

0325

65-22



---

AN  
ESSAY  
UPON  
PUBLIC CREDIT.

---

[ Price Six Pence. ]

0326

AN  
**ESSAY**  
 UPON  
**PUBLIC CREDIT.**  
 IN A  
**LETTER to a FRIEND.**

OCCASIONED  
*By the Fall of STOCKS.*

---

The THIRD EDITION.

---




---

L O N D O N:  
 Printed for *H. Carpenter* in *Fleetstreet*.  
 MDCCXLVIII.

AN  
 ESSAY  
 UPON  
 PUBLIC CREDIT.

[ Price Six Pence ]

S I R,

**T**HAT I may be the better able to give some Satisfaction to your Enquiries, I think it necessary to lay before you a Calculation of the Value of the Lands, and Property of *Great-Britain*;

To premise, that the *Debts* of the *Public* are a Part of the *Constitution*, interwoven with all kinds of *Property*, and that they cannot be separated, without *subverting the Constitution*;

To shew the *real Effects* the Increase of *Debt*, since the Commencement of the War, ought to have upon the *Public Credit*, in order to dissipate the *Fears* of the *Friends*, and disappoint the *Malice* of the *Enemies* of the *Public*.

And to assign the *Reasons* why *Public Credit* has suffered, by not properly exerting its *Circulating Power*.

The Lands of *Great-Britain*, upon the Assessment of the Land-Tax at 4s. in the Pound, produce two Millions a Year; but

but as that Assessment, at the Time it was made, was greatly under its real Value, and considering the great Improvements that have been made in the landed Estates, since that time, it may be taken for granted, that a true Assessment upon the real Income of the landed Estates, wou'd produce more than *double that Sum*; and it will follow, upon this very moderate *Calculation*, that the Value of the Lands, only at Twenty Years Purchase, loaded as they are with the Land-Tax, and all other Taxes, which affect the *Landed Interest*, will amount to Four hundred Millions: And as the Interest of the *National Debt* is paid out of the Lands, or their Produce, the Manufactures, Goods exported, imported, or consum'd at home, the *National Debt* must be consider'd as an *Article of Credit*, in the *Valuation* of the *Lands* and *Property*; because this Interest is actually collected before the Produce of the Lands, the Manufactures, Goods exported and imported, are either brought to Market or consum'd, which will make an Addition of about eighty Millions.

It will be impossible to make an Estimate of the Value of the *Property* of *Great-Britain*, exclusive of the Lands and the *National Debt*; we must therefore

fore take a Sum for granted, upon an *ideal* Survey of our Fleets, Ships in Trade, Goods and Merchandise at Home and in Foreign Parts, and Manufactures; together with the Plate, Jewels and Cash of *Great Britain*. And here let us beg the Question, and suppose the Value of all these put together, to be at One hundred and forty Millions; and then the Account will stand thus:

The Value of the Lands of <i>Great Britain</i> , at 20 Years Purchase,	400,000,000
The National Debt, about	80,000,000
The Property above describ'd,	140,000,000
	<hr/>
	620,000,000
But the Debt due to Foreigners, who have invested their Money in our Funds, I will suppose, at the utmost to be a Part,	20,000,000
	<hr/>
Balance	600,000,000

Tho' the above *Calculation* is far short of the *real Value*, yet let us take it for granted;

granted; or any other which you think will come nearer to the Truth, and then consider how much the *Public* is the richer or poorer for the *National Debt*.

If Sixty Millions of it be the *Property* of the People of *Great-Britain*, it seems to me very plain that we are not the *richer* nor the *poorer* for that part of the *Debt*; because, if the *Taxes* be collected from the People of *Great-Britain*, the Money arising from those *Taxes*, is paid to the Proprietors of the *Public Funds* in Dividends, or Interest, which circulating again, to purchase the *Necessaries* and *Superfluities* of Life, enables the *Farmer* to pay his *Rent*, the *Landlord* his *Taxes*; helps to support the *Industrious*, and to consume the Produce of their *Labour*. 'Tis true, indeed, the remaining twenty Millions seems to be a *dead Loss* to the *Public*, because thereby the *Foreigners* are possess'd of the One-and-thirtieth Part of the whole *Property* of *Great-Britain*, which amounts to 3*l.* 4*s.* 0*d.* *per Cent.* and which, at the Rate of four *per Cent.* is an annual Loss of Eight hundred thousand Pounds; but great as this annual Loss seems to be, it amounts to no more, at 4 *per Cent.* Interest, than 2*s.* 7*d.* *per Cent.* upon the real *Value* of the *Lands and Property* of *Great-Britain*, upon the foregoing Calculation:  
How

How very trivial is this Loss for the Benefits we enjoy from it, our *Laws*, our *Liberty*, our *Manufactures*, our *Trade*, our *Commerce*, and every other Blessing that can be enjoy'd by a *brave and free People*.

