -	- - -	- - -	14,715,239
Aug. 25	376,739	7,414,000	7,513,700	- - -	- - -	- - -	15,304,439
1805. Feb. 26	376,739	9,403,000	7,423,000	- - -	- - -	- - -	17,202,739
Aug. 26	376,739	8,416,000	2,952,600	- - -	- - -	- - -	11,745,339
1806. Feb. 25	376,739	8,226,000	6,060,600	- - -	- - -	- - -	14,663,339
Aug. 26	376,739	7,759,000	6,309,600	- - -	- - -	- - -	14,445,339

A. 5.—Advances made by Bank of England to Government, on Exchequer Bills, &c.—*continued.*

	Out of Sums issued for the Payment of Dividends.	Exchequer Bills issued.	Exchequer Bills purchased.	Treasury Bills for the Service of Ireland.	Commissioners of His Majesty's Woods, &c. New Street Account.	TOTAL.
	£	£	£	£	£	£
1807. Feb. 26	376,739	8,933,000	4,453,800	-	-	13,763,539
Aug. 26	376,739	7,453,000	5,835,600	-	-	13,665,339
1808. Feb. 26	376,739	6,122,000	7,866,200	-	-	14,364,939
Aug. 26	876,739	10,008,000	4,792,800	-	-	15,677,539
1809. Feb. 25	876,739	8,089,000	6,434,400	-	-	15,400,139
Aug. 26	876,739	9,493,000	5,639,600	-	-	16,009,339
1810. Feb. 26	876,739	7,860,000	6,281,100	-	-	15,017,839
Aug. 25	876,739	9,526,000	7,287,000	-	-	17,689,739
1811. Feb. 26	876,739	7,542,000	9,649,700	-	-	18,068,439
Aug. 26	876,739	9,497,000	12,322,500	-	-	22,696,239
1812. Feb. 26	876,739	9,066,000	12,609,000	-	-	22,551,739
Aug. 26	876,739	9,205,000	11,875,900	-	-	21,957,639
1813. Feb. 26	876,739	10,417,000	14,600,200	-	-	25,893,939
Aug. 26	876,739	9,432,000	15,422,500	-	-	25,731,239
1814. Feb. 26	876,739	10,500,000	13,107,300	-	-	24,484,039
Aug. 26	876,739	9,435,000	25,502,800	-	-	35,814,539
1815. Feb. 25	876,739	9,401,000	17,755,000	-	-	28,032,739
Aug. 26	876,739	7,577,000	16,502,100	-	-	24,955,839
1816. Feb. 26	876,739	4,500,000	14,488,300	-	-	19,865,039
Aug. 26	1,180,245	11,758,000	13,284,600	1,000,000	-	27,222,845
1817. Feb. 26	974,070	9,000,000	13,319,500	3,080,000	-	26,373,570
Aug. 26	979,482	10,217,218	13,723,500	3,080,000	300,000	28,300,200
1818. Feb. 26	1,033,523	9,000,000	14,952,000	2,750,000	300,000	28,035,523
Aug. 26	1,026,965	11,030,000	13,080,900	2,650,000	300,000	28,087,865
1819. Feb. 11	1,098,820	5,900,000	13,080,900	2,650,000	300,000	23,029,720

17th February 1819.

APPENDIX, A. 6.

RESOLUTIONS of DIRECTORS of the BANK, relative to Payment in Cash of certain Notes.

AT a Court of Directors at the Bank, on Thursday, the 3d of January 1799.

Resolved,

THAT Mr. Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 14th Instant the Bank will pay in Cash all Fractional Sums under Five Pounds; and that on and after the First of February next, the Bank will pay Cash for all Notes of One and Two Pounds Value that are dated prior to the 1st of July 1798, or exchange them for new Notes of the same Value, at the Option of the Holders.

AT a Court of Directors at the Bank, on Thursday the 17th April 1817.

Resolved,

That the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 2d of May next, the Bank will pay Cash for all Notes, of One and Two Pounds Value, that are dated prior to the 1st Day of January 1816, or exchange them for new Notes of the same Value, at the Option of the Holders.

Thursday, the 18th September 1817.

Resolved,

That the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 1st of October next, the Bank will be ready to pay Cash for their Notes, of every Description, dated prior to the 1st January 1817.

APPENDIX, A. 7.

MEMORANDUM respecting the Proceedings of Government as to the Unfunded Debt, from the Year 1815.

THE Object of Government, on the Conclusion of Peace in 1814, was to reduce the Unfunded Debt, and especially that Portion of it held by the Bank, as low as Circumstances would permit.

It accordingly appears by the Accounts before the Committee, that notwithstanding the Renewal of the War in 1815, and the Extent of the Subsidies, and other Foreign Expences connected with it, the Amount of Exchequer Bills, either by Advance or Purchase, in the Hands of the Bank in the Month of February 1816, did not exceed £19,800,000—it having been understood from the Bank, that a Reduction to £20,000,000 was all that would be required with a view to the Resumption of Cash Payments*.

In the beginning of the Session of 1816, the Continuance of the Property Tax for Two Years at Five per Cent, and likewise the Continuance of the War Malt Tax for Five Years, together with the other War Duties of Excise, were intended to form Part of the Ways and Means.

The Continuance of the Property Tax was however rejected by a Vote of the House of Commons, and the War Malt Tax was afterwards abandoned.

The Produce of these Two Taxes, if they had been continued by Parliament as originally proposed, might have been estimated at about Eight Millions a Year at least, and would therefore, between the 5th of April 1816 and the 5th of April 1818, have produced upwards of 16 Millions, which is more than the Amount of the Difference of the Unfunded Debt as it stood on the 5th of January 1816 and the 5th of January 1818.

The Bank Advances therefore, if these Measures had been adopted, might have been kept at the Amount at which they stood in the Month of February 1816.

By the Discontinuance of the greater Part of the War Taxes, between 17 and 18 Millions of annual Taxes were remitted. The Revenue was in consequence wholly unequal to meet the Charge upon the Country, without some extraneous Aid.

It is quite clear that in the State of Distress pervading, in 1816, the Agricultural and Commercial Classes of the Country, a Loan could not have been contracted, except upon the most disadvantageous Terms, and with great additional Pressure on the Public.

The Government had therefore no other Alternative than to add to the Unfunded Debt, and this was done on that Occasion by direct Advances from the Bank, specially authorized by Parliament, and not in consequence of any private Arrangement between Government and the Bank.

The State of Public Distress continued during the whole of the Year 1816, and existed at the opening of Parliament in 1817; the Funds were then at 63, and Parliament at its opening immediately applied itself to Measures for the Purpose of relieving the general Distress; and among other Proceedings resorted to the Expedient of an Issue of Exchequer Bills for the Relief of the Poor, and the Encouragement of Public Works.

Any Attempt, under these Circumstances, to contract for a Loan, would, for Reasons similar to those in the preceding Year, have counteracted the Intentions of Parliament in the Measures they were pursuing; and it appeared to be the less necessary, as the Foreign Exchanges were favourable to this Country, and as the Bank were progressively accumulating a large Treasure in Gold, though their Circulation was between 27 and 29 Millions.

During the Session of Parliament of 1817, there appeared to exist no Doubt, either on the Part of Government or the Bank, that the Bank would be able to resume their Payments in Cash in July 1818, unless some new and unforeseen Circumstance should occur.

The Advances upon Exchequer Bills made by the Bank in 1816, were, by the Law which authorized them, not made repayable till the 5th of April 1818.

This is a decisive Proof that it was not considered necessary, either by Parliament or the Bank, that they should be discharged at an earlier Period. †

* See Mr. Harman's Second Evidence, Q. and A. 3.
† See Harman's Second Evidence, Q. and A. 34.

In the Spring and Summer of the Year 1817 a great Improvement occurred in the Internal Situation of the Country.

The Funds, which had been 63 at the beginning of the Year, rose about the Month of August to 81, and in October to 82 and upwards.

In the Summer and Autumn of 1817 the Exchanges became again unfavourable, and became more so towards Christmas, as was supposed at the Time, in consequence of the Transactions in the Money Markets Abroad, and more particularly of the large Loan to be negotiated for the French Government by English Contractors.

The Treasure in Gold in the Bank was at this Time greater than ever existed at any antecedent Period; but the Question occurred whether, under the Circumstance of the unfavourable State of the Exchanges, and of the Foreign Money Transactions to which Allusion has been made, it would be safe to allow the Bank to resume their Cash Payments on the 5th of July 1818, the Period then fixed by Law.

The Bank had been so confident of their Ability to do so a short Time before, that they had actually adopted Measures for progressively paying in Cash, and had in the Months of April and September 1817 undertaken by Public Notice to pay a very large Proportion of their Notes.

In the Communications which took place with the Bank in the early Part of the Year 1818, a strong Anxiety for the Repayment of the Advance of Six Millions, made in 1816, was expressed, and a further Repayment of Two or Three Millions; and it was agreed between them and the Government, that a Repayment to that Amount (of Eight or Nine Millions) should be provided for in the Arrangements for the Year 1818.

A Resolution to this Effect was adopted by the Court of Directors in May 1818, in which an Expectation was expressed, that the Advances to Government would be reduced to 20 Millions in the Course of the Year.

In the Financial Arrangement for the Year, it was thought expedient to provide for a still further Reduction of Unfunded Debt, and a Loan was made, payable either in Money or Exchequer Bills, to the Amount of 30 Millions in the whole, of which it was estimated that Eight or Nine Millions might be appropriated to Repayments to the Bank, at the Rate, if possible, of about One Million per Month.

This was founded upon the Estimate, sanctioned by the Opinion of the principal Subscribers to the Loan of £27,000,000, that at least One Half of that Sum would be paid in Money, in which Case the Monthly Payments to the Extent above stated might have been carried into effect.

The Engagement therefore was, that Eight Millions at least should be repaid to the Bank before the 5th of April 1819; and that to make this good, One Half of the Money received upon the Loan should be applied as it came in.

It happened however, from Circumstances not then foreseen, that the Money Payments on that Loan amounted only to about 9½ Millions. This unavoidably occasioned some Delay in the Periods of Repayment as at first intended, but the whole Sum of Eight millions, with the Exception of £300,000, has been repaid previous to the 5th of April 1819 according to the Engagement.

The Total Amount of Unfunded Debt has likewise been reduced during the Year ended the 5th of April 1819 to the full Extent sanctioned by Parliament.

APPENDIX, A. 8.

QUESTION sent to the Governor of the Bank on the 24th of March 1819, to be laid before the Court of Directors.

HAS the Bank any, and what Objections to urge against the passing a Law to require it should pay its Notes in Bullion on Demand, but in Sums not less in Amount than £100, £200, or £300, at £3. 17s. 10½d. and to buy Bullion at £3. 17s. 6d. by an Issue of its Notes; the said Plan to commence after a Period to be fixed for that Purpose?

AT a Court of Directors at the Bank, 25th March 1819.

THE Bank has taken into Consideration the Question sent by the Committee of the House of Lords, under Date of the 24th March, and is not aware of any Difficulty in exchanging, for a fixed Amount of Bank Notes, Gold Bullion of a certain Weight, provided it be melted, assayed, and stamped by His Majesty's Mint.

The Attainment of Bullion by Purchase in the Market, at £3. 17s. 6d. is, in the Estimation of the Court, so uncertain, that the Directors, in Duty to their Proprietors, do not feel themselves competent to engage to issue Bullion at the Price of £3. 17s. 10½d.; but the Court beg leave to suggest, as an Alternative, the Expediency of its furnishing Bullion of a fixed Weight to the Extent stated, at the Market Price, as taken on the preceding Foreign Post Day, in Exchange for its Notes; provided a reasonable Time be allowed for the Bank to prepare itself to try the Effect of such a Measure.

APPENDIX, A. 9.

AN ACCOUNT of Advances by the Bank to Government on Land, Malt, Exchequer Bills, and other Securities, on the 25th of February in each of the Twenty Years preceding the 25th of February 1797.

	Land and Malt.	Exchequer Bills.	Treasury Bills.	Loan to Government without Interest.	TOTAL.
	£	£	£	£	£
1777	- 4,912,000	2,500,000	—	—	7,412,000
1778	- 5,251,000	2,500,000	2,760	—	7,753,760
1779	- 5,682,000	2,769,000	15,664	—	8,466,664
1780	- 5,613,000	3,104,400	33,582	—	8,750,982
1781	- 5,517,000	262,230	49,541	—	5,788,771
1782	- 5,659,000	4,289,050	43,628	—	9,991,678
1783	- 4,962,000	4,662,200	4,871	—	9,629,071
1784	- 3,901,000	3,641,000	23,853	—	7,565,853
1785	- 3,102,000	3,900,000	28,200	—	7,030,200
1786	- 2,307,000	4,303,200	24,672	—	6,634,872
1787	- 2,809,000	4,334,200	1,696	—	7,144,896
1788	- 2,636,000	4,707,400	4,299	—	7,347,699
1789	- 2,928,000	5,000,200	20,235	—	7,948,435
1790	- 2,882,000	5,006,500	20,468	—	7,908,968
1791	- 3,334,000	6,247,100	22,878	—	9,603,978
1792	- 2,802,000	6,633,600	26,999	376,739	9,839,338
1793	- 2,698,000	5,939,600	52,359	376,739	9,066,698
1794	- 2,915,000	4,777,600	717,175	376,739	8,786,514
1795	- 4,291,000	4,329,000	2,117,491	376,739	11,114,230
1796	- 5,536,000	5,265,000	540,991	376,739	11,718,730

Errors excepted.

Bank,
15th March 1797.

WM. WALTON,
Deputy Accountant.

APPENDIX, A. 10.
DEBITS and CREDITS of THE BANK.

THE BANK,		27th March 1819.	
D.	£	£	C.
To Bank Notes out	-	24,710,770	-
To other Debts, viz.	-		
Drawing Accounts	-		
Audit Roll	-	9,237,790	
Exchequer Bills deposited, and various other Debts	-	33,948,560	9,078,330
Balance of Surplus in favour of the Bank of England, exclusive of the Debt from Government at £3 per Cent.	-	5,231,190	30,101,420
And the Advance to Government, per 56 G. 3. c. 96. at £3 per Cent.	-	3,000,000	39,179,750
		<u>39,179,750</u>	
			11,686,800
			<u>3,000,000</u>

Bank of England, }
31st March 1819. }

WILLM DAWES, Acc^t Gen^l.

APPENDIX, A. 11.

EXTRACTS from MINUTES of the Committee of Treasury, and Court of Directors of the Bank of England.

At a Committee of Treasury, 28th March 1804.

Resolved,
That, in the Opinion of this Committee, it will be advisable to attempt an Encouragement to the Importation of Gold, by offering a higher Price than the Coinage Price; and that it will be right for the Bank to give £4 an Ounce, and to let it be known, that it will continue to give this Price for Three Months to come.

That the Governor be desired to mention this Resolution to the Court.

At a Court of Directors, 7th June 1804.

Resolved,
That the Bank do continue to purchase Gold at £4 per Ounce until the 30th September next.

At a Court of Directors, 20th September 1804.

Resolved,
That the Bank do continue to purchase Gold at £4 per Ounce until the 1st of January next.

At a Court, &c. 6th December 1804.

Resolved,
That the Bank do continue to purchase Gold at £4 per Ounce until the 31st March 1805.

At a Court, &c. 7th March 1805.

Resolved,
That the Time for purchasing Gold at £4 per Ounce be extended for Three Months, from 31st Instant.

At a Court, &c. 27th June 1805.

Resolved,
That the Time for purchasing Gold at £4 per Ounce be extended for Three Months, from the 30th Instant.

At a Court, &c. 26th March 1807.

At the Recommendation of the Committee of Treasury,

Resolved,
That the Governor be authorized to continue to give £4 per Ounce for such Standard Gold as shall be offered to the Bank within the Period of Twelve Months from the present Time.

APPENDIX, A. 12.

LETTER and Explanatory Paper of Mr. Harman.

My Lord,

I HAVE to request that your Lordship will be pleased to lay before the Committee the inclosed Paper, which I beg to be considered as explanatory of some Parts of my Evidence at the last Examination.

I have the Honour to be,
Mr LORD,

Old Broad Street,
28th April 1819.

Your Lordship's most obedient humble Servant,
JER. HARMAN.

Earl of Harrowby.

EARLY in 1817, as soon as it was known that Money was to be raised for the Service of France, the Deputy Governor and myself waited on the First Lord of the Treasury, and the Chancellor of the Exchequer, to express our anxious Hope that no Encouragement would be given by Government to British Subjects, to invest their Capital in Foreign Securities, to which, even then, the Difference in the Rate of Interest afforded but too strong Inducement, and we ventured to suggest, that such Investments might be found to interfere with the Financial Arrangements here, and possibly retard the Return to Cash Payments.

This was in the Spring of 1817, when we could have no Idea of the Extent to which those Continental Operations would be carried, or of the large Share which Persons connected with this Country would take in them.

The First French Loan passed off without materially affecting the Exchanges, but the Consequences of the Second Loan were manifest in the Month of July, when the Exchanges fell below Par.

From this Period the Bank bought no more Foreign Gold; indeed from the March preceding the Quantity purchased was inconsiderable, not exceeding the Value of £350,000, being in small Parcels, taken rather to prevent Disappointment to the Parties who had imported them, than from Judgment.

The Addition to the Treasury subsequently made, was from passable Guineas paid in, from light English Gold Coin collected and melted by the Bank Refiners and other respectable Persons in the same Line, and from the Tokens, of which large Quantities were poured into the Bank, not less than 3,300,000 Ounces between the Months of February and July.

The Price of Gold and the Course of the Exchange were nearly stationary during the remainder of the Year; towards the Close of it, when the News transpired that it was in contemplation to raise further Loans for France, and that other of the Continental Powers were engaging in similar Negotiations, the Deputy Governor and myself felt it to be our Duty again to confer with His Majesty's Ministers; at repeated Interviews we urged the Necessity of making early Provision for the Repayment of a considerable Sum of the Debt to the Bank, and objected to so large a Proportion of our Issues being on Securities, the Discharge of which, if required, we could not always rely on, the Bank being thus deprived of the Power which it otherwise possesses of regulating the Amount of its Notes, according to the fair and legitimate Wants of the Public.

We remonstrated as far as we could against the Reduction of the Rate of Interest on Exchequer Bills from 2½ d. to 2 d. per Cent. per Day; and we reminded the First Lord of the Treasury, and the Chancellor of the Exchequer, that Mr. Pitt had made a similar Attempt in the Year 1790 and failed: the Bank having then refused to make Advances on the Bills at the reduced Rate.

It

It was answered, however, that the Abundance of Money was owing to the growing Prosperity of the Country, and that the Readiness with which the Public paid a large Premium for the Exchequer Bills at 2 d. per Cent. per Day, was a sufficient Justification of the Reduction.

There is another Point to which I must advert, not so much because the Discretion of the Bank in the Management of its own Affairs has been called in question, but that it is essential on public Grounds that the Error should be refuted.

It has been asserted, that instead of withdrawing our Notes from Circulation when we issued the Gold, we increased the Amount to the Extent of Two Millions; the following Statement will prove the contrary; it was not till the middle of October 1817 that we discovered any extraordinary Demand for Gold, on the 4th of that Month our Notes stood at 28,925,000, by the 18th they were 30,500,000; but this Excess invariably occurs at the Time of the Dividends.

By the 8th November they had fallen to 29,500,000, and by the 27th to 28,695,000; on the 27th December they amounted to only 27,601,000, but on the 10th January they had risen to 30,500,000, from the Circumstance already alluded to.

But by taking the Amounts at the middle of each Quarter we shall obtain the fairest View of the Subject, and the following may be relied on.

1817.	August 16th	-	-	30,112,661
	November 15th	-	-	29,446,087
1818.	February 14th	-	-	28,742,826
	May 16th	-	-	27,985,869
	August 15th	-	-	26,603,937
	November 14th	-	-	26,026,540
1819.	February 13th	-	-	25,680,114

Thus it will be seen, that so far from having increased the Issues of our Paper, the Amount has been progressively falling; but I am not prepared to admit, that if it had been in our Power to withdraw even a larger Sum from Circulation, it would have had any Effect whatever in preventing the Export of the Coin.

B.
Bank of England Notes.

APPENDIX, B. 1.

AN ACCOUNT of the Amount of BANK OF ENGLAND NOTES in Circulation the last Week in February, May, August, and November, in each of the Years from 1790 to 1819, both inclusive; and from 25th May 1805, distinguishing the Notes of £5 and upwards, under £5, and the Bank Post Bills; and stating the total Aggregate Amount.

N. B.—These Days have been selected by the Committee as remote from the Quarterly Period at which the Dividends are paid.

		Bank Notes.	Bank Post Bills.	Total.
1790.	February - 27	9,362,020	697,220	10,059,240
	May - 28	10,697,580	683,540	11,381,120
	August - 28	10,596,550	642,490	11,239,040
	November - 27	11,163,060	682,200	11,845,260
1791.	February - 26	10,793,830	695,840	11,489,670
	May - 28	11,462,660	700,630	12,163,290
	August - 27	11,000,320	697,910	11,698,230
	November - 26	10,697,550	725,330	11,422,880
1792.	February - 25	10,392,800	755,700	11,148,500
	May - 26	10,781,520	804,040	11,585,560
	August - 25	10,279,770	725,890	11,005,660
	November - 24	10,197,940	696,680	10,894,620
1793.	February - 23	10,880,120	650,190	11,530,310
	May - 25	11,468,260	898,580	12,366,840
	August - 31	10,272,710	680,780	10,953,490
	November - 29	10,456,940	641,030	11,097,970
1794.	February - 22	10,714,950	623,780	11,338,730
	May - 31	9,360,630	652,520	10,013,150
	August - 30	9,712,810	576,890	10,289,700
	November - 29	10,474,860	603,800	11,078,660
1795.	February - 28	13,452,290	565,560	14,017,850
	May - 30	9,754,950	561,650	10,316,600
	August - 29	10,659,690	516,590	11,176,280
	November - 28	10,936,270	566,830	11,503,100
1796.	February - 27	9,999,710	648,010	10,647,720
	May - 28	9,626,070	677,530	10,303,600
	August - 27	8,881,230	546,280	9,427,510
	November - 26	9,440,880	474,090	9,914,970
1797.	February - 25	8,165,640	474,610	8,640,250
	May - 27	10,316,270	576,600	10,892,870
	August - 26	10,043,630	524,580	10,568,210
	November - 25	10,713,020	502,310	11,215,330
1798.	February - 23	12,453,360	550,420	13,003,780
	May - 26	12,051,180	598,540	12,649,720
	August - 25	11,636,490	553,230	12,189,720
	November - 24	11,764,660	532,590	12,297,250

B. 1.—Amount of Bank of England Notes in Circulation, &c.—continued.

		Bank Notes.	Bank Post Bills.	Total.
1799.	February - 23	11,823,310	606,510	12,429,820
	May - 25	13,234,490	654,690	13,889,180
	August - 31	12,738,930	652,460	13,391,390
	November - 29	13,178,230	682,040	13,860,270
1800.	February - 22	14,701,640	722,340	15,423,980
	May - 31	13,723,810	803,280	14,527,090
	August - 30	14,220,850	828,420	15,049,270
	November - 29	14,219,290	876,750	15,096,040
1801.	February - 28	15,262,900	949,080	16,211,980
	May - 30	14,719,130	817,940	15,537,070
	August - 29	14,501,960	760,130	15,262,090
	November - 28	15,143,780	781,410	15,925,190
1802.	February - 27	14,381,090	804,480	15,185,570
	May - 29	15,919,790	836,770	16,756,560
	August - 28	16,123,410	759,240	16,882,650
	November - 27	15,257,900	735,870	15,993,770
1803.	February - 26	14,855,600	820,030	15,675,630
	May - 28	15,878,450	828,980	16,707,430
	August - 27	16,069,840	780,050	16,849,890
	November - 26	17,112,260	747,310	17,859,570
1804.	February - 25	16,727,150	848,890	17,576,040
	May - 26	16,697,030	797,610	17,494,640
	August - 25	16,578,850	743,840	17,322,690
	November - 24	16,096,790	860,960	16,957,750
1805.	February - 23	16,246,270	1,053,920	17,300,190
	May - 25	11,839,920	4,445,770	17,088,160
	August - 31	11,245,570	4,431,610	16,387,090
	November - 29	11,350,160	4,358,490	16,399,560
1806.	February - 22	11,808,980	4,448,740	16,996,420
	May - 31	11,264,990	4,204,550	16,248,630
	August - 30	11,593,720	4,230,000	16,531,020
	November - 29	11,294,460	4,148,980	16,137,500
1807.	February - 28	12,007,760	4,217,000	16,950,780
	May - 30	12,320,940	3,994,970	17,004,990
	August - 29	12,040,450	4,262,860	17,024,790
	November - 28	11,678,480	4,086,250	16,405,280
1808.	February - 27	11,976,240	4,112,610	16,825,370
	May - 28	12,201,900	3,917,920	16,899,970
	August - 27	12,247,730	4,151,260	17,202,310
	November - 26	12,684,280	4,113,830	17,575,760
1809.	February - 25	12,731,000	4,338,950	18,014,670
	May - 27	12,860,680	4,553,190	18,252,780
	August - 26	13,255,590	5,221,530	19,357,220
	November - 25	13,415,780	5,455,860	19,781,520
1810.	February - 23	13,855,850	5,857,210	20,633,090
	May - 26	14,085,500	6,139,060	21,073,580
	August - 25	16,078,390	7,221,950	24,446,170
	November - 24	15,537,550	7,261,850	24,074,030

B. 1.—Amount of Bank of England Notes in Circulation, &c.—continued.

			Bank Notes of £5 and upwards.	Bank Notes under £5.	Bank Post Bills.	Total.
1811.	February	- 23	14,547,290	7,194,880	1,148,680	22,890,850
	May	- 25	14,845,940	7,290,640	1,113,230	23,249,810
	August	- 31	14,690,540	7,594,360	1,001,940	23,286,840
	November	- 30	14,483,200	7,408,210	941,810	22,833,220
1812.	February	- 29	14,901,130	7,457,020	1,050,160	23,408,310
	May	- 30	14,402,040	7,378,560	975,610	22,756,210
	August	- 29	14,878,880	7,645,820	984,610	23,509,310
	November	- 28	14,526,730	7,635,760	1,004,020	23,166,510
1813.	February	- 27	14,472,550	7,713,600	1,024,760	23,210,910
	May	- 29	14,783,090	7,745,850	987,670	23,516,610
	August	- 28	14,787,980	8,078,750	1,010,900	23,877,630
	November	- 27	14,800,600	8,068,410	975,040	23,844,050
1814.	February	- 26	15,632,250	8,371,920	1,091,240	25,095,410
	May	- 28	16,228,700	8,654,300	1,040,490	25,923,490
	August	- 27	17,819,050	9,703,210	1,240,940	28,763,200
	November	- 26	17,728,180	9,352,440	1,152,110	28,232,730
1815.	February	- 25	16,394,350	9,094,550	1,184,450	26,673,350
	May	- 27	16,587,620	9,035,590	1,157,520	26,780,730
	August	- 26	16,312,270	9,576,690	1,115,070	27,004,030
	November	- 25	15,678,100	9,023,340	1,068,980	25,770,420
1816.	February	- 24	15,683,520	9,053,180	1,345,110	26,081,810
	May	- 25	15,759,120	8,995,810	1,232,340	25,987,270
	August	- 31	16,395,410	9,097,210	1,266,100	26,758,720
	November	- 30	15,987,370	8,427,490	1,178,260	25,593,120
1817.	February	- 22	17,736,720	8,195,920	1,393,580	27,326,220
	May	- 31	18,006,470	7,773,710	1,389,260	27,169,440
	August	- 30	19,787,050	7,993,150	1,763,570	29,543,770
	November	- 29	19,391,620	7,571,010	1,735,910	28,698,540
1818.	February	- 28	18,532,760	7,400,680	1,837,530	27,770,970
	May	- 30	17,797,140	7,299,450	1,648,420	26,745,010
	August	- 29	17,255,670	7,555,580	1,639,360	26,450,610
	November	- 28	17,272,370	7,448,990	1,558,860	26,280,220
1819.	February	- 27	16,164,710	7,354,230	1,607,750	25,126,690

Bank of England, }
21st April 1819.

APPENDIX, B. 2.

ACCOUNTS of the AVERAGE and WEEKLY AMOUNT of BANK of ENGLAND NOTES in CIRCULATION, &c.

(No. 1.)

AN ACCOUNT of the AVERAGE AMOUNT of BANK NOTES in CIRCULATION, including Bank Post Bills, in each Half Year, from the 1st January 1797, to 31st March 1819, inclusive.

		£
1797.	From January to June inclusive	10,821,574
	July to December	11,218,084
1798.	January to June	12,954,685
	July to December	12,204,547
1799.	January to June	13,374,874
	July to December	13,525,714
1800.	January to June	15,009,457
	July to December	15,311,824
1801.	January to June	16,134,249
	July to December	15,487,555
1802.	January to June	16,284,052
	July to December	16,571,726
1803.	January to June	15,967,094
	July to December	17,043,450
1804.	January to June	17,623,680
	July to December	17,193,440
1805.	January to June	17,271,429
	July to December	16,480,713
1806.	January to June	16,941,887
	July to December	16,641,761
1807.	January to June	16,724,368
	July to December	16,687,438
1808.	January to June	16,953,787
	July to December	17,303,512
1809.	January to June	18,214,026
	July to December	19,641,640
1810.	January to June	20,894,441
	July to December	24,188,605
1811.	January to June	23,471,297
	July to December	23,094,046
1812.	January to June	23,123,140
	July to December	23,351,496
1813.	January to June	23,939,693
	July to December	24,107,445
1814.	January to June	25,511,012
	July to December	28,291,832
1815.	January to June	27,155,824
	July to December	26,618,210
1816.	January to June	26,468,283
	July to December	26,681,398
1817.	January to June	27,339,768
	July to December	29,210,035
1818.	January to June	27,954,558
	July to December	26,487,859
1819.	January to March	25,794,460

Bank of England,
2d February 1819.

WILLIAM DAWES,
Accountant General.

(B. 2.)—continued.

(No. 2.)

AN ACCOUNT of the WEEKLY AMOUNT of BANK of ENGLAND NOTES in CIRCULATION, in the Years 1815, 1816, 1817, and 1818, to 17th April 1819; distinguishing the Notes above Five Pounds, under Five Pounds, the Bank Post Bills, and stating the Total aggregate Amount.

	Bank Notes above £5.	Bank Notes of £5.	Bank Post Bills.	Bank Notes under £5.	TOTAL.
1815.					
January					
7	12,682,480	3,335,580	1,095,510	9,226,070	26,339,640
14	14,914,590	3,426,790	1,188,590	9,356,100	28,886,070
21	14,048,370	3,475,950	1,288,220	9,386,520	28,199,060
28	13,798,280	3,473,960	1,252,270	9,399,410	27,923,920
February					
4	14,211,530	3,454,660	1,243,090	9,349,330	28,258,610
11	13,636,050	3,422,650	1,254,070	9,284,950	27,597,720
18	13,118,150	3,379,390	1,235,970	9,202,310	26,935,820
25	13,049,630	3,344,720	1,184,450	9,094,550	26,673,350
March					
4	13,219,640	3,323,410	1,154,920	9,101,420	26,799,390
11	12,919,120	3,301,320	1,179,400	9,152,820	26,552,660
18	13,073,370	3,269,620	1,131,420	9,066,890	26,541,300
25	13,416,510	3,258,920	1,142,580	9,053,980	26,871,990
April					
1	13,197,930	3,255,680	1,163,870	9,050,670	26,668,150
8	14,240,210	3,280,520	1,164,740	9,085,710	27,771,180
15	14,366,370	3,330,490	1,183,720	9,159,110	28,039,690
22	13,566,840	3,331,810	1,244,360	9,147,840	27,290,850
29	13,824,210	3,329,490	1,177,250	9,148,880	27,479,830
May					
6	13,296,630	3,301,810	1,218,290	9,077,710	26,894,440
13	13,591,890	3,289,070	1,209,870	9,105,380	27,196,210
20	13,486,630	3,268,340	1,180,420	9,086,630	27,022,020
27	13,342,330	3,245,290	1,157,520	9,035,590	26,780,730
June					
3	13,477,120	3,234,950	1,143,440	9,022,610	26,878,120
10	13,198,910	3,239,610	1,166,890	9,046,470	26,651,880
17	12,751,730	3,211,900	1,116,930	8,989,030	26,069,590
24	13,039,440	3,230,740	1,118,800	9,043,280	26,432,260
July					
1	13,778,760	3,264,780	1,089,220	9,163,810	27,296,570
8	14,550,410	3,312,250	1,083,160	9,236,510	28,182,330
15	13,425,870	3,407,810	1,150,250	9,342,710	27,326,640
22	12,870,100	3,432,030	1,206,400	9,408,090	26,916,620
29	13,169,300	3,494,630	1,201,700	9,563,100	27,428,730
August					
5	13,042,300	3,455,680	1,183,370	9,462,300	27,143,650
12	13,051,640	3,480,310	1,163,530	9,537,570	27,233,050
19	12,891,650	3,510,390	1,146,630	9,606,540	27,155,210
26	12,832,800	3,499,470	1,115,070	9,576,690	27,024,030
September					
2	12,759,430	3,567,050	1,115,640	9,623,070	27,065,190
9	12,846,180	3,526,740	1,150,140	9,579,770	27,102,830
16	12,556,480	3,474,950	1,111,250	9,497,830	26,640,510
23	12,586,270	3,427,720	1,090,950	9,411,170	26,516,110
30	13,502,450	3,412,700	1,091,300	9,382,150	27,388,600
October					
7	12,596,930	3,400,470	1,090,630	9,434,920	26,522,950
14	13,396,650	3,420,250	1,132,150	9,462,060	27,411,110
21	12,671,020	3,417,630	1,159,820	9,458,330	26,706,800
28	12,345,260	3,397,060	1,215,550	9,415,300	26,373,170
November					
4	13,004,630	3,357,660	1,155,940	9,310,280	26,828,510
11	12,747,740	3,309,080	1,109,960	9,209,930	26,376,710
18	12,354,260	3,275,420	1,094,430	9,130,140	25,854,250
25	12,453,560	3,224,540	1,068,980	9,023,340	25,770,420
December					
2	12,389,050	3,218,110	1,038,700	8,973,570	25,619,430
9	11,930,410	3,182,580	1,036,870	8,897,530	25,047,390
16	11,955,170	3,152,280	1,011,990	8,886,890	25,006,330
23	12,733,250	3,156,900	987,920	8,945,010	25,823,080
30	12,534,630	3,155,980	983,550	8,955,310	25,629,470

(No. 2.)—Weekly Amount of Bank of England Notes, &c. in Circulation.—continued.

