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MONEY, WHAT IT IS,

ITS VALUE, &c.

IN REFERENCE TO

Bank of England Notes,

AND

ANY VALUABLE CIRCULATING MEDIUM,

WITH

A few Observations applicable to our present state of

COMMERCE,

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&c.

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M O N E Y,

ITS VALUE, &c.

THERE is no civilized country, but has something established as a circulating medium of value, which may be called "MONEY," whether it is composed of metal, paper, or of any other material. It is the stamp of value, by authority of the community or country to which it belongs. But it is only of currency no further than where that power or authority extends, which gives it value; and, therefore, in another country, it will only be considered as to its intrinsic worth, ascertained by comparison with the money there or by its reputed currency or exchange with that country.

THUS, the British Guinea, is considered in other countries, by a comparison of its intrinsic worth, with the value of the money, which passes in those countries, where, instead of being in general circulation as a determined medium of value, it is considered as an article purchased by the money or produce of those countries.

AND where the article of gold in one country

Becomes of greater value in another, that country in which it is of greater value, will consequently give for it a greater proportion of its own money or produce. On which account, we may expect that a country, the commerce of which is lessened, so as to make its productions, which cannot be exported, of greater abundance, and of less value, will give a greater proportion of that produce for intrinsic value, which in all countries will be considered as such.

It is, therefore, no wonder, that countries on the continent of Europe, limited so much in their trade, as they are at this time, desire to draw from this country that medium of value which will be considered of intrinsic worth in every other country; because they obtain for it a greater portion of their own money, or a greater quantity of their own produce.

BUT if the productions of these countries were in great demand by this country, and returns in produce were required, then the value of the guinea becomes less in proportion.

BECAUSE the returns from this country become of greater conveniency to other countries in the purchase of their produce.

AND if the returns we make, be greater than the demands of produce, we require from other countries, consequently the value of our guinea in those countries will be still less, and our produce of greater value; and therefore a greater quantity of specie will be in circulation.

So that it is clear that commerce and trade give the value of money between one country and another, and that this value is from the general idea we have of the current value of gold. For in this country as well as in every other, money, as I have said before, may be of any thing determined on, or fixed. The One-Pound Bank of England note, as long as it passes for Twenty Shillings, is as good to the holder as a guinea, less by one shilling: but this only can be, where the power or authority which gives it that value may extend.

IN foreign countries the payment of our troops cannot be but in intrinsic value, only marketable in the country where they are; for instance, to pay our troops with dollars, at five shillings and sixpence, where they are only passable at a less value, is a loss either to the army which receives them at that price, or to the government which may make up the difference.

THE great danger of paper money is, that when the government of a country supports its issue through necessity or an immediate convenience to the public--- that paper may be made an evil to the public, by issuing it without a limitation, and the law authorizing its nominal value as real: for if no limitation consequently no bounds, and if no bounds, no defined limitation or value can exist; placing a limitation to the issue of Bank Notes, is as a line, the extremes of which are known, and which may be divided in proportion to its length. Besides, suppose a man, possessed of ten thousand pounds in the funds, has no other property, and wants to remove to America, or to any other country, his taking Bank of England notes will only

be of value in the country he is going to in proportion to the price they bear there; I say price, for what is exchange, but a price of one species of money set against another.

SUPPOSE commerce not to exist between this country and another, in any degree whatever, no transit could be made by bills of exchange, and the party who had to go to, or travel in that country, must experience a considerable loss, equal to the proportion of our paper here, with the money of the country he is going to, or else stay at home.

ADMITTING paper money to be issued, the limitation of which to be at the will of government, without any restraining law, and to pass current: how, and in what manner would the effects be experienced by the public? The man who expended what he received of his income, every year, would feel no more inconvenience as long as he obtained the necessaries of life for paper money, and on the same terms, than if gold were in great circulation. And the man, who had more of income, than he could expend, would find, in like manner, no inconvenience: those in want of money, would borrow on the same principle as before. But it would certainly be felt, where the precious metals might be wanting, or any other thing of real value from a foreign country.

In this case, if no commerce, nor barter of goods, subsisted between this country and that, where these valu-

ables might be obtained, the paper money of this country, on that occasion, could be of no value: for, altho' it would afford amply a circulating medium, and the means among ourselves, of buying and selling; yet it would most assuredly cramp us in obtaining foreign luxuries; sideboards of plate would be less and every article where gold, diamonds, &c. might be concerned, must in time disappear. The specimens of the fine arts, from other countries with which we had no account in trade, could only be obtained by the articles which compose, or might be nearest to the money of the country, to which they belong.