But let us enquire if there be no *Benefit* or *Advantage* accruing from this *Loss*. How was it before this *Debt* was contracted? Was our *Trade* better at *Home*? Was our *Commerce* more *extensive* abroad? Were our *Ships*, in *Trade*, more or less? Were our *Fleets*, to defend that *Trade*, better or worse? Were our *Exports* and *Imports* greater or smaller? What was the *Rate* of *Interest*? What was the *Value* of *Lands*? What was the *Value* of *Property* at that time, compar'd with this? And, above all, let us enquire of what *Value* was the *private Credit* that then existed, in carrying on the *Trade* at *home*, and which was extended by *Commerce* abroad, to be compar'd with the *unbounded Credit* which our *Merchants* now enjoy, and daily exercise upon the *Royal-Exchange*; and that noble Structure the *public Credit* of the *Kingdom*, founded on *Laws* given for its *Security*, in which the whole *Property* of *Great-Britain* is bound for its *Support*?

Let these Enquiries be duly made, and weigh'd in the Balance of right Reason,  
B and

and it will be found that it is to the *National Debt* we owe our *Public Credit*, and to this *Public Credit* may principally be ascrib'd those superior Blessings, which are self-evident to every honest Enquirer, which our Ancestors never did enjoy.

If we have spent the Foreigner's Money, our *National Bank* and *Bankers* can create a Specie to supply that Loss, and that will circulate, as ready Cash, beyond our Seas; and so long as we keep the *foreign Cash*, so long will they barter for our Manufactures, and support our Trade; discharge that Debt, and 'tis natural to conclude, that to whatsoever other Country they transport their *Wealth*, their *Trade* and *Commerce* will be transported also. And, upon the whole, I will indulge myself with thinking, that if it were possible honestly to discharge the *whole National Debt*, which wou'd thereby annihilate the *Public Credit*, such Losses and Inconveniences wou'd arise from the Loss of it, to *Trade* and *Commerce*, as wou'd greatly diminish the *Riches* of our *Country*. And what confirms me in this Opinion is, That notwithstanding we have been engag'd in two long and expensive Wars, since the Commencement of the Public Debts, I verily believe that more Riches have been accumulated to Great Britain, than

than any *two Centuries* can boast of before that Time.

Tho' all I have wrote seems to deviate from the Point propos'd, yet I shall not think my Labour quite lost, if it confirms you in the Opinion that *our Country is not in the distressed Condition*, which either the *Fears of our Friends* or the *Malice of our Enemies* would suggest to us.

And now, Sir, I shall trouble you with some Remarks upon that Part of the *National Debt*, incur'd since the Commencement of the present War, which I will suppose to be about 30 Millions; and the utmost that I believe the Foreigners have either subscrib'd for, or purchas'd, is five Millions of the Thirty.

As it is most evident we are neither the richer nor the poorer, for the Debt due to one another, the remaining Twenty-five Millions cannot increase or diminish the Value of the Funds. This is a Fact undeniable, if you transform it into a thousand Shapes; and it is a no less certain Truth, that it is impossible to separate this Loss of the five Millions expended in carrying on the War, either from the Landed Interest, or the whole Property of *Great-Britain*; and if this be Truth, the annual Loss upon the whole Principal, which I suppose to be Six hun-

dred and twenty Millions, is no more than *seven Pence three Farthings per Cent.*