	Bank Notes above £5.	Bank Notes of £5.	Bank Post Bills.	Bank Notes under £5.	TOTAL.
1816.					
January					
6	11,282,610	3,164,690	992,790	9,001,340	24,441,430
13	14,600,880	3,249,720	1,140,500	9,095,710	28,086,810
20	13,418,990	3,286,180	1,247,800	9,096,740	27,049,710
27	13,088,760	3,294,270	1,282,000	9,116,050	26,775,080
February					
3	12,781,900	3,309,090	1,336,620	9,098,710	26,526,320
10	13,180,010	3,319,370	1,367,990	9,129,320	26,996,690
17	12,876,970	3,304,860	1,362,370	9,090,870	26,635,070
24	12,409,130	3,274,390	1,345,110	9,053,180	26,081,810
March					
2	13,066,940	3,274,820	1,319,310	9,063,080	26,724,150
9	12,761,000	3,274,730	1,325,220	9,046,980	26,407,930
16	12,257,230	3,311,600	1,287,020	9,086,510	25,942,360
23	12,833,570	3,315,250	1,314,310	9,127,260	26,590,390
30	13,363,370	3,334,840	1,342,670	9,154,180	27,195,060
April					
6	12,399,660	3,334,300	1,363,670	9,167,050	26,264,680
13	13,297,580	3,376,100	1,397,220	9,236,930	27,307,830
20	13,266,420	3,396,570	1,457,630	9,254,490	27,375,110
27	13,181,900	3,395,750	1,400,120	9,193,000	27,170,770
May					
4	13,102,420	3,390,950	1,338,690	9,176,000	27,008,060
11	12,806,560	3,352,590	1,320,730	9,084,280	26,564,160
18	12,691,320	3,325,820	1,255,710	9,073,300	26,346,150
25	12,462,590	3,296,530	1,232,340	8,995,810	25,987,270
June					
1	12,613,890	3,281,250	1,187,810	8,944,190	26,027,140
8	12,112,680	3,259,400	1,220,240	8,899,460	25,491,780
15	12,490,130	3,237,230	1,157,780	8,866,390	25,751,530
22	12,314,310	3,233,360	1,150,590	8,863,740	25,562,000
29	12,551,570	3,272,980	1,120,270	8,920,900	25,865,720
July					
6	12,273,880	3,345,150	1,176,840	9,091,270	25,887,140
13	13,994,560	3,476,580	1,331,780	9,353,590	28,156,510
20	14,010,080	3,501,970	1,440,880	9,395,500	28,348,430
27	13,819,130	3,540,190	1,461,760	9,430,360	28,251,440
August					
3	13,799,970	3,527,470	1,392,310	9,369,100	28,088,850
10	13,549,710	3,516,360	1,340,340	9,328,610	27,735,020
17	13,985,730	3,482,160	1,320,690	9,255,820	28,044,400
24	13,281,690	3,440,610	1,295,000	9,145,240	27,162,540
31	12,979,990	3,415,420	1,266,100	9,097,210	26,758,720
September					
7	12,728,020	3,383,880	1,266,290	9,037,130	26,415,320
14	13,166,130	3,339,740	1,257,410	8,944,190	26,707,470
21	12,603,230	3,303,680	1,244,740	8,884,050	26,035,700
28	13,023,990	3,300,450	1,239,290	8,883,040	26,446,770
October					
5	12,349,250	3,298,660	1,276,150	8,918,870	25,842,930
12	12,253,080	3,311,540	1,282,150	8,970,670	25,817,440
19	13,814,710	3,355,430	1,310,100	9,011,570	27,491,810
26	13,538,820	3,339,290	1,337,130	8,983,980	27,199,220
November					
2	13,522,450	3,308,970	1,298,800	8,895,760	27,026,030
9	13,649,720	3,262,000	1,240,800	8,777,780	26,930,300
16	13,453,780	3,205,160	1,236,380	8,644,990	26,540,310
23	13,313,110	3,163,420	1,217,660	8,523,660	26,217,850
30	12,867,930	3,119,440	1,178,260	8,427,490	25,593,120
December					
7	12,645,620	3,109,100	1,174,660	8,389,460	25,318,840
14	12,494,670	3,084,080	1,152,310	8,336,740	25,067,800
21	12,867,760	3,067,650	1,147,820	8,329,590	25,412,820
28	12,700,870	3,059,910	1,135,610	8,322,850	25,219,140
1817.					
January					
4	11,427,330	3,073,680	1,129,920	8,319,580	23,950,510
11	15,585,320	3,139,880	1,238,080	8,408,920	28,372,200
18	15,275,760	3,175,490	1,314,610	8,409,670	28,175,530
25	15,065,130	3,190,880	1,406,830	8,392,420	28,055,260
February					
1	14,768,480	3,184,510	1,399,600	8,351,220	27,703,810
8	14,459,870	3,187,360	1,411,530	8,327,360	27,386,120
15	14,625,360	3,179,600	1,444,690	8,268,910	27,518,560
22	14,582,950	3,153,770	1,393,580	8,195,920	27,326,220

(No. 2.)—Weekly Amount of Bank of England Notes, &c. in Circulation.—continued.

Table with 6 columns: Date, Bank Notes above £5, Bank Notes of £5, Bank Post Bills, Bank Notes under £5, TOTAL. Data spans from March 1817 to April 1818.

(No. 2.)—Weekly Amount of Bank of England Notes, &c. in Circulation.—continued.

Table with 6 columns: Date, Bank Notes above £5, Bank Notes of £5, Bank Post Bills, Bank Notes under £5, TOTAL. Data spans from May 1818 to April 1819.

Bank of England, 4th February 1819.

WILLM DAWES, Accountant General.

APPENDIX,

AN ACCOUNT of BANK NOTES in Circulation on the 1st and 15th Days in each Month, from under the following Classes, viz., Notes under the Value of £5, Notes of the Value of £20 and not exceeding £30, Notes exceeding £30 and not exceeding £50, Notes exceeding £50 and not exceeding £100, Notes exceeding £100 and not exceeding £200, Notes exceeding £200 and not exceeding £300, Notes exceeding £300 and not exceeding £500, Notes exceeding £500 and not exceeding £1000, and Notes exceeding £1000; and also an Account of the Total Amount of Bank Post Bills in Circulation on the said Days,

Table with columns for months (1817-1819), and categories: Notes under the Value of £5, Notes of the Value of £5, Notes of the Value of £10, Exceeding £10 and not exceeding £20, Exceeding £20 and not exceeding £30, Exceeding £30 and not exceeding £50.

B. 3.

the 1st June 1817 to the 15th November 1818 inclusive, distinguishing the Amount of Notes £5, Notes of the Value of £10, Notes exceeding £10 and not exceeding £20, Notes exceeding £20 and not exceeding £30, Notes exceeding £30 and not exceeding £50, Notes exceeding £50 and not exceeding £100, Notes exceeding £100 and not exceeding £200, Notes exceeding £200 and not exceeding £300, Notes exceeding £300 and not exceeding £500, Notes exceeding £500 and not exceeding £1000, and Notes exceeding £1000; and stating the Aggregate Amount of the whole on each of the above Days.

Table with columns for categories: Exceeding £50 and not exceeding £100, Exceeding £100 and not exceeding £200, Exceeding £200 and not exceeding £300, Exceeding £300 and not exceeding £500, Exceeding £500 and not exceeding £1000, Exceeding £1000, Bank Post Bills, Aggregate Amount.

C.

Prices of Bullion and Exchanges.

APPENDIX, C. 1.

A WEEKLY ACCOUNT of the MARKET PRICES of Gold and Silver, with the Course of the Exchange with Hamburgh, Lisbon, and Paris, from the 1st January 1790 to the 1st January 1819, and from thence to the latest Date.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburgh, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris.

* N. B.—There is no List of a prior Date in this Office for January 1790.

† Foreign Gold in Coin, i. e. Portugal Gold.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburgh, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1792.	£ s. d.	£ s. d.	s. d.	s. d.			
March - 20	3 17 6	-	5 5	5 4	34 5	5 9½	15½
27	3 17 6	-	5 5	5 4	34 6	5 9½	17½
April - 3	3 17 6	-	5 5	5 4	34 5	5 9½	17½
10	3 17 6	-	5 5	5 4	34 5	5 9½	17½
17	3 17 6	-	5 5	5 4	34 4	5 9½	18½
24	3 17 6	-	5 5	5 4	34 3	5 9½	18
May - 1	3 17 6	-	5 5½	5 4½	34 3	5 9½	17½
8	3 17 6	-	5 5½	5 4½	34 4	5 9½	17
15	3 17 6	-	5 5½	5 5	34 4	5 9½	16½
22	3 17 6	4 1 0	5 5½	5 5	34 3	5 10	16½
29	3 17 6	4 1 0	5 6	5 5	34 4	5 10	17½
June - 5	3 17 6	4 1 0	5 6	5 5	34 4	5 10½	17½
12	3 17 6	4 1 0	5 6	5 5	34 5	5 10½	19
19	3 17 6	4 1 0	5 6	5 5	34 5	72	19½
26	3 17 6	4 1 0	5 6	5 5	34 4	72	18½
July - 3	3 17 6	4 1 0	5 6	5 5	34 5	73	18½
10	3 17 6	4 1 0	5 6	5 5	34 5	73	18
17	3 17 6	4 1 0	5 6	5 5	34 5	73	18
24	3 17 6	4 1 0	5 5	5 4	34 5	72½	17½
31	3 17 6	4 1 0	5 5	5 4	34 5	72½	17½
August - 7	3 17 6	4 1 0	5 5	5 4	34 3	72½	17½
14	3 17 6	4 1 0	5 5	5 4	34 4	72½	17
21	3 17 6	4 1 0	5 5	5 4	34 3	73	17
28	3 17 6	4 1 0	5 5	5 4	34 2	73	18½
September - 4	3 17 6	4 1 0	5 5	5 4	34 0	74	19½
11	3 17 6	4 1 0	5 5	5 4	34 4	74	18½
18	3 17 6	4 1 0	5 5	5 4	34 4	73½	18½
25	3 17 6	-	5 5	5 4	34 8	75	18½
October - 2	3 17 6	-	5 5	5 4	34 6	74½	18½
9	3 17 6	-	5 4½	5 3½	34 3	74½	19
16	3 17 6	-	-	-	34 3	74½	19½
23	3 17 6	-	-	-	34 3	74	19
30	3 17 6	-	-	-	34 3	74	19½
November - 6	3 17 6	-	-	-	34 4	74	19½
13	3 17 6	-	5 4½	5 3	34 5	74½	19½
20	3 17 6	-	5 4½	5 3	34 5	74	19½
27	3 17 6	-	5 4½	5 3	34 8	74	20
December - 4	3 17 6	-	5 4½	5 3	35 2	72	19½
11	3 17 6	-	5 4½	5 3	35 5	71½	19½
18	3 17 6	-	5 4½	5 3	35 4	72	18½
25	3 17 6	-	5 4½	5 3	35 4	72	17
1793.							
January - 1	3 17 6	-	5 4½	5 3	35 4	72	17
8	3 17 6	-	5 4½	5 3	35 3	72	16½
15	3 17 6	-	5 4½	5 3	35 3	71½	15½
22	3 17 6	-	5 4½	5 3	35 6	71½	15½
February - 1	3 17 6	-	5 5	5 3½	35 6	71½	14½
8	3 17 6	-	5 5	5 3½	35 10	71	14½
15	3 17 6	3 17 0	-	-	36 9	71	14½
22	3 17 6	3 17 0	-	-	36 9	70	15½
March - 1	3 17 6	-	5 2½	5 1	36 7	70	15
8	3 17 6	-	5 2½	5 1	36 10	69½	14½
15	3 17 6	-	5 2½	5 1	37 2	69½	14½
22	3 17 6	-	5 2½	5 1	37 3	69	14
29	3 17 6	-	5 2½	5 1	37 6	67½	13½
April - 5	3 17 6	-	5 2½	5 1	37 8	67	-
12	3 17 6	-	5 2½	5 1	38 0	66½	12
19	3 17 6	-	5 2½	5 1	38 6	66½	12
26	3 17 6	-	5 2½	5 1	38 2	66½	-
May - 3	3 17 6	-	5 2½	5 1	37 6	66½	-
10	3 17 6	3 17 6	5 2½	5 1	37 6	66½	11
17	3 17 6	3 17 6	5 2½	5 1	37 3	66½	9½
24	3 17 6	3 17 6	5 2½	5 1	37 2	66½	9
31	3 17 6	3 17 6	5 1½	-	37 4	67	9

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1793.	£ s. d.	£ s. d.	s. d.	s. d.			
June - 7	3 17 6	3 17 6	5 1½	-	37 6	67	10
14	3 17 6	3 17 6	5 1½	-	37 6	67½	9½
21	3 17 6	3 17 6	5 1	4 11½	37 6	67½	9½
28	3 17 6	3 17 6	5 1	4 11½	37 5	67½	9½
July - 5	3 17 6	3 17 6	5 1	4 11½	37 0	66½	8½
12	3 17 6	3 17 6	5 1	4 11½	36 8	66½	6½
19	3 17 6	3 17 6	5 1	4 11½	36 5	66½	6½
26	3 17 6	3 17 6	5 1	4 11½	35 10	67	6
August - 2	3 17 6	3 17 6	5 1	4 11½	35 6	67½	4½
9	3 17 6	3 17 6	5 1	4 11½	35 6	67½	5½
16	3 17 6	3 17 6	5 1	4 11½	35 7	66½	7½
23	3 17 6	3 17 6	5 1½	5 0	36 0	66½	7½
30	3 17 6	3 17 6	5 1½	5 0	36 0	66½	7½
September - 6	3 17 6	3 17 6	5 1½	5 0	35 10	66½	8½
13	3 17 6	3 17 6	5 1½	5 0	36 0	66½	8½
20	3 17 6	3 17 6	5 1½	5 0	35 10	66½	8½
27	3 17 6	3 17 6	5 1½	5 0	35 10	66½	8½
October - 4	3 17 6	3 17 6	5 1½	5 0	35 9	66½	-
11	3 17 6	3 17 6	5 1½	5 0	35 8	66½	-
18	3 17 6	3 17 6	5 1½	5 0	35 6	66	8
25	3 17 6	3 17 6	5 1½	5 0	35 5	65½	-
November - 1	3 17 6	3 17 6	5 1½	5 0	35 3	65	-
8	3 17 6	3 17 6	5 1½	5 0	35 1	66	-
15	3 17 6	3 17 6	5 0	5 0	34 11	66½	-
22	3 17 6	3 17 6	-	-	35 3	66½	-
29	3 17 6	3 17 6	-	-	35 4	66½	-
December - 6	3 17 6	3 17 6	-	-	35 4	66½	-
13	3 17 6	3 17 6	-	-	35 6	66	-
20	3 17 6	3 17 6	-	-	36 0	66	-
27	3 17 6	3 17 6	5 1½	4 11	36 1	66	-
1794.							
January - 3	3 17 6	3 17 6	5 1½	4 11	35 9	65½	-
10	3 17 6	3 17 6	5 1½	4 11	35 10	65½	-
17	3 17 6	3 17 6	5 1½	4 11	35 11	65½	-
24	3 17 6	3 17 6	-	-	35 11	65	-
31	3 17 6	3 17 6	5 1½	4 10½	36 1	65	-
February - 7	3 17 6	3 17 6	5 1½	4 11½	36 1	64½	-
14	3 17 6	3 17 6	5 1½	4 11½	36 5	65	-
21	3 17 6	3 17 6	5 1	4 11½	36 2	65	-
28	3 17 6	3 17 6	5 1	4 11½	36 4	65½	-
March - 7	3 17 6	3 17 6	5 1	4 11½	36 4	65½	-
14	3 17 6	3 17 6	5 1	4 11½	36 5	65½	-
21	3 17 6	3 17 6	5 1	4 11½	36 5	66	-
28	3 17 6	3 17 6	5 1	4 11½	36 5	65½	-
April - 4	3 17 6	3 17 6	5 1	4 11½	36 6	65½	-
11	3 17 6	3 17 6	5 1	4 11½	36 6	65½	-
18	3 17 6	3 17 6	5 1	5 0	36 7	65½	-
25	3 17 6	3 17 6	5 1½	5 0	36 7	65	-
May - 2	3 17 6	3 17 6	5 1½	5 0	36 7	64½	-
9	3 17 6	3 17 6	5 1½	5 0	36 5	64½	-
16	3 17 6	3 17 6	5 1½	-	36 2	64½	-
23	3 17 6	3 17 6	5 2	5 1	35 5	64	-
30	3 17 6	3 17 6	5 2	-	34 9	64½	-
June - 6	3 17 6	3 17 6	5 2	-	34 8	64½	-
13	3 17 6	3 17 6	5 2	5 0	35 7	64	-
20	3 17 6	3 17 6	5 2	5 1	35 5	64	-
27	3 17 6	3 17 6	5 2	5 1	35 6	63½	-
July - 4	3 17 6	3 17 6	5 2	5 1	35 7	63½	-
11	3 17 6	3 17 6	5 2	5 1	36 0	63½	-
18	3 17 6	3 17 6	5 2	5 1	36 0	62½	-
25	3 17 6	3 17 6	5 1½	5 0½	35 7	62½	-
August - 1	3 17 6	3 17 6	5 1	5 0	35 10	63	-
8	3 17 6	3 17 6	5 0½	4 11½	36 6	63	-
15	3 17 6	3 17 6	5 0½	4 11½	35 9	62½	-

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1794.							
August - 22	£ 3 17 6	£ 3 17 6	s. 5 1	s. 5 0	35 0	62½	—
29	3 17 6	3 17 6	5 1	5 0	35 0	62½	—
September - 5	3 17 6	3 17 6	5 1½	5 0½	35 2	63½	—
12	3 17 6	3 17 6	5 1½	5 0½	35 3	63½	—
19	3 17 6	3 17 6	5 1	5 0	35 5	63½	—
26	3 17 6	3 17 6	5 1	5 0	35 6	63½	—
October - 3	3 17 6	3 17 6	5 1	5 0	35 5	63½	—
10	3 17 6	3 17 6	5 1	5 0	35 0	63½	—
17	3 17 6	3 17 6	5 1	5 0	33 6	63½	—
24	3 17 6	3 17 6	5 1	5 0	34 4	63½	—
31	3 17 6	3 17 6	5 1	5 0	34 4	64½	—
November - 7	3 17 6	3 17 6	5 1	5 0	34 7	64½	—
14	3 17 6	3 17 6	5 1	5 0	34 7	64½	—
21	3 17 6	3 17 6	-	-	34 7	64½	—
28	3 17 6	3 17 6	5 2	4 11½	35 0	64½	—
December - 5	3 17 6	3 17 6	5 1	5 0	34 9	64½	—
12	3 17 6	3 17 6	5 2½	5 1	34 7	64½	—
19	3 17 6	3 17 6	5 2½	5 1	34 8	64½	—
26	3 17 6	3 17 6	5 2½	5 1	34 6	64½	—
1795.							
January - 2	3 17 6	3 17 6	5 2½	5 1	34 6	64½	—
9	-	-	-	-	34 8	64	—
16	3 17 6	3 17 6	-	-	34 10	64	—
23	3 17 6	3 17 6	5 1	5 0	35 0	63½	—
30	3 17 6	3 17 6	5 1	4 11½	35 6	63½	—
February - 6	3 17 6	3 17 6	5 1	4 11½	36 6	64½	—
13	3 17 6	-	5 1	4 11½	36 0	64½	—
20	3 17 6	-	5 1	4 11½	35 11	65	—
27	3 17 6	-	5 1	4 11½	35 10	66	—
March - 6	3 17 6	-	5 1	4 11½	35 8	66	—
13	3 17 6	-	5 1	4 11½	35 9	66	—
20	3 17 6	-	5 1	4 11½	35 11	66	—
27	3 17 6	-	5 1	4 11½	36 5	66	—
April - 3	3 17 6	-	5 1	4 11½	35 4	66	—
10	3 17 6	-	5 1	4 11½	34 10	66	—
17	3 17 6	-	5 1	4 11½	34 8	66½	—
24	3 17 6	-	5 1	4 11½	34 8	66½	—
May - 1	3 17 6	-	5 1	4 11½	34 4	67	—
8	3 17 6	-	-	-	33 6	67½	—
15	3 17 6	-	5 1½	5 0½	33 4	67½	—
22	3 17 6	-	5 2	5 1	33 0	67½	—
29	3 17 6	-	5 2	5 1½	33 6	68½	—
June - 5	3 17 6	-	5 2	5 2	33 6	67½	—
12	3 17 6	-	5 2	5 2	33 5	67½	—
19	3 17 6	-	5 3	5 2½	33 5	67½	—
26	3 17 6	-	5 3½	5 2½	33 0	67½	—
July - 3	3 17 6	-	5 3½	5 2	32 7	67½	—
10	3 17 6	-	5 5	5 4½	32 3	67½	—
17	3 17 6	-	5 5	5 4½	32 6	67½	—
24	3 17 6	-	-	-	32 6	67½	—
31	3 17 6	-	-	-	32 6	68½	—
August - 7	3 17 6	-	5 4½	5 4½	32 4	70	—
14	-	-	5 4½	5 5	31 10	70½	—
21	-	-	5 5	5 5	32 3	70½	—
28	-	-	5 5	5 4½	32 6	70½	—
September - 4	-	-	5 6	5 4½	32 6	70½	—
11	-	-	5 6	5 4½	32 6	71	—
18	-	-	5 6	5 4½	32 9	71½	—
25	-	-	5 0	5 4½	33 0	71½	—
October - 2	-	-	5 5½	5 4½	32 10	71½	—
9	-	-	5 5½	5 5	33 0	71	—
16	-	-	5 5½	5 4½	32 9	70½	—
23	-	-	5 5½	5 5	32 7	70½	—
30	-	-	5 5	5 4½	32 10	71	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1795.							
November - 6	£ 5 5	£ 5 5	s. 5 4½	s. 5 4½	33 0	70½	—
13	-	-	5 5	5 4½	32 10	69½	—
20	-	-	5 5½	5 4½	33 1	69½	—
27	-	-	5 5½	5 4½	33 2	69	—
December - 4	-	-	5 5½	5 4½	33 0	69	—
11	-	-	5 5½	5 4½	32 9	69½	—
18	-	-	5 5½	5 4½	32 5	70	—
25	-	-	5 5½	5 4½	32 6	70	—
1796.							
January - 1	-	-	5 5½	5 4½	32 7	70½	—
8	-	-	5 5	5 4½	32 10	70½	—
15	-	-	5 5½	5 4½	33 0	71	—
22	-	-	5 5½	5 4½	33 2	71½	—
29	-	-	5 5½	5 4½	33 4	71	—
February - 5	-	-	5 5½	5 4½	33 6	69½	—
12	-	-	5 5½	5 4½	33 2	69½	—
19	-	-	5 5½	5 4½	33 0	69½	—
26	-	-	5 5½	5 4½	33 2	69½	—
March - 4	-	-	5 5½	5 4½	33 2	70	—
11	-	-	5 5½	5 4½	33 4	70½	—
18	-	-	5 5½	5 4½	33 4	71	—
25	-	-	5 5½	5 4½	33 10	71½	—
April - 1	-	-	5 4½	5 3½	34 6	71½	—
8	-	-	5 4½	5 3½	34 10	71½	—
15	-	-	5 5	5 3½	34 10	71½	—
22	-	-	5 5	5 3½	35 0	71½	—
29	-	-	5 5	5 3½	35 0	71½	—
May - 6	-	-	5 5	5 3½	33 10	71½	—
13	-	-	5 5	5 3½	34 0	71½	—
20	-	-	5 5	5 3½	33 9	71½	—
27	-	-	5 4½	5 3	34 0	71½	—
June - 3	3 17 6	3 17 6	5 4½	5 3	34 0	71½	—
10	-	-	5 4½	-	34 0	71½	—
17	3 17 6	3 17 6	5 5	5 3½	34 0	71½	—
24	-	-	-	-	34 0	71½	—
July - 1	-	-	5 6	5 4	33 7	72	—
8	-	-	5 6	5 5	33 7	72	—
15	-	-	5 6	5 5	33 7	71½	—
22	-	-	5 6	-	33 9	71½	—
29	-	-	5 6	-	33 9	71	—
August - 5	-	-	-	-	33 11	70½	—
12	3 17 6	-	5 3½	5 2	34 0	69½	—
19	3 17 6	-	5 3½	5 2	33 10	69½	—
26	3 17 6	-	5 3½	5 2	33 7	69½	—
September - 2	3 17 6	-	5 3½	5 2	33 7	69½	—
9	3 17 6	-	5 3½	5 2	33 7	69½	—
16	3 17 6	-	5 4	5 2	34 0	69	—
23	3 17 6	-	5 4	5 2	34 0	68½	—
30	3 17 6	-	5 4	5 2	34 0	67½	—
October - 7	3 17 6	-	5 3½	-	34 2	67½	—
14	3 17 6	-	5 3½	5 2	34 6	67	—
21	3 17 6	-	5 3½	5 2	34 6	67	—
28	3 17 6	-	5 3	-	34 7	67	—
November - 4	3 17 6	-	5 3½	-	34 6	67½	—
11	3 17 6	-	5 4	5 2½	34 6	67½	—
18	3 17 6	-	5 4	5 2½	34 1	67½	—
25	3 17 6	-	5 4½	5 3	34 2	67½	—
December - 2	3 17 6	-	5 4	5 3	34 6	68	—
9	3 17 6	-	5 5	5 3½	34 10	68	—
16	3 17 6	-	5 5	5 3½	34 7	68	—
23	3 17 6	-	5 5	5 3½	35 2	67½	—
30	3 17 6	-	5 5	-	35 6	67½	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburgh, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1797.							
January - 6	£ 3 17 6		s. 4 5	s. 2 5	-35 6	67½	—
13	3 17 6		5 4	5 2½	-35 8	67½	—
20	3 17 6		5 4	5 2½	-35 3	68	—
27	3 17 6		5 4	5 2½	-35 3	69	—
February - 3	3 17 6		5 4	5 2½	-35 2	69	—
10	3 17 6				-34 9	68¾	—
17	3 17 6				-35 2	69	—
24	3 17 6		5 5	5 3½	-36 0	68¾	—
March - 3			5 6½	5 5	34 9	68¾	—
10					35 8	68¾	—
17			5 7½	5 6½	36 0	68½	—
24			5 7½	5 6½	-36 0	68½	—
31	3 17 6	3 17 6	5 6½	5 5½	-36 2	68½	—
April - 7	3 17 6	3 17 6	5 6½	5 5½	-36 8	67½	—
14	3 17 6	3 17 6	5 6½	5 5½	-35 6	67½	—
21	3 17 6	3 17 6	5 6½	5 5½	36 4	67½	—
28	3 17 6	3 17 6	5 6½	5 5½	-36 0	67½	—
May - 5	3 17 6	3 17 6	5 6	5 5	-36 1	68	—
12	3 17 6	3 17 6	5 4½	5 5½	-36 2	68½	—
19	3 17 6	3 17 6	5 5	5 4	-36 3	68½	—
26	3 17 6	3 17 6	5 5	5 3½	-36 4	68½	—
June - 2	3 17 6	3 17 6			-36 4	68½	—
9	3 17 6				-36 4	68½	—
16	3 17 6				-36 4	69	—
23	3 17 6		5 0	5 0	-36 4	69½	—
30	3 17 6				-36 4	70	—
July - 7	3 17 6				-36 9	70	—
14	3 17 6		5 1½	5 1	-36 7	70½	—
21	3 17 6		5 1½	5 1	-36 8	70½	—
28	3 17 6		5 1½	5 1	-36 8	71	—
August - 4	3 17 6		5 1½	5 1	-36 7	72½	—
11	3 17 6		5 1½	5 1	-36 8	71½	—
18	3 17 6				-36 11	70½	—
25	3 17 6		5 2	5 0	37 7	67½	—
September - 1	3 17 10½		5 1	5 0	-38 0	67	—
8	3 17 10½		5 0½	4 10	37 10	67	—
15	3 17 10½		5 0½	4 10	-38 0	68	—
22	3 17 10½		5 0½	4 10	-37 0	68	—
29	3 17 10½		5 0½	4 10	-37 8	68	—
October - 6	3 17 10½		5 0½	4 10	-37 8	67	—
13	3 17 10½		5 0½	4 11	-37 10	67¾	—
20	3 17 10½		5 0½	4 11	-38 2	68	—
27	3 17 10½		5 0½	4 11	-38 0	68	—
November - 3	3 17 10½		5 0	5 0	-37 10	67	—
10	3 17 10½		5 0	5 0	-38 1	66¾	—
17	3 17 10½		5 0	5 0	-38 1	67	—
24	3 17 10½		5 0	5 0	-38 1	67	—
December - 1	3 17 10½		5 0	5 0	-38 2	67	—
8	3 17 10½		5 0	5 0	-38 4	67½	—
15	3 17 10½		5 0	5 0	-38 5	67	—
22	3 17 10½		5 0	5 0	-38 5	66	—
29	3 17 10½	4 0 0	5 0	5 0	-38 5	66	—
1798.							
January - 5	3 17 10½	4 0 0	5 0	5 0	-38 1	66½	—
12	3 17 10½	4 0 0	5 0	5 0	-37 11	66½	—
19	3 17 10½	4 0 0	5 0	5 0	-38 0	66	—
26	3 17 10½	4 0 0	5 0	5 0	-38 0	66½	—
February - 2	3 17 10½	4 0 0	5 0	5 0	-38 0	67	—
9	3 17 10½	4 0 0	5 0	5 0	37 8	67½	—
16	3 17 10½	4 0 0			38 0	67½	—
23	3 17 10½	4 0 0			38 0	67½	—
March - 2	3 17 10½	4 0 0			37 5	67	—
9	3 17 10½	4 0 0			37 7	66½	—
16	3 17 10½	4 0 0	5 1½	5 0	37 7	66	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburgh, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1798.							
March - 23	£ 3 17 10½	4 0 0	s. 5 1½	s. 5 0½	37 8	66	—
30	3 17 10½	4 0 0	5 1½	5 0	37 8	66	—
April - 6	3 17 10½	4 0 0	5 1½	5 0	37 8	66	—
13	3 17 10½	4 0 0	5 1½	4 11	37 8	66	—
20	3 17 10½	4 0 0	5 1½	5 0	37 7	66	—
27	3 17 10½	4 0 0	5 1½	5 0	37 8	66	—
May - 4	3 17 10½	4 0 0	5 1½	5 0	37 3	65¾	—
11	3 17 10½	4 0 0	5 1½	5 0	37 3	65¾	—
18	3 17 10½	4 0 0	5 1½	5 0	37 5	66	—
25	3 17 10½	4 0 0	5 1½	5 0	37 5	66½	—
June - 1	3 17 10½	4 0 0	5 1	5 0	37 6	66½	—
8	3 17 10½	4 0 0	5 1	5 0	37 6	66½	—
15	3 17 10½	4 0 0	5 1	5 0	37 7	66½	—
22	3 17 10½	4 0 0	5 1	5 0	37 9	66½	—
29	3 17 10½	4 0 0	5 1	5 0	37 10	66½	—
July - 6	3 17 10½	4 0 0	5 1	5 0	37 10	66½	—
13	3 17 10½	4 0 0	5 1	5 0	37 9	66	—
20	3 17 10½	4 0 0	5 1	5 0	37 7	66	—
27	3 17 10½	4 0 0	5 1	5 0	37 5	65½	—
August - 3	3 17 10½	4 0 0	5 1	5 0	37 6	64½	—
10	3 17 10½	4 0 0	5 1	5 0	37 7	64½	—
17	3 17 10½	4 0 0	5 1	5 0	37 7	65	—
24	3 17 10½	4 0 0	5 1	5 0	37 3	65	—
31	3 17 10½	4 0 0	5 1	5 0	37 5	65½	—
September - 7	3 17 10½	4 0 0	5 1	5 0	37 6	65½	—
14	3 17 10½	4 0 0	5 1	5 0	37 6	65½	—
21	3 17 10½	4 0 0	5 0½	5 0	37 8	65½	—
28	3 17 10½	4 0 0	5 0½	5 0	37 8	65½	—
October - 5	3 17 10½	4 0 0	5 0½	5 0	37 8	65½	—
12	3 17 10½	4 0 0	5 0½	5 0	37 10	65½	—
19	3 17 10½	4 0 0	5 0½	5 0	37 9	65½	—
26	3 17 9	4 0 0	5 0½	5 0	37 9	66½	—
November - 2	3 17 9	4 0 0	5 0½	5 0	37 10	66½	—
9	3 17 9	4 0 0	5 0½	5 0	37 10	67½	—
16	3 17 9	4 0 0	5 0½	5 0	37 8	67½	—
23	3 17 9	4 0 0	5 0½	5 0	37 4	67½	—
30	3 17 9	4 0 0	5 0½	5 0	37 3	67½	—
December - 7	3 17 9	4 0 0	5 0½	5 0	37 4	68	—
14	3 17 9	4 0 0	5 0½	5 0	37 3	67¾	—
21	3 17 9	4 0 0	5 1½	5 0	37 5	67¾	—
28	3 17 9	4 0 0	5 2	5 0	37 7	67¾	—
1799.							
January - 4	3 17 9	4 0 0	5 2	5 0½	37 8	67½	—
11	3 17 9	4 0 0	5 2½	5 0	37 8	67½	—
18	3 17 9	4 0 0		5 0	37 8	67½	—
25	3 17 9	4 0 0		5 1	37 4	67½	—
February - 1	3 17 9	4 0 0		5 1	37 6	67½	—
8	3 17 9	4 0 0		5 1	37 8	67½	—
15	3 17 9	4 0 0		5 0	37 5	67½	—
22	3 17 9	4 0 0		5 1	37 7	67½	—
March - 1	3 17 9	4 0 0		5 1	37 7	67½	—
8	3 17 9	4 0 0		5 1	37 5	67½	—
15	3 17 9	4 0 0		5 0	37 5	67½	—
22	3 17 9	4 0 0	5 3	5 1	37 4	67½	—
April - 5	3 17 9	4 0 0	5 3	5 2	37 4	68½	—
12	3 17 9	4 0 0	5 3	5 2	37 2	68½	—
19	3 17 9	4 0 0	5 2	5 2	36 10	68½	—
26	3 17 9	4 0 0	5 2	5 2	36 0	68½	—
May - 3	3 17 9	4 0 0	5 2	5 2	35 6	68½	—
10	3 17 9	4 0 0		5 2	35 6	68½	—
17	3 17 9	4 0 0	5 4		35 0	67½	—
24	3 17 9	4 0 0	5 4		34 10	67½	—
31	3 17 9	4 0 0			34 10	67½	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburgh, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1799.							
June 7	£ s. d. 3 17 9	£ s. d. 4 0 0	s. d. - -	s. d. - -	34 9	68	—
14	3 17 9	4 0 0	5 5	5 3½	36 6	67½	—
21	3 17 9	4 0 0	5 4½	5 3½	35 10	67½	—
28	3 17 9	4 0 0	- -	5 3½	36 0	67	—
July 5	3 17 9	4 0 0	- -	- -	35 10	67½	—
12	3 17 9	4 0 0	- -	5 2½	35 4	67½	—
19	3 17 9	4 0 0	- -	5 2½	35 2	68	—
26	3 17 9	4 0 0	- -	5 2½	34 5	68	—
August 2	3 17 9	4 0 0	- -	5 2½	34 9	68	—
9	3 17 9	4 0 0	- -	5 2½	34 6	68½	—
16	3 17 9	4 0 0	- -	5 2½	34 5	68	—
23	3 17 9	4 0 0	- -	5 2½	34 0	68½	—
September 30	3 17 9	4 0 0	- -	- -	33 8	69½	—
6	3 17 9	4 0 0	- -	- -	33 4	69½	—
13	3 17 9	4 0 0	- -	- -	32 9	70	—
20	- - -	- - -	5 8	5 7	32 9	70½	—
27	- - -	- - -	5 8	5 7	32 9	68½	—
October 4	- - -	- - -	5 8	5 7	32 0	68	—
11	- - -	- - -	5 8	5 7	32 0	68	—
18	- - -	- - -	5 8	5 7	32 0	68	—
25	3 17 7	- - -	5 8	5 7	32 0	67½	—
November 1	- - -	- - -	5 8	5 0	32 6	67½	—
8	- - -	- - -	5 8	5 7	32 6	67	—
15	- - -	- - -	5 8	5 7	32 6	65½	—
22	- - -	- - -	5 8	5 7	32 6	65½	—
29	- - -	- - -	5 8	5 7	32 6	65½	—
December 6	- - -	- - -	- - -	- - -	31 10	65½	—
13	- - -	- - -	- - -	5 5½	31 6	65½	—
20	- - -	- - -	- - -	5 5½	31 6	65	—
27	- - -	- - -	- - -	5 5½	32 6	64	—
1800.							
January 3	- - -	- - -	- - -	5 5½	32 0	63	—
10	- - -	- - -	- - -	5 5½	31 6	63	—
17	- - -	- - -	- - -	5 5½	31 6	63½	—
24	- - -	- - -	- - -	5 5½	31 6	63½	—
31	- - -	- - -	- - -	5 5½	31 2	64	—
February 7	- - -	- - -	- - -	5 6	30 6	64	—
14	- - -	- - -	- - -	- - -	30 6	64	—
21	- - -	- - -	- - -	- - -	30 0	64	—
28	- - -	- - -	- - -	5 7	31 4	64	—
March 7	- - -	- - -	- - -	5 7	31 4	63½	—
14	- - -	- - -	- - -	5 7	31 2	63½	—
21	- - -	- - -	- - -	5 7	31 2	63½	—
28	- - -	- - -	- - -	5 7	31 0	63½	—
April 4	- - -	- - -	- - -	5 7	31 0	63½	—
11	- - -	- - -	- - -	5 7	31 6	63½	—
18	- - -	- - -	- - -	5 7	31 8	63½	—
25	- - -	- - -	- - -	5 7	32 3	63½	—
May 2	- - -	- - -	- - -	5 7	32 5	63	—
9	- - -	- - -	- - -	5 7	32 3	62	—
16	- - -	- - -	- - -	5 7	32 3	62	—
23	- - -	- - -	- - -	5 7	32 3	62	—
30	- - -	4 5 0	- - -	5 7	32 0	62	—
June 6	- - -	4 5 0	- - -	5 7	31 10	62	—
13	- - -	4 5 0	- - -	5 7	32 0	61½	—
20	- - -	4 5 0	- - -	5 7½	32 0	61½	—
27	- - -	4 5 0	- - -	5 7½	32 4	61½	—
July 4	- - -	4 5 0	- - -	5 7½	32 7	62	—
11	- - -	4 5 0	- - -	5 7½	32 3	62	—
18	- - -	4 5 0	- - -	- - -	31 10	62	—
25	- - -	4 5 0	- - -	5 7	31 10	62	—
August 1	- - -	4 5 0	- - -	5 7	32 0	62	—
8	- - -	4 5 0	- - -	5 7	32 0	61½	—
15	- - -	4 5 0	- - -	5 7	32 0	61	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburgh, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1800.							
August 22	£ s. d. 4 5 0	£ s. d. 5 7	s. d. - -	s. d. - -	32 2	61	—
29	- - -	4 5 0	- - -	5 7	32 2	60½	—
September 5	- - -	4 5 0	- - -	5 7	32 2	60½	—
12	- - -	4 5 0	- - -	5 7	31 7	60	—
19	- - -	4 5 0	- - -	5 7	31 7	60	—
26	- - -	4 5 0	- - -	5 7	31 10	59½	—
October 3	- - -	4 5 0	- - -	5 7	32 0	59½	—
10	- - -	4 5 0	- - -	5 8	32 1	59½	—
17	- - -	4 5 0	- - -	5 8	32 2	59½	—
24	- - -	4 5 0	- - -	5 8	32 2	59½	—
31	- - -	4 5 0	- - -	5 8	31 10	59½	—
November 7	- - -	4 5 0	- - -	5 8	31 10	59½	—
14	- - -	4 5 0	- - -	5 8	31 10	59½	—
21	- - -	4 5 0	- - -	5 8	31 10	60	—
28	- - -	4 5 0	- - -	5 8	31 9	60½	—
December 5	- - -	4 5 0	- - -	5 8	31 4	61	—
12	- - -	4 5 0	- - -	5 8	30 7	61½	—
19	- - -	4 6 0	- - -	5 9	30 2	62	—
26	- - -	4 6 0	- - -	5 9	30 0	62½	—
1801							
January 2	- - -	4 6 0	- - -	5 8	29 8	62	—
9	- - -	4 6 0	- - -	5 8	30 7	61½	—
16	- - -	4 3 6	- - -	5 8	31 5	61½	—
23	- - -	4 3 6	- - -	5 8	31 6	61½	—
30	- - -	4 3 6	- - -	5 8	31 8	61½	—
February 6	- - -	4 3 0	- - -	5 8	31 10	60	—
13	- - -	4 3 0	- - -	5 8	31 10	61	—
20	- - -	- - -	- - -	5 9	31 2	61	—
27	- - -	4 4 0	- - -	5 10	31 7	60½	—
March 6	- - -	- - -	- - -	5 10	31 7	59½	—
13	- - -	- - -	- - -	5 10	31 9	58	—
20	- - -	4 2 6	- - -	- - -	31 7	57	—
27	- - -	4 2 6	- - -	- - -	31 6	55½	—
April 3	- - -	4 2 6	- - -	- - -	31 5	54½	—
10	- - -	4 2 6	- - -	- - -	31 4	54	—
17	- - -	4 3 0	- - -	5 11	31 4	54	—
24	- - -	4 3 0	- - -	5 11	31 6	55	—
May 1	- - -	4 3 0	- - -	5 11	31 6	56	—
8	- - -	- - -	- - -	5 11	31 9	57	—
15	- - -	4 3 6	- - -	5 10	31 9	58	—
22	- - -	4 3 6	- - -	5 10	31 7	59	—
29	- - -	- - -	- - -	5 10	30 10	60	—
June 5	- - -	4 6 0	- - -	5 10	31 3	61½	—
12	- - -	- - -	- - -	5 10	31 4	62	—
19	- - -	- - -	- - -	5 10	31 5	62	—
26	- - -	- - -	- - -	5 10	31 9	62	—
July 3	- - -	- - -	- - -	5 10	31 6	62	—
10	- - -	- - -	- - -	5 10	31 8	62½	—
17	- - -	- - -	- - -	5 10	31 5	62½	—
24	- - -	- - -	- - -	5 10	31 3	61½	—
31	- - -	- - -	- - -	5 10	31 3	61½	—
August 4	- - -	- - -	- - -	5 10	31 4	62	—
11	- - -	- - -	- - -	5 10	31 5	63	—
18	- - -	- - -	- - -	5 10	31 7	64	—
25	- - -	- - -	- - -	5 10	31 6	64½	—
September 1	- - -	- - -	- - -	5 10	31 7	65½	—
8	- - -	- - -	- - -	5 10	31 9	66½	—
15	- - -	- - -	- - -	5 10	31 7	66½	—
22	- - -	- - -	- - -	- - -	31 8	66½	—
29	- - -	- - -	- - -	- - -	31 6	66½	—
October 6	- - -	- - -	- - -	5 10	32 6	67½	—
13	- - -	- - -	- - -	- - -	32 10	68½	—
20	- - -	- - -	- - -	5 9	32 8	68½	—
27	- - -	- - -	5 11	5 9	32 4	68	—