Thus paper money, if limited in its issue, can have only the inconveniences mentioned, excepting that where no trade exists with any other country a man cannot transport his property, or travel with the money of his country to another: for it is certain, that trade and commerce with other countries, give a value to the circulating medium of such with each other, whether the money be of paper, stone, or wood.

As to a standard to judge of the value of a circulating medium, I conceive gold can be of no value, not so much as iron, to consider its use. The grain of corn is clearly exemplified in the fable to be of more value than the diamond.

The absolute necessaries which preserve to man his existence, and without which, he must return to his parent earth, I consider to be the standard of value---a pound of bread, or a bushel of corn, or the

quantity of the necessaries of life, to a man who labours compared with the value of that labour in agriculture, is the origin of value between man and man. If one man's labour will produce subsistence for ten men, on an average, one year, with another, that man's labour is certainly worth one tenth part of that product.

FOR take upon an average, throughout the united kingdom, beginning with the counties nearest the metropolis, the price of labour, suppose at a ratio of 100, decreasing to 10, in the more distant and uncultivated parts of Scotland and Ireland, the medium of value between those extremes must be the par of the value of labour throughout the kingdom, and that, instead of corn, or any other necessary of life, being given in payment, as a subsistence for one day, a something shall pass having a nominal value, which shall buy subsistence for that day's labour---say the name to be a shilling, if of receiving value, bearing a legal impression, it matters not whether it be of metal, leather, wood, or paper, and by the increase of this something, to a greater number in quantity and quality, it becomes then the money or circulating medium of the country.

FOR it can only be the refinement, or rather luxury, of society, which causes gold to be considered as an indispensable circulating medium of value, or that makes it, or any other of the precious metals a standard to measure the value of any thing else by.

CORN if it had its medium value ascertained, suppose, one bushel of corn proportioned to a certain weight of gold, would then be a standard of value determined on, to which we might resort, so as to strike a maximum for the price of provisions, the price of every thing else, even of gold itself which would then be considered as an article to be purchased or valued by the standard of corn or by the labour of man.

WE may, therefore, conclude, that it is not the abundance of gold and silver in circulation as money, which makes a country rich, it is the abundant means whereby its population may obtain the necessaries of life, which establishes a country as being in the height of prosperity.

TRADE and commerce to this country will produce such means, and the abundant circulation of gold and silver, with every other rare article, will be one of its effects, but can never be the cause of a country being prosperous or afford to it any real advantage.

WE find that, where trade and commerce abound, gold and silver lessen in intrinsic worth, between those countries which are open to the trade, commerce, and industry of each other. The merchant abroad, who sends his goods to market here, will find his profits more by a return of our manufactures, and produce, saleable at his own market, than by a return in specie which could produce no profit.

It is inconsistent with the principles of justice to ourselves, that cash payments should be made by the bank at this time, as they could not remedy any evil we experience through the want of greater trade and commerce.

The cash, so issued, would for want of trade to the continent, become a traffic, and in time, not an ounce of gold or silver, having its full weight, accordant with its nominal value, but would be either taken out of the country, or be hoarded up at home---therefore the deficiency of a circulation of cash, is not the cause of any evil we experience in trade and commerce, it is the effect of a cause, in our produce and manufactures not having or not being allowed a market as before on the continent of Europe.

From what has been stated on the subject of "Money, its value, &c." It is found that gold and silver do not alone constitute money---any thing else bearing the impression or authority of the community it belongs to, may become money or a circulating medium of value: for instance, suppose that every acre of ground in this country afforded a mine of those metals, and that they were in as great abundance as the stones in the streets---their density, specific gravity malleability, beauty in colour and all the rest of their qualities would not render them a circulating medium of value, without the impression and legal authority of the community to which they belong; therefore any other convenient substance bearing such impression or legal authority of the community would answer as well, if confined to the state or country where it is in circulation.

Or suppose that, in every civilized country, a paper shall be in general circulation bearing an impression by the legal authority, agreed upon by the government of all countries to be received as the current value thereon expressed. It is certain that the value attached to the substance which bears that impression although of no more intrinsic value than paper, would be preferable to gold or silver which was not in circulation as money.