But, for Argument's sake, let us suppose that the five Millions subscrib'd by the Foreigners, to be expended; and to be deducted out of the *National Debt*, as it now stands in the foregoing Calculation at Eighty Millions: Even in this worst State of the Case, that the Mind of Man can form, it can only reduce the Price of *4 per Cent. Annuities, 4 per Cent. in their Value.* Nay, let us go yet farther, and suppose that we have really lost *Ten Millions* by the War, and put the whole Loss upon the Funds, which is yet more absurd, their Value can only be diminish'd *Eight per Cent.* What Reason then can be assign'd for a Fall of *TWENTY-EIGHT per Cent.?* Why, Sir, I'll tell you; it has been brought about by artfully working upon the Passions of Mankind, and by not *understanding*; or not *exerting* the circulating Credit of the Kingdom; and to the two great *City-Schemers*, who have constantly disagreed in Measures; and tho' the one has been mov'd by noble and generous Principles, for the *Service of the Public*, yet his Aversion to *Public Bodies*, seems to have carried him so far, as to treat them as *Nuisances*; and as wholly unnecessary to the *circulating Power of Credit*; whilst the

the other is sensible of its Efficacy; as appears from his conducting the Subscription of the Year 1746: The One, from his great Mistake, in not courting the Assistance of that *public Body where the circulating Power is plac'd*, has ruin'd the Credit of his Scheme; whilst the other has made use of his *great Credit and Influence with the monied Interest*, to defeat his Adversary. From these Causes, our Public Credit has, and must suffer, until some Expedient can be found to extricate it from the *Load of Difficulties* which it now labours under. But I hope it is not yet too late to do *what shou'd have been done*, when the Scheme for raising the Six Millions three hundred thousand Pounds, was made and carry'd into Execution: *I mean, the soliciting the Assistance of the Bank, in circulating the Public Credit, till the Payments upon the Subscription are fully made, or until this Exchange of Property, arising from the Imports is fix'd and settled, like the other Funds, in 4 per Cent. Annuities transferable at the Bank.*

And thus permit me, Sir, to address the C——n of their C——t of D——rs.

I have the Honour to address you, Sir, in the Behalf of the Landed Interest; the

[ 14 ]

the Proprietors of Bank-Stock, the Proprietors of the other public Funds, and the Possessors of the whole Property of *Great Britain*, who are all concern'd in one Common Interest, to support the *Public Credit*: And permit me, Sir, to lay before you the Grievances that have arose, and which may arise, shou'd you not duly execute the great Trust reposed in you by the Legislature.

The carrying on a just and necessary War in the Defence of the Liberties of *Europe*, the Security of our Trade and Commerce, and the Preservation of our *Laws, Liberty, and Property*, were the Motives that induc'd our Legislature to grant the Supplies of this Year: And even before the Resolutions of Parliament were enacted into a Law, so great was the Confidence placed in the Administration, and the Repository of the public Wealth of the Kingdom, that the Subscribers to the Public came in Crowds, and deposited their first Payment, without their receiving the least Memorandum, or Security for it.

A Confidence so happily begun, deserv'd the highest Encouragement and Support, by issuing the *Public's Money*; but, instead of doing this, the *Lady-Day's*

[ 15 ]

*Day's Dividends*, on the 3 per Cent. Annuities, was not paid at the Bank at the Time the other Dividends were, which wou'd have assisted the Public in making the second Payment: And what follow'd this seeming Disinclination to assist the Public Credit, was, the discontinuing to discount Bills of Exchange as usual, and absolutely refusing to discount for the Jews, under pretence that they were exporting the Cash of the Kingdom: But there cannot be the Shadow of a Reason assign'd, that such a Resolution shou'd prevent it; for, in our present Situation, every body knows, that there must be Remittances abroad, to pay the Army, and to support our Allies; and it is not improbable, that so near the Time of opening the Campaign, as this is, the Balance of Drawing and Remitting may be against us; and the Consequence must follow, that Goods, or foreign Specie, must be exported, to answer that Balance, whether you do, or do not discount Bills of Exchange: But if the Public shou'd suffer by this Exportation, it is the strongest Reason that can be assign'd for your continuing to discount the Bills of Exchange of wealthy Merchants, whether they be Jews or Christians,



stians, who are only doing the necessary Business of the Public.

Weak Minds may be alarm'd at the *Exportation of Specie*, but you, Sir, presiding at the *Head and Fountain of Public Credit*, cannot be so impos'd on; you well know, that *Gold and Silver* is as much a *Commodity as Corn, Wine, or Oil*, and that it must circulate like, and with, all *other Kinds of Property*; and will *increase or decrease* in proportion to the *Demand at Market*, like any other *Goods or Merchandise*; with this superior Advantage attending it, *viz.* that it is utterly impossible we can ever be in want of *Cash*, so long as we have *Trade, Goods and Property to purchase it*.