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 2 Usance.
1801							
November - 3	£ s. d.	£ s. d.	s. d.	s. d.	32 6	67 ½	—
10	-	-	5 1	5 9	32 5	67 ½	—
13	-	-	5 11	5 9	31 11	67 ½	—
20	-	-	-	5 9	32 1	67 ½	—
27	-	-	-	5 10 ½	32 2	67 ½	—
December - 4	-	-	-	5 10 ½	31 6	67 ½	—
11	-	4 3 6	-	5 10 ½	31 0	66 ½	—
18	-	4 3 6	-	5 10 ½	32 0	66 ½	—
25	-	4 3 6	-	5 10 ½	31 11	66 ½	—
1802.							
January - 1	-	-	-	5 10 ½	32 2	66 ½	—
8	-	4 3 6	-	5 10 ½	32 0	66 ½	—
15	-	4 3 6	-	5 10 ½	32 0	66 ½	—
22	-	-	-	-	32 0	67 ½	—
February - 5	-	4 3 6	5 11 ½	5 9	32 1	67 ½	—
12	-	4 3 6	5 11 ½	5 9	32 0	68 ½	—
19	-	4 3 6	5 11 ½	5 9	32 2	68 ½	—
26	-	4 3 6	5 11 ½	5 9	32 3	68 ½	—
March - 5	-	4 3 6	5 11 ½	5 9	32 3	68 ½	—
12	-	4 3 6	5 11 ½	5 8	32 4	69 ½	—
19	-	4 3 6	-	5 8	32 4	69 ½	—
26	-	4 3 6	-	5 8	32 7	71 ½	23 10
April - 2	-	-	5 9 ½	5 7	33 4	71 ½	24 3
9	-	-	5 9 ½	5 7	33 1	71 ½	24 3
16	-	-	5 9 ½	5 7	33 0	71 ½	23 14
23	-	-	5 9 ½	5 7	32 9	70 ½	23 10
30	-	-	5 9 ½	5 7	32 7	69 ½	23 13
May - 7	-	-	-	5 7	32 7	69 ½	23 13
14	-	-	5 9 ½	5 7	32 7	69 ½	23 13
21	-	-	5 9 ½	5 7	32 7	68 ½	23 10
28	-	-	5 9 ½	5 7	32 10	67 ½	23 10
June - 4	-	-	5 9 ½	5 7	32 11	67 ½	23 16
11	-	-	-	-	33 1	67 ½	23 13
18	-	-	-	-	33 4	67 ½	23 15
25	-	-	5 7	5 4 ½	33 3	67 ½	23 15
July - 2	-	-	-	-	33 3	67 ½	23 17
9	-	-	-	-	33 2	67 ½	23 17
16	-	-	5 5 ½	5 3	33 3	67 ½	23 14
23	-	-	5 6 ½	5 4	33 2	67 ½	23 12
30	-	-	5 6 ½	5 4	33 0	67 ½	23 13
August - 6	-	-	5 6 ½	5 4	32 11	67 ½	23 13
13	-	-	5 6 ½	5 4	33 2	67 ½	23 12
20	-	-	5 6 ½	5 3 ½	33 2	67 ½	23 10
27	-	-	5 6 ½	5 3 ½	33 2	67 ½	23 8
September - 3	-	-	5 6 ½	5 3 ½	33 3	67 ½	23 10
10	-	-	5 6 ½	5 3 ½	33 3	67 ½	23 10
17	-	-	5 6 ½	5 3 ½	33 3	67 ½	23 11
24	-	-	5 6 ½	5 3 ½	33 5	67 ½	23 12
October - 1	-	-	5 6 ½	5 3 ½	33 5	67 ½	23 11
8	-	-	5 6 ½	5 3 ½	33 5	68 ½	23 11
15	-	-	5 6 ½	5 3 ½	33 4	68 ½	23 15
22	-	-	5 6 ½	5 3 ½	33 4	68 ½	23 15
29	-	-	5 6 ½	5 3 ½	33 5	68 ½	23 17
November - 5	-	-	5 6 ½	5 3 ½	33 8	68 ½	23 17
12	-	-	5 6 ½	5 3 ½	33 8	68 ½	23 17
19	-	-	-	-	33 9	67 ½	23 18
26	-	-	5 7	5 4 ½	33 10	67 ½	24 6
December - 3	-	-	5 7	5 4 ½	34 0	67 ½	24 8
10	-	-	5 7	5 4 ½	34 1	67 ½	24 10
17	-	-	5 7	5 4 ½	34 7	67 ½	24 10
24	-	-	5 7	5 4 ½	34 7	67 ½	24 11
31	-	-	5 7	5 4 ½	34 0	67 ½	24 7

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 1 Day's Date.
1803.							
January - 7	£ s. d.	£ s. d.	s. d.	s. d.	34 2	67 ½	24 4
14	-	-	5 7	5 4 ½	34 3	67 ½	24 8
21	-	-	5 7	5 4 ½	34 3	67 ½	24 8
28	-	-	5 7	5 4 ½	34 3	68 ½	24 8
February - 4	-	-	5 7	5 4 ½	34 3	68 ½	24 8
11	-	-	5 7 ½	5 5	34 3	68 ½	24 8
18	-	-	-	-	34 3	67 ½	24 8
25	-	-	5 7 ½	5 5	34 4	68 ½	24 8
March - 4	-	-	5 7 ½	5 5	34 6	67 ½	24 12
11	-	-	5 7 ½	5 5	34 10	67 ½	24 16
18	-	-	5 7 ½	5 5	34 10	66 ½	24 18
25	-	-	5 8	5 5 ½	34 8	66 ½	24 16
April - 1	-	-	5 8	5 5 ½	34 8	66 ½	24 16
8	-	-	5 8	5 5 ½	34 5	66 ½	24 14
15	-	-	5 8	5 5 ½	34 2	66 ½	24 9
22	-	-	5 8	5 5	34 4	66 ½	24 9
29	-	-	-	-	34 4	66 ½	24 7
May - 6	-	-	5 8	5 5 ½	34 5	66 ½	24 4
13	-	-	5 8	5 5 ½	34 4	66 ½	24 9
20	-	-	5 8	5 5 ½	34 3	66 ½	24 9
27	-	-	-	-	34 1	64	24 9
June - 3	-	-	-	-	34 3	62	24 9
10	-	-	-	-	34 6	60	24 9
17	-	-	-	-	34 9	60	24 9
24	-	-	-	-	34 9	60	24 11
July - 1	-	-	-	-	34 4	60	24 13
8	-	-	-	-	34 4	60	24 13
15	-	-	-	-	34 2	60	24 13
22	-	-	5 5	5 2 ½	34 0	60 ½	24 13
29	-	-	5 5	5 2 ½	34 0	61	24 13
August - 5	-	-	-	-	33 6	61 ½	24 8
12	-	-	5 6	5 3	33 3	62	24 0
19	-	-	5 6	5 3 ½	32 10	62	24 0
26	-	-	-	-	32 10	63	23 16
September - 2	-	-	5 6	5 3 ½	32 10	63 ½	23 16
9	-	-	5 6	5 3 ½	33 4	63 ½	23 16
16	-	-	5 6	5 3 ½	33 8	63	23 18
23	-	-	5 6	5 3 ½	33 6	63	24 0
30	-	-	5 6 ½	5 4	34 0	63	24 4
October - 7	-	-	5 7	5 4 ½	34 5	62 ½	24 6
14	-	-	5 7	5 4 ½	34 5	62	24 6
21	-	-	-	-	34 10	60	24 7
28	-	-	5 7 ½	5 5	34 10	60	24 10
November - 4	-	-	5 7 ½	5 5	34 4	60	24 10
11	-	-	5 7 ½	5 5	34 7	60	24 14
18	-	-	5 8	5 5 ½	34 8	60 ½	24 18
25	-	-	5 8	5 5 ½	34 10	61	24 18
December - 2	-	-	5 8	5 5 ½	35 0	61 ½	24 18
9	-	-	-	-	34 9	62 ½	25 2
16	-	-	5 8 ½	5 6	34 10	62 ½	25 2
23	-	-	5 8 ½	5 6	34 10	62	25 2
30	-	-	5 8 ½	5 6	34 10	62	25 2
1804.							
January - 6	-	-	5 8 ½	5 6	35 0	62	25 2
13	-	-	-	-	34 8	62	25 2
20	-	-	-	-	34 8	62	24 16
27	-	-	-	-	34 8	62	24 16
February - 3	-	-	-	-	34 8	62	24 14
10	-	-	-	-	34 6	62	24 14
17	-	-	-	-	34 4	62	24 14
24	-	-	-	-	34 8	62	24 14
March - 2	-	-	-	-	35 0	62	24 18
9	-	-	-	-	35 0	61 ½	24 18

C 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburgh, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date. Rows include months from March 1804 to May 1805.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburgh, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date. Rows include months from June 1805 to August 1806.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 1 Day's Date.
	£ s. d.	£ s. d.	s. d.	s. d.			
1806.							
August - 19	-	-	-	5 5	34 5	61½	24 7
26	-	-	-	5 5	34 5	61½	24 7
September 2	-	-	-	5 5	34 4	61½	24 2
9	-	-	-	5 5	34 3	61½	24 2
16	-	-	-	5 5	34 3	61½	24 2
23	-	-	-	5 4	34 1	61½	24 2
30	-	-	-	5 4	34 0	61½	24 0
October 7	-	-	-	5 5	34 0	61½	24 0
14	-	-	-	5 5	33 6	61½	24 0
21	-	-	-	5 5	33 5	62	24 0
28	-	-	-	5 5	33 5	62	24 0
November 4	-	-	-	5 5	33 10	62	24 0
11	-	-	-	5 5	34 4	62	24 0
18	-	-	-	5 5½	34 8	62	24 2
25	-	-	-	5 5½	34 8	62	24 2
December 2	-	-	-	5 5½	34 8	62	24 8
9	-	-	-	5 5½	34 8	61½	24 8
16	-	-	-	5 5½	34 8	61½	24 8
23	-	-	-	5 5½	34 8	61½	24 10
30	-	-	-	5 5½	34 8	61½	24 10
1807.							
January 2	-	-	-	5 5½	34 8	61½	24 10
9	-	-	-	5 5½	34 8	61½	24 10
16	-	-	-	5 5½	34 8	61½	24 10
23	-	-	-	5 5½	34 8	61½	24 10
30	-	-	-	5 6½	34 8	61½	24 10
February 6	-	-	-	5 8	34 8	61½	24 10
13	-	-	-	5 8	34 8	61½	24 10
20	-	-	-	5 8	34 10	63	24 10
27	-	-	-	5 8	34 10	63	24 10
March 6	-	-	-	5 8	34 10	63	24 10
13	-	-	-	5 6½	34 10	63	24 10
20	-	-	-	5 6½	34 10	63	24 10
31	-	-	-	5 6½	34 10	63	24 10
April 7	-	-	-	5 6	34 10	63½	24 10
14	-	-	-	5 6	34 10	63½	24 10
21	-	-	-	5 6	34 10	65	24 10
28	-	-	-	5 5	34 10	65	24 10
May 5	-	-	-	5 5	34 10	65	24 10
12	-	-	-	5 5	34 10	65	24 12
19	-	-	-	5 5	34 10	65	24 12
26	-	-	-	5 5	34 10	65	24 10
June 2	-	-	-	5 6	34 8	65	24 10
9	-	-	-	5 6	34 8	65	24 10
16	-	-	-	5 6	34 8	64½	24 10
23	-	-	-	5 6	34 8	64	24 10
30	-	-	-	5 5	34 5	64	24 10
July 7	-	-	-	5 5	34 3	63½	24 10
14	-	-	-	5 5	34 5	63½	24 6
21	-	-	-	5 5	34 8	63½	24 6
28	-	-	-	5 5	34 8	64½	24 8
August 4	-	-	-	5 5	34 8	64½	24 8
11	-	-	-	5 5	34 8	64½	24 8
18	-	-	-	5 5	34 4	64½	24 6
25	-	-	-	5 5	34 2	64½	24 6
September 1	-	-	-	5 5	34 2	64½	24 6
8	-	-	-	5 5	34 2	64½	24 6
15	-	-	-	5 5	34 2	64	24 6
22	-	-	-	5 5	34 2	64	24 6
29	-	-	-	5 5	34 2	64	24 6
October 6	-	-	-	5 5	34 4	62	24 6
13	-	-	-	5 5	34 4	62	24 6
20	-	-	-	5 5	34 4	62	24 6
27	-	-	-	5 5	34 4	60	24 6
November 4	-	-	-	5 5	34 4	60	23 18
11	-	-	-	5 5	34 6	60	23 18

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 1 Day's Date.
	£ s. d.	£ s. d.	s. d.	s. d.			
1807.							
November - 20	-	-	-	5 5	34 4	60	24 0
27	-	-	-	5 5	34 4	60	24 0
December - 4	-	-	-	5 5	34 4	60	24 0
11	-	-	-	5 5	34 4	60	24 0
18	-	-	-	5 4½	34 4	60	24 0
25	-	-	-	5 4½	34 4	60	24 0
1808.							
January - 1	-	-	-	5 4½	34 4	60	24 0
8	-	-	-	5 4½	34 4	60	24 0
15	-	-	-	5 4½	34 4	60	23 6
22	-	-	-	5 3	34 4	60	23 6
29	-	-	-	5 3	34 4	60	23 6
February - 5	-	-	-	5 2	34 4	60	23 6
12	-	-	-	5 3	34 4	60	23 6
19	-	-	-	5 3	34 6	60	23 6
26	-	-	-	5 3	34 6	60	23 6
March - 2	-	-	-	5 3	34 6	60	23 9
9	-	-	-	5 3	34 6	60	23 6
16	-	-	-	5 3	34 6	60	23 6
23	-	-	-	5 3	34 6	60	23 9
30	-	-	-	5 3	34 6	60	23 9
April - 1	-	-	-	5 3	34 6	60	23 9
8	-	-	-	5 3	34 6	60	23 9
15	-	-	-	5 3	34 6	60	23 16
22	-	-	-	5 3	34 9	60	23 16
29	-	-	-	5 3	34 9	60	23 16
May - 6	-	-	-	5 3	34 9	60	23 16
13	-	-	-	5 3	34 9	60	23 16
20	-	-	-	5 3	34 9	60	23 16
27	-	-	-	5 3	34 9	60	23 16
June - 3	-	-	-	5 3	34 9	60	23 16
10	-	-	-	5 3	34 9	60	23 16
17	-	-	-	5 3	34 9	60	23 16
24	-	-	-	5 3	34 9	60	23 16
July - 1	-	-	-	5 3	35 3	60	23 16
8	-	-	-	5 3	35 5	60	23 16
15	-	-	-	5 3	35 5	60	23 16
22	-	-	-	5 3	35 5	60	23 16
29	-	-	-	5 3	35 5	60	23 16
August - 5	-	-	-	5 3	35 2	60	23 16
12	-	-	-	5 3	35 2	60	23 16
19	-	-	-	5 3	35 2	60	23 16
26	-	-	-	5 5	35 2	60	23 16
September 2	-	-	-	5 5	34 8	60	23 4
9	-	-	-	5 5	34 8	60	23 4
16	-	-	-	5 5	34 8	60	23 4
23	-	-	-	5 3	34 2	68	23 4
30	-	-	-	5 3	33 9	68	23 4
October 7	-	-	-	5 3	33 9	68	22 16
14	-	-	-	5 4	33 0	68	22 16
21	-	-	-	5 4½	33 0	68	22 16
28	-	-	-	5 4½	33 0	68	22 16
November - 4	-	-	-	5 4½	32 9	68½	22 16
11	-	-	-	5 4½	31 3	68½	21 16
18	-	-	-	5 4½	31 6	68½	21 16
25	-	-	-	5 4½	32 0	68½	22 4
December - 2	-	-	-	5 7	32 4	68½	22 4
9	-	-	-	5 7	32 4	69	22 4
16	-	-	-	5 7	32 4	69	22 4
23	-	-	-	5 7	31 2	69	22 4
30	-	-	-	5 5	31 3	69	22 4
1809.							
January - 3	-	-	-	5 5	31 3	69	22 4
10	-	-	-	5 5½	31 3	68	22 4
17	-	-	-	5 5½	31 3	67	22 4

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 1 Day's Date.
	£ s. d.	£ s. d.	s. d.	s. d.			
1809.							
January - 24	-	-	-	5 6	31 3	67	22 4
31	-	-	-	-	31 3	67	22 4
February - 7	-	-	-	-	31 3	67	22 4
14	-	-	-	-	31 3	67	20 19
21	-	-	-	-	31 0	67	20 19
28	-	4 10 0	-	5 3	31 0	63	20 19
March - 7	-	-	-	-	31 0	60	20 19
14	-	4 10 0	-	-	31 0	60	20 19
21	-	-	-	-	31 0	60	20 19
28	-	-	-	-	31 0	62	20 19
April - 4	-	4 11 0	-	5 5	31 0	63	20 19
11	-	4 11 0	-	-	31 0	63	20 19
18	-	-	-	-	31 0	63	20 19
25	-	4 11 0	-	5 4	30 6	63	20 19
May - 2	-	4 11 0	-	5 4	30 6	63	20 19
9	-	4 11 0	-	5 4½	29 6	63	20 19
16	-	4 11 0	-	5 5	29 6	61	20 1
23	-	-	-	-	29 6	62	20 1
June - 6	-	-	-	-	29 6	64	20 1
13	-	-	-	-	29 0	65	20 1
20	-	-	-	-	28 6	65	20 1
27	-	-	-	5 5½	28 6	66	20 1
July - 4	-	-	-	5 6	28 6	67	20 1
11	-	-	-	5 7	28 10	67	20 1
18	-	-	-	5 7	29 4	68	20 1
25	-	-	-	5 7	29 4	69	20 1
August - 1	-	-	-	-	29 4	68	20 1
8	-	-	-	-	29 4	69	20 1
15	-	-	-	5 5½	29 4	67	20 1
22	-	-	-	5 5	29 0	67	20 1
29	-	-	-	5 5	29 0	67	20 1
September - 5	-	-	-	5 6	29 0	67	20 1
12	-	-	-	-	29 0	66½	20 1
19	-	-	-	-	29 0	65	20 1
26	-	-	-	5 6½	29 0	65	20 1
October - 3	-	-	-	-	29 0	66	20 1
10	-	-	-	-	29 0	66	20 1
17	-	-	-	5 5	29 0	66	20 1
24	-	-	-	-	28 6	66	20 1
31	-	-	-	5 7	28 6	66	19 6
November - 7	-	-	-	5 7	28 6	65	19 6
14	-	-	-	-	28 8	65	19 16
21	-	-	-	5 7	28 10	65	19 16
28	-	-	-	-	29 6	65	19 16
December - 5	-	-	-	-	29 6	65	19 16
12	-	-	-	5 5	29 6	65	19 16
19	-	-	-	5 5	29 6	65	19 16
26	-	-	-	5 5	29 6	64	19 16
1810.							
January - 2	-	-	-	5 5	29 3	64	19 16
9	-	-	-	5 5½	28 9	64	19 16
16	-	-	-	-	28 9	65	19 16
23	-	-	-	-	28 9	65	19 16
30	-	-	-	5 7	28 6	65	19 6
February - 6	-	-	-	-	28 6	65	19 6
13	-	-	-	5 6	28 6	65½	19 10
20	-	-	-	5 6	28 4	65½	19 10
27	-	-	-	5 6	29 0	65½	19 16
March - 6	-	-	-	5 6½	29 4	65½	19 16
13	-	-	-	-	28 10	65½	19 16
20	-	-	-	5 6½	28 10	65½	19 18
27	-	-	-	5 6½	29 6	65½	20 11

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 1 Day's Date.
	£ s. d.	£ s. d.	s. d.	s. d.			
1810.							
April - 3	-	-	-	-	31 0	66½	21 16
10	-	-	-	-	31 0	66½	21 11
17	-	-	-	5 7	31 0	66½	21 11
24	-	-	-	-	31 0	66½	21 11
May - 1	-	-	-	-	31 1	66½	21 11
8	-	-	-	5 7	31 0	67½	21 11
15	-	-	-	-	31 0	67½	21 11
22	-	-	-	5 7½	31 0	67½	21 11
29	-	-	-	-	31 0	67½	21 11
June - 5	-	-	-	-	31 0	67½	21 16
12	-	-	-	5 8	31 2	67½	21 16
19	-	-	-	-	31 0	68½	21 6
26	-	-	-	-	31 0	68½	21 1
July - 3	-	-	-	-	30 2	68½	21 1
10	-	-	-	-	30 2	68½	20 16
17	-	-	-	5 8½	30 2	68½	20 16
24	-	-	-	5 8½	30 2	68½	21 1
31	-	-	-	-	30 4	68½	21 1
August - 7	-	-	-	-	30 6	68	21 4
14	-	-	-	-	30 6	68	21 4
21	-	-	-	5 8½	30 9	68	21 6
28	-	-	-	5 8½	30 9	68	21 6
September - 4	-	-	-	-	31 0	68	21 6
11	-	-	-	5 8½	31 0	68	21 6
18	-	-	-	5 8½	31 6	68	21 8
25	-	-	-	5 8½	31 9	67½	21 8
October - 2	-	-	-	5 8½	31 6	67	21 8
9	4 5 0	-	-	5 8½	31 0	67	21 8
16	4 5 0	-	-	5 8½	30 10	67	21 8
23	-	-	-	-	30 2	67	20 16
30	-	-	-	-	30 2	65	20 16
November - 6	4 4 6	-	-	5 9	29 4	64	20 6
13	-	-	-	-	28 6	64	20 2
20	-	-	-	-	28 6	64	20 2
27	-	-	-	-	28 6	64	20 2
December - 7	-	-	-	-	28 6	64	20 2
14	-	-	-	5 8½	28 6	64	20 2
21	-	-	-	-	28 6	64	20 2
28	-	-	-	5 8½	26 6	65½	19 8
1811.							
January - 1	-	-	-	-	26 6	66	19 8
8	-	-	-	-	26 6	66	19 8
15	-	-	-	5 9	26 6	66	19 8
22	4 7 6	-	-	5 11½	26 0	66½	19 4
29	-	-	-	5 11½	26 0	66½	19 4
February - 5	-	-	-	5 10	26 0	66½	19 4
12	4 12 0	-	-	5 10	25 6	66½	17 16
19	-	-	-	5 10½	25 0	67	17 16
26	-	-	-	5 11½	25 0	67	17 16
March - 5	-	4 13 6	-	-	25 0	67½	17 16
12	-	-	-	-	24 0	67½	17 16
19	-	-	-	-	24 0	67½	17 16
26	4 16 0	-	-	-	24 0	67½	17 16
April - 2	-	-	-	6 2	23 6	67½	17 6
9	-	-	-	6 2	23 6	67½	17 6
16	-	-	-	6 2	23 6	67½	17 6
23	-	-	-	6 0	23 6	67½	17 6
30	-	-	-	6 1	24 0	69	17 16
May - 7	-	4 16 0	-	6 1	24 0	69	17 16
14	-	4 16 0	-	6 1	24 0	69	17 16
21	-	-	-	6 1	24 0	69	17 16
28	-	-	-	6 0½	24 0	68½	17 16
June - 4	-	-	-	6 1	24 0	67½	17 16
11	-	-	-	6 1	24 0	67½	17 16

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—*continued.*

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date. Data spans from 1813 to 1814.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date. Data spans from 1815 to 1816.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 1 Day's Date. Rows include months from February 1816 to April 1817.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

Table with columns: DATE, Price of Standard Gold in Bars per Ounce, Price of Foreign Gold in Coin per Ounce, Price of Standard Silver per Ounce, Price of Spanish Dollars per Ounce, Course of Exchange with Hamburg, 2 1/2 Usances, Course of Exchange with Lisbon, Course of Exchange with Paris, 3 Day's Date. Rows include months from May 1817 to July 1818.