The objection which may be stated to this supposition is, that such impression may be forged and thereby an unlimited quantity of such money be in circulation, and that if coin were debased yet there remains something of productive value, whereas if the legal impression given to paper, which constitutes it money, is forged, nothing of value, remains the paper itself being worth nothing; but if means should be adopted, whereby the conveyance of property by that medium from one place to another, might be secure from forgery, such money must become of greater security to the holder, than gold or silver coin liable to debasement.

It is therefore certain, that money may be of any material convenience for circulation. That the want of trade is not occasioned through a deficiency of a circulating medium of value in gold and silver.

THAT this deficiency arises from want of a commercial communication as heretofore with the continent of Europe

THAT when trade and commerce return to their former channels, gold and silver money will become more abundant, and in less value than at present.

THAT the only inconvenience arising from a deficiency of a gold and silver circulating medium is, the payment of our troops in a foreign country, and in some cases the conveying property from this country to another, with which we are not in commercial relation.

THAT the value of gold and silver is to be ascertained from the origin of value between man and man, viz. labour, or the necessaries of life and that, comparing gold and silver as to their use and value with this original standard they stand in less value and importance than iron--and as to their deficiency of circulation it is not a national calamity, nor an inconvenience (excepting as before stated) as long as any other substitute is rendered passable with certain regulations and limitations so as to prevent fraud on the public by the issue of such money.

THEREFORE it is not the ample circulation of gold and silver coin which remedies any public evil; for however abundant this species of property may be, it would be of no more advantage to the great bulk of the people (which humanity as well as sound policy, should render of the first consideration in the scale of political government) than if there was not an ounce of gold and silver in the country. Let trade, commerce, and industry flourish, it matters not what material our money is of. Gold and silver in circulation, will necessarily be one of the effects which must follow.

WE are too apt to value these metals agreeably to our own individual interest and feelings on that sub-

ject, which prejudice and custom have so much familiarized, that their weight is considered with such exactness, as if the public prosperity and existence of the country depended on their standard value.

If every man of landed property, was to insist on his rents being paid in gold and silver coin, of weight agreeably to its nominal value, what must become of the greater part of the community. Landed income derived from property in Great Britain, houses, or tenements, mines, lands, &c. may be considered at sixty millions; of which, suppose two-thirds to be expended, the one third twenty millions, for want of gold and silver being in its usual circulation, and an unnecessary estimation for this species of property, would be either hoarded up, or smuggled out of the country, to our enemies abroad; which, for its magnitude, no balance of trade against us could equal.

It is the interest of this country, as long as the enemy of it obstructs our commerce, to prevent, as much as possible, gold and silver being in circulation for its full nominal value; as in time we must loose that medium of circulation, by means impossible for the wisdom of any government to prevent; whereas, in the due course of trade returning to its former channels, or to others which may open of equal advantage, such circulating medium must always remain in the country.

One of the great political maxims in war, is that, of draining an enemy's country of its gold and silver coin, this kind of property ever in demand in every country

will afford a more ready means of support to an army, whether hostile or friendly. Our present enemy, no doubt, aims at this; he avows openly his intentions of excluding our trade from any market on the continent of Europe, while his secret policy is to draw from us, that which is of intrinsic value in all countries, powerfully operating on the interest and feelings of every population, to where his intentions of conquest may be directed.

In the present state in which we are with the continent of Europe, it is not only sound policy, in civil government, but a true military maxim, not to suffer our enemy to benefit himself, at our expence or that of our friends.

THEREFORE the genius of a people, which surpasses all the rest of mankind for commercial speculations, is not to be confined to the hope and prospect of gain, which may be derived from one-fourth of the globe, when it is certain, that no people except ourselves has carried trade, commerce, and industry to the extent of exploring, we may say, every part of the habitable world.

THE exclusion of our trade from the continent of Europe, may not be so great an evil to the trading and commercial part of the country as is supposed. But it may be answered, that our merchants, manufacturers, and planters abroad, have no where else a market more suitable; the continent affording the great consumption for our colonial produced, the

grand mart for our manufactures, and without which we are a ruined people.