Is it not then *amazing*, that any Man can be so stupid, as to imagine that it is in the Power of a few *Few Merchants*, to export so much of the *Cash of the Kingdom*, as shou'd endanger the Ruin of the *B—k of E—d*? But would it not yet be more astonishing, if this Rumour shou'd proceed from any of the *D—rs* of this *h—ble C—t*? What tho' such immense Quantities of *Stock and Subscription* have been sold by the *disgusted Gentlemen* of the monied Interest? What tho' their Resentment to the *Subscription-Scheme* shou'd carry them so far

far as to lock up their *Bank Notes*, to prevent their being circulated by *their Bankers*, can you imagine they have any Intention to turn them into *Specie*? Or to remit that *Specie* to any Country where it can be so safe as in your *Coffers*? No, Sir, they are all *Friends to Liberty, Lovers of their Country*, and will again be *Promoters of the Public Weal*, and the *Public Credit*, whenever it shall be the Interest of their *Guides and Conductors* to suffer them to act upon their own Principles. They may, indeed, propose to themselves *Profit and Triumph*, by defeating their *Adversary*; but as the Public must suffer by it, may not yours be the *Shame and the Infamy*? — Consider, Sir, the Consequence.

Is this a Time to oppress the *G—t*, by putting any Stop to the *circulating Credit*? Is this a Time to preach up the Inability of the *B—k* to lend the Money on the *L—d T—x*? Is this a Time to refuse the Public that *Loan*? Is this a Time to ask why the *M—y* does not offer *5 per Cent.* and exchange Tallies for *N—y Bills*? Is this a Time to bring *Seven or eight hundred thousand Pounds* of that *sacred Fund* to be sold at a shameful Discount in *Exchange-Alley*; already crowded with *Subscriptions*; and

to fall the *Stocks*, to make a *Job* for the *managing Few to devour the Multitude*? I hope I shall never live to see the Honour of this C—rt prostituted to such vile Purposes. We are all, Sir, embark'd in one *Bottom*; and let us *sink* or *swim* together: 'Till the *Constitution* is destroy'd, it is absolutely impossible to destroy the Credit of the B—k of E—d; its very Essence is preserv'd by its *circulating Power*; and the more it is extended upon undoubted Securities, the more firmly will its Establishment be defended. And I will venture to lay down this as a fundamental Maxim, *That the Circulation of Credit shou'd be increas'd, in proportion to the Necessities of the State for increasing the Debts of the Publick.* Pursue this Maxim, Sir, and it will be impossible for the *Art of Man* to hurt the *Public Credit*.

The Reverse of this Conduct is too recent in every Man's Memory, and the Effects it had like to have produced; I mean, when the *Rebels* had the Audaciousness to approach to within about a hundred Miles of the *Capital*, when the C—rt of D—rs very imprudently made a Call upon their Subscription, for circulating Exchequer Bills; for which they cou'd receive scarce any thing but  
Paper;

Paper; and which, instead of curing the *Evil*, increas'd the *Calamity*, by augmenting the *Fears* of those who thought the *Constitution in Danger*; and, which might have been attended *with the most fatal Consequences*, had it not been prevented by that *great and glorious Association of the Merchants*, who then circulated *Bank Notes* for the Preservation of *Property*, and the *Public Credit*. And I make no Doubt, but that the same *Public Spirit* will engage them to circulate the *whole Credit of the Nation*, if you shou'd be so unhappily *infatuated as to oblige the Legislative Power to transplant it.* And tho', Sir, I wou'd make use of every Argument to induce the h-----ble C—rt to discharge the T---t repos'd in them, yet, Sir, I must give them to understand, that no *Arbitrary Power* is exercis'd in *England*, and that *public Grievances* demand a *public Redress*; and that no Law can bind the *Legislature*, if its Effects should become destructive to the *Constitution*.