C. 1.—Weekly Account of the Market Prices of Gold, &c.—continued.

DATE.	Price of Standard Gold in Bars per Ounce.	Price of Foreign Gold in Coin per Ounce.	Price of Standard Silver per Ounce.	Price of Spanish Dollars per Ounce.	Course of Exchange with Hamburg, 2½ Usances.	Course of Exchange with Lisbon.	Course of Exchange with Paris, 3 Days Date.
	£ s. d.	£ s. d.	s. d.	s. d.			
1818.							
July - 21	-	-	5 5	5 6	34 3	59	24 20
28	4 1 6	-	5 5	-	34 3	59	24 20
August - 4	-	-	5 5	5 5½	34 2	58½	24 20
11	4 1 6	4 1 6	5 5	5 5	34 6	58½	24 35
18	-	-	5 5	5 5	34 6	58½	24 35
25	-	-	5 5	5 5	34 6	58½	24 40
September - 1	-	-	5 4½	-	35 1	58	24 90
8	-	-	-	-	35 2	57½	25 0
15	4 0 0	4 0 0	5 4	5 3½	34 10	57½	24 70
22	-	-	-	5 4	34 10	58	24 70
29	4 1 6	-	5 4½	-	34 8	58	24 70
October - 6	4 2 0	-	5 4½	5 4½	34 8	58	24 70
13	-	-	5 4½	5 4½	34 6	58	24 60
20	4 1 6	-	5 4½	5 4½	34 3	58	24 50
27	-	4 1 6	5 4½	-	34 2	58	24 45
November - 3	-	-	5 4½	5 4½	34 0	58½	23 70
10	-	-	-	5 5	33 8	58½	23 65
17	-	-	-	5 6	33 8	58½	23 65
24	-	-	-	-	33 8	58½	23 65
December - 1	-	-	5 6	-	34 2	58	24 0
8	-	-	-	-	34 2	58½	24 0
15	4 1 0	-	5 5	5 4½	34 0	58	23 90
22	-	-	-	-	34 0	58	23 90
29	-	-	5 5½	5 5	33 8	58	23 65
1819.							
January - 1	-	-	5 5½	-	33 8	58	23 50
8	4 3 0	4 3 0	5 5½	5 5½	33 9	58	23 60
15	-	-	5 5½	-	33 9	58	23 50
22	4 3 0	-	-	-	33 9	58	23 50
29	-	-	5 7	5 9	33 7	58	23 50
February - 5	-	-	5 7	5 9	33 7	58	23 50
12	-	-	5 7	5 7	33 8	58	23 80
19	4 1 0	-	5 7	5 7	33 11	58	23 85
23	-	-	5 7	-	34 0	58	23 85
March - 2	4 1 6	-	-	5 6	34 0	58	23 70
9	4 1 6	-	5 6	-	34 1	58	23 80
16	-	-	-	5 5	34 2	57½	23 80
23	4 1 0	4 1 0	5 6	-	34 4	57½	23 80
30	4 1 0	-	-	-	34 4	57½	23 95
April - 6	-	-	5 6	5 5	34 4	57	23 95
9	-	-	5 6	5 5	34 4	57	23 95

Mint Office,
9th April 1819.

JA^s W. MORRISON,
Deputy Master and Worker.

APPENDIX, C. 2.

AN ACCOUNT of the Price of GOLD and SILVER at Hamburg.

	Gold.	Silver.	Exchange at Two Months.		Gold.	Silver.	Exchange at Two Months.
1814.				1815—continued.			
May - 10	-	9 -	27 5	September - 1	100½	27 12	31 7
June - 5	-	-	28 4	15	100½	27 12	32 0
14	97½	27 7	26 4	October - 3	100½	27 12	32 3
July - 1	97	27 8	29 0	17	99½	27 12	33 4
19	99	27 8	30 0	November - 3	99½	27 13	32 11
August - 2	99½	27 9	31 7	24	99½	27 13	33 3
16	99	27 9	31 10	December - 5	99½	27 14	33 2
September - 2	99½	27 9	31 2	15	99½	27 14	33 3
16	99	27 9	32 0				
October - 4	98½	27 10	31 6	1816.			
18	98½	27 10	31 6	January - 5	99½	27 14	33 7
November - 4	98½	27 11	30 9	19	99½	27 15	33 8
18	98½	27 11	30 11	February - 6	98½	27 12	33 6
December - 9	98½	27 10½	31 0	20	98½	27 12	33 6
16	98½	27 10½	31 0	March - 5	98½	27 13	33 7
30	98½	27 10½	31 0	15	99½	27 13	34 0
				April - 2	99½	27 13	34 0
1815.				19	99½	27 10½	34 5½
January - 10	98½	27 10	31 6	May - 3	99½	27 11	34 10 a 11
31	98½	27 10½	31 2	17	99½	27 11	34 4
February - 7	98½	27 10½	31 2	31	99½	27 10½	35 2
24	98½	27 11	31 3	June - 11	99½	27 10½	35 2
March - 7	98½	27 14	31 6	25	99½	27 11 a 11½	35 1
20	98½	28 2	31 6	July - 9	101	27 11	35 5
April - 4	102½	29 0	27 0	23	100½	27 10½	35 5
21	101	28 8	27 0	August - 2	100½	27 10½	35 6
May - 2	101½	28 4	26 10	13	100½	27 10	35 7½
23	100½	27 12	27 0	September - 3	100½	27 10½	35 9
June - 2	99½	27 15	26 11	20	101	27 11	35 1
16	99½	27 12	27 0	October - 1	102	27 11½	36 4
July - 4	100½	27 13	30 6	15	102	27 11½	36 7½
18	100	27 12	30 3	November - 1	99½	27 11	35 1
August - 4	99½	27 12	31 0	19	100½	27 11½	35 11
22	100	27 8	31 6	December - 3	99½	27 11½	35 8
				17	99½	27 11½	35 6

GOLD.—Per Ducat, valued in Banco Shillings, 16 to the Mark.

SILVER.—Mark Weight, valued in Banco Marks, 4 Shillings.

DUCAT is 23¼ Carats, Silver fine.

C. 2.—Account of the Price of Gold and Silver at Hamburgh—continued.

1817.				1818—continued.			
	Gold.	Silver.	Exchange at Two Months.		Gold.	Silver.	Exchange at Two Months.
January - 3	101 $\frac{3}{4}$	27 12 $\frac{1}{2}$	35 5	March - 3	99 $\frac{1}{8}$	27 15	33 1
14	100 $\frac{1}{2}$	27 11 $\frac{1}{2}$	34 8	17	99 $\frac{1}{2}$	27 15	33 1
February - 7	100 $\frac{1}{2}$	27 11 $\frac{1}{2}$	34 6	April - 3	99 $\frac{3}{4}$	28 2	33 0
18	100 $\frac{3}{4}$	27 11 $\frac{1}{2}$	34 7	21	100 $\frac{1}{8}$	28 2	33 1
March - 7	99 $\frac{1}{4}$	27 11	35 1	May - 1	100	28 5	33 1
18	99 $\frac{1}{4}$	27 12 $\frac{1}{2}$	35 2	19	99 $\frac{3}{4}$	28 8	32 11
April - 1	99 $\frac{1}{8}$	27 14	34 10	June - 2	99 $\frac{3}{4}$	28 7 $\frac{1}{2}$	33 2 $\frac{1}{2}$
18	99 $\frac{3}{8}$	27 15 a 28	34 5	16	99 $\frac{3}{8}$	28 6 a 7	33 3
May - 6	99	27 15 a 28	34 0	July - 3	99 $\frac{3}{4}$	28 7 a 8	33 3
20	98 $\frac{3}{4}$	27 14 $\frac{1}{2}$	34 1	17	99 $\frac{3}{4}$	28 9	33 4
June - 6	100	28 1	34 1	August - 4	99 $\frac{1}{2}$	28 9	33 5
20	99 $\frac{1}{4}$	28 1	34 0	18	99 $\frac{1}{4}$	28 6	33 7
July - 1	100	28 1	34 0	September - 1	100 $\frac{1}{2}$	27 7 $\frac{1}{2}$	33 8 $\frac{1}{2}$
15	99 $\frac{1}{4}$	28 a 27 15	33 10	15	100 $\frac{1}{4}$	27 10	33 10
August - 5	99	27 12 $\frac{1}{2}$	34 0	October - 2	101 $\frac{1}{2}$	29 2	33 1
19	99 $\frac{3}{4}$	27 12	34 0	20	99 $\frac{1}{2}$	28 3	33 2
September - 2	99	27 13	34 1	November - 3	99 $\frac{3}{4}$	28 4	33 0
19	98 $\frac{7}{8}$	27 14	34 0	17	99 $\frac{3}{8}$	28 5	32 3
October - 3	98 $\frac{7}{8}$	27 14	34 0	December - 1	98 $\frac{1}{4}$	28 5	32 6
24	98 $\frac{7}{8}$	27 14 $\frac{1}{2}$	33 10	15	98 $\frac{1}{2}$	28 6 a 7	32 9
November - 4	98 $\frac{3}{4}$	27 14	33 7	29	98 $\frac{1}{2}$	28 8	32 6
18	98 $\frac{3}{4}$	27 14	33 5 $\frac{1}{2}$				
December - 2	98 $\frac{3}{4}$	27 14	33 6				
16	99	27 14	33 4				
				1819.			
1818.				January - 5	98 $\frac{3}{4}$	28 8 a 6	23 3
January - 2	99	27 14	33 6	22	99 $\frac{1}{4}$	28 6	32 10
20	99 $\frac{7}{8}$	27 13	33 2	February - 5	99 $\frac{1}{4}$	28 12	32 6
February - 6	99	27 13	33 3	16	99 $\frac{1}{4}$	28 12	32 10 $\frac{1}{2}$
20	99 $\frac{1}{8}$	27 15	33 0	19	99 $\frac{1}{4}$	28 12	32 10

APPENDIX, C. 3.

RATES of the St. Petersburg Exchanges, with London, Amsterdam, and Hamburgh; and of the Value of the Silver Ruble in Bank Notes, between the Years 1812 and 1818 inclusive, distinguishing the highest and lowest Rates for each Quarter.

Years.	Quarters.	LONDON.		AMSTERDAM.		HAMBURGH.		Value of Silver Ruble.	
		Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
		Pence per Ruble.		Stivers per Ruble.		Shillings B. of per Ruble.		Cop ^{ts} B.N. per S. Ruble.	
1812	1st Quarter	17 $\frac{3}{4}$	14 $\frac{3}{8}$	12 $\frac{3}{4}$	10 $\frac{3}{8}$	11 $\frac{1}{2}$	9 $\frac{3}{8}$	408	386
	2d Do.	16	13 $\frac{3}{8}$	11 $\frac{3}{4}$	9 $\frac{3}{8}$	11 $\frac{1}{4}$	8 $\frac{7}{8}$	420	390
	3d Do.	24 $\frac{1}{2}$	16 $\frac{3}{8}$	17 $\frac{1}{4}$	12	16 $\frac{1}{2}$	11 $\frac{1}{2}$	413	325
	4th Do.	21 $\frac{3}{8}$	16	14 $\frac{1}{2}$	11 $\frac{1}{4}$	13 $\frac{1}{2}$	10 $\frac{3}{8}$	399	330
1813	1st Quarter	17 $\frac{1}{8}$	15 $\frac{3}{8}$	12 $\frac{3}{4}$	11 $\frac{3}{8}$	12	10 $\frac{3}{8}$	400	387
	2d Do.	16 $\frac{3}{8}$	15 $\frac{1}{2}$	12 $\frac{3}{4}$	10 $\frac{3}{8}$	11 $\frac{1}{4}$	9 $\frac{3}{8}$	398	388
	3d Do.	16 $\frac{3}{8}$	13 $\frac{1}{2}$	11	9 $\frac{3}{4}$	10	8 $\frac{3}{8}$	406	393
	4th Do.	16 $\frac{7}{8}$	13 $\frac{1}{2}$	11	9 $\frac{3}{4}$	10	9 $\frac{1}{2}$	406	398
1814	1st Quarter	13 $\frac{3}{8}$	13	10 $\frac{1}{2}$	10	—	—	402	394
	2d Do.	14 $\frac{9}{16}$	13	10 $\frac{3}{8}$	10	—	—	400	394
	3d Do.	12 $\frac{3}{4}$	10 $\frac{1}{4}$	10 $\frac{1}{2}$	9 $\frac{3}{4}$	9 $\frac{1}{2}$	8 $\frac{3}{8}$	398	388
	4th Do.	11 $\frac{1}{2}$	11 $\frac{1}{16}$	10 $\frac{9}{16}$	9 $\frac{3}{8}$	9 $\frac{3}{8}$	8 $\frac{3}{4}$	400	391 $\frac{1}{2}$
1815	1st Quarter	11 $\frac{1}{2}$	10 $\frac{7}{8}$	10 $\frac{1}{4}$	8 $\frac{1}{2}$	9 $\frac{3}{8}$	8 $\frac{1}{16}$	410	397
	2d Do.	11 $\frac{1}{8}$	10 $\frac{3}{8}$	8 $\frac{3}{4}$	7 $\frac{1}{4}$	8	6 $\frac{7}{8}$	485	424
	3d Do.	11 $\frac{1}{4}$	10	9 $\frac{9}{16}$	8 $\frac{7}{8}$	8 $\frac{3}{8}$	8 $\frac{3}{8}$	430	405
	4th Do.	10 $\frac{3}{4}$	9 $\frac{1}{4}$	9 $\frac{1}{16}$	9 $\frac{1}{16}$	9	8 $\frac{7}{8}$	429	405
1816	1st Quarter	10 $\frac{9}{16}$	9 $\frac{9}{16}$	10	9 $\frac{1}{16}$	9	8 $\frac{3}{8}$	415	401
	2d Do.	10 $\frac{3}{8}$	9 $\frac{3}{8}$	10 $\frac{1}{4}$	9 $\frac{7}{16}$	9	8 $\frac{3}{8}$	413	398
	3d Do.	9 $\frac{7}{8}$	9 $\frac{1}{16}$	10 $\frac{3}{16}$	9 $\frac{3}{8}$	8 $\frac{1}{2}$	8 $\frac{3}{8}$	409	398
	4th Do.	11 $\frac{1}{16}$	9 $\frac{3}{8}$	11 $\frac{1}{2}$	9 $\frac{3}{4}$	10 $\frac{1}{16}$	8 $\frac{1}{16}$	407	392
1817	1st Quarter	11 $\frac{1}{16}$	10 $\frac{1}{16}$	11 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{4}$	9 $\frac{7}{16}$	394	370
	2d Do.	10 $\frac{3}{16}$	10 $\frac{1}{4}$	11	10 $\frac{3}{8}$	9 $\frac{3}{4}$	9 $\frac{7}{16}$	388	370
	3d Do.	11 $\frac{3}{8}$	10 $\frac{1}{2}$	11	10 $\frac{3}{8}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$	389	379
	4th Do.	11 $\frac{1}{16}$	11 $\frac{1}{16}$	11	10 $\frac{1}{16}$	9 $\frac{1}{16}$	9 $\frac{3}{8}$	389	380
1818	1st Quarter	12 $\frac{1}{16}$	11 $\frac{3}{8}$	11 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{16}$	9 $\frac{3}{8}$	390	379
	2d Do.	11 $\frac{1}{16}$	11 $\frac{1}{16}$	10 $\frac{1}{16}$	10 $\frac{1}{2}$	9 $\frac{3}{16}$	9 $\frac{1}{16}$	380	377
	3d Do.	12 $\frac{1}{16}$	11 $\frac{9}{16}$	12 $\frac{1}{16}$	10 $\frac{3}{16}$	10 $\frac{7}{16}$	9 $\frac{1}{16}$	383 $\frac{3}{4}$	376
	4th Do.	12 $\frac{1}{16}$	11 $\frac{1}{16}$	12 $\frac{1}{8}$	11 $\frac{1}{16}$	10 $\frac{1}{16}$	9 $\frac{1}{16}$	375 $\frac{1}{2}$	370

APPENDIX, C. 4.

RELATIVE Value between Gold and Silver at different Periods, delivered in to the Committee by Mr. Page.

FROM the First Discovery of the Mines of South America, the relative Value between Gold and Silver has experienced a regular and progressive Alteration, and constantly in favour of Gold; that is, Gold as compared with Silver, has progressively increased in Value; and Silver as compared with Gold, has progressively decreased in Value.

During the Reign of Ferdinand and Isabella, viz. from 1474 to 1516, the relative Value between Gold and Silver in Spain was as 1 to 10 $\frac{1}{2}$; in the Year 1537, and during the Reign of Charles V. the relative Value was fixed as 1 to 10 $\frac{1}{2}$; during the Reign of Philip II. it was established as 1 to 12 $\frac{1}{2}$; during the Reign of Philip III. as 1 to 13 $\frac{1}{2}$; during the Reign of Charles II. as 1 to 15 $\frac{1}{2}$; and finally, on the 17th of July 1779, the relative Value of the Two Metals was fixed as 1 to about 16.

In the Year 1641, Louis XIII. of France issued an Edict which regulated the Proportion between Gold and Silver at the French Mints; and this Proportion was established as 1 to 13 $\frac{1}{2}$, with the View it appears to conform in this Respect to the Regulations of Foreign Countries, where the Proportions are stated to be as follow:

In Germany	-	-	-	-	as 1 to 12
In England	-	-	-	-	as 1 to 13 $\frac{1}{2}$
In the Netherlands	-	-	-	-	as 1 to 12 $\frac{1}{2}$
And in Spain	-	-	-	-	as 1 to 13 $\frac{1}{2}$

These Regulations lasted about a Century, when it again became necessary to alter them, and accordingly in the Year 1724 an Edict was issued, by which the Proportion between Gold and Silver at the French Mints was fixed as 1 to 14 $\frac{1}{2}$.

At the Time of this last Edict the Mint Regulations of England established the Proportion between Gold and Silver as 1 to about 15 $\frac{1}{2}$, and they have remained upon the same Footing till the late new Coinage.

The relative Value between Gold and Silver in different Parts of Europe in the Year 1780 stood as follows:

At Amsterdam	-	-	-	-	as 1 to 14.885
In France	-	-	-	-	as 1 to 14.581
In Spain	-	-	-	-	as 1 to 15.636
At Venice	-	-	-	-	as 1 to 14.779
At Genoa	-	-	-	-	as 1 to 14.915
At Leghorn	-	-	-	-	as 1 to 14.510
In England	-	-	-	-	as 1 to 15.189
At Hamburg	-	-	-	-	as 1 to 14.171

But in many of these Countries and Places, and particularly at Hamburg and Amsterdam, the Gold Coin as compared with Silver being permitted to be sold, and to obtain its Value in the Market, no permanent relative Value between the Two Metals was in fact or could be established.

From what I have stated it therefore appears, that if we except Spain, Gold as compared with Silver was dearer in England than in any other Part of Europe; and for a Country that takes Gold, and not Silver, for the Foundation of its Currency, this Dearness, or high Mint Price of Gold, is admirably adapted, because in no other Country of Europe, except Spain, could Gold command the same high Price that it did in England, and it therefore followed that no other Country was so likely to obtain and secure it.

APPENDIX, C. 5.

STATEMENT shewing what was paid at Vienna in Paper Currency for 300 Francs at Paris, at different Periods, from the 22d of February 1817 to 13th May 1818; and likewise afterwards what was paid at Vienna in Austrian Coin for the 300 Francs at Paris.

1817.	February	- 22	-	423	Florins Paper Currency	} During this Period Bills on Paris were bought at Vienna, payable in Paper Currency, and the highest Exchange was 447 and the lowest 285
	March	- 12	-	436 $\frac{1}{2}$		
		- 26	-	447		
	April	- 19	-	395		
		- 26	-	386		
	May	- 3	-	386		
		- 21	-	386		
	June	- 11	-	380		
	July	- 2	-	383		
	August	- 2	-	378 $\frac{3}{4}$		
	September	- 10	-	360		
	December	- 6	-	347		
1818.	January	- 17	-	348		} During this Period Bills on Paris were paid for at Vienna in Austrian Coin, and the highest Exchange was 113 and the lowest 112 $\frac{1}{4}$
		- 3	-	348		
	February	- 14	-	342		
		- 4	-	342 $\frac{3}{4}$		
	March	- 28	-	327		
		- 7	-	327		
		- 18	-	301		
	April	- 15	-	310 $\frac{3}{4}$		
		- 29	-	302		
	May	- 6	-	290		
		- 13	-	285		
	August	- 26	-	112 $\frac{3}{4}$	Florins Austrian Coin	
		- 29	-	113		
	September	- 2	-	113		
		- 9	-	112 $\frac{3}{4}$		
	October	- 14	-	112 $\frac{1}{2}$		
	November	- 28	-	112 $\frac{1}{2}$		
	December	- 2	-	112 $\frac{3}{4}$		
		- 16	-	113		

10th March 1819.

W. HALDIMAND.

APPENDIX, C. 6.

STATEMENT shewing the Value of 100 SILVER FLORINS at Vienna in Austrian Paper Currency, during the Years 1815, 1816, 1817, and 1818.

1815	January	11	272½	in Paper Currency.
		28	303½	
	February	1	321½	
		25	267½	
	March	4	266½	
		29	392¾	
	April	19	488½	
		29	392½	
	May	6	392½	
		20	408¾	
	June	7	413	
		21	463¾	
	July	1	417	
		26	315	
	August	9	348	
		16	330	
	September	2	337	
		20	344	
	October	28	352	
	November	8	374	
	December	6	351	
		30	375	
1816	January	27	373	
	February	28	362	
	March	9	339	
		30	321	
	April	3	335	
		24	347	
	May	8	363	
		25	331	
	June	1	317	
		21	269	
	July	17	280	
	August	28	295	
	September	6	320	
		28	311	
	October	16	325	
		30	317	
	November	29	329	
	December	11	355	
		14	342	
1817	February	19	352½	
	March	12	373½	
		29	385	
	April	5	373½	
		26	329½	
	May	3	330	
		7	322	
	June	11	325	
		21	330	
	July	2	328	
		9	325	

C. 6.—Statement shewing the Value of 100 Silver Florins at Vienna, &c.—continued.

1817	August	13	320	in Paper Currency.
		23	308	
	September	10	307	
		13	305	
	October	1	300	
		18	275	
	November	5	297	
	December	27	298	
1818	January	14	298	
		28	295	
	February	7	292	
		21	282	
	March	4	280	
		18	260	
	April	29	260	
	May	6	251	
		13	257	
	August	26		

From this Period Bills were negotiated at Vienna, payable either in Paper or in Coin, in the following Proportion:

		226	in Paper Currency, or	98½	in Austrian Coin.
	September 2	223		98½	
		19	233½		98¼
	October 14	233½		97	
	November 28	252		99¾	
	December 2	249¾		99¾	
		12	247		99½

252 the highest Exchange 99¾
223 the lowest Do. 97

Difference 29 or 12 per Cent. } { 2¾ per Cent. Difference paying
paying in Paper Currency. } { in Coin.

London, }
10th March 1819. }

WM. HALDIMAND.

APPENDIX, C. 7.

FLUCTUATIONS of the EXCHANGES at PARIS, with London, St. Petersburg, Vienna, Amsterdam, and Hambro', during the Years 1815, 1816, 1817, and 1818.

1815.	London, 1 m.	St. Petersburg, 3 m.	Vienna, 1 m.	Amsterdam, 1 m.	Hambro', 1 m.	Gold Premium.
January	23 70	105	No Quotations at Paris.	56 $\frac{1}{2}$	187 $\frac{1}{2}$	$\frac{1}{4}$ per Mil.
February	21 85	105		56 $\frac{1}{2}$	184	Do.
March	21 90	105		56 $\frac{1}{2}$	184	Do.
April	19 60	105		56 $\frac{1}{2}$	183 $\frac{1}{2}$	Do.
May 23d	18 —	105		56 $\frac{1}{2}$	184 $\frac{1}{2}$	Do.
June	18 25	105		59 $\frac{1}{2}$	175	Do.
July	20 50	105		57 $\frac{1}{2}$	182	Do.
August	21 45	105		57 $\frac{1}{2}$	182	Do.
September	21 05	—		57 $\frac{1}{2}$	183	$\frac{1}{2}$ per Mil.
October	22 75	—		57 $\frac{1}{2}$	185	Do.
November	23 45	94		56 $\frac{1}{2}$	185 $\frac{1}{2}$	1 per Mil.
December	23 55	95		258	56 $\frac{1}{2}$	188 $\frac{1}{2}$
<hr/>						
1816.						
January	23 65	100	258	56 $\frac{1}{2}$	187 $\frac{1}{2}$	$\frac{1}{2}$ per Mil.
February	24 10	102	258	56 $\frac{1}{2}$	191	$\frac{2}{3}$ per Mil.
March	24 20	104	260	56 $\frac{1}{2}$	190 $\frac{1}{2}$	3 per Mil.
April	24 55	103	260	56 $\frac{1}{2}$	192	7 per Mil.
May	24 80	102	259	56 $\frac{1}{2}$	190 $\frac{1}{2}$	4 per Mil.
June	24 80	101 $\frac{1}{2}$	258 $\frac{1}{2}$	56 $\frac{1}{2}$	189 $\frac{1}{2}$	Do.
July	24 90	103	258	57 $\frac{1}{2}$	188 $\frac{1}{2}$	Do.
August	25 35	103	258	56 $\frac{1}{2}$	189	6 per Mil.
September	25 30	104	257 $\frac{1}{2}$	57 $\frac{1}{2}$	187 $\frac{1}{2}$	10 per Mil.
October 17th	25 70	103	255	57 $\frac{1}{2}$	186 $\frac{1}{2}$	5 per Mil.
November	25 35	100	253	57	186 $\frac{1}{2}$	2 per Mil.
December	25 10	96	253 $\frac{1}{2}$	57 $\frac{1}{2}$	186 $\frac{1}{2}$	Do.
<hr/>						
1817.						
January	25 10	104	252	57 $\frac{1}{2}$	186 $\frac{1}{2}$	1 per Mil.
February	24 70	110	252	57 $\frac{1}{2}$	186 $\frac{1}{2}$	Do.
March	24 85	112	257	57 $\frac{1}{2}$	188 $\frac{1}{2}$	Do.
April	24 35	110	257	57 $\frac{1}{2}$	188	Do.
May	24 55	110	257	57 $\frac{1}{2}$	188	Do.
June	24 40	112	257	56 $\frac{1}{2}$	189	Do.
July	24 40	111	257 $\frac{1}{2}$	56 $\frac{1}{2}$	189 $\frac{1}{2}$	Do.
August	24 15	111	258	57	188 $\frac{1}{2}$	Do.
September	24 —	111	255	57	188	Do.
October	24 10	112	253 $\frac{1}{2}$	56 $\frac{1}{2}$	187 $\frac{1}{2}$	—
November	24 10	117	258	56 $\frac{1}{2}$	188 $\frac{1}{2}$	—
December	24 05	113	258	56	189 $\frac{1}{2}$	—

C. 7.—Fluctuations of the Exchanges at Paris—continued.

1818.	London, 1 m.	St. Petersburg, 3 m.	Vienna, 1 m.	Amsterdam, 1 m.	Hambro', 1 m.	Gold Premium.
January	24 05	113	258	56 $\frac{1}{2}$	189 $\frac{1}{2}$	—
February	23 85	113	258	56 $\frac{1}{2}$	189	1 per Mil.
March	23 85	116	260	56 $\frac{1}{2}$	189 $\frac{1}{2}$	Do.
April	24 15	115	262	55 $\frac{1}{2}$	189 $\frac{1}{2}$	1 $\frac{1}{2}$ per Mil.
May	23 80	116	261	56 $\frac{1}{2}$	189 $\frac{1}{2}$	3 $\frac{1}{2}$ per Mil.
June	23 75	115	261 $\frac{1}{2}$	56 $\frac{1}{2}$	188 $\frac{1}{2}$	—
July	24 —	115	262	56	189 $\frac{1}{2}$	3 $\frac{1}{2}$ per Mil.
August	23 95	115	261	55 $\frac{1}{2}$	189 $\frac{1}{2}$	4 per Mil.
September	24 15	115	261	55 $\frac{1}{2}$	190	Do.
October	24 25	119	262	55 $\frac{1}{2}$	191	6 $\frac{1}{2}$ per Mil.
November	23 90	119	261	56	191	5 per Mil.
December	23 45	120	261	57	191	4 per Mil.

PARS OF EXCHANGE.

Paris on London - - 25 Francs and 21 Cents for One Pound in Standard Gold.
 Paris on St. Petersburg - One Silver Ruble in St. Petersburg for 399 Cents in Paris.
 Paris on Vienna - - 100 Florins in Silver in Vienna for 259 $\frac{1}{2}$ Francs in Paris.
 Paris on Amsterdam - 56 $\frac{1}{2}$ Deniers Dutch Currency in Amsterdam for Three Francs in Paris.
 Paris on Hambro' - 100 Marcs Banco in Hambro' for 188 Francs in Paris.
 N. B.—Notwithstanding the Pars above stated, Bills on London and St. Petersburg being payable in Paper, the Exchanges on the former have fluctuated from Fs. 18 to Fs. 25 70, for the Paper Pound, and on the latter, from 94 to 120 Cents for the Paper Ruble.

REMARKS.

BILLS upon Amsterdam, Hambro' and Vienna, are payable in Specie, and the above Statement shows that during the Years 1815, 1816, 1817, and 1818, the Exchanges at Paris on those Places have not varied more than 2 to 3 per Cent. from their respective Pars, with the Exception of the Month of June 1815, when Hostilities commenced between France and the Allied Powers, and momentarily increased the Risk and Difficulty of transmitting Bullion.
 With respect to the Exchange on Vienna, it is also worthy of Remark, that although during the same Period, the Paper Money of Austria fluctuated from 488 $\frac{1}{2}$ to 223 Paper, for 100 Silver Florins, till the Exchange at Paris remained quite as steady on Vienna as on Hambro' and Amsterdam, because Bills on Vienna were drawn payable only in Specie; but had they been drawn payable in Paper, this Exchange would have varied nearly 55 per cent.
 The Exchanges at Paris upon London and St. Petersburg, where Bills are payable in Paper only, have during the same Four Years varied, the former about 42 per cent., and the latter about 27 per cent. The Variations in these Two Exchanges at Paris do not appear to have taken place at the same Moments, which is accounted for by the Fluctuations in the Values of the Paper in England and St. Petersburg not having been simultaneous.
 From the foregoing Statement, the following may be looked upon as nearly the Extent of the Fluctuations in the Values of the Paper Currencies of Austria, England, and Russia, compared with the Metallic Currencies, during the Years 1815, 1816, 1817, and 1818.
 Austria about 55 per cent.
 England — 42
 Russia — 27
 The Premium at Paris upon Gold Coin paid in Silver Coin appears never to have exceeded 1 per cent., and that high Rate lasted but for a Moment.
 London, 10 March 1819. W^m. HALDIMAND.

Appendix, C. 8.

THE PAR of EXCHANGE between England and the following Places, viz. Amsterdam, Hamburg, Paris, Madrid, Lisbon, Leghorn, Genoa, Naples, and Venice, the same being computed from the intrinsic Value of their principal Coins, by comparing Gold with Gold, and Silver with Silver, according to their Mint Regulations, and to Assays made at the London and Paris Mints.

	GOLD.		SILVER.				EXPLANATIONS.
	Mint Regulations.	Assays.	Old Coinage.		New Coinage.		
			Mint Regulations.	Assays.	Mint Regulations.	Assays.	
							MONIES of EXCHANGE.
Amsterdam, Banco	36 8	36 6, 8	37 3	37 10, 5	35 0	35 6, 5	Shillings and Pence Flemish per Pound Sterling. Agio 2 per Cent. Florins and Stivers per Pound Sterling.
- Do. Current	11 4, 5	11 3, 8	11 8, 5	11 11, 8	10 14, 6	10 17, 6	
Hamburg	34 3, 5	34 1, 5	35 1	35 1, 3	32 11	32 11, 5	Shillings and Pence Flemish Banco per Pound Sterling. Francs and Cents per Pound Sterling.
Paris	25 20	25 26	24 73	24 91	23 23	23 40	
Madrid	37.3	37.2	39.2	39.0	41.7	41.5	Pence Sterling for the Piastre or Dollar of Exchange.
Lisbon	67.4	67.5	60.41	58.33	64.30	62.09	Pence Sterling per Milrea.
Leghorn	49.1	49.0	46.46	46.5	49.60	49.5	Pence Sterling per Pezza of Exchange.
Genoa	45.5	45.5	46.46	48.9	49.4	52.0	Pence Sterling per Pezza Fuori Banco.
Naples	41.22	-	41.22	-	43.9	-	Pence Sterling per Ducat, (New Coinage of 1818.)
Venice	46.3	46.0	47.5	49.0	44.6	46.1	Lire Piccole per Pound Sterling.

REMARKS ON THE ABOVE PARS OF EXCHANGE.

Amsterdam. The Par in Gold is reckoned on the Ducat, valued at 5½ Florins; but as this Price is subject to Variation, no fixed Par can be established in this Metal. In Silver it is taken from the Rix-dollar which always passes for 50 Stivers.

It should be observed, that a Par between English Gold and Dutch Silver may be computed, by fixing a relative Value between the two Metals. If it be taken from three Years Average of the Price of the Marc fine of pure Gold, viz. 12½ per Cent. Agio on 355, which will give 400 Florins, the Par will be 38s. 9d. Flemish per £ Sterling, or 11 Flor. 17½ Stivers. For the Average Price, see Table, No. 42.

Hamburg. The Par in Gold is computed from the Ducat, valued at 6 Marks Banco; but this Price varies as at Amsterdam, therefore the Par cannot be considered as permanent. In Silver it is taken on the Marc fine, Cologne Weight, valued 27½ Marks Banco: This is the Price at which it is written in at the Bank; but as it is written off at 27½, a corresponding Par may be computed, which makes the Pound Sterling equal to 35s. 3d. Flemish Banco.

Other Pars with Hamburg may be computed, by comparing English Gold with Banco Silver, at a given Proportion between the Two Metals. Thus, if the relative Value be taken from three Years Average of the Price of the Ducat in Sols Banco, which is 99½ (per Table, No. 42), then the Par will be 35s. 5d. Banco, for One Pound Sterling.