MY reply is, that if the continent of Europe did not exist, nor a chasm of *Terra Firma* to take place between the British Isles and the Continents of Asia and Africa, we should find trade and commerce to flourish equally, but not that it might be in the same quality as before, without taking into account America or any other country. Let us look to that great extent of coast, and immense population of the northern part of Africa from the Streights of Gibraltar to the mouths of the Nile, untried and unexplored as to its markets, for our manufactures and produce. To the different Islands in the Levant. To the countries and population of the Turkish Empire in Asia and Africa, all which must afford more than an abundance to satisfy the expectations and industry of the merchant and manufacturer, rendering it in time a certainty of great advantage.

LOOK at the wants of the people of these countries. Inquire into their habits, manners, and customs, and the inventive genius of our manufacturers will soon obtain a market suitable to all these circumstances.

THE goods required may not consist in such as are usually got up for the Russian and German markets; but such as are answerable to the climate and purposes of people who have their luxuries and wants for foreign articles, which may be equally in demand with them, although not with such refined taste as with some of the countries on the continent of Europe.

AMONG the many returns, useful and profitable to this country, would be one which must lessen that dread so frequently in the minds of the people, from the uncertainty of our climate, not affording a sure prospect of a sufficient harvest; is the finest wheat, of a much superior quality, and at a less price than any imported from the North of Europe, although the charge of freight might be more.

I NEED not mention to the well informed commercial man, the advantage which must arise from such an opening of commercial intercourse as is here suggested; but he will reply, from being in along accustomed habit of trade, only adapted for the European markets, that it would be tearing up the roots of an old firm, to plant another, on the hopes of a new exploratory system of commerce. Let the experiment be made at first; in part it will be found more certain in its advantages, than the speculations which have lately been made on the old system.

THIS is a time when the merchant and manufacturers, without (as is termed) the "*the waiting for a turn in affairs,*" may, by their exertions, add considerably to their own advantage, and shew to the enemy of our country, that if the source of commerce is stopped at one place, it will necessarily flow to another.

A nation like this, which has the empire of the seas, and within from ten to twenty days sail of a population of country, upwards of one hundred millions; I mean

the coast of Barbary, so immediately in our reach, might be supposed, in our present state, with the continent, to afford great and permanent commercial advantages. And which from our naval strength, we are able to support, and to obstruct every attempt of France to gain a preference in that part of the world; a subject which may at this time, be under the consideration of its chamber of commerce, to secure an exclusive privilege of a vent for its manufactures, &c.

The several countries of the Levant are certainly worthy the consideration of the merchant. The stipulations in the Treaty of Amiens, of our having a free and equal right of trade to the Black Sea as any other nation, should not become as a dead letter. Much may be done in the several countries, I have mentioned, to the advantage of our trade and commerce. It is not from mere supposition these assertions are made, but from a knowledge of and acquaintance with those parts of the world I allude to.

To return to the circulating medium of value, in this country, it may appear necessary to convince those who are so much prejudiced in favour of a gold and silver circulation, that instead of a conveniency to the people, it would become the reverse; for instead of a security, permanent as the existence of the state, it would only be that, which rests with itself, and which the government of this country is not bound to secure from any accident, subject to the possession of such species of property, either kept up for hoarding,

or intended for smuggling out of the country, or for either the conveyance of it, from one place to another, no more than if it was common merchandize. While bank of England notes are scrupulously considered to be in existence as to payment, should any accident happen to them, as long as they can, from their number, value, and proof of loss, be ascertained.

SHOULD there be no such conveniency as Bank of England notes in circulation, the immense quantity of metal necessary for a circulating medium, must be felt of considerable inconvenience. This is observed in the countries just mentioned; having no other circulating medium of value than that of gold, silver, and copper. If we want such from there, the introduction of our manufactures will give it in return. But to the merchant, gold and silver would be an unprofitable speculation, while other articles from thence, would be ten times more productive in return.

To calculate the amount of gold, silver, and copper coin for the United Kingdom, admitting no other circulating medium to exist with us, it will be found to require, at the least, sixty-five millions of that medium of value to be in circulation.

STRANGE, as it may appear, previous to the revolution in France, the circulating specie in that country amounted to nearly one hundred millions of our pounds sterling: for all which, the people were distressed, and the lower classes miserably so.

A proof that the prosperity of a country is not marked by the abundance of its gold and silver coin. And however that country may boast of its resources, it must feel the pressing necessity its policy has, and may for ever reduce it to, having now to acquire a revenue of upwards of 70 millions, for the support of its oppression, injustice, and attempts of extermination, without commerce, fleets, or colonies.

FINIS.

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