I must further observe to you, Sir, that the Business of private Bankers is, to keep in Cash, and Bank Notes, what is sufficient to answer their current Demand, and to employ the remaining Part for their particular Benefit. But the Case of the *Bank of England* differs widely; be-  
C 2 cause

cause they are sure of having all the Cash deposited with them, that is not absolutely necessary to carry on *Trade and Business*, and to supply the *Necessaries of Life*; so that *Bank Notes* are a kind of *real Specie*, which are *current* in all *sorts of Payment*; and therefore so long as there is *Property* in the *Kingdom*, they are sure of a more than sufficient *Quantity of Cash*, to answer any *Demand*; because it is impossible that *Property can exist in a trading Nation without a sufficient Quantity of Cash to circulate it*. On this Account, the *Bank* can with *Safety* advance any Sum that is provided for by *Parliament*, to be paid within the *Year*; which being continually collecting, can but very little vary the *Quantity of their Cash*; for as the whole *unemploy'd Cash* settles at the *Bank*, nothing can make any material *Variation* in their *Balances*, but the *Exports and Imports*; and therefore their lending the *Money* on the *Land-Tax* will be so far from lessening their *Cash*, that it will have a *Tendency* towards the *Increase* of it, because it will occasion a quicker *Circulation* of the new *Debt* contracted for, but unsettl'd, till the *Payments* are compleated on the *new Subscription*, and made into *transferable Annuities*: It will relieve the *Necessities* the *Government* must labour under, for want of

of having this *Loan* supply'd, by the *circulating Credit*, and enable them the sooner to comply with the *Direction of Parliament*, in applying the *Money* to be rais'd for the current *Service of the Year*; it will help to enable the *Subscribers*, not only to make their *Payments* by the *Time specified*, but bring into the *Hands of the Bank* *Quantities of Cash*, and be the *Occasion of greater Numbers* making their *whole Payment* at once; it will dissipate the *Fears* that are now so industriously spread of its *Poverty*; 'twill fortify them against any *Run* that shall be attempted, not only by the continual *Flow of Cash* that must daily come in, but will help to increase the *Crowd*, and thereby prevent any *fatal Consequences* that may arise from any future *Alarm or Terror*; and it will reverse the absurd *Conduct of the Bank*, at the *Time of the late unnatural Rebellion*, who depreciated their *Credit*, by calling in their own *Notes*, at the very *Time the Public* were circulating them for its *Support*.

Having thus finish'd my *Address*, I hope, *Sir*, what I have already wrote will convince you, that the *Fall of Stocks* is wholly owing to *Art or Mismanagement*,

or

or both; and, as I am confident no *Man* has a *warmer Heart* for the Service of *your Country*, than *yourself*, I make no doubt but you will exert your Interest and Influence with the M——y to restore our sinking *Public Credit*. If the Way be not sufficiently pointed out, I may be tempted to complete the *Plan* I have form'd, and give you a farther Explanation of its *circulating Power*; with a *Proposal* for fixing it upon so *solid a Foundation*, that our *Property* in the *Funds* may be defended against any future Attacks, arising from the *Cabals* of *wicked* or *designing Men*.

Before I conclude this Letter, I shall observe, That Numbers of those who had great *Credit* with the *Public*, from their being esteem'd Gentlemen of *Experience*, *Wisdom*, and *Judgment*, with regard to the *Public Credit*, thought it impracticable to raise *three Millions*, by Subscription, in the Year 1746; but the Event convinc'd them of their Error. In the Year 1747 five Millions wou'd have been rais'd with greater Ease, had not the *Scheme* been oppos'd. And, notwithstanding the *Clamours* rais'd and propagated to discredit the present *new Subscription*; I say, notwithstanding all the *Rubs* and *Difficulties* that have been  
thrown

thrown in its Way, there is, at this very Time, almost as much Money paid in upon it, as was rais'd by the *whole Subscription* of the Year 1746. This, Sir, is a *Proof*, beyond *Contradiction*, that the *Publick* is not in that *low, miserable Condition*, in which it has been represented, and that Misrepresentation so *artfully propagated*, in order to *depreciate* the *Funds*. But, Sir, what *Punishment* is equal to a *Crime* so great, as that of libelling the Constitution, robbing the *Public* of its *Credit*, and cheating every Individual, that has *Property*?

I am,

S I R,

Yours, &c.

F I N I S.

[ 23 ]

view this is of such a way as to  
 in being made as much as possible  
 to be made by the whole  
 of the year. This is  
 a very good thing to do  
 and it is not in fact  
 in which it has been  
 and time is not to be  
 spent in order to  
 that this subject is  
 of some of the things  
 which are of the  
 of the year.

I am,  
 & A. B.  
 Yours,  
 T. W. F.