Paris. - The Par is here calculated from the 40 Franc Piece in Gold, and the 5 Franc Piece in Silver. If, however, those Pieces are required to be exchanged at the Paris Mint for English Coins, a Deduction will be made called the *Retenue*, which gives the Equivalent or Tariff Price (by some called the Par), 25 f. 14 c. in Gold, and in Silver, 24 f. 36 c. Old Coinage, or 22.88 New Coinage, for the Pound Sterling. The following is the *Retenue* or Deduction for Mint Expenses:

The Price of the Kilogramme of fine Gold, according to the Tariff, is fixed at 3,434 f. 44 c. ⁸/₁₀₀₀, on account of the *Retenue* for the Expense of Coinage; but without the *Retenue*, at 3,444 f. 44 c. ⁸/₁₀₀₀. The Kilogramme of fine Silver is fixed at 218 f. 88 c. ⁸/₁₀₀₀, on account of the *Retenue*, and at 222 f. 22 c. ⁸/₁₀₀₀ without *Retenue*. Thus, the Mint Deduction is about ½ per Cent. on Gold, and exactly 1½ per Cent. on Silver.

Another Sort of Par is sometimes reckoned, by allowing the full Remedy of each Mint, which would make the Par, in Gold, 7 Centimes less than that in the Table (No. 40.), and in Silver 5 Centimes less.

Madrid. - The Calculations of the Par with Spain are made on those Doubloons and Dollars which are in the most general Circulation.

Lisbon. - The Par with Portugal is computed from the Joaneffe and the New Cruzado, but Bills of Exchange are paid in legal Money, that is, One Half in Cash and the other Half in Paper. The Paper varies in Value, and is now (April 1819) at a Discount of 20 per Cent., which gives the Par with London, Half Gold and Half Paper, 60½ Pence Sterling per Milrea; and Half Silver and Half Paper, 54 ¹/₁₆ Pence in the Old Coinage, and 57 ²/₁₆ Pence in the New.

Leghorn. - Bills of Exchange on Leghorn were by Law formerly paid in Gold; but this Regulation has of late Years been discontinued, and Bills are now paid in Silver at a fixed Agio of 7 per Cent. in favour of Gold. The Par is computed from the Ruspono and Francifcone.

Genoa. - Bills are paid here in both Gold and Silver, allowing for the Variation in the relative Value or Fluctuation in the Market Prices of those Metals. The Par is computed from the Genovina and Scudo.

Naples. - The Exchange with London is quoted, at Naples, in Grains per Pound Sterling, but in Lloyd's List in Pence Sterling per Ducat. The above Par is computed from the Oncetta in Gold, and from the Ducat in Silver, both of the Coinage of 1818.

Venice. - The Exchange with London is quoted, at Venice, in Italian Livres per Pound Sterling, but in Lloyd's List in Pence Sterling per Ducat, as in the foregoing Table. It is computed that 40,000 Lire Piccole equal 20,467 Italian Livres, which gives the intrinsic Par of this Livre 10d. Sterling nearly, in Gold Value. The Par in Gold is computed from the Sequin, and in Silver, from the Ducat.

Delivered in by Dr. Kelly,
April 7, 1819.

Appendix, C. 9.

THE RELATIVE VALUE of GOLD to SILVER in the principal Trading Places of the World; computed from the proportional Quantity of pure Metal in their principal Coins, and the legal or current Price of those Coins respectively.

	By Mint Regulations.	By Assays.	Names of the Coins from which the Proportions are taken.
England, By Old Coinage } By New Coinage }	$15\frac{2026}{10000}$ to 1 $14\frac{2878}{10000}$ to 1	Proved correct by the Trials of the Fix.	Per Guinea and Old Shilling. Per Sovereign and New Shilling.
Amsterdam - - -	$14\frac{86}{1000}$ to 1		
Hamburgh - - -	15 to 1 nearly	$14\frac{83}{1000}$ to 1	Per Ducat, reckoned at 6 Marcs Banco and the Rix-dollar.
Paris - - - - -	$15\frac{5}{100}$ to 1	$15\frac{5}{100}$ to 1	Per 20 franc Piece and 5 franc Piece.
Madrid - - - - -	16 to 1	$15\frac{25}{1000}$ } to 1 $16\frac{46}{1000}$ }	Per Doubloon and Dollar of different Coinages.
Lisbon - - - - -	$13\frac{65}{1000}$ to 1	$13\frac{23}{1000}$ to 1	Per Joanese and New Crusado.
Leghorn - - - - -	$14\frac{66}{1000}$ to 1	$14\frac{22}{1000}$ to 1	Per Ruspono and Franciscone.
Genoa - - - - -	$15\frac{25}{1000}$ to 1	$15\frac{25}{1000}$ to 1	Per Genovina and Scudo.
Naples - - - - -	$15\frac{21}{1000}$ to 1	- - - - -	Per Oncetta and Ducat. (Coinage of 1818.)
Venice - - - - -	15 to 1 nearly	$14\frac{25}{1000}$ to 1	Per Sequin and Ducat.
Petersburgh - - -	15 to 1 nearly	$15\frac{25}{1000}$ to 1	Per Ducat and Rouble.
United States - - -	15 to 1	$15\frac{24}{1000}$ to 1	Per Eagle and Dollar.
Bengal - - - - -	$14\frac{257}{1000}$ to 1	$14\frac{227}{1000}$ to 1	Per Gold Mohur and Sicca Rupee.
Madras - - - - -	$13\frac{273}{1000}$ to 1	$13\frac{217}{1000}$ to 1	Per Star Pagoda and Current Rupee.
Bombay - - - - -	15 to 1	15 to 1	Per Gold Rupee and Silver Rupee.
China - - - - -	$14\frac{1}{4}$ to 1	- - - - -	Per Tale of Gold, and the Average Price of Spanish Dollars.

Delivered in by Dr. Kelly, April 7, 1819.

APPENDIX, C. 10.

STATEMENT OF THE PRICES OF GOLD AND SILVER, &c.

BY DR. KELLY.

Delivered to the Secret Committee, April 7th, 1819.

A STATEMENT of the PRICES of GOLD and SILVER in Bars, in the Principal Bullion Markets Courses of Exchange, and also

Table with columns for HAMBURGH and AMSTERDAM, and rows for April 5, 1816, 1817, 1818, and various exchange rates. Includes sub-sections for English Money per oz. Standard, according to the Courses of Exchange, and Mint Proportion.

of Europe, from April 5th 1816 to April 5th 1819, reduced to English Money, from the corresponding according to the Pairs of Exchange.

Table with columns for PARIS and LONDON, and rows for April 5, 1816, 1817, 1818, and various exchange rates. Includes sub-sections for English Money per oz. Standard, according to the Courses of Exchange, and Mint Proportion.

D.

Relative to the Gold and Silver Coin of the Realm.

APPENDIX, D. 1.

AN ACCOUNT of the Total Amount of SILVER COINED in each Year from the Commencement of the present Reign to the latest Date.

YEAR.	VALUE.	YEAR.	VALUE.
	£ s. d.		£ s. d.
		Brought forward -	62,849 13 6
1760	-		
1761	31 0 0	1791	-
1762	3,162 0 0	1792	251 17 6
1763	2,628 16 0	1793	-
1764	15 10 0	1794	-
1765	18 12 0	1795	293 11 11
1766	297 12 0	1796	-
1767	-	1797	-
1768	-	1798	-
1769	-	1799	-
1770	68 4 0	1800	90 14 3
1771	-	1801	53 7 0
1772	334 16 0	1802	62 0 0
1773	-	1803	72 6 8
1774	-	1804	77 10 0
1775	-	1805	182 18 0
1776	315 8 6	1806	-
1777	-	1807	108 10 0
1778	-	1808	-
1779	254 4 0	1809	114 14 0
1780	-	1810	120 18 0
1781	62 0 0	1811	-
1782	-	1812	52 14 0
1783	-	1813	89 18 0
1784	202 11 0	1814	161 4 0
1785	-	1815	-
1786	-	1816	1,805,241 0 0
1787	55,459 0 0	1817	2,436,297 12 0
1788	-	1818	576,279 0 0
1789	-	1819	299,952 12 0
1790	-	13th April	-
Carried forward - £	62,849 13 6		£ 5,092,352 0 10

Mint Office,
13th April 1819.

JA W. MORRISON,
Deputy Master and Worker.
JN° BARTON,
Comptroller.

APPENDIX, D. 2.

AN ACCOUNT of the Total Amount of GOLD COINED in each Year from the Commencement of the present Reign to the latest Date.

YEAR.	VALUE.	YEAR.	VALUE.
	£ s. d.		£ s. d.
1760	111,325 10 6	Brought forward -	-
1761	550,887 15 0	1791	2,456,566 17 6
1762	553,691 5 0	1792	1,171,863 0 0
1763	513,040 10 0	1793	2,747,430 0 0
1764	883,102 10 0	1794	2,558,894 12 6
1765	538,272 0 0	1795	493,416 0 0
1766	820,724 12 6	1796	464,680 2 6
1767	1,271,807 15 6	1797	2,000,297 5 0
1768	844,554 7 6	1798	2,967,504 15 0
1769	626,582 5 0	1799	449,961 15 0
1770	623,778 15 0	1800	189,937 2 6
1771	637,796 5 0	1801	450,242 2 0
1772	843,853 10 0	1802	437,018 18 6
1773	1,317,645 0 0	1803	596,444 12 6
1774	4,685,623 11 2½	1804	718,396 17 6
1775	4,901,218 17 6	1805	54,668 5 0
1776	5,006,350 2 6	1806	405,105 15 0
1777	3,680,995 10 0	1807	-
1778	350,437 10 0	1808	371,744 2 0
1779	1,696,117 10 0	1809	298,946 11 0
1780	-	1810	316,935 11 6
1781	876,794 12 6	1811	312,263 3 6
1782	698,074 7 3	1812	-
1783	227,083 2 10	1813	519,722 3 6
1784	822,126 7 6	1814	-
1785	2,488,106 5 0	1815	-
1786	1,107,382 10 0	1816	-
1787	2,849,056 17 6	1817	4,275,337 10 0
1788	3,664,174 10 0	1818	2,862,373 10 0
1789	1,530,711 0 0	1819, 13th April	-
1790	2,660,521 10 0		
Carried forward - £			£ 74,501,586 16 9½

Mint Office,
13th April 1819.

JA° W. MORRISON,
Deputy Master and Worker.
JN° BARTON,
Comptroller.

Appendix, D. 3.

AN ACCOUNT of the Amount of SOVEREIGNS and HALF-SOVEREIGNS, GUINEAS and HALF-GUINEAS, distinguishing the Amount of each, issued in each Month from the Bank of England, since the passing of the Act of the 56 Geo. III. Cap. 68.

WHEN ISSUED.	Amount of Guineas and Half-Guineas.	Amount of Sovereigns and Half Sovereigns.
	<i>[N.B. Seven Shilling Pieces are also included in the following Amounts.]</i>	
	£ s. d.	£ s. d.
Issued in July 1816	15,355 11 0	Nil.
Do. August	7,184 2 0	Nil.
Do. September	Nil.	Nil.
Do. October	Nil.	Nil.
Do. November	Nil.	Nil.
Do. December	Nil.	Nil.
Do. January 1817	32,585 3 6	Nil.
Do. February	5,435 13 6	Nil.
Do. March	Nil.	Nil.
Do. April	Nil.	Nil.
Do. May	Nil.	Nil.
Do. June	Nil.	Nil.
Do. July	Nil.	120,158 0 0
Do. August	Nil.	78,821 0 0
Do. September	Nil.	44,921 0 0
Do. October	Nil.	432,921 0 0
Do. November	Nil.	289,234 0 0
Do. December	Nil.	274,367 0 0
Do. January 1818	Nil.	365,664 0 0
Do. February	Nil.	416,548 0 0
Do. March	Nil.	540,665 10 0
Do. April	Nil.	469,455 10 0
Do. May	Nil.	440,763 0 0
Do. June	Nil.	446,505 10 0
Do. July	106,652 7 0	539,694 10 0
Do. August	423,574 18 0	Nil.
Do. September	239,284 13 6	Nil.
Do. October	273,076 9 6	Nil.
Do. November	293,950 9 6	Nil.
Do. December	220,695 13 0	Nil.
Do. January 1819	204,477 10 6	54,828 10 0
Do. February	Nil.	194,889 10 0
Do. March	Nil.	203,850 10 0
Do. to the 6th April inclusive	Nil.	73,756 0 0
	£ 1,822,272 11 0	4,987,042 10 0

Bank of England, }
15th April 1819. }

H. HASE,
Chief Cashier.

APPENDIX, D. 4.

A STATEMENT of the ISSUE of GUINEAS, &c. from the Bank of England, in the Months of September, October, November, and December last; distinguishing those which were of the full Weight, as issued from the Mint, from those which were worn down by Use nearly to the lowest Weight at which the Law permits them to circulate; as near as the same can be ascertained.

	The Amount of Guineas, Half-Guineas, and Seven-Shilling Pieces, of the full Weight as issued from the Mint.	The Amount of Guineas, Half-Guineas, and Seven-Shilling Pieces, worn down.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.
1818.			
September	Nil.	239,284 13 6	239,284 13 6
October	Nil.	273,076 9 6	273,076 9 6
November	202,242 11 0	91,707 18 6	293,950 9 6
December	220,695 13 0	Nil.	220,695 13 0
	£ 422,938 4 0	604,069 1 6	1,027,007 5 6

29th March 1819.

APPENDIX, D. 5.

STATEMENT of the Weight of worn-down Guineas, by the Bank, in September, October, and November, 1818.

THE Secret Committee of the House of Lords having requested that the Bank will furnish

“ A Statement of the Average Weight of Guineas worn down, paid by the Bank in September, October, and November, 1818,”

It is respectfully submitted, that

The Weight of each Guinea described as worn down, issued by the Bank in September, October, and November, 1818, is comprehended between the Limits 5 dwts. 8 grs. the least Weight at which Guineas are allowed to circulate, and 5 dwts. 9 2/3 grs. the Standard of Weight at the Mint; but as the Number of Guineas issued, of each intermediate Weight is not known, no Average can be deduced that would warrant the making any Statement thereof.

31st March 1819.

APPENDIX, D. 6.

AN ACCOUNT of the Amount of GOLD issued by the Bank, in Exchange for the Notes which they promised to pay in Cash, by their Notices of the 17th April and 1st of October 1817.

THE Amount of Gold issued, including the 6th of April 1819 - £4,308,833.

15th April 1819.

APPENDIX, D. 7.

PROCLAMATION for giving Currency to the Half-Crowns, Shillings, and Sixpences.—Dated 1st March 1817.

BY HIS ROYAL HIGHNESS THE PRINCE OF WALES,

REGENT of the United Kingdom of Great Britain and Ireland, in the Name and on the Behalf of HIS MAJESTY.

A PROCLAMATION.

GEORGE P. R.

WHEREAS by an Act passed in the Fifty-sixth Year of His Majesty's Reign, intituled " An Act to provide for a new Silver Coinage, and to regulate the Currency of the Gold and Silver Coin of this Realm," the Master and Worker of His Majesty's Mint in London was authorized and empowered to coin or cause to be coined Silver Bullion into Silver Coins, consisting of Crowns, Half-Crowns, Shillings, and Sixpences, of the Standard of Eleven Ounces and Two Pennyweights of fine Silver and Eighteen Pennyweights Alloy to the Pound Troy; and in Weight after the Rate of Sixty-six Shillings to the Pound Troy: And whereas in virtue of the Powers so given a Coinage of Half-Crowns, Shillings, and Sixpences, at the Rate of Sixty-six Shillings to the Pound Troy, and of the Standard of Fineness above-mentioned; every such Half-Crown Piece having for the Obverse Impression the Head of His Majesty, with the Inscription " Georgius III. Dei Gratia," and the Date of the Year, and for the Reverse the Ensigns Armorial of the United Kingdom, contained in a Shield surrounded by the Garter, bearing the Motto " Honi soit qui mal y pense," and the Collar of the Garter, with the Inscription " Britanniarum Rex Fid: Def: " with a newly invented Graining on the Edge of the Piece; every such Shilling and Sixpenny Piece having for the Obverse Impression the Head of His Majesty, with the Inscription " Geor. III. D. G. Britt: Rex. F. D." and the Date of the Year, and for the Reverse the Ensigns Armorial of the United Kingdom, contained in a Shield surrounded by the Garter, bearing the Motto " Honi soit qui mal y pense," with a newly invented Graining on the Edge of the Piece; has been completed, Part of which has been delivered for the Use of His Majesty's Subjects, and the Remainder thereof is now ready to be delivered for the Use of His Majesty's Subjects: We have therefore, in the Name and on the Behalf of His Majesty, and by and with the Advice of His Majesty's Privy Council, thought fit to issue this Proclamation; And We do hereby ordain, declare, and command, that the said Pieces of Silver Money shall, from and after the Day of the Date of this Our Proclamation, be current and lawful Money of the Kingdom of Great Britain and Ireland, and shall pass and be received as current and lawful Money of the said Kingdom; that is to say, such Half-Crown Pieces as of the Value of Two Shillings and Sixpence, such Shilling Pieces as of the Value of One Shilling, and such Sixpenny Pieces as of the Value of Sixpence, in all Payments and Transactions of Money.

Given at the Court at Carlton House, the First Day of March One thousand eight hundred and seventeen, in the Fifty-seventh Year of His Majesty's Reign,

God save the King.

APPENDIX, D. 8.

PROCLAMATION for giving Currency to the Sovereign, or Twenty Shilling Pieces.—Dated 1st July 1817.

By His Royal Highness The Prince of Wales, Regent of the United Kingdom of Great Britain and Ireland, in the Name and on the Behalf of His Majesty.

A PROCLAMATION.

GEORGE P. R.

WHEREAS We have thought fit to order that certain Pieces of Gold Money should be coined, which should be called "Sovereigns or Twenty Shilling Pieces," each of which should be of the Value of Twenty Shillings, and that each Piece should be of the Weight of Five Pennyweights Three Grains $\frac{2}{3}$ Troy Weight of Standard Gold, according to the Weights approved of and confirmed by Us in Council, in pursuance of an Act made in the Fourteenth Year of His Majesty's Reign, intituled "An Act for regulating and ascertaining the Weights to be made use of in weighing the Gold and Silver Coin of this Kingdom;" And We have further thought fit to order that every such Piece of Gold Money, so ordered to be coined as aforesaid, shall have for the Obverse Impression the Head of His Majesty, with the Inscription "Georgius III. D. G: Britanniar. Rex. F. D." and the Date of the Year; and for the Reverse the Image of St. George armed sitting on Horseback encountering the Dragon with a Spear, the said Device being placed within the enobled Garter, bearing the Motto "Honi soit qui mal y pense," with a newly invented Graining on the Edge of the Piece: And whereas Pieces of Gold Money of the above Description have been coined at His Majesty's Mint, and will be coined there, in pursuance of Orders which We have given for that Purpose: We have therefore, in the Name and on the Behalf of His Majesty, and by and with the Advice of His Majesty's Privy Council, thought fit to issue this Proclamation; And We do hereby, in the Name and on the Behalf of His Majesty, ordain, declare, and command, That the said Pieces of Gold Money so coined, and to be coined as aforesaid, shall be current and lawful Money of the Kingdom of Great Britain and Ireland, and shall be called "Sovereigns or Twenty Shilling Pieces," and shall pass and be received as current and lawful Money of the United Kingdom of Great Britain and Ireland; and every of such Pieces shall pass and be received as of the Value of Twenty Shillings of lawful Money of Great Britain and Ireland in all Payments whatsoever.

Given at the Court at Carlton House, the First Day of July One thousand eight hundred and seventeen, in the Fifty-seventh Year of His Majesty's Reign.

God save the King.

APPENDIX, D. 9.

PROCLAMATION giving Currency to the Guineas, Half-Guineas, Quarter Guineas, Seven Shilling Pieces, and Sovereigns.—Dated the 1st July 1817.

By His Royal Highness The Prince of Wales, Regent of the United Kingdom of Great Britain and Ireland, in the Name and on the Behalf of His Majesty.

A PROCLAMATION.

GEORGE P. R.

WHEREAS it has been represented unto Us, that great Quantities of the Gold Coin of this Realm, deficient in Weight, are now in Circulation, contrary to the Tenour of His Majesty's Proclamations of the Twelfth of April One thousand seven hundred and seventy-six, and Twenty-first of September One thousand seven hundred and eighty-seven; and there being reason to believe that due Attention is not paid to the weighing of the said Gold Coin, and to the Directions given in the Acts of Parliament now in force with respect to the cutting, breaking, or defacing of such Pieces thereof as are found to be of less Weight than those declared and allowed by His Majesty's said Proclamations to be current and pass in Payment: We do, in the Name and on the Behalf of His Majesty, by this Our Royal Proclamation declare and command, in like Manner as was declared and commanded in His Majesty's before-mentioned Proclamations of the Twelfth of April One thousand seven hundred and seventy-six, and Twenty-first of September One thousand seven hundred and eighty-seven, that all Guineas, Half Guineas, Quarter Guineas, more deficient in Weight than the Rates specified in the Table following:

- Guineas, Five Pennyweights Eight Grains;
 - Half Guineas, Two Pennyweights Sixteen Grains;
 - Quarter Guineas, One Pennyweight Eight Grains;
- and that the Seven Shillings Gold Pieces, and the Gold Pieces called Sovereigns or Twenty Shilling Pieces, more deficient in Weight than the Rates hereafter specified, viz.
- Seven Shilling Pieces, One Pennyweight Eighteen Grains;
 - Sovereigns, or Twenty Shilling Pieces, Five Pennyweights Two Grains Three Quarters;

be not allowed to be current or pass in any Payment whatsoever: And We do hereby strictly require and command all His Majesty's loving Subjects, and particularly all the Officers, Collectors, and Receivers of His Majesty's Revenues, strictly to conform to the Orders hereby given, and to the Directions and Regulations enacted and established in the several Acts of Parliament now in force with respect to the cutting, breaking, and defacing such Pieces of the said Gold Coin as shall be found deficient in Weight: And We do hereby further ordain, declare, and command, that the Guineas, Half Guineas, Quarter Guineas, Seven Shilling Pieces, and Sovereigns, of the Weights above described, shall pass and be received as current and lawful Money of the United Kingdom of Great Britain and Ireland in all Payments whatsoever.

Given at the Court at Carlton House, the First Day of July One thousand eight hundred and seventeen, in the Fifty-seventh Year of His Majesty's Reign,

God save the King.

0475

APPENDIX, D. 10.

MEMORANDUM upon the Issue of the Silver Coinage.

UNDER the Authority of the 56 Geo. 3. c. 68. a new Silver Coinage was prepared, and by a Proclamation, dated 20th January 1817, all the old Silver Coin of the Realm was exchanged throughout Great Britain; this Operation was performed by a simultaneous Arrangement, and the whole Exchange was effected in a Fortnight, with a very few Exceptions in distant and obscure Places, where a few Days further Time was allowed to the Inhabitants to bring in their Old Coin. The Silver Coin in the Isle of Man and in Guernsey and Jersey was in like Manner also exchanged.

Some Silver, which had been in Circulation and appeared to be French Coin, was received at the Mint at the Market Price of the Standard Silver it contained; and some heavy Old Coin, which had been hoarded, was likewise exchanged there for New Coin. Three Months were allowed for these Operations.

Vide Papers laid before Parliament.

The Amount of Silver Currency in Great Britain, previous to the New Coinage, was estimated at the Mint to be about £5,000,000, £2,500,000 of which was supposed to be Old Coin, and the Remainder Bank Tokens; the estimated Amount of the Coin appears to have been nearly correct; but what Bank Tokens were in Circulation it has not been possible for the Mint to determine.

The Amount of Coin issued for the Exchange was £2,600,005 1s. 2d. the Amount coined from the Old Silver Coin £2,007,902 16s.; Amount coined from Bullion, since purchased from the Bank, £516,684; total of New Silver Coin issued to the present Day, £5,124,636 17s. 2d.

The New Coin thus issued, being £5,124,636 17s. 2d., and some of the distant Parts of the Country, and some of the Manufacturing Districts being still desirous of more Silver Coin for the Accommodation of Exchange in their internal Traffic, it is probable that the Amount of Bank Tokens outstanding was more than the Mint calculated; it is at least certain, that the Sum already coined is not sufficient for the Convenience of the Country.

The Silver coined from the Bullion furnished by the Bank since the Old Silver Coin has been exhausted, has been lodged in the Bank on Account of Government; and it is distributed to the Bankers of London, that it may be circulated throughout the Country for the Accommodation of the Public, and in some Instances large Sums have been issued for particular Districts. At present, a Supply of about £35,000 a Week is furnished by the Mint for these Purposes, and it is proposed to continue to coin at this Rate till the Government have ascertained that there is no Want of Change in any Part of the Country. This gradual Supply seems to be sufficient to prevent any Inconvenience to the Public.

The Mint, having constant Communication with the Bank and the London Bankers, is enabled to afford Information on the State of the Silver Currency to the Lords of the Treasury; and their Lordships being also in Possession of other Means of knowing the Wants of the Country, regulate the Issues in such Manner as they conceive will best afford the necessary Accommodation throughout the Kingdom, "for the Facility of Exchange and Commerce," without throwing into Circulation any Superabundance of Silver. The Silver Coinage can never, therefore, while it is preserved upon its present Footing, exceed the Amount which the Government, from the best Information they can procure, conceive to be necessary for the Accommodation of the Public.

The Eleventh and Twelfth Sections of the 56 Geo. 3. c. 68. clearly point out the Principle upon which the Silver Coinage was to be and has been issued. It is merely a Coin of Exchange for the Convenience of the Country; and not being a Legal Tender for more than the very limited Amount of Forty Shillings in any One Payment, cannot be the Standard of Value, and is therefore not liable to produce any of the Difficulties or Inconveniences that were felt when the Coins of the two precious Metals were received in Payments to an unlimited Extent, and were both of the intrinsic Value of their Denomination.

The Limitation of the Legal Tender of the Silver Coin, and the lowering the Value of it by the Deduction of the Seignorage of Four Shillings in the Pound Troy, place it precisely on the same Footing in our Circulation, in point of Principle, with our Copper Coins. They are a Legal Tender as far as Twelve Pence in any One Payment, and they are at present about 72 per Cent. above their intrinsic Value, which Seignorage however produces no Mischief, as the Coinage of Copper, like that of Silver, is entirely in

in the Hands of Government. The Silver Coins are a Legal Tender to Forty Shillings, and the Seignorage taken from them is about 6 per Cent. Both Coins serve for Change, and Change only, and can never be brought into competition with, or used for the Purchase of the Gold Coins. This is the View taken of them by the late Lord Liverpool and Dr. Adam Smith, who both recommend the System of Silver Coinage as established by this Act. Dr. Smith says the Legal Tender of the Silver Coin should be limited to Change of a Guinea; the Act limits it to the Change of a Double Sovereign, it having been in contemplation, when the Law passed, to coin Pieces of the Denomination of the Value of Forty Shillings. By the Act, the Crown by Proclamation may empower the Subject to bring Silver Bullion to the Mint to be coined at the Rate of Sixty-six Shillings to the Pound Troy, Sixty-two Shillings to be delivered to him, and Four Shillings to be retained as Seignorage. No such Proclamation has been issued, and the Coinage has been entirely in the Hands of Government. While the Coinage of Silver is in the Hands of Government, they have the Power of regulating the Amount, so as neither to be in Excess or Deficiency.

The Effect of the Deterioration or Debasement of the Silver Coin, limited as it is, as a legal Tender, to 40 Shillings, is to ensure its remaining in Circulation until the Price of Standard Silver in the Market rises beyond 5s. 6d. an Ounce. Until such a Rise, there can be no Inducement to melt the Silver Coin, or sell it as Bullion; and even if the Price of Silver Bullion should rise so high as to make it the Interest of the Holders to dispose of it as Bullion, it would not be possible for them to exchange it for Gold Coin, the Limitation in the Tender preventing them; nor would they have the Opportunity of collecting any large Quantities, as the Government have it in their Power to keep the Supply of Silver Coin within such Limits as to render it almost impossible that the Public should part with their Change, even if they could, by melting it and selling it as Bullion, realize a small Profit.

The Principle upon which the Silver Coinage is carried on makes no Difference whatever in the Price of Silver Bullion in the Market, its Price will be regulated by the Proportion of Gold to Silver in the Market; and were the Mint to be thrown open by Proclamation to the Public for the Silver Coinage, no Profit could accrue to any Individual bringing Silver Bullion to the Mint, unless he bought it at a lower Rate than 5s. 2d. per Ounce, the old Mint Price, as he would receive but 62 Shillings for his lb. of Silver, 4 Shillings being retained out of the 66s. by Government as a Seignorage. He would be neither better nor worse than he was under the old System. There is in fact now no Mint Price of Silver governing that of the Market; its Market Price will vary in proportion to the Quantity of Silver which a given Quantity of Gold will purchase;—for Example, if 1 oz. of Gold purchase 15.0725 Oz. of Standard Silver, the Market Price of Silver will be 5s. 2d. per Oz.; but if 1 Oz. of Gold will only purchase 14 Oz. of Silver, the Market Price per Ounce, at that Proportion, will be 5s. 6½d. The same Thing takes place in the Price of Copper. The Mint Price of Copper is 2s. per lb. Avoirdupois; that is, the lb. is cut into 24 Pence. But the Market Price of Copper in Cakes, or in Bullion, varies from £112 to £168 per Ton, or from 1s. to 1s. 6d. per lb. The Market Price of Copper at present is £130 per Ton.

As there is no Silver Coin of the Realm recognized as a Standard, there therefore cannot be any Effect produced upon the relative Prices of Gold and Silver Bullion in the Market, by the present Mode of coining and issuing our Silver Coins; those Prices must be affected by other Causes. In point of Fact, the relative Proportions of the Two Metals in the Market for the Three Years which have elapsed since the Coinage Act passed, have kept to very nearly the old Mint Proportions. The Averages are as follows:

- 1817, 15.27 Ounces of Silver to 1 Ounce of Gold, giving a Price of Silver by such Proportion, of 5s. 1d. per Ounce.
- 1818, 15.095 Do. 5s. 1¾d.
- 1819, 14.8674 Do. 5s. 2¾d.

18-5-15
18-5-6/10

Within the last Six Months the Proportion of Silver has risen, (and from the last Quotation of the Price of Gold it was 14.909,) but this may be accounted for from the great Demand for Dollars for the East Indies; a Circumstance of frequent Occurrence in the History of our Currency.

May 3d, 1819.

W. W. POLE,
Master and Worker of His Majesty's Mint.

Mr. Pole here assumes that the price of Gold had during the last year been £3-17-10 per lb. He takes the proportion from the actual market proportion that existed. I then inform what would have been the price of silver, had it been possible to operate the law. That is, to take the observed that price could be no regular market proportion, where there was no real market for gold. It assumes that gold under the mint regulations, could circulate at 17-10-11, which is the only thing disputed.

E.

Prices of Provisions and other Articles.

APPENDIX, E. 1.

Royal Hospital, Greenwich, 4th March 1819.

It may be right to observe, that in the Infancy of the Institution, the Clothes and Bedding were contracted for in Suits; and it is so stated in the Account. It is also necessary to remark, that the Blue Cloth now used for the Pensioners Coats is of a Quality very inferior to the ancient Pattern.

R. SMITH,
Clerk of the Check.

J. W. Birch, Esq.

APPENDIX, E. 1.

ROYAL HOSPITAL, GREENWICH.—3d March 1819.

AN ACCOUNT of the Contract Prices of the following Articles of PROVISIONS, &c. for the several Years respectively mentioned.

ROYAL HOSPITAL,
AN ACCOUNT of the Contract Prices of the following Articles of

YEAR.	Flesh, per Cwt.	Bread, per lb.	Flour, per Sack.	Butter, per lb.	Cheese, per lb.	Peas, per Bushel.	Oatmeal, per Bushel.	Salt, per Bushel.	Malt, per Quarter.	Hops, per Cwt.	Beer, per Barrel.
1729	s. d. 25 8	Average. 1d. for 10 ⁵ / ₈ oz.	s. d. - -	s. d. 0 4 ¹ / ₂	d. 3 ¹ / ₂	s. d. 4 0	s. d. 4 6	s. d. 5 0	s. d. 29 0	s. d. 2 5 0	s. d. - -
1730	25 8	1d. for 14 ¹ / ₄ oz.	- -	0 5	3 ¹ / ₂	4 0	4 6	5 0	20 6	2 5 10	3 9
1735	16 11	1d. for 12 ³ / ₄ oz.	- -	0 3 ¹ / ₂	2 ¹ / ₂	3 6	4 0	4 0	20 3	3 9 6 ¹ / ₂	4 1 ¹ / ₂
1740	28 0	1d. for 9 ¹ / ₂ oz.	- -	0 5	3 ¹ / ₂	3 6	4 0	4 0	27 3 ¹ / ₂	2 10 7 ¹ / ₂	5 2 ¹ / ₂
1745	22 2	1d. for 15 ⁵ / ₈ oz.	- -	0 3 ¹ / ₂	2 ¹ / ₂	3 6	4 0	4 0	23 1	3 11 1	5 1 ¹ / ₂
1750	26 6	1d. for 13 ³ / ₄ oz.	- -	0 5 ¹ / ₂	3 ¹ / ₂	3 6	4 0	4 0	24 0	5 4 0	5 8 ¹ / ₂
1755	27 9 ¹ / ₂	1d. for 14 ⁵ / ₈ oz.	- -	0 5 ¹ / ₂	3 ¹ / ₂	3 6	4 0	4 0	22 0	2 15 0	4 5 ¹ / ₂
1760	31 6	1d. for 13 ¹ / ₂ oz.	- -	0 5 ¹ / ₂	3 ¹ / ₂	3 6	4 0	4 0	24 9	4 13 4	5 7 ¹ / ₂
1765	27 3	1d. for 9 ¹ / ₂ oz.	- -	0 5 ¹ / ₂	3 ¹ / ₂	3 6	4 0	4 0	30 8	7 3 6	7 2 ¹ / ₂
1770	28 6	1d. for 11 ¹ / ₈ oz.	- -	0 6 ¹ / ₂	3 ¹ / ₂	4 3	4 9	4 8	28 3	5 16 4	5 10
1775	33 5	1d. for 9 ⁵ / ₈ oz.	- -	0 6 ¹ / ₂	3 ¹ / ₂	7 6	5 3	4 8	37 3	4 16 6	7 1 ¹ / ₂
1780	32 6	1d. for 11 ⁵ / ₈ oz.	- -	0 6 ¹ / ₂	3 ¹ / ₂	7 6	5 3	4 8	31 1	2 14 8	7 3 ¹ / ₂
1785	37 6 ¹ / ₂	1d. for 10 ¹ / ₄ oz.	- -	0 6 ¹ / ₂	3 ¹ / ₂	7 6	5 3	4 8	40 3	5 6 4	8 2 ¹ / ₂
1790	36 10	- -	43 4	0 6 ¹ / ₂	4	7 6	5 3	4 8	35 6	6 13 9	8 7
1795	42 10	- -	65 8	0 8 ¹ / ₂	5 ¹ / ₂	9 6	6 4 ¹ / ₂	6 1 ¹ / ₂	48 3	7 7 10	10 4 ¹ / ₂
1800	64 4	- -	96 0	0 11 ¹ / ₂	6 ¹ / ₂	13 5	14 0	14 0	84 0	16 15 9	20 4 ¹ / ₂
1805	60 4	- -	82 3	0 11 ¹ / ₂	7 ¹ / ₂	7 9	12 0	16 10 ¹ / ₂	85 7	6 11 6	17 9 ¹ / ₂
1806	61 0	- -	69 6 ¹ / ₂	0 11 ¹ / ₂	7 ¹ / ₂	8 4 ¹ / ₂	10 3	19 9	76 0	6 7 9	16 3 ¹ / ₂
1807	63 0	- -	63 8 ¹ / ₂	1 0 ¹ / ₂	7 ¹ / ₂	14 4 ¹ / ₂	9 4 ¹ / ₂	19 9	73 1 ¹ / ₂	5 19 0	15 5
1808	63 0	- -	69 10 ¹ / ₂	1 0 ¹ / ₂	7 ¹ / ₂	19 2 ¹ / ₂	10 10	19 9	76 1 ¹ / ₂	4 12 6	16 5 ¹ / ₂
1809	66 6	- -	85 1 ¹ / ₂	1 1	8	14 10 ¹ / ₂	11 9	19 9	84 5 ¹ / ₂	7 6 8	17 0
1810	72 0	- -	88 4	1 1 ¹ / ₂	8 ¹ / ₂	9 5	11 7	19 9	84 5	7 6 8	17 10
1811	74 0	- -	91 0	1 2 ¹ / ₂	8 ¹ / ₂	8 9	11 6	19 9	73 6	7 13 6	16 3 ¹ / ₂
1812	78 0	- -	107 5	1 3 ¹ / ₂	8 ¹ / ₂	12 8 ¹ / ₂	13 3	19 9	98 6	9 17 0	20 9 ¹ / ₂
1813	85 0	- -	93 0	1 3	8 ¹ / ₂	13 9 ¹ / ₂	13 3	19 9	96 6	11 11 8	21 10 ¹ / ₂
1814	74 6	- -	70 6	1 2	8 ¹ / ₂	9 4	10 4	19 9	77 8	9 10 0	17 3 ¹ / ₂
1815	68 0	- -	44 9	1 2	8	6 7 ¹ / ₂	10 3	19 9	69 7 ¹ / ₂	9 13 7	15 4 ¹ / ₂
1816	51 4	- -	64 1	0 9 ¹ / ₂	6 ¹ / ₂	7 0 ¹ / ₂	9 2	19 9	69 4 ¹ / ₂	14 0 0	15 8
1817	51 4	- -	86 4	0 8 ¹ / ₂	5 ¹ / ₂	8 6 ¹ / ₂	13 9	19 9	86 10 ¹ / ₂	22 4 0	20 7
1818	59 0	- -	65 11	0 11	6	10 9	13 6	19 9	83 9	7 15 0	19 7

GREENWICH.—3d March 1819.
PROVISIONS, &c. for the several Years respectively mentioned.

Carpenters, per Day.	Bricklayers, per Day.	Masons, per Day.	Plumbers, per Day.	Candles, per doz. lb.	Shoes, per Pair.	Coals, per Chaldron.	Mops, each.	Stockings, per Pair.	Hats, each.	Compleat Suits of Bedding.	Suits of Clothes.	Coats, each.
s. d. - -	s. d. - -	s. d. - -	s. d. - -	s. d. 6 5	s. d. 4 0	s. d. 28 5	s. d. 0 10 ¹ / ₂	s. d. 1 9	s. d. 2 8	s. d. 65 0	s. d. 52 0	s. d. - -
Carp ^s . 2 6 Joiners 2 6	2 6	2 6	3 0	6 4	4 0	24 6	per Dozen. 10 0	1 6	2 8	53 0	52 0	- -
- 2 6 - 2 8	2 6	2 6	3 0	4 2	4 0	25 0	10 6	1 6	2 3	4 0	42 6	- -
- 2 6 - 2 8	2 6	2 8	3 0	5 6	3 10	29 0	10 0	1 6	2 0	4 6	43 6	- -
- 2 6 - 2 8	2 6	2 8	2 6	6 0	3 6	30 0	11 0	1 6	2 0	4 6	- -	22 4
- 2 6 - 2 8	2 6	2 8	2 6	6 2	3 9	27 7 ¹ / ₂	10 9	1 6	2 0	4 6	- -	21 5
- 2 6 - 2 8	2 6	2 8	2 6	6 10.	4 0	28 7 ¹ / ₂	11 0	1 8	2 0	4 4 ¹ / ₂	- -	21 6
- 2 6 - 2 8	2 6	2 8	2 6	6 6	4 0	32 8	12 0	1 8	2 0	4 4 ¹ / ₂	- -	21 0
- 2 6 - 2 8	2 4	2 8	3 0	6 2	4 0	32 4 ¹ / ₂	11 3	1 8	2 6	4 6	- -	21 6
- 2 6 - 2 8	2 4	2 8	3 0	6 10 ¹ / ₂	4 0	29 1 ¹ / ₂	11 0	1 6	2 6	4 6	- -	20 5
- 2 6 - 2 8	2 4	2 10	3 0	6 3	3 10	30 11 ¹ / ₂	10 6	1 4	2 2	5 4 ¹ / ₂	- -	19 11
- 2 6 - 2 8	2 4	2 10	3 0	6 9 ¹ / ₂	3 11 ¹ / ₂	37 3 ¹ / ₂	12 0	1 6	2 2	5 4 ¹ / ₂	- -	19 5
- 2 6 - 2 8	2 4	2 10	3 3	6 6	3 6	34 2 ¹ / ₂	11 0	1 6	2 4	5 4 ¹ / ₂	- -	20 3
- 2 6 - 2 10	2 4	2 10	3 3	7 9	3 11 ¹ / ₂	34 4 ¹ / ₂	14 0	1 6	2 6	5 4 ¹ / ₂	- -	20 8
- 2 6 - 2 10	3 0	2 10	3 3	9 2	4 0	39 9	15 0	1 6	2 3	6 6	- -	20 2
- 3 2	3 0	2 10	3 3	10 4	5 8	51 7	15 0	1 6	2 3	6 6	- -	20 0
4 6	4 10	5 0	4 6	10 7	5 9	51 8 ¹ / ₂	17 0	2 2	3 0	8 9	- -	21 10
4 6	4 8	5 0	4 6	10 3	5 9	53 4	17 0	2 2	3 0	8 9	- -	21 10
5 0	4 8	5 0	4 6	9 10	5 0	54 0	17 0	2 2	3 0	8 9	- -	21 6
5 0	5 0	5 0	4 6	13 2 ¹ / ₂	5 0	55 9 ¹ / ₂	17 0	2 2	3 0	8 9	- -	21 4
5 4	5 1	5 1	5 3	14 5 ¹ / ₂	5 6	60 9 ¹ / ₂	17 0	2 2	3 0	8 9	- -	21 4
5 8	5 2	5 3	5 9	12 0	5 6	60 8	17 0	2 2	3 0	8 9	- -	21 4
5 6	5 5	5 9	5 9	10 9 ¹ / ₂	4 11	61 6	17 0	2 2	3 0	8 9	- -	22 2
5 6	5 5	5 9	5 9	12 6	4 11	56 1	17 0	2 6	3 0	8 9	- -	22 2
5 6	5 5	5 9	5 9	14 2	4 8	56 7 ¹ / ₂	18 0	2 6	3 0	8 9	- -	22 2
5 6	5 5	5 9	5 9	14 6	4 8	62 2 ¹ / ₂	30 0	3 3	3 0	11 6	- -	24 6
5 6	5 1	5 9	5 9	11 7	4 7	55 6 ¹ / ₂	30 0	3 3	3 0	11 3	- -	24 9
5 2	5 1	5 3	5 5	9 3	4 7	49 6 ¹ / ₂	30 0	2 9	3 0	9 4 ¹ / ₂	- -	24 9
5 2	5 1	5 3	5 9	9 10	3 10	46 7	30 0	2 9	3 0	9 4 ¹ / ₂	- -	20 7
5 2	5 1	5 3	5 9	11 1	3 10	48 6	30 0	2 11	3 0	9 4 ¹ / ₂	- -	20 7

APPENDIX, E. 2.

Royal Hospital, Chelsea, 11th March 1819.

I beg leave, however, to make some Observations, with a view of explaining the Cause of the apparent Variation in this Return, as compared with the Account transmitted from Greenwich Hospital. This Variation arises in a great measure from the different Mode in which the Contracts are made in each Establishment respectively. With respect to Meat and Bread it may be remarked, that during the Period these Articles were contracted for separately, the former was furnished at a given Price per Pound, and not per Hundred Weight, and the latter at per Loaf, of 15 Ounces Troy Weight, consequently it has not been found necessary to make any Contract for Flour, for the Use of the Establishment. This Observation equally applies to the Articles of Malt and Hops, which have not formed any Part of the Hospital Contracts, inasmuch as Beer is always supplied at per Barrel. With regard to the Price of Labour, it further appears, that the Clerk of the Works is unable to furnish any Account of the same, previous to his Appointment to that Office in the Year 1807, he not being in Possession of any Record or Document, belonging to his Predecessors, from which he can form any Idea of the Price of Labour for Work done in the Hospital prior thereto. It likewise appears, that from the Year 1790, with One Exception, Candles have been regularly furnished to the Hospital at Three-pence and Four-pence per Dozen Pound below the Market Price, which Price is always ascertained by a Certificate from Tallow Chandler's Hall. Coals, from the uncertain State of the Market, were furnished from the Year 1796 to 1808 by Commission, since which Period they have been contracted for by public Advertisement. I have further to observe, with respect to the Price of Shoes, Stockings, Hats and Coats, that as a Contract is entered into every Two Years for completely clothing the In-Pensioners for that Period, at a fixed Price per Man, according to their several Ranks on the Establishment, which for the First Year is called Whole Mounting, and consists of a Coat, Waistcoat, Breeches, Shoes, Hat, Stockings, Shirts, Rollers and Night Caps, and for the Second Year is denominated Half Mounting, and consists of Breeches, Hat, Shirts, Rollers, Night Caps, Stockings, Shoes, Gaiters and Mitts; I cannot with any Accuracy ascertain the specific Price of each of the Articles above alluded to. And lastly I have to remark, that it has never been customary to contract for the Supply of Mops or Blankets, the same being furnished from Time to Time, as they are reported to be wanting by the proper Officer, and the several Charges for the above Articles so supplied are duly checked by the Comptroller of the Hospital, previous to an Order being given by the Commissioners for the Payment thereof.

RICHARD NEAVE, Secretary.

APPENDIX, E. 2.

ROYAL HOSPITAL, CHELSEA.

AN ACCOUNT of the Prices of the following Articles of Provisions, &c. for the several Years respectively mentioned.

APPENDIX,
ROYAL HOSPITAL,

AN ACCOUNT of the Prices of the following Articles of

YEARS.	Flesh, per lb.	Bread, per Loaf.	Flour, Sack.	Butter, lb.	Cheese, lb.	Peas, Bushel.	Oatmeal, Bushel.	Salt, Bushel.	Malt, Quarter.	Hops, Cwt.	Beer, Barrel.	
1729	d. 3½	d. 1½	No Flour contracted for, for the Use of the Hospital.	d. 6½	d. 3¾	s. d. 5 6	s. d. 5 6	s. d. 5 6	No Malt contracted for or supplied for the Use of the Hospital.	No Hops contracted for or supplied for the Use of the Hospital.	s. d. 8 0	
1730	3¾	1¾		d. 6½	3¾	3 6½	3 6½	2 0			8 0	
1735	3	1½		d. 6½	3	3 6	4 0	5 6			8 0	
1740	3d & 3½d	1½d & 1¾		d. 6½	3½	5s. 6d. & 6s.	4s. & 6s.	5 6			8 0	
1745	3½	1¾		6	3¾	5 0	5 0	5 6			8 0	
1750	3¾	1¾		6½	3¾	4 9	5 0	5 6			8 0	
1755	4	1½		7½	4	5 0	5 0	5 6			8 0	
1760	4	1½		7½	4	5 0	5 0	5 6			8 0	
1765	4	1¾		7½	4	5 0	5 0	5 6			8 0	
1770	3¾	1½		6½	4	4 0	4 0	4 0			9 0	
1775	4½	1¾	6¾	4½	4 6	3 6	4 0	10 0				
1780	4¾	1½	7	4¾	4 6	3 6	4 0	10 0				
1785	4½	1½	7	4½	4 6	5 0	6 0	12 0				
1790	4½	1¾	7	4½	4 6	5 0	6 0	12 0				
1795	4¾	2	7	5¾	By Commission	6 8	6 0	12 6				
From the Year 1795 the whole Ration contracted for at a fixed Price per Man per Day, therefore no specific Price can be stated for each Article separately from that Period.												
1800	The whole Ration supplied at 8½d. per Head per Day										14 6	
1805	Ditto	Ditto at 11d.	Ditto	Ditto, and the Bread when exceeding 9¾d. per Quarter Loaf, the Difference to be allowed according to the Assize								15 0
1806	Ditto	Ditto at 11d.	Ditto	Ditto, together with the additional Duty on Salt								17 6
1807	Ditto	Ditto at 11d.	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	17 0	
1808	Ditto	Ditto at 11½d. with	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	16 0	
1809	Ditto	Ditto at 1s.	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	16 0	
1810	Ditto	Ditto at 1s.	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	16 0	
1811	Ditto	Ditto at 1½	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	14 6	
1812	Ditto	Ditto at 1¾	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	14 6	
1813	Ditto	Ditto at 1/1½	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	15 0	
1814	Ditto	Ditto at 1/1½	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	13 0	
1815	Ditto	Ditto at 1/1½	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	Ditto	11 6	
1816	Ditto	Ditto at 10¾d. per Head per Day	Ditto	The above Allowances were discontinued from this Period								10 6
1817	Ditto	Ditto at 11½d.	Ditto									11 6
1818	Ditto	Ditto at 10d.	Ditto									10 6

E. 2.
CHELSEA.

Provisions, &c. for the several Years respectively mentioned.

Carpenter, per Day.	Bricklayer, per Day.	Masons, per Day.	Plumber, per Day.	Candles, per Doz. lb.	Coals, per Chaldron.	Mops and Blankets, each.	Shoes, per Pair.	Stockings, per Pair.	Hats, each.	Coats, each.																			
It is to be observed that by the Report made by the Clerk of the Works, that he is not enabled to make any Return to that Part of the Account which regards the Prices of Labour, previous to his Appointment, in the Year 1807.				s. d. 6 8	s. d. 32 2	No Mops or Blankets contracted for, usually supplied upon the Representation of the proper Officer, and charged according to the Market Price.	No specific Return can be made for these several Articles, the whole Clothing of the In-pensioners being contracted for every Two Years, at the Prices here-under stated per Head, according to their Ranks on the Establishment.																						
				6 6	32 2		From the First Establishment of the Hospital until the Year 1766 the Prices were as follows,																						
				5 0	32 2		<table border="0"> <tr><td>Officers</td><td>-</td><td>8</td><td>11</td><td>0</td></tr> <tr><td>Lighthorse-men and Serjeants</td><td>-</td><td>5</td><td>19</td><td>8</td></tr> <tr><td>Private Men</td><td>-</td><td>3</td><td>3</td><td>3</td></tr> </table>				Officers	-	8	11	0	Lighthorse-men and Serjeants	-	5	19	8	Private Men	-	3	3	3				
Officers	-	8	11	0																									
Lighthorse-men and Serjeants	-	5	19	8																									
Private Men	-	3	3	3																									
				6 4	42s. for Part 36s. Remainder		The Prices for the Years 1767 and 1768 were as follows,																						
				6 4	36 0		<table border="0"> <tr><td>Officers</td><td>-</td><td>6</td><td>6</td><td>0</td></tr> <tr><td>Lighthorse-men and Serjeants</td><td>-</td><td>4</td><td>9</td><td>8</td></tr> <tr><td>Private Men</td><td>-</td><td>2</td><td>10</td><td>6</td></tr> </table>				Officers	-	6	6	0	Lighthorse-men and Serjeants	-	4	9	8	Private Men	-	2	10	6				
Officers	-	6	6	0																									
Lighthorse-men and Serjeants	-	4	9	8																									
Private Men	-	2	10	6																									
				6 8	32 6	The Prices for the Years 1771 and 1772 were as follows,																							
				7 4	32 2	<table border="0"> <tr><td>Officers</td><td>-</td><td>4</td><td>19</td><td>9</td></tr> <tr><td>Lighthorse-men and Serjeants</td><td>-</td><td>3</td><td>13</td><td>6</td></tr> <tr><td>Privates</td><td>-</td><td>2</td><td>4</td><td>3</td></tr> </table>				Officers	-	4	19	9	Lighthorse-men and Serjeants	-	3	13	6	Privates	-	2	4	3					
Officers	-	4	19	9																									
Lighthorse-men and Serjeants	-	3	13	6																									
Privates	-	2	4	3																									
				7 0	37 6	The Prices for the Years 1807 and 1808 were as follows,																							
				6 8	36 0	<table border="0"> <tr><td>Officers</td><td>-</td><td>6</td><td>14</td><td>10</td></tr> <tr><td>Lighthorse-men</td><td>-</td><td>5</td><td>7</td><td>4</td></tr> <tr><td>Serjeants</td><td>-</td><td>5</td><td>6</td><td>6</td></tr> <tr><td>Privates</td><td>-</td><td>3</td><td>6</td><td>0</td></tr> </table>				Officers	-	6	14	10	Lighthorse-men	-	5	7	4	Serjeants	-	5	6	6	Privates	-	3	6	0
Officers	-	6	14	10																									
Lighthorse-men	-	5	7	4																									
Serjeants	-	5	6	6																									
Privates	-	3	6	0																									
				7 4	30 0	The Prices for the Years 1813 and 1814 were as follows,																							
				6 9	29 0	<table border="0"> <tr><td>Officers</td><td>-</td><td>7</td><td>3</td><td>4</td></tr> <tr><td>Lighthorse-men</td><td>-</td><td>5</td><td>15</td><td>4</td></tr> <tr><td>Serjeants</td><td>-</td><td>5</td><td>14</td><td>6</td></tr> <tr><td>Privates</td><td>-</td><td>3</td><td>13</td><td>0</td></tr> </table>				Officers	-	7	3	4	Lighthorse-men	-	5	15	4	Serjeants	-	5	14	6	Privates	-	3	13	0
Officers	-	7	3	4																									
Lighthorse-men	-	5	15	4																									
Serjeants	-	5	14	6																									
Privates	-	3	13	0																									
				3 2	40 0	The Prices for the Years 1815 and 1816 were as follows,																							
				8 1	39 0	<table border="0"> <tr><td>Officers</td><td>-</td><td>8</td><td>15</td><td>6</td></tr> <tr><td>Lighthorse-men</td><td>-</td><td>6</td><td>13</td><td>10</td></tr> <tr><td>Serjeants</td><td>-</td><td>6</td><td>13</td><td>10</td></tr> <tr><td>Privates</td><td>-</td><td>4</td><td>5</td><td>2</td></tr> </table>				Officers	-	8	15	6	Lighthorse-men	-	6	13	10	Serjeants	-	6	13	10	Privates	-	4	5	2
Officers	-	8	15	6																									
Lighthorse-men	-	6	13	10																									
Serjeants	-	6	13	10																									
Privates	-	4	5	2																									
				3d per Doz. below the Market Price	39 0	The Prices for the Years 1817 and 1818 were as follows,																							
				The same	44 0	<table border="0"> <tr><td>Officers</td><td>-</td><td>8</td><td>0</td><td>6</td></tr> <tr><td>Lighthorse-men</td><td>-</td><td>6</td><td>1</td><td>6</td></tr> <tr><td>Serjeants</td><td>-</td><td>5</td><td>18</td><td>8</td></tr> <tr><td>Privates</td><td>-</td><td>3</td><td>18</td><td>11</td></tr> </table>				Officers	-	8	0	6	Lighthorse-men	-	6	1	6	Serjeants	-	5	18	8	Privates	-	3	18	11
Officers	-	8	0	6																									
Lighthorse-men	-	6	1	6																									
Serjeants	-	5	18	8																									
Privates	-	3	18	11																									
				Ditto	Supplied by Commission, owing to the high Price																								
				Ditto	Ditto at 2/6 per Chaldron																								
				Ditto	Ditto																								
s. d. 4/0 & 4/6	s. d. 5 0	s. d. 5 0	s. d. 4 6	9s. per Doz.	Do. by Commission, and all Expenses paid																								
4 10	5 0	5 0	5 0	4d per Doz. below the Market Price	58/0—57/6 & 57 per Chald.																								
5 0	5 0	5 3	5 0	The same	55/2 & 54/2 do.																								
5 6	5 4	5 2	5 0	Ditto	59/6—58/6 58 per Chald.																								
5 6	5 4	5 9	5 0	Ditto	62/0 & 61/6 do.																								
5 6	5 4	5 9	5 0	Ditto	60/6—59/6—59/3 & 57/6																								
5 6	5 4	5 9	5 0	Ditto	57 & 55 per Chald.																								
5 6	5 6	5 9	5 0	Ditto	56 per Chald.																								
5 6	5 6	5 9	5 0	Ditto	53/6 do.																								
5/6 & 5/2	5/6 & 5/1	5/9 & 5/3	5 0	Ditto	45/3 do.																								
5 2	5 1	5 3	5 0	Ditto	42 & 40/6 do.																								
5 2	6 1	5 3	5 0	Ditto	44/4—44/10—45/10—46/10—38/10																								

APPENDIX, E. 3.

AN ACCOUNT of the PRICES of certain Articles, taken on the First Friday in each Month in the Years 1811, 1812, 1813, 1814, and 1815.

Table with columns for Alum, Ashes, Coffee, Coals, Town Tallow, Bacon, and Oil. Rows list months from January to December for years 1811, 1812, 1813, 1814, and 1815, with prices in pounds, shillings, and pence.

Office for Trade, } 26th April 1819. }

THOMAS LACK, Assist. Secy.

APPENDIX, E. 4.

A RETURN of the PRICES of the following Articles, (viz. Wheat, Beef and Mutton at Smithfield Market, Coals, Iron, Leather, Wool, Cheese and Butter, and Linen), in the Years 1813, 1814, 1815, 1816, 1817, 1818, and 1819.

APPENDIX,

A RETURN of the PRICES of the following Articles, (viz. Wheat, Beef and Mutton at 1813, 1814, 1815, 1816,

YEARS.	English Wheat, per Quarter.	Coals, per Chaldron.	Iron, per Ton.				Leather, - -			
			Bars.		Pigs.		BUTTS.			
		Newgate.					50 to 56		60 to 66	
	s. s.	s. d. s. d.	£ s. £ s.	£ s. £ s.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.
1813 {	January - 104 to 130	52 0 to 55 9	14 10 to 15 0	7 0 to 9 0	1 10 to 2 1	2 1 to 2 9				
1813 }	July - 86 to 134	44 0 to 53 6	14 0 - - -	7 0 to 9 0	1 11 to 2 1	2 3 to 2 4				
1814 {	January - 60 to 80	51 6 to 61 3	14 0 to 15 0	7 0 to 9 0	1 10 to 2 0	2 1 to 2 3				
1814 }	July - 56 to 74	50 0 to 57 0	15 0 - - -	7 0 to 9 0	1 9 to 2 0	2 2 to 2 4				
1815 {	January - 48 to 72	45 0 to 55 0	15 0 - - -	7 0 to 9 0	1 9 to 1 11	2 1 to 2 2				
1815 }	July - 56 to 78	39 0 to 49 9	14 0 to 15 0	7 0 to 9 0	1 8 to 1 10	2 0 to 2 1				
1816 {	January - 50 to 70	42 0 to 50 6	13 0 to 14 0	7 0 to 9 0	1 9 to 2 0	2 1 to 2 2				
1816 }	July - 60 to 90	34 6 to 44 3	11 0 to 13 0	7 0 to 9 0	1 7 to 1 9	2 1 to 2 2				
1817 {	January - 90 to 122	36 0 to 42 6	9 0 to 10 0	6 15 to 8 0	1 6 to 1 10	None -				
1817 }	July - 80 to 140	34 6 to 40 6	10 10 to 11 0	6 10 to 8 0	1 6 to 1 10	None -				
1818 {	January - 65 to 103	41 6 to 48 6	14 0 to 15 0	8 0 to 9 10	1 9 to 2 0	2 1 to 2 2				
1818 }	July - 63 to 90	31 0 to 41 9	12 0 to 12 10	6 10 to 7 10	1 10 to 2 0	2 1 to 2 2				
1819 {	January - 58 to 80	37 0 to 46 6	12 10 to 13 0	8 0 to 9 0	1 9 to 2 0	2 1 to 2 2				
1819 }	March - 5 57 to 82	33 0 to 44 3	13 0 to 14 0	8 0 to 9 10	1 9 to 2 0	2 1 to 2 2				

Mem.—The above Prices are taken from the Prices Current in the Months of January and July in each Year (except in the Case of Cheese in the Year 1813). These Prices Current do not give the Prices of English Wool or English Linen, and the Means of supplying this Deficiency.

Office for Trade,
12th March 1819.

E. 4.

Smithfield Market, Coals, Iron, Leather, Wool, Cheese and Butter, and Linen), in the Years 1817, 1818, and 1819.

- - per lb.	Cheese, per Cwt.		BUTTER.		Meat at Smithfield Market, to sink the Offal, per Stone of 2lb.	
	Cheshire.	Gloucester.	Yorkshire, per Firkin.	First Quality, Cork, per Cwt.	BEEF.	MUTTON.
s. d. s. d.	s. s.	s. s.	s. s.	s. s.	s. d. s. d.	s. d. s. d.
1 9 to 1 11	90 to 105	75 to 90	65 to 68	118 to 122	4 8 to 6 0	5 0 to 6 6
1 9 to 1 11½	None - -	None - -	62 to 64	98 to 102	5 0 to 6 6	6 0 to 6 6
1 9 to 1 11	90 to 105	75 to 90	64 to 68	124 to 126	5 6 to 7 0	6 0 to 7 4
1 9 to 1 10	82 to 96	70 to 74	68 to 72	134 - -	5 4 to 6 8	5 8 to 6 8
1 8 to 1 9	80 to 88	65 to 70	72 - -	135 - -	4 8 to 6 4	5 6 to 7 0
1 7 to 1 7½	84 to 90	70 to 74	64 to 66	116 - -	4 0 to 5 0	4 4 to 5 4
1 6½ to 1 7	96 to 100	66 to 70	62 to 64	120 - -	4 0 to 5 4	4 0 to 5 4
1 6 - -	78 to 100	68 to 70	44 to 46	None - -	4 0 to 5 4	4 0 to 5 0
None - -	78 to 100	56 to 62	50 to 52	80 to 81	3 0 to 4 4	3 8 to 4 6
None - -	62 to 74	48 to 54	48 to 50	90 - -	3 8 to 4 8	3 8 to 4 8
None - -	64 to 74	54 to 68	54 to 58	117 - -	3 4 to 4 10	3 8 to 5 6
None - -	66 to 80	70 to 74	58 - -	114 - -	5 0 to 5 6	5 0 to 5 6
0 8 - -	78 to 84	84 to 94	60 - -	120 - -	3 4 to 5 0	4 0 to 6 0
None - -	76 - -	80 to 84	50 to 54	106 - -	4 6 to 5 4	5 6 to 6 4

Case of Cheese in the Year 1813). These Prices Current do not give the Prices of English Wool or English Linen, and the Means of supplying this Deficiency.

THOMAS LACK,
Assistant Secretary.

APPENDIX,

E. 5.

AN ACCOUNT of the PRICES of Sugar, Coffee, Cotton, Hemp, Flax, Tallow, Whale Oil, Deals, Timber, and Tobacco, in the Months of January and July in the Years 1813, 1814, 1815, 1816, 1817, and 1818; and in January and March in

the Year 1819.—Extracted from the Prices Current.

YEARS.	Sugar, per Cwt.		Coffee, per Cwt.		Cotton, per lb.			Hemp, per Ton.		Flax, per Ton.		Tallow, per Cwt.		Whale Oil, per Tun of 252 Gallons.		Deals, Memel Yellow.		Timber, Memel, per Load.		Tobacco, per lb.	
	MUSCOVADO.		Fine Jamaica.	Java.	Bowed Georgia.	Bengal.	Riga Rhine.	Petersburg Clean.	Riga, P. T. R.	Petersburg, 12 Head.	Yellow Soap.	Petersburg.	New Greenland without Casks.	Spermaceti.	Per Standard Hundred.	Per Load.	Virginia Fine Black.	Brazil Leaf.			
	Fine Jamaica.	Fine Havannah.																			
January 1813	s. s. 88 to 92	s. s. 65 to 79	s. s. 74 to 85	s. s. 62 to 70	s. d. 1 7 to 1 9	d. d. None -	£ £ 90 to 92	£ £ 90 to 92	£ £ 120 to 122	£ £ 100 to 103	s. d. 88 0 to 90 0	s. d. 80 0 -	£ £ 42 to 43	£ £ 92 -	£ £ 38 -	£ s. £ s. d. 10 10 to 11 0 0	d. d. 8 to 13	d. d. 6 -			
July - do.	93 to 95	66 to 82	80 to 88	85 to 90	1 7 to 1 9	None -	84 to 86	84 to 86	98 to 100	78 to 90	88 0 -	80 0 to 81	36 -	88 -	34 -	10 10 -	9 to 13	5 to 5½			
January 1814	111 to 112	110 to 116	95 to 99	115 to 140	2 1 to 2 4	15 to 17	82 -	81 -	100 to 103	84 to 90	98 0 to 100 0	94 0 to 96	57 to 58	87 to 88	32 to 34	10 10 to 11 0 0	14 to 15	7 to 8			
July - do.	92 to 100	118 to 122	74 to 80	105 to 107	1 11 to 2 1	11 to 13	60 to 61	58 -	88 to 90	68 to 78	88 0 to 90 0	82 0 -	34 -	64 -	31 to 33	9 10 to 10 0 0	15 to 16	None.			
January 1815	117 to 124	113 to 120	91 to 96	96 to 100	1 9 to 2 0	13 to 15½	65 -	58 to 59	95 -	73 -	89 0 -	83 0 -	45 -	68 -	30 to 31	8 0 to 8 15 0	24 to 26	None.			
July - do.	100 to 106	93 to 101	76 to 80	90 to 93	1 4½ to 1 6	10 to 12	53 -	50 -	90 -	73 -	68 0 -	64 0 -	33 -	72 -	24 to 25	8 10 -	10 to 11	5 -			
January 1816	99 to 102	90 to 95	102 to 110	80 to 82	1 4 to 1 6	11 to 14½	47 to 48	43 to 44	80 -	68 -	59 0 -	55 0 -	35 -	71 to 73	19 to 21	6 0 to 7 0 0	13 to 14	None.			
July - do.	88 to 95	72 to 78	71 to 74	66 to 70	1 4 to 1 6	12½ to 14	43 -	41 to 42	60 -	46 to 48	52 0 -	47 0 -	27 -	50 to 52	19 to 20	5 15 to 6 10 0	11¾ to 12½	4 to 4½			
January 1817	85 to 93	63 to 68	74 to 78	86 to 90	1 5½ to 1 7½	10½ to 12½	44 10s. -	42 to 43	65 to 67	52 to 55	54 0 to 54 6	52 0 -	36 -	68 -	21 to 22	6 0 to 6 10 0	11½ to 12	4 to 4½			
July - do.	78 to 80	68 to 70	83 to 85	93 to 95	1 5 to 1 8	9½ to 12	41 -	39 5s. -	65 -	55 to 56	53 0 to 53 6	51 6 -	27 to 30	70 -	19 to 20	5 15 to 6 0 0	10 to 11	2 to 4½			
January 1818	87 to 90	63 to 70	91 to 93	105 to 115	1 7½ to 1 10½	10½ to 12½	47 to 48	46 to 47	82 -	70 to 71	77 0 to 78 0	74 0 to 75	59 -	125 -	21 to 22	6 10 to 6 12 6	9 to 9½	2 to 4½			
July - do.	88 to 91	69 to 72	133 to 135	130 to 139	1 7½ to 1 9½	9 to 12	49 -	48 -	78 -	63 to 65	76 6 to 77 0	74 0 -	33 -	65 to 70	21 to 22	6 10 to 6 12 6	10 to 13	2 to 4½			
January 1819	86 to 89	60 to 68	143 to 146	158 -	1 5 to 1 8	6½ to 9	50 -	46 -	87 to 90	73 to 74	78 0 -	74 0 -	36 to 37	93 -	22 to 23	6 15 to 6 17 6	12 to 13	None.			
March 9th do.	83 to 86	56 to 64	126 to 130	133 to 142	1 2½ to 1 4	5¾ to 7½	47 to 48	44 -	83 -	66 -	68 0 to 69 0	63 0 to 64	32 -	85 -	22 to 23	6 15 to 6 17 6	9 to 10	None.			

Office for Trade,
12th March 1819.

THOMAS LACK,
Assistant Secretary.

(394)

F.

Relative to the Circulation of Country Banks.

THAT it is expedient further to continue the Restriction upon Cash Payments by the Bank for a Time to be limited, in such Manner and on such Conditions as shall be provided by Parliament, with a View to ensure its final Termination at the Period so to be fixed.

THAT previously to the Resumption of Cash Payments by the Bank, it is expedient that the Bank should be required, at a Time to be fixed by Parliament, to give in Exchange for its Notes, Gold duly assayed and stamped at His Majesty's Mint, (if demanded to an Amount not less than a Number of Ounces to be limited), valuing the same in such Exchange at a Price not exceeding Four Pounds One Shilling per Ounce.

THAT at the Expiration of a further Period, to be also fixed by Parliament, the Bank should be required to give in Exchange for its Notes, Gold so assayed and stamped (if demanded to an Amount of not less than a certain Number of Ounces to be limited), valuing the same in such Exchange at the Mint Price.

THAT at some Time between the Two Periods above mentioned, the Bank should be required to give in Exchange for its Notes, Gold so assayed and stamped, valuing the same at a Price between Four Pounds One Shilling and the Mint Price; and that after the Price at which Gold shall be valued in such Exchanges shall have been once lowered, it should not again be raised.

THAT

(67.)

(2)

THAT after the Period shall have arrived at which the Bank shall be required to give Gold in Exchange for its Notes at the Mint Price, a further Period to be fixed by Parliament should be allowed, and a certain Notice given, before the Bank shall be required to pay its Notes in Cash.

THAT it is expedient that all Laws, which prohibit the Melting or Exportation of the Gold or Silver Coin of the Realm, and the Exportation of Gold or Silver Bullion made of such Coin, should be repealed.

APPENDIX, F. 1.

ACCOUNT 1.

AN ACCOUNT of the Number of COUNTRY BANKERS NOTES

STAMPED IN EACH YEAR

From the 10th October 1804 to the 10th October 1818.

RESOLUTIONS.

APPENDIX, F. 1.

ACCOUNT 1.

AN ACCOUNT of the Number of COUNTRY BANKERS NOTES stamped in each Year, from the 10th October 1804 to the 10th October 1818.

Year ended 10th October	Not exceeding £1 1s.			Exceeding £1 1s. and not exceeding £2 2s.			Exceeding £2 2s. and not exceeding £5 5s.			Exceeding £5 5s. and not exceeding £20.			Exceeding £5 5s. and not exceeding £10.			Exceeding £10 and not exceeding £20.			Exceeding £20 and not exceeding £30.			and									
	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £2.	Duty.	Rate.	Number.	Value of Notes at £5.	Duty.	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £10.	Duty.	Rate.	Number.	Value of Notes at £20.	Duty.	Rate.	Number.	Value of Notes at £30.	Duty.	Rate.	Number.			
			£ s. d.			£	£ s. d.			£	£ s. d.			£ s. d.			£	£ s. d.				£	£ s. d.			£	£ s. d.				
1805	3d.	3,184,643	39,808 0 9	6d.	32,018	64,036	800 9 0	9d.	873,302	4,366,510	32,748 16 6	1s.	310,602	15,530 2 0																	
1806		3,132,859	39,160 14 9		66,146	132,292	1,653 13 0		863,276	4,316,380	32,372 17 0		324,918	16,245 18 0																	
1807		2,248,342	28,104 5 6		60,789	121,578	1,519 14 6		496,602	2,483,010	18,622 11 6		144,539	7,226 19 0																	
1808		1,958,028	24,475 7 0		78,393	156,786	1,959 16 6		677,271	3,386,355	25,397 13 3		262,659	13,132 19 0																	
1809	4d.	5,863,731	97,728 17 0	8d.	191,717	383,434	6,390 11 4	1s.	922,151	4,610,755	46,107 11 0	1/6	376,043	28,203 4 6							3s.	2,425	72,750	363 15 0	4/6	674					
1810		3,414,370	56,906 3 4		123,028	246,056	4,100 18 8		735,161	3,675,805	36,758 1 0		241,944	18,145 16 0								697	20,910	104 11 0		309					
1811		2,702,536	45,042 5 4		46,473	92,946	1,549 2 0		563,739	2,818,695	28,186 19 0		248,388	18,629 2 0								830	24,900	124 10 0		190					
1812		2,902,574	48,376 4 8		59,187	118,374	1,972 18 0		746,566	3,732,830	37,328 6 0		312,063	23,404 14 6								880	26,400	132 0 0		116					
1813		3,793,285	63,221 8 4		109,017	218,034	3,633 18 0		907,608	4,538,040	45,380 8 0		324,965	24,372 7 6								1,814	54,420	272 2 0		331					
1814		4,018,144	66,969 1 4		85,961	171,922	2,865 7 4		631,643	3,158,215	31,582 3 0		258,767	19,407 10 6								608	18,240	91 4 0		687					
1815		2,776,873	49,128 4 3		62,914	125,828	2,205 9 4		505,462	2,527,310	26,749 11 0		144,714	10,853 11 0	1/9	17,427	174,270	1,524 17 3	2s.	9,191	183,820	919 2 0		811	24,330	121 13 0		843			
1816	5d.	2,181,938	45,456 11 8	10d.	32,299	64,598	1,345 15 10	1/3	481,204	2,406,020	30,075 5 0						122,664	1,226,440	10,731 7 0		22,836	456,720	2,283 12 0		25	750	3 15 0	5s.	98		
1817		2,953,920	61,540 0 0		49,974	99,948	2,082 5 0		617,378	3,086,890	38,586 2 6						204,354	2,043,540	17,880 19 6		36,429	728,580	3,642 18 0		441	13,230	66 3 0		255		
1818		3,875,715	80,744 1 3		75,524	151,048	3,146 16 8		835,379	4,176,895	52,211 3 9						244,546	2,445,460	21,397 15 6		61,898	1,237,960	6,189 16 0		703	21,090	105 9 0		864		
		45,006,958	746,661 5 2		1,073,440	2,146,880	35,226 15 2		9,856,742	49,283,710	482,107 8 6		2,949,602	195,152 4 0			588,971	5,889,710	51,534 19 3		130,354	2,607,080	13,035 8 0		9,234	277,020	1,385 2 0		4,367		

The Two next Heads of Duty correspond with this, and supply this Vacancy. It will be observed that in the Year 1815, a separate Duty was imposed of 1s. 9d. on Notes not exceeding £10; and 2s. on Notes not exceeding £20; till this Year 1815 all Notes from £5 5s. to £20, (as appears by this Column) paid one common Duty of 1s. 6d.

APPENDIX, F. 1.

ACCOUNT 1.

AN ACCOUNT of the Number of COUNTRY BANKERS NOTES stamped in each Year, from the 10th October 1804 to the 10th October 1818.

1s. £2 2s.		Exceeding £2 2s. and not exceeding £5 5s.				Exceeding £5 5s. and not exceeding £20.				Exceeding £5 5s. and not exceeding £10.				Exceeding £10 and not exceeding £20.				Exceeding £20 and not exceeding £30.				Exceeding £30 and not exceeding £50.				Exceeding £50 and not exceeding £100.				
Duty.	Rate.	Number.	Value of Notes at £5.	Duty.	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £10.	Duty.	Rate.	Number.	Value of Notes at £20.	Duty.	Rate.	Number.	Value of Notes at £30.	Duty.	Rate.	Number.	Value of Notes at £50.	Duty.	Rate.	Number.	Value of Notes at £100.	Duty.			
£ s. d.			£	£ s. d.			£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.			
800 9 0	9d.	873,302	4,366,510	32,748 16 6	1s.	310,602	15,530 2 0																							
1,653 13 0		863,276	4,316,380	32,372 17 0		324,918	16,245 18 0																							
1,519 14 6		496,602	2,483,010	18,622 11 6		144,539	7,226 19 0																							
1,959 16 6		677,271	3,386,355	25,397 13 3		262,659	13,132 19 0																							
6,390 11 4	1s.	922,151	4,610,755	46,107 11 0	1/6	376,043	28,203 4 6						3s.	2,425	72,750	363 15 0	4/6	674	33,700	151 13 0	7/6	2,611	261,100	979 2 6						
4,100 18 8		735,161	3,675,805	36,758 1 0		241,944	18,145 16 0							697	20,910	104 11 0		309	15,450	69 10 6		2,416	241,600	906 0 0						
1,549 2 0		563,739	2,818,695	28,186 19 0		248,388	18,629 2 0							830	24,900	124 10 0		190	9,500	42 15 0		1,632	163,200	612 0 0						
1,972 18 0		746,566	3,732,830	37,328 6 0		312,063	23,404 14 6							880	26,400	132 0 0		116	5,800	26 2 0		464	46,400	174 0 0						
3,633 18 0		907,608	4,538,040	45,380 8 0		324,965	24,372 7 6							1,814	54,420	272 2 0		331	16,550	74 9 6		956	95,600	358 10 0						
2,865 7 4		631,643	3,158,215	31,582 3 0		258,767	19,407 10 6							608	18,240	91 4 0		687	34,350	154 11 6		2,673	267,300	1,002 7 6						
2,205 9 4		505,462	2,527,310	26,749 11 0		144,714	10,853 11 0	1/9	17,427	174,270	1,524 17 3	2s.	9,191	183,820	919 2 0		811	24,330	121 13 0		843	42,150	195 8 6		338	33,800	126 15 0			
1,345 15 10	1/3	481,204	2,406,020	30,075 5 0						122,664	1,226,440	10,731 7 0		22,836	456,720	2,283 12 0		25	750	3 15 0	5s.	98	4,900	24 10 0	8/6	821	82,100	348 18 6		
2,082 5 0		617,378	3,086,890	38,586 2 6						204,354	2,043,540	17,880 19 6		36,429	728,580	3,642 18 0		441	13,230	66 3 0		255	12,750	63 15 0		1,371	137,100	582 13 6		
3,146 16 8		835,379	4,176,895	52,211 3 9						244,546	2,445,460	21,397 15 6		61,898	1,237,960	6,189 16 0		703	21,090	105 9 0		864	43,200	216 0 0		3,655	365,500	1,553 7 6		
35,226 15 2		9,856,742	49,283,710	482,107 8 6		2,949,602	195,152 4 0			588,971	5,889,710	51,534 19 3		130,354	2,607,080	13,035 8 0		9,234	277,020	1,385 2 0		4,367	218,350	1,018 15 0		16,937	1,693,700	6,643 14 6		

The Two next Heads of Duty correspond with this, and supply this Vacancy. It will be observed that in the Year 1815, a separate Duty was imposed of 1s. 9d. on Notes not exceeding £10; and 2s. on Notes not exceeding £20; till this Year 1815 all Notes from £5 5s. to £20, (as appears by this Column) paid one common Duty of 1s. 6d.

C. TREFŪSIS,
Comptroller, Stamp Office.

AN ACCOUNT of the NUMBER of COUNTRY BANKERS NOTES
STAMPED IN EACH YEAR,
From the 10th October 1809 to the 10th October 1816.

APPENDIX F. 2.

ACCOUNT 2.

AN ACCOUNT of the NUMBER of COUNTRY BANKERS NOTES
STAMPED IN EACH YEAR,
From the 10th October 1809 to the 10th October 1816.

APPENDIX, F. 2.

ACCOUNT 2.

AN ACCOUNT of the Number of COUNTRY BANKERS NOTES stamped in each Year, from the 10th October 1809 to the 10th October 1816.

	Not exceeding £1 1s.			Exceeding £1 1s. and not exceeding £2 2s.			Exceeding £2 2s. and not exceeding £5 5s.			Exceeding £5 5s. and not exceeding £20.			Exceeding £5 5s. and not exceeding £10.			Exceeding £10 and not exceeding £20.			Exceeding £20 and not exceeding £30.			Exceeding £30 and not exceeding £50.								
	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £2.	Duty.	Rate.	Number.	Value of Notes at £5.	Duty.	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £10.	Duty.	Rate.	Number.	Value of Notes at £20.	Duty.	Rate.	Number.	Value of Notes at £30.	Duty.	Rate.	Number.	Value of Notes at £50.	Duty.
Year ended 10th October 1809 -	4d.	5,863,731	97,728 17 0	8d.	191,717	383,434	6,390 11 4	1s.	922,151	4,610,755	46,107 11 0	1/6	376,043	28,203 4 6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Additional - - -	1d.	518,202	2,159 3 6	2d.	19,127	38,254	159 7 10	3d.	67,223	336,115	840 5 9	6d.	27,741	693 10 6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		6,381,933	99,888 0 6		210,844	421,688	6,549 19 2		989,374	4,946,870	46,947 16 9		403,784	28,896 15 0																
Year ended 10th October 1810 -	4d.	3,414,370	56,906 3 4	8d.	123,028	246,056	4,100 18 8	1s.	735,161	3,675,805	36,758 1 0	1/6	241,944	18,145 16 0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Additional - - -	1d.	7,504	31 5 4	2d.	808	1,616	6 14 8	3d.	2,400	12,000	30 0 0	6d.	1,719	42 19 6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		3,421,874	56,937 8 8		123,836	247,672	4,107 13 4		737,561	3,687,805	36,788 1 0		243,663	18,188 15 6																
Year ended 10th October 1815 -	4d.	2,776,873	49,128 4 3	8d.	62,914	125,828	2,205 9 4	1s.	505,462	2,527,310	26,749 11 0	1/6	144,714	10,853 11 0	1/9	17,427	174,270	1,524 17 3	2s.	9,191	183,820	919 2 0	—	—	—	—	4/6	843	—	—
Additional - - -	1d.	217,308	905 9 0	2d.	3,857	7,714	32 2 10	3d.	68,524	342,620	856 11 0	—	—	—	3d.	23,711	237,110	296 7 9	6d.	9,236	184,720	230 18 0	—	—	—	—	6d.	43	—	—
		2,994,181	50,033 13 3		66,771	133,542	2,237 12 2		573,986	2,869,930	27,606 2 0		—	—		41,138	411,380	1,821 5 0		18,427	368,540	1,150 0 0								886
Year ended 10th October 1816 -	5d.	2,181,938	45,456 11 8	10d.	32,299	64,598	1,345 15 10	1/3	481,204	2,406,020	30,075 5 0	—	—	—	1/9	122,644	1,226,440	10,731 7 0	2s.	22,836	456,720	2,283 12 0	—	—	—	—	5s.	98	—	—
Additional - - -	1d.	321,302	1,338 15 2	2d.	20,434	40,868	170 5 8	3d.	116,606	583,030	1,457 11 6	—	—	—	3d.	27,631	276,310	345 7 9	6d.	6,016	120,320	150 8 0	—	—	—	—	6d.	177	—	—
		2,503,240	46,795 6 10		52,733	105,466	1,516 1 6		597,810	2,989,050	31,532 16 6		—	—		150,275	1,502,750	11,076 14 9		28,852	577,040	2,434 0 0								275

* It will appear, by referring to the other Account, that this was the Number of Notes brought to be stamped with a Fourpenny Stamp in this Year, the Notes bearing a Threepenny Stamp being no longer issuable.

† This is the Number of Notes bearing the Threepenny Stamp, which had never been put in Circulation, and which were therefore permitted to be impressed with an Additional Duty of One Penny, making together the new Fourpenny Duty.

The above Explanation refers equally to the subsequent Increase of Duty which took place in this Year 1810, and to the respective Years 1815 and 1816 mentioned below.

APPENDIX, F. 2.

ACCOUNT 2.

AN ACCOUNT of the Number of COUNTRY BANKERS NOTES stamped in each Year, from the 10th October 1809 to the 10th October 1816.

2s.		Exceeding £2 2s. and not exceeding £5 5s.				Exceeding £5 5s. and not exceeding £20.			Exceeding £5 5s. and not exceeding £10.				Exceeding £10 and not exceeding £20.				Exceeding £20 and not exceeding £30.				Exceeding £30 and not exceeding £50.				Exceeding £50 and not exceeding £100.			
Duty.	Rate.	Number.	Value of Notes at £5.	Duty.	Rate.	Number.	Duty.	Rate.	Number.	Value of Notes at £10.	Duty.	Rate.	Number.	Value of Notes at £20.	Duty.	Rate.	Number.	Value of Notes at £30.	Duty.	Rate.	Number.	Value of Notes at £50.	Duty.	Rate.	Number.	Value of Notes at £100.	Duty.	
£ s. d.			£	£ s. d.			£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.			£	£ s. d.	
6,390 11 4	1s.	922,151	4,610,755	46,107 11 0	1/6	376,043	28,203 4 6																					
159 7 10	3d.	67,223	336,115	840 5 9	6d.	27,741	693 10 6																					
6,549 19 2		989,374	4,946,870	46,947 16 9		403,784	28,896 15 0																					
4,100 18 8	1s.	735,161	3,675,805	36,758 1 0	1/6	241,944	18,145 16 0																					
6 14 8	3d.	2,400	12,000	30 0 0	6d.	1,719	42 19 6																					
4,107 13 4		737,561	3,687,805	36,788 1 0		243,663	18,188 15 6																					
2,205 9 4	1s.	505,462	2,527,310	26,749 11 0	1/6	144,714	10,853 11 0	1/9	17,427	174,270	1,524 17 3	2s.	9,191	183,820	919 2 0					4/6	843	42,150	195 8 6	7/6	338	33,800	126 15 0	
32 2 10	3d.	68,524	342,620	856 11 0				3d.	23,711	237,110	296 7 9	6d.	9,236	184,720	230 18 0					6d.	43	2,150	1 1 6	1s.	606	60,600	30 6 0	
2,237 12 2		573,986	2,869,930	27,606 2 0					41,138	411,380	1,821 5 0		18,427	368,540	1,150 0 0						886	44,300	196 10 0		944	94,400	157 1 0	
1,345 15 10	1/3	481,204	2,406,020	30,075 5 0				1/9	122,644	1,226,440	10,731 7 0	2s.	22,836	456,720	2,283 12 0					5s.	98	4,900	24 10 0	8/6	821	82,100	348 18 6	
170 5 8	3d.	116,606	583,030	1,457 11 6				3d.	27,631	276,310	345 7 9	6d.	6,016	120,320	150 8 0					6d.	177	8,850	4 8 6	1s.	658	65,800	32 18 0	
1,516 1 6		597,810	2,989,050	31,532 16 6					150,275	1,502,750	11,076 14 9		28,852	577,040	2,434 0 0						275	13,750	28 18 6		1,479	147,900	381 16 6	

APPENDIX, F. 3.

AN ACCOUNT of the Number and Value of Unstamped Small Notes issued in Scotland, by the Bank of Scotland, the Royal Bank, and the British Linen Company, for Ten Years preceding 5th January 1819.

	Number of Notes not exceeding £1 1s.	Value at £1.	Number of Notes exceeding £1 1s. and not exceeding £2 2s.	Value at £2.
		£		£
Year ended 5th Jan. 1810	381,000	381,000	—	—
- - 1811	213,700	213,700	67,500	135,000
- - 1812	115,400	115,400	—	—
- - 1813	215,800	215,800	11,000	22,000
- - 1814	273,300	273,300	13,600	27,200
- - 1815	212,200	212,200	—	—
- - 1816	229,800	229,800	—	—
- - 1817	369,000	369,000	—	—
- - 1818	250,800	250,800	—	—
- - 1819	374,500	374,500	—	—

C. TREFUSIS,
Comptroller, Stamp Office.

APPENDIX, F. 4.

QUESTIONS submitted to the Stamp Office, with the Answers.

HAS the Stamp Office any Means of giving an Account of the Number and Value of Country Bank Notes previous to the Year 1804?

THE Stamp Office has no Means of giving an Account of the Number and Value of Country Bank Notes previous to the Year 1804, because, previously to that Year, the various Persons making Application for Stamps filled up their Warrants without distinguishing whether the Notes required were for Bankers Notes, or Notes to be used in the Course of commercial Dealing; but, in 1804, Bankers were prohibited by Law from re-issuing Notes beyond Three Years from their Date: after this Limitation, the Account of Bankers Notes and other Notes were kept separately; and on this Account it is that it is only from this Period that the Account required can be made up.

How do you account for the great Rise of Notes in 1809?

It is to be ascribed to the Circumstance of an additional Duty being imposed in this Year, which precluded all the Notes in Circulation from being again re-issued; and these Notes having been upwards of Three Years out, would be so worn and defaced as to be brought in very rapidly to be exchanged for new Notes, which of course would require an adequate Supply of Notes to be obtained, with the additional Duty; which will account for the great Increase of Notes brought to be stamped in this Year.

During the Period between 1808 and 1813, when Notes not exceeding £2 2s. were re-issuable without Limitation, upon what Ground can the best Calculation be formed as to the Number of Notes circulating in each Year, and what would be the Result of such Calculation in each Year?

My Opinion is, that the taking off the Limitation from One and Two Pound Notes made very little, if any, Difference, either as to the Period of their Circulation, or as to the Quantity circulated. A One Pound Note will rarely be in a Condition to be re-issued after having been Three Years in Circulation, the Wear and Tear of this Period will render it no longer negotiable; the same Effect, consequently, would be produced without the legal Limitation of Three Years as with it: any Calculation, therefore, which proceeded on the Presumption that the Number and Value of Notes in general Circulation was affected by the Existence or Removal of this legal Limitation from the One and Two Pound Notes, would lead to an erroneous Conclusion.

The same Question in the subsequent Period from 1813 to 1815?

The same Question from 1815 to the present Time?

The Course of Enquiry which I have pursued, as likely to lead to the most accurate Estimate of the Average Annual Circulation of Country Bank Notes, is this: I have ascertained the Number of Notes stamped by Three different Banking Houses for the Three Years previous to 1815, when the last additional Duty was imposed, and the Three following Years inclusive. I have taken One Banking Establishment of the first Rank, One

of a middling Rank, and One of inferior Note; because, as the whole Number of Establishment must be made up of those Three Classes, the Notes issued by a Banker of each Class will furnish the best Criterion by which to estimate the Notes issued by the whole Number of Country Bankers, which must consist of those Three Classes.

The Result of this Investigation (the Detail of which will appear in the Account annexed) is this: For the Years 1812, 13, and 14, the aggregate Value of Notes issued by Three Country Banking Houses, of the respective Scales adverted to, is £233,800; and for the following Years 1815, 16, and 17, the aggregate Value issued by the same Firms is £327,000. (This Increase (somewhat less than £100,000) in the last Three Years arises from the Circumstance of the old Notes in Circulation being cancelled as they came in, in consequence of the additional Duty in 1815, which made it necessary to renew them.) Adding together the £233,800 and the £327,000 it will give £560,800 as the aggregate Value in Circulation, issued within Six Years by those Three Firms collectively. Dividing this Sum by Three will give the average Value of the Notes issued by each respectively, which will be £186,933 in Six Years; the One-sixth of this Sum will be the average Amount sent into Circulation by each of them in One Year, viz. £31,155; and as these Three Classes afford a fair Average of the Aggregate of the Country Banks, we may fairly take this £31,155 as the average Amount of Notes kept annually in Circulation by each, and multiplying it therefore by 513, the whole Number of Banks now existing, it will give £15,982,515, as the whole Amount of Country Bank Notes annually in Circulation.

J. SEDGWICK,
Chairman of the Board of Stamps.

APPENDIX, F. 5.

AN ACCOUNT of the NUMBER of COUNTRY BANK NOTES stamped by Three different Banking Houses, for the Three Years immediately preceding 1815, and the Three subsequent Years, inclusive; taking One Banking House of the First Rank, a Second of Middle Rank, and the Third of Inferior Scale. Numbered respectively 1, 2, 3.

BANK, No. 1.			BANK, No. 2.			BANK, No. 3.		
Number.	Value.		Number.	Value.		Number.	Value.	
1812. March -	1,000	5	1812. August -	5,000	5	1812. January -	2,000	1
April -	500	10	1813. May -	2,500	5	April -	300	10
May -	250	20	1814. -	4,000	1	September -	300	10
June -	1,000	5	1815. December -	5,000	1	1815. -	500	5
October -	1,000	10	1816. February -	2,000	1	1816. May -	1,000	5
December -	500	20	April -	3,000	1	1816. October -	500	10
1813. -	500	20	May -	2,000	1	1817. January -	1,000	5
No Notes stamped all this Year.	1,000	10	1817. February -	2,000	1	April -	500	10
1814. January -	5,000	1	April -	2,000	5	1817. August -	500	10
March -	1,000	10	July -	2,000	1	October -	500	10
1817. January -	1,000	10	August -	2,000	1	1817. November -	200	10
February -	1,000	10	September -	2,000	1			
March -	500	20	October -	2,000	1			
April -	500	10	1817. February -	5,000	2			
May -	5,000	1	April -	2,000	1			
June -	39,000	1	July -	2,000	1			
October -	5,000	1	August -	2,000	2			
December -	5,000	1	September -	2,000	2			
			1817. -	1,000	5			
			1817. February -	2,000	5			
			April -	2,000	3			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			
			1817. -	1,000	5			
			1817. February -	5,000	2			
			April -	2,000	1			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			
			1817. -	1,000	5			
			1817. February -	2,000	1			
			April -	2,000	3			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			
			1817. -	1,000	5			
			1817. February -	5,000	2			
			April -	2,000	1			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			
			1817. -	1,000	5			
			1817. February -	5,000	2			
			April -	2,000	1			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			
			1817. -	1,000	5			
			1817. February -	5,000	2			
			April -	2,000	1			
			July -	2,000	1			
			August -	2,000	2			
			September -	2,000	1			

C. TREFUSIS,
Comptroller, Stamp Office.

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APPENDIX, F. 6.

EXPLANATION of the Progress and present State of the Law as applied to the re-issuing of Country Bank Notes.

A CONSIDERABLE Revenue being raised by a Stamp Duty on Bills of Exchange and Promissory Notes, it would naturally occur to Government that the Promissory Note of a Country Banker, payable on Demand, might fairly be subjected to a Duty, as well as the Promissory Note of a Merchant or any other Individual. Accordingly, about the Year 1791, a Duty was imposed upon them.

The Promissory Note of an *Individual*, when once paid, may be said to have performed its Office. This is not so with the Promissory Note of a *Country Banker*: when *this* is brought in and paid, it is re-issued, and becomes, in fact, a *new Promissory Note* to a *new Holder*. It would be readily observed, when the Attention of Government was drawn to the Subject, that this Note, being thus *re-issued*, ought, in Equity, to be *re-stamped*; it being, to all Intents and Purposes, a *new Note*. But it would be obvious, that to subject each Note to a fresh Duty when thus re-issued, would not, from the Nature of Banking Concerns, be possible; because one Note might remain out for a Twelvemonth, while another might come in and be re-issued Twenty Times within that Period; besides which, to send them to be re-stamped as often as they were re-issued, would be obviously impracticable. One Expedient, it appeared very clearly, might be adopted, which was, to take the average Period of their Circulation, and to prohibit their being re-issued after that Period; and accordingly, in 1804, an Act was passed limiting the re-issuing of all Country Bank Notes to *Three Years* from their Date.

In 1808, an additional Duty was imposed, and the Country Bankers were permitted to re-issue Notes not exceeding £2 2s. without Restriction as to Time. The Reason of this, one may take it for granted, was, that the Country Bankers remonstrated against this Increase of Duty, and that it ended in this Compromise.

After a Time, it was no Doubt discovered that the Privilege thus granted of re-issuing *One* and *Two* Pounds indefinitely was quite uncalled for, on the Ground of Indemnity against any Disadvantage arising from this additional Duty. Accordingly, the 53 Geo. 3. was passed, which *again limited the re-issuing of them to Three Years as before*, in common with Notes of a higher Amount.

The Country Bankers, even those of the very first Rank of Respectability, could not always prevent the accidental re-issuing of their Notes after the legal Period; and Persons who would have shrunk from the Contemplation of a Fraud on the Revenue, found themselves, in consequence of the Oversight of a Clerk, the Objects of a Prosecution, and subjected to very high Penalties. Various Informations were from time to time exhibited against different Banking Houses, and Fines to a high Amount recovered. The Country Bankers at length submitted to such an Increase of Duty on the progressive Amount of their Notes as might be considered equivalent to the Advantage arising to the Revenue from the Period to which the re-issuing of them was restricted. Accordingly, in 1815, the Duties upon Country Bank Notes were increased; and all Notes bearing Date *after this Year 1815*, were allowed to be re-issued as long as the Parties thought fit. The legal Limitation, therefore, as to the re-issuing of Country Bank Notes, may be now considered as removed. And thus the Law, with respect to this Subject, at present remains.

I. SEDGWICK,
Chairman to the Board of Stamps.

APPENDIX, F. 7.
PAPERS delivered in by Mr. Sedgwick.

IT is supposed that a Country Banker may usually have about One Tenth of the whole Amount of his Notes in his Coffers as a Reserve, and Nine Tenths in Circulation.

The Notes of a Country Bank are supposed to last, on the average, Three Years. According to the Estimate formed by the principal Engraver to the Stamp Office, and who is also employed by a very large Proportion of the Country Bankers, the One and Two Pound Notes rarely last beyond Two Years; but as the Notes of higher Value last longer, Three Years may fairly be taken as the Average Duration of the whole; and this was the Average assented to by the Country Bankers, when the Law restricting the Circulation of their Notes to Three Years was first enacted. On this Ground, it is calculated, that in the course of the Year in which they are issued, One Third will be worn out; and during the second Year (including the Consumption of the former Year), Two Thirds.

Upon these Data the following Rule for an approximating Estimate of the Number of Notes actually in Circulation in any given Year is grounded.

For the Year C. (1811.)

Take the Amount of Notes stampd in the Year A. (1809) and deduct One Tenth as the Reserve of that Year.

Take the Amount of the Notes stampd in the Year B. (1810), and add to it the Reserve of the former Year A. * (1809).

Then deduct from the Total of these Two Sums One Tenth, as the Reserve of the Year B. (1810).

Take the Amount of Notes stampd in the Year C. (1811), and add to it the Reserve of the Year B. (1810).

Then deduct from the Total of these Two Sums One Tenth, as the Reserve of the Year C. (1811).

Add together the Result of these Three Operations. Then take Two Thirds of the Amount of the Notes in Circulation in the Year A. (1809), and One Third of the additional Amount thrown into Circulation in the Year B. (1810).

Add these Two Sums together, and deduct the Amount from the Total above stated.

The Remainder may be taken as the Amount of the Notes actually in Circulation, under ordinary Circumstances, in the Year C.

In the subsequent Years the Process will be the same, except that, when calculating the additional Notes put into Circulation in the First Year of any Series of Three Years, it will be necessary to add the Reserve brought from the Year preceding the First Year of that Series. This is not done with respect to the Year 1809, because all the Notes previously stamped were brought to be re-stamped in that Year.

I. SEDGWICK,
Chairman of the Stamp Board.

* This reserved Amount must be added, because the Reserve of the current Year will, of course, be thrown into Circulation in the next Year.

F. 7.—Papers delivered in by Mr. Sedgwick—continued.

No. I.

ACCOUNT for 1809, 1810, 1811.		
In the year 1809, all Notes were called in.		
Notes stamped in 1809	- - -	15,737,986
Deduct for Reserve, 1-10th	- - -	1,573,798
		<u>14,164,188</u>
Notes stamped in 1810	- - -	10,517,519
Add Reserve of 1809, 1-10th	- - -	1,573,798
		<u>12,091,317</u>
Deduct for Reserve of 1810, 1-10th	- - -	1,209,131
		<u>10,882,186</u>
Notes stamped in 1811	- - -	8,792,433
Add Reserve of 1810	- - -	1,209,131
		<u>10,001,564</u>
Deduct for Reserve of 1811, 1-10th	- - -	1,000,156
		<u>9,001,408</u>
After deducting 1-10th for Reserve		
1809 - 14,164,188 $\frac{2}{3}$ =		9,442,792
1810 - 10,882,186 $\frac{2}{3}$ =		3,627,395
1811 - 9,001,408		
		<u>34,047,782</u>
Deduct for Wear	- 13,070,187	<u>13,070,187</u>
1811 - 20,977,575		
		<u>21,374,174</u>
		1810 - 10,882,186
		Add 2-3ds of 1809 } 10,491,988

F. 7.)—Papers delivered in by Mr. Sedgwick—continued.

No. II.

Account from 1810 to 1818. (See Detailed Account, No. 3.)		
1810	£ 10,882,186	£ = 7,254,790
1811	9,001,408	= 3,000,469
1812	10,419,561	
	30,303,155	10,255,259
Deduct for Wear	10,255,259	
1812	20,047,896	
	9,001,408	£ = 6,000,938
1812	10,419,561	= 3,473,187
1813	12,395,915	
	31,816,884	9,474,125
Deduct for Wear	9,474,125	
1813	22,342,759	
	10,419,561	£ = 6,946,374
1812	12,395,915	= 4,131,971
1814	10,935,629	
	33,751,105	11,078,345
Deduct for Wear	11,078,345	
1814	21,672,760	
	12,395,915	£ = 8,263,942
1813	10,935,629	= 3,645,209
1815	7,956,017	
	31,287,561	11,909,151
Deduct for Wear	11,909,151	
1815	20,378,410	
	10,935,629	£ = 7,290,418
1814	7,956,017	= 2,652,005
1816	6,576,721	
	25,468,367	9,942,423
Deduct for Wear	9,942,423	
1816	15,525,944	
	7,956,017	£ = 5,304,010
1815	6,576,721	= 2,192,240
1817	8,826,034	
	23,358,772	7,496,250
Deduct for Wear	7,496,250	
1817	15,862,522	
	6,576,721	£ = 4,384,480
1816	8,826,034	= 2,942,011
1818	11,967,785	
	27,370,540	7,326,491
Deduct for Wear	7,326,491	
1818	20,044,049	

(F. 7.)—Papers delivered in by Mr. Sedgwick—continued.

No. III.

Respective Amount of the Notes.			1s. and 2s. Stamps taken at £12.
1809.	1810.	1811.	£ 376,043
£5,863,731	£3,414,370	£2,702,536	12
383,434	246,056	92,946	4,512,516 - - 1809
4,610,755	3,675,805	2,818,695	
4,512,516	2,903,328	2,980,656	241,944
			12
72,750	20,910	24,900	2,903,328 - - 1810
33,700	15,450	9,500	
261,100	241,600	163,200	248,388
			12
15,737,986	10,517,519	8,792,433	2,980,656 - - 1811
1812.	1813.	1814.	
2,902,574	3,793,285	4,018,144	312,063
			12
118,374	218,034	171,922	3,744,756 - - 1812
3,732,830	4,538,040	3,158,215	
3,744,756	3,899,580	3,105,204	324,965
			12
26,400	54,420	18,240	3,899,580 - - 1813
5,800	16,550	34,350	
46,400	95,600	267,300	258,767
			12
10,577,134	12,615,509	10,773,375	3,105,204 - - 1814
1815.	1816.	1817.	144,714
2,776,873	2,181,938	2,953,920	12
125,828	64,598	99,948	1,736,568 - - 1815
2,527,310	2,406,020	3,086,890	
1,736,568	1,226,440	2,043,540	
174,270	456,720	728,580	
183,820	750	13,230	
24,830	4,900	12,750	
42,150	82,100	137,100	
33,800			
7,624,949	6,423,466	9,075,958	
1818.			
3,875,715			
151,048			
4,176,895			
2,445,460			
1,237,960			
21,090			
43,200			
365,500			
12,316,868			

(F. 7.)—Papers delivered in by Mr. Sedgwick—continued.

	£
Notes stamped in 1809	15,737,986
Deduct Reserve, 1-10th	1,573,798
	14,164,188
Notes stamped in 1810	10,517,519
Add Reserve of 1809	1,573,798
	12,091,317
Deduct for Reserve of 1810, 1-10th	1,209,131
	10,882,186
Notes stamped in 1811	8,792,433
Add Reserve of 1810	1,209,131
	10,001,564
Deduct for Reserve of 1811, 1-10th	1,000,156
	9,001,408
Notes stamped in 1812	10,577,134
Add Reserve of 1811	1,000,156
	11,577,290
Deduct for Reserve of 1812, 1-10th	1,157,729
	10,419,561
Notes stamped in 1813	12,615,509
Add Reserve of 1812	1,157,729
	13,773,238
Deduct for Reserve of 1813, 1-10th	1,377,323
	12,395,915

(F. 7.)—Papers delivered in by Mr. Sedgwick—continued.

Notes stamped in 1814	£ 10,773,375
Add Reserve of 1813	1,377,323
	12,150,698
Deduct for Reserve of 1814, 1-10th	1,215,069
	10,935,629
Notes stamped in 1815	7,624,949
Add Reserve of 1814	1,215,069
	8,840,018
Deduct for Reserve of 1815, 1-10th	884,001
	7,956,017
Notes stamped in 1816	6,423,466
Add Reserve of 1815	884,001
	7,307,467
Deduct for Reserve of 1816, 1-10th	730,746
	6,576,721
Notes stamped in 1817	9,075,958
Add Reserve of 1816	730,746
	9,806,704
Deduct for Reserve of 1817, 1-10th	980,670
	8,826,034
Notes stamped in 1818	12,316,868
Add Reserve of 1817	980,670
	13,297,538
Deduct for Reserve of 1818, 1-10th	1,329,753
	£ 11,967,785

APPENDIX, F. 8.

ESTIMATE of Amount of Country Bank Notes in each Year from 1809 to 1818, inclusive.

AS the Estimate of the Currency, prior to the Bank Restriction, includes all the Country Notes then supposed to be in Existence, without making any Deduction on account of that Proportion which must at that Time have formed the Reserve, both of the Bank of England and of Country Banks, it seems not right, in stating the Currency at subsequent Prices, to make any Deduction on account of the supposed Reserves of the Country Banks. In the Estimate for the latter Period, all the Notes issued by the Bank of England are considered as a Part of the circulating Medium, without deducting any Proportion of them, although it is well known that no inconsiderable Quantity is held by Bankers, as their Reserve. The whole of the Country Notes, estimated to be in Existence in any Year, ought equally to be stated, as forming a Part of the circulating Medium of that Year. Correcting the Estimate upon this Principle, it will stand as follows:

App. F. 2.

1809.	- - -	16,953,000
1810.	Stamped -	10,517,000
	2-3d of 1809 -	11,302,000
		<u>21,819,000</u>
1811.	Stamped -	8,792,000
	1-3d of 1809 -	5,651,000
	2-3d of 1810 -	7,010,000
		<u>21,453,000</u>
1812.	Stamped -	10,577,000
	1-3d of 1810 -	3,505,000
	2-3d of 1811 -	5,862,000
		<u>19,944,000</u>
1813.	Stamped -	12,615,000
	1-3d of 1811 -	2,930,000
	2-3d of 1812 -	7,052,000
		<u>22,597,000</u>
1814.	Stamped -	10,773,000
	1-3d of 1812 -	3,526,000
	2 3d of 1813 -	8,410,000
		<u>22,709,000</u>
1815.	Stamped -	7,624,000
	1-3d of 1813 -	4,205,000
	2-3d of 1814 -	7,182,000
		<u>19,011,000</u>
1816.	Stamped -	6,423,000
	1-3d of 1814 -	3,591,000
	2-3d of 1815 -	5,082,000
		<u>15,096,000</u>
1817.	Stamped -	9,075,000
	1-3d of 1815 -	2,541,000
	2-3d of 1816 -	4,282,000
		<u>15,898,000</u>
1818.	Stamped -	12,316,000
	1-3d of 1816 -	2,141,000
	2-3d of 1817 -	6,050,000
		<u>20,507,000</u>

APPENDIX, F. 9.

AN ACCOUNT of the NUMBER of COUNTRY BANKS in ENGLAND and WALES, for which Licences to issue Promissory Notes have been taken out in each Year, from 1808 to 1818, both inclusive; distinguishing each Year, and distinguishing the Number in each County, and the Number of Partners concerned in the Banks of each County.

APPENDIX,

AN ACCOUNT of the NUMBER of COUNTRY BANKS in ENGLAND and WALES, to 1818, both inclusive; distinguishing each Year, and distinguishing the Number in

COUNTIES.	From 1808 to 1809.		1809 to 1810.		1810 to 1811.		1811 to 1812.		1812 to 1813.	
	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.
Bedfordshire	7	18	7	18	5	13	7	16	7	19
Berkshire	14	45	15	47	18	63	15	54	19	69
Brecknockshire	2	5	2	5	2	5	3	9	2	6
Buckinghamshire	8	19	8	19	10	21	10	22	8	18
Cambridgeshire	8	18	8	20	9	22	6	18	8	27
Cardiganshire	1	3	2	6	2	6	2	6	2	6
Carmarthenshire	5	14	6	15	6	14	6	15	6	14
Carnarvonshire	1	5	1	5	1	4	—	—	—	—
Cheshire	8	22	7	19	6	16	5	12	7	17
Cornwall	36	91	32	77	26	76	24	68	23	65
Cumberland	9	37	9	39	11	47	9	32	8	28
Denbighshire	5	13	6	16	6	15	3	11	4	7
Derbyshire	7	20	7	20	7	22	7	22	9	34
Devonshire	51	148	58	172	49	154	48	148	46	140
Dorsetshire	15	39	16	41	13	35	12	33	15	40
Durham	10	45	8	35	9	40	9	41	11	59
Essex	13	39	11	35	14	42	16	50	15	48
Flintshire	1	4	2	10	2	10	2	10	3	10
Glamorganshire	9	28	9	28	9	27	9	30	10	28
Gloucestershire	34	106	38	122	35	109	39	131	39	130
Hampshire	31	84	37	99	31	85	30	85	34	94
Herefordshire	7	22	6	19	7	22	8	24	7	21
Hertfordshire	14	41	15	43	14	37	11	25	13	27
Huntingdonshire	6	16	6	16	5	14	6	19	5	16
Isle of Anglesey	1	1	—	—	—	—	—	—	—	—
Kent	30	98	34	108	32	101	31	93	39	120
Lancashire	4	17	3	13	3	13	5	18	5	18
Leicestershire	8	23	8	23	8	23	9	27	10	29
Lincolnshire	24	61	23	60	21	57	22	60	22	64
Merionethshire	2	5	2	5	1	2	1	2	1	2
Middlesex	4	17	5	18	5	18	6	17	3	9
Monmouthshire	4	14	4	18	3	12	10	42	7	26
Montgomeryshire	5	16	5	13	5	15	4	9	6	12
Norfolk	20	67	17	60	18	63	19	67	18	65
Northamptonshire	12	30	14	38	12	36	13	34	14	36
Northumberland	7	34	9	43	10	45	4	17	5	26
Nottinghamshire	16	47	14	48	13	41	13	45	14	46
Oxfordshire	16	56	16	54	16	56	17	56	17	54
Pembrokeshire	2	8	7	17	6	15	6	16	5	14
Radnorshire	—	—	1	3	1	1	1	2	—	—
Rutlandshire	3	9	4	11	3	9	4	8	3	7
Shropshire	22	63	22	68	21	65	18	58	22	63
Somersetshire	51	133	54	145	47	128	47	126	47	129
Staffordshire	28	68	25	60	26	65	23	52	27	65
Suffolk	19	63	20	68	20	66	20	66	17	59
Surrey	17	52	13	40	15	45	12	37	12	37
Sussex	22	77	24	86	22	77	22	73	24	80
Warwickshire	25	65	23	65	23	63	24	65	26	74
Westmorland	4	17	4	19	5	22	5	19	3	11
Wiltshire	25	70	27	76	26	83	24	79	22	74
Worcestershire	14	40	18	51	17	50	17	51	18	52
Yorkshire	68	222	71	236	65	208	75	257	73	255
Total	755	2,255	783	2,372	741	2,278	739	2,277	761	2,350

Stamp Office, Somerset Place,
1st May 1819.

F.9.

for which Licences to issue Promissory Notes have been taken out in each Year, from 1808 each County, and the Number of Partners concerned in the Banks of each County.

1813 to 1814.		1814 to 1815.		1815 to 1816.		1816 to 1817.		1817 to 1818.		1818 to 1819.	
No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.
7	19	7	17	6	16	6	17	6	17	6	17
19	64	18	59	17	54	10	31	10	29	9	27
4	10	3	7	3	7	2	6	2	5	2	5
6	13	7	16	3	9	4	9	4	9	4	9
8	25	7	22	6	21	7	23	7	23	7	24
2	6	2	6	—	—	1	3	2	5	2	5
8	19	4	10	4	10	4	9	3	7	3	8
7	17	7	16	8	20	6	18	4	12	4	12
22	60	21	58	21	54	19	52	20	54	22	58
7	25	6	22	5	17	5	19	5	19	5	19
4	9	4	8	5	10	4	7	5	13	4	9
9	34	7	28	8	28	8	28	7	26	7	26
44	129	44	130	40	119	36	108	37	108	38	105
14	39	14	36	11	26	11	25	12	28	10	25
11	48	11	51	10	40	6	26	8	32	7	29
16	49	15	49	13	41	9	23	10	33	10	32
2	9	2	8	2	8	2	8	2	8	2	8
11	33	12	37	7	22	7	21	9	27	9	25
40	132	39	126	38	127	38	127	31	98	33	108
31	85	28	80	30	83	28	76	25	67	26	67
9	28	7	22	7	23	6	17	6	17	7	21
11	23	12	30	12	30	12	23	11	27	12	27
6	20	5	16	5	16	6	20	5	17	5	17
38	111	34	95	31	87	28	75	28	71	30	75
4	13	6	24	6	23	5	18	4	15	5	19
10	29	13	41	8	24	8	24	8	24	9	26
23	65	14	39	12	37	9	30	9	30	12	39
1	2	2	4	1	2	2	4	2	4	3	7
2	6	2	5	2	6	2	5	2	6	2	6
6	18	5	15	5	15	5	14	4	11	6	16
4	11	3	7	2	5	2	7	2	7	2	7
18	60	17	55	17	54	17	56	17	58	16	56
12	33	13	33	12	33	10	28	9	26	12	32
4	20	7	30	5	20	4	16	8	30	6	27
13	40	13	44	13	40	11	33	9	30	9	29
15	43	16	50	12	35	10	26	12	32	13	32
5	12	5	13	3	7	3	7	3	7	2	5
4	10	3	8	2	5	1	4	1	4	—	—
22	62	22	64	21	63	15	51	15	49	15	47
43	127	41	124	31	89	30	89	31	93	30	95
22	55	24	60	22	54	18	43	20	46	17	39
18	61	19	59	19	62	20	66	18	61	19	67
13	37	13	39	14	35	11	26	8	18	10	23
22	76	18	64	20	72	16	56	19	65	18	61
24	73	24	79	23	79	23	79	23	78	23	78
3	11	3	11	3	11	4	15	3	9	3	10
22	71	19	60	17	56	17	55	16	52	16	53
16	52	14	45	13	41	14	44	15	47	14	41
71	240	67	223	68	220	62	212	59	199	57	199
733	2,234	699	2,145	643	1,956	585	1,791	576	1,751	587	1,776

TEESDALE COCKELL,
Assistant Distributor.

APPENDIX

AN ACCOUNT of the Number of BANKS in SCOTLAND, for which LICENCES to issue inclusive, distinguishing each Year, and distinguishing the Number in each

COUNTIES.		From 1808 to 1809.		From 1809 to 1810.		From 1810 to 1811.		From 1811 to 1812.	
		No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.
1. EDINBURGH	{ Head Offices of Banks	117	6	117	6	500	7	617	7
	{ Agencies of Banks	—	4	—	4	—	7	—	7
2. ABERDEEN	{ Head Offices of Banks	120	2	120	2	120	2	120	2
	{ Agencies of Banks	—	4	—	4	—	4	—	4
3. ARGYLE	{ Agencies of Banks	—	2	—	2	—	2	—	2
4. AYR	{ Head Offices of Banks	14	2	14	2	14	2	14	2
	{ Agencies of Banks	—	5	—	5	—	5	—	5
5. BANFF	{ Agencies of Banks	—	3	—	3	—	3	—	3
6. BERWICK	{ Agencies of Banks	—	2	—	2	—	2	—	2
7. BUTE	{ Agencies of Banks	—	2	—	2	—	2	—	2
8. CAITHNESS	{ Head Offices of Banks	—	—	—	—	—	—	—	—
	{ Agencies of Banks	—	—	—	—	—	—	—	—
9. CLACKMANAN	{ Agencies of Banks	—	2	—	2	—	2	—	2
10. DUMFRIES	{ Head Offices of Banks	2	1	—	—	—	—	—	—
	{ Agencies of Banks	—	3	—	3	—	3	—	4
11. ELGIN	{ Agencies of Banks	—	3	—	3	—	3	—	3
12. FIFE	{ Head Offices of Banks	53	2	53	2	47	1	47	1
	{ Agencies of Banks	—	10	—	10	—	11	—	12
13. FORFAR	{ Head Offices of Banks	183	3	183	3	183	3	183	3
	{ Agencies of Banks	—	13	—	15	—	16	—	15
14. HADDINGTON	{ Head Offices of Banks	—	—	44	1	44	1	44	1
	{ Agencies of Banks	—	2	—	3	—	3	—	3
15. INVERNESS	{ Agencies of Banks	—	2	—	2	—	2	—	2
16. KINCARDINE	{ Agencies of Banks	—	—	—	1	—	1	—	1
17. KINROSS	{ Agencies of Banks	—	1	—	—	—	—	—	—
18. KIRKCUDBRIGHT, Stewartry	{ Head Offices of Banks	4	1	4	1	4	1	4	1
	{ Agencies of Banks	—	2	—	2	—	2	—	2
19. LANARK	{ Head Offices of Banks	29	3	29	3	29	3	29	3
	{ Agencies of Banks	—	12	—	12	—	12	—	11
20. LINLITHGOW	{ Agencies of Banks	—	3	—	3	—	3	—	3
21. PERTH	{ Head Offices of Banks	173	1	267	2	267	2	267	2
	{ Agencies of Banks	—	8	—	8	—	10	—	10
22. RENFREW	{ Head Offices of Banks	28	4	28	4	28	4	28	4
	{ Agencies of Banks	—	2	—	2	—	2	—	2
23. ROSS	{ Agencies of Banks	—	1	—	1	—	3	—	3
24. ROXBURGH	{ Agencies of Banks	—	2	—	2	—	2	—	2
25. SELKIRK	{ Agencies of Banks	—	1	—	1	—	2	—	2
26. STIRLING	{ Head Offices of Banks	21	3	21	3	21	3	21	3
	{ Agencies of Banks	—	3	—	3	—	3	—	3
27. WIGTON	{ Agencies of Banks	—	3	—	3	—	4	—	3
Number of Banks in each Year		—	123	—	127	—	138	—	137
Number of Partners		744	—	880	—	1,257	—	1,374	—

Stamp Office, Edinburgh,
24th April 1819.

F. 10.

PROMISSORY NOTES have been taken out in each Year, from 1808 to 1818, both County, and the Number of Partners concerned in the Banks of each County.

	From 1812 to 1813.		From 1813 to 1814.		From 1814 to 1815.		From 1815 to 1816.		From 1816 to 1817.		From 1817 to 1818.		From 1818 to 1819.	
	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.	No. of Partners.	No. of Banks.
669	7	689	7	753	6	776	6	756	6	735	6	715	6	
—	6	—	5	—	4	—	4	—	5	—	5	—	6	
118	2	118	2	118	2	99	2	100	3	94	3	98	3	
—	5	—	6	—	6	—	6	—	6	—	6	—	6	
—	2	—	2	—	2	—	2	—	2	—	2	—	2	
13	2	13	2	13	2	13	2	13	2	14	2	14	2	
—	5	—	6	—	6	—	6	—	6	—	6	—	6	
—	3	—	3	—	4	—	4	—	3	—	3	—	3	
—	2	—	2	—	2	—	1	—	1	—	1	—	1	
—	2	—	2	—	2	—	2	—	2	—	2	—	2	
3	1	3	1	3	1	3	1	3	1	3	1	2	1	
—	2	—	2	—	2	—	2	—	2	—	2	—	2	
—	3	—	2	—	2	—	2	—	2	—	1	—	1	
—	3	—	4	—	4	—	4	—	4	—	4	—	4	
—	3	—	3	—	3	—	3	—	3	—	3	—	3	
47	1	47	1	47	1	48	1	48	1	47	1	50	1	
—	12	—	11	—	11	—	10	—	9	—	9	—	9	
174	3	280	4	280	4	254	4	260	4	262	4	242	4	
—	13	—	13	—	12	—	13	—	11	—	11	—	12	
58	1	58	1	58	1	57	1	57	1	44	1	49	1	
—	3	—	3	—	3	—	3	—	3	—	3	—	3	
—	2	—	2	—	3	—	3	—	3	—	3	—	3	
—	1	—	1	—	1	—	1	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4	1	4	1	4	1	4	1	4	1	4	1	5	1	
—	1	—	1	—	1	—	1	—	1	—	1	—	1	
30	3	30	3	30	3	29	3	29	3	31	3	38	3	
—	12	—	10	—	10	—	9	—	8	—	8	—	10	
—	2	—	—	—	—	—	—	—	—	—	—	—	—	
269	2	269	2	269	2	251	2	251	2	258	2	229	2	
—	11	—	10	—	10	—	10	—	9	—	10	—	11	
28	4	28	4	28	4	25	4	25	4	25	4	25	4	
—	2	—	3	—	3	—	3	—	3	—	2	—	2	
—	3	—	3	—	3	—	2	—	2	—	2	—	2	
—	2	—	2	—	2	—	3	—	3	—	3	—	3	
—	2	—	2	—	2	—	2	—	1	—	1	—	1	
20	3	20	3	20	3	17	3	11	2	11	2	11	2	
—	3	—	2	—	2	—	2	—	2	—	2	—	2	
—	3	—	3	—	2	—	4	—	4	—	3	—	3	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	
1,433	138	1,559	134	1,623	132	1,576	132	1,557	125	1,528	123	1,478	128	

THOMAS PENDER, Comptroller.

APPENDIX, F. 11.

EXTRACT of a Letter from Mr. Wm. Latham to the Marquis of Lansdown, delivered in by the Marquis of Lansdown. |

Wakefield, York, 3d of 3d Month, 1819.

HAVING been previously furnished with the Number of Notes stamped for each of the last Four Years, as laid before Parliament, I have ascertained with great Accuracy, by means of this Data, combined with the Knowledge that Notes of One Guinea or Pound will last Three Years, and Notes of a higher Denomination Four Years, from which I calculate the Amount of Country Bankers Notes circulating in England and Scotland to amount to 29 Millions Sterling. This Sum excludes the Notes of Ireland. I now beg to advert to the State of the present Currency for this important County. The Banking Firms amount to 42, of which please to remark, One-third are concerned in other Trades besides that of Banking.

I lament to state the Fact, that only a Portion of the Currency in this Part of the Country, the West Riding, is made up of the Notes of responsible Bankers; another Part is issued by Individuals, Merchants, Manufacturers, and those not regularly in the Trade of Bankers.

Wakefield, 20 4th Month, 1819.

Some further Remarks in correction of a Statement of the Amount of Country Bank Notes circulating in England and Scotland. The Total of Country Bank Notes was stated at 28,000,000.

4,000,000	}	From which, deduct <i>One-seventh</i> for Notes laying dormant in the Hands of Bankers accumulated between the Periods on which Country Bankers make Exchanges with each other, say once a Week, when the Notes are returned to the Place from whence issued, by Bankers in the Vicinity.
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24,000,000

* The Total of Country Bank Notes.

* The above Calculation I believe to be correct, as far as the Principles on which it is founded apply to the Circulation of Notes in that part of the Country in which the Writer's Business is situated, which is a *Mixture* of Agriculture and Manufacture, the Proportion of the Former exceeding the Latter, and where the Bankers Notes are not made payable in London. In those Districts of the Country in which Commerce and Manufacture *preponderate*, the Notes do not last so long as Three Years for small Notes, and Four Years for all Notes above one Guinea; and this applies also to Districts near London, where the Notes of £5 and upwards are made payable at Bankers in London. Admitting these Facts, the Data on which my Calculation is made will require Alteration, and a consequent Reduction of Amount of the Sum Total. I will therefore deduct Three Millions, which leaves 21 Millions for the Medium of Country Notes for England and Scotland.

WM. LATHAM.

G.

Miscellaneous.

APPENDIX, G. 1.

LOANS raised in Europe in the Years 1817 and 1818, exclusive of England.

FRANCE.

Vote of Credit for 30 Millions for 1817.

Fs. 9,090,909 a 52.50 p^g. "Traité 10 Fevr' 1817."
8,620,689 a 55.50 p^g. "Traité 11 Mars 1817."
9,000,000 a 61.50 p^g. "Traité 22 and 30 Juill' 1817."

Fs. 26,711,598 "Rentes" together, contracted for by Messrs. Hope and Co., and Baring, Brothers and Co., at the average Rate of 56.50 p^g. (Time, or Discount on Cash.)

Vote of Credit for 16 Millions for 1818.

14,600,000 "Rentes." "Emprunt 30 Mail 1818." Open Loan taken by the French Bankers and Capitalists a 66.50 p^g.

Vote of Credit for 24 Millions for the Liberation of France.

12,400,000 "Rentes" conditionally taken by Messrs. Hope and Co., and Baring, Brothers and Co., but ratified at Aix la Chapelle, a 67 p^g. and Fs. 6,600,000 "Rentes" a 74.07½ which have since been withdrawn by the Allies.

Fs. 53,711,598 "Rentes" at the average Price of 62 p^g. yield Fs. 666,023,815 20, at an estimated Exchange of 24, about - - £27,700,000.

PRIVATE LIQUIDATION.

Fs. 3,000,000 "Rentes," England.
1,000,000 - - Do. - Spain.
12,000,000 - - Do. - Rest of Europe.

Fs. 16,000,000 "Rentes" together.

At One Million per Month.

PRUSSIA.

£5,000,000 Bonds a 5 p^g.
1,000,000 Retained by Prussia.

£4,000,000 Contracted for by Mr. N. M. Rothschild, at an average Net Cost of about 70, - - £2,800,000, after deducting Discounts.

AUSTRIA.

Fls. 50,000,000 at 66 p^g. yield Fls. 33,000,000 at an estimated Exchange of 9 Fls.
about - - £3,600,000.

RUSSIA.

Roubs. 28,000,000 Subscription to the First Loan.
67,000,000 Subscription to the Second Loan.

Roubs. 95,000,000 together, at an estimated Exchange of 11½d., about - - £4,500,000.

RECAPITULATION.

£27,700,000 France.
2,800,000 Prussia.
3,600,000 Austria.
4,500,000 Russia.

£38,600,000 Total.

N.B. In the above Statement no Notice has been taken of small Loans in Holland, Naples, and Denmark, in which British Subjects are supposed to have little or no Interest.

APPENDIX, G. 2.

AN ACCOUNT of the Amount of the Interest of the National Debt, as it stood on the 5th of January in each Year; from 1792 to 1818, both inclusive; including that Part of the Interest which arises on the Debt redeemed, and is paid to the Commissioners for the Reduction of the National Debt.

		£	s.	d.
In the Years ended	5th January 1792	-	-	9,325,866 4 3½
	Do. 1793	-	-	9,325,866 4 3½
	Do. 1794	-	-	9,578,678 14 3½
	Do. 1795	-	-	10,352,002 15 0½
	Do. 1796	-	-	11,579,417 18 11½
	Do. 1797	-	-	13,430,644 17 3½
	Do. 1798	-	-	17,795,160 4 2½
	Do. 1799	-	-	19,552,037 2 10½
	Do. 1800	-	-	20,311,304 15 4½
	Do. 1801	-	-	21,275,754 2 0
	Do. 1802	-	-	23,753,180 17 10
	Do. 1803	-	-	24,892,541 16 4½
	Do. 1804	-	-	25,588,769 15 2
	Do. 1805	-	-	26,731,859 8 4½
	Do. 1806	-	-	28,413,629 10 8½
	Do. 1807	-	-	29,685,576 15 7
	Do. 1808	-	-	30,703,792 7 4
	Do. 1809	-	-	31,507,965 1 9
	Do. 1810	-	-	32,870,608 9 4½
	Do. 1811	-	-	34,133,696 9 7½
Do. 1812	-	-	35,608,615 1 5	
Do. 1813	-	-	37,793,405 11 1	
Do. 1814	-	-	39,337,216 3 8½	
Do. 1815	-	-	39,684,418 10 5½	
Do. 1816	-	-	42,149,850 11 7	
Do. 1817	-	-	42,206,218 4 5½	
Do. 1818	-	-	42,349,464 8 7½	
Do. 1819	-	-	43,819,728 9 6½	

APPENDIX, G. 3.

A RETURN of the Patentee for the Execution of the Laws and Statutes concerning Bankrupts.

YEARS.	Number of Commissions in each Year.	Number of Commissions against Bankers in each Year.
1790	747	None.
1791	769	1
1792	934	1
1793	1,956	26
1794	1,041	2
1795	879	7
1796	954	6
1797	1,115	3
1798	911	3
1799	717	6
1800	951	8
1801	1,199	3
1802	1,090	8
1803	1,214	8
1804	1,117	6
1805	1,129	9
1806	1,268	5
1807	1,362	1
1808	1,433	5
1809	1,382	7
1810	2,314	26
1811	2,500	4
1812	2,228	17
1813	1,953	8
1814	1,612	29
1815	2,284	26
1816	2,731	37
1817	1,927	5
1818	1,245	6

Bankrupt Office, }
15th Feb^y 1819. }

Jo. DORIN,
Deputy Patentee.

APPENDIX, G. 4.

OUTLINE of a PLAN grounded upon the Suggestion of the Committee, for the gradual Resumption of Cash Payments.

THE Bank to pay all Notes tendered, amounting together to One hundred Pounds or upwards, in Bar Gold, of the Standard Weight and Fineness, on

the 5th of July 1819, at the Rate of 81s. per Ounce,

the 5th of October Do. - - - 80s. - -

the 5th of January 1820, - - - 79s. - -

the 5th of April Do. - - - 78s. - -

the 5th of July Do. - - - 77s. 10¹/₂d. - -

One Pound Notes of the Bank of England to be allowed to remain in Circulation till the 5th of July 1822, when the Bank shall resume its Payments in Specie.

Two Pound Notes to be allowed to remain in Circulation till the 5th of July 1824.

Country Bank One and Two Pound Notes to be allowed to remain in Circulation till the 5th of July 1826.

REMARKS.

Although the Numerical Amount of Two Pound Notes now in Circulation does not bear a greater Proportion to the Circulation of Notes of One Pound, than as One to Seven or Eight, still it is presumed that upon the latter being withdrawn, the Amount of the Circulation of the former will be very materially increased.

It is proposed to allow Country Banks to issue One and Two Pound Notes till the 5th of July 1826, because it will render a much smaller Quantity of Specie necessary for the General Circulation up to that Period; and the Frequency of Forgery, which is the only Objection to so long a Continuance of the Circulation of the small Notes of the Bank of England, cannot be urged against those of Country Banks.

London,
19th March 1819.

W. HALDIMAND.

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APPENDIX, (G. 5.)

AN ACCOUNT of the IMPORTS and EXPORTS of the United Kingdom, for the Years ending 5th January 1817, 1818, and 1819, (calculated at the Official Rates of Valuation, and stated exclusive of the Trade between Great Britain and Ireland reciprocally); distinguishing the Amount of the Produce and Manufactures of the United Kingdom exported, from the Value of Foreign and Colonial Merchandize exported; also stating the Amount of the Produce and Manufactures of the United Kingdom exported therefrom, according to the Real and Declared Value thereof.

YEARS Ending 5th January	Value of IMPORTS into the United Kingdom, calculated at the Official Rates of Valuation.		Value of EXPORTS from the United Kingdom, calculated at the Official Rates of Valuation.			Value of THE PRODUCE and MANUFACTURES of the United Kingdom exported therefrom, according to the Real and Declared Value thereof.				
	£	s. d.	Produce and Manufactures of the United Kingdom.	Foreign and Colonial Merchandize.	TOTAL EXPORTS.					
1817	27,425,540	5 1	35,707,008	12 1	49,191,047	10 2	41,657,873	0 2		
1818	30,799,888	3 10	40,085,015	5 7	10,292,684	13 7	50,377,699	19 2	41,761,132	16 10
1819	36,900,681	16 7	42,699,852	18 9	10,859,858	3 6	53,559,711	2 3	46,611,948	9 6

Custom House, London,
26th March 1819.

WILLIAM IRVING,
Inspector Genl of the Imports and Exports of Great Britain.

APPENDIX, (G. 6.)

AN ACCOUNT of the Number of BILLS of ENCLOSURE, and also of BILLS for improving NAVIGABLE RIVERS, and for making CANALS and RAILWAYS, and for making DOCKS, and for making TURNPIKE ROADS; together with the Sums authorized to be raised for the above Purposes, that have passed in each Year, from 1788 to 1818, both inclusive.

APPENDIX,

(G. 6.)

AN ACCOUNT of the Number of BILLS of ENCLOSURE, and also of BILLS for making DOCKS, and for making TURNPIKE ROADS; together with the Sums 1788 to 1818, both inclusive.

improving NAVIGABLE RIVERS, and for making CANALS and RAILWAYS, and for authorized to be raised for the above Purposes, that have passed in each Year, from

BILLS OF ENCLOSURE.			NAVIGATION AND CANAL BILLS, AND RAILWAY BILLS.		
Years.	Number.		Years.	Number.	Sums authorized to be raised.
1788	35	No specific Sums are authorized to be raised in Enclosure Bills.	1788	3	£ 115,000
1789	33		1789	3	133,500
1790	25		1790	8	377,400
1791	40		1791	10	803,700
1792	40		1792	9	1,063,600
1793	60		1793	26	3,159,700
1794	74		1794	18	2,588,500
1795	77		1795	11	384,732
1796	72		1796	14	1,306,000
1797	85		1797	8	156,600
1798	48		1798	5	191,929
1799	63		1799	1	35,000
1800	80		1800	10	539,400
1801	122		1801	11	932,100
1802	96		1802	8	277,000
1803	104		1803	6	620,000
1804	52		1804	6	271,680
1805	71		1805	9	470,000
1806	76		1806	9	600,550
1807	91		1807	8	167,000
1808	92	1808	7	332,200	
1809	122	1809	13	611,000	
1810	107	1810	7	368,000	
1811	133	1811	14	2,015,400	
1812	119	1812	9	1,533,000	
1813	111	1813	5	282,500	
1814	112	1814	6	129,000	
1815	75	1815	7	347,000	
1816	43	1816	2	210,000	
1817	30	1817	6	479,300	
1818	38	1818	5	153,000	

BILLS FOR MAKING DOCKS.			BILLS FOR MAKING TURNPIKE ROADS.		
Years.	Number.	Sums authorized to be raised.	Years.	Number.	
1788	1	£ 30,000	1788	—	No specific Sums are authorized to be raised in Road Bills.
1789	—	—	1789	1	
1790	—	—	1790	3	
1791	—	—	1791	4	
1792	—	—	1792	4	
1793	—	—	1793	6	
1794	1	15,000	1794	2	
1795	—	—	1795	2	
1796	—	—	1796	3	
1797	1	—	1797	4	
1798	—	—	1798	2	
1799	1	120,000	1799	2	
1800	1	1,500,000	1800	3	
1801	—	—	1801	4	
1802	2	310,000	1802	4	
1803	2	302,000	1803	6	
1804	1	500,000	1804	2	
1805	2	50,000	1805	7	
1806	2	200,000	1806	2	
1807	1	—	1807	4	
1808	—	—	1808	4	
1809	2	100,000	1809	13	
1810	2	880,000	1810	12	
1811	1	60,000	1811	9	
1812	1	—	1812	8	
1813	—	—	1813	2	
1814	2	100,000	1814	8	
1815	1	300,000	1815	10	
1816	—	—	1816	6	
1817	1	76,250	1817	6	
1818	1	—	1818	7	

HENRY COWPER, Dep. Cler. Parliamentor.

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