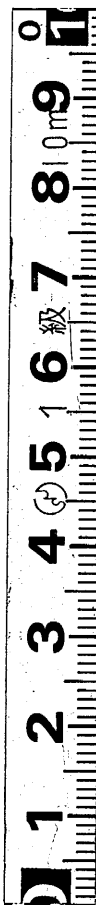


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0430

A Copy of a
LETTER
Wrote to a
MEMBER
OF
PARLIAMENT,

AFTER
The PROPOSALS for reducing the PUBLICK
DEBT were rejected at the last General
Court of the *Bank of England*;

Wherein is inferted,

A Copy of the Preamble to the Act of the
9th of Queen *Anne*, for Reducing the Interest
of Money from 6 to 5 *per Cent*.

Very proper to be consider'd by all *Landed Gen-
tlemen, Merchants and Traders*, especially such
as are Members of the House of COMMONS.

L O N D O N :

Printed for W. OWEN, at *Homer's Head*, near *Tem-
ple-Bar*. MDCCL.

[Price Six Pence.]

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A

LETTER, &c.

S I R,

London, Feb. 10, 1750.



AT a Time when Trade and Interest, or the Premium given for the Use of Money, engage the Attention of the Publick, and are every where the common Topicks of Conversation, few are so dull as not to think upon the Subject; some like you turn their Thoughts to the Service of
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the Publick, whilst others are wholly taken up with pursuing the Means most likely to promote their own private Gain and Advantage; perhaps it may be said, that they have all the same End in View; that the Former are only pursuing their own Interest, when promoting the Welfare and Happiness of the Publick, whilst the others, in a more confined Sphere, think and act for themselves alone, and leave the rest of Mankind to shift for themselves. After a long, expensive, and unsuccessful War, the Merchants seem to be turning their Thoughts in earnest, upon Ways and Means, the most likely to improve and enlarge the Trade of the Nation; they have many Schemes now on the Carpet for that Purpose, and it is to be hoped their laudable Endeavours will be crowned with Success.

At the same Time his Majesty, ever anxious for the Publick Good, has, in his Speech from the Throne, recommended it to his faithful and loyal Commons of
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Great-Britain, " to be watchful to improve any Opportunity of putting the national Debt in a Method of being reduced, with a *strict Regard to publick Faith and private Property*:" And by an Act of this present Session of Parliament, 'tis declared to be the Sense of the Legislature, " That nothing can so effectually contribute to make the *Trade* of this Kingdom flourish, and render his Majesty's Reign glorious to Posterity, as the lessening the public Debts and incumbrances consistent with Justice and publick Faith." For which Purpose, in the same Act, a Proposal is made to the publick Creditors; which must be allowed to be fair and honourable at the least, and against which their can be no just Clamour raised, since the Creditors of the Publick have it in their Option to accept or refuse the Terms offered them by the Legislature; and notwithstanding the mean Artifices of selfish and designing Men, 'tis to be hoped, for the Sake of the Publick and of the Creditors themselves,

selves, that the greatest Part of such Creditors will accept of the Proposals.

The Merchant, the Manufacturer, and Traders of all Denominations are immediately concerned in the Success of this Scheme, since 'tis certainly for their Advantage to procure Money at a low, rather than at a high Interest, and if the Publick gives less Interest for Money, the private Borrower will certainly find it turn to his Advantage.

The monied Men (who as such are the very Drones of a Society, and live upon the Labour of the industrious Merchant, Trader, and Manufacturer) are terribly alarmed at the Fairness of these Proposals, therefore they leave no Stone unturned to misrepresent them to the unwary, and to thwart and disappoint the laudable Intention of the Legislature; and as soon as they heard thereof, they *sounded the Trumpet in Sion*; and summoned the Craftsmen and Silver-smiths, and those that dealt in Jobs, and said unto them,
“ Sir,

“ Sirs, you know that by this Craft we have our Wealth; and if we suffer this Proposal of our Rulers to take Place, our Craft will be in danger to be set at Nought;” and they all cried out with one Voice, “ We will not submit to *these Men*;” and they divided themselves into Companies, and agreed to hold private Meetings and Cabals, where, regardless of the publick Welfare, they have done all that lay in their Power, in order to Counter-act and render abortive, the Proceedings of the Legislature. And in Prosecution of their dark and secret Designs, they have taken all publick Opportunities to treat Proposals made by *King, Lords, and Commons*, in such a Manner, as if they had come from their Slaves, according to that old Maxim, *the Borrower is a Slave to the Lender*; in short, those who have enriched themselves at the publick Expence, in order to preserve their Riches, seem determined to keep the Publick poor, how far their Power and Machination will prevail, a little Time must shew.

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The Opinions of the public Companies, upon these Proposals, have been taken and determined by the Resolutions of a few only of their Proprietors, for 'tis computed that above thirty thousand Persons are concerned in the public Funds; but I dare say there never was above five hundred Proprietors present, when the Question was put at the general Court of the *South-Sea Company*, *India Company* or *Bank*, and many of these were for the Question. The Directors of the *East-India Company* were almost unanimous in promoting the Scheme for a Reduction of the Interest of the national Debt, though not in the very Terms of the Proposals; the Directors of the other Companies were too cautious to declare their Sentiments publickly.

I dare say you will be surprized at the Account some of your Friends must before this have given you by Word of Mouth, of the Behaviour of the Proprietors of the public Companies at their general Courts; the Conduct of the general Court of

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of the *Bank*, our old favourite Company, must, I am satisfied, give you great Concern; we have often defended the Bank against the Arguments of the *old Tories* in the late Queen's Time, and very sorry I am to find, the Predictions of the *Tory's*, relating to the Bank in that Reign, fulfilled in this.

I have now by me a Copy of a Letter wrote by a Person of Quality to his Friend, and printed in the Year 1710, relating to the Bank of *England*, and Credit of the Nation, which you then sent me into the Country, out of which I now send you some few Extracts; the better to refresh your Memory with Regard to what was then generally said of the Bank, and the leading Men there, when the late Queen thought proper to Remove the Earl of *Sunderland* from his Post of Secretary of State; which Step it was then feared would be followed by the Removal of the Rest of the *Whigs* from their Places, and the Queen's Council, which soon happened; we then applauded the leading Men of

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of the *Bank*, because they opposed *Tories* and *Tory* Measures, but we never thought or expected, at that Time, that what was then said by the *Tories* of the *Bank* would ever come to pass; nor did we then ever expect to see the Time, when the *Bank* should oppose the Reduction of their own Debt, which was then but four Millions; much less was it expected that the Proprietors of that Company should join in a popular Clamour against a fair and honourable Proposal made to them and the rest of the publick Creditors, by *King*, *Lords* and *Commons*; I must own, I was very sorry to hear of the Proceedings of the last general Court held at the *Bank*, and that the Proposals were received and rejected there in so cavalier a Manner, not one of the Directors recommended them. It did not use to be so; but our old Friends *Heathcote*, *Delme*, *Scawen*, and many others are no more, and all publick Spirit is at a very low Ebb. I fear this Conduct of the *Bank* will be remembered in your House, whenever they sue for a Renewal of their exclusive Right of Banking.

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I am well informed, that an old Coffee-House-Acquaintance of yours, when the Question was put, held up both his Hands against it; perhaps others of the monied Men, equally zealous, might do the same, though I hear they were all ashamed to speak, even in Behalf of their Darling—*Interest*. The Gentlemen who *presumed* to appear and speak in Behalf of the Proposals, (though one of them was a Member of your House) were often interrupted in an indecent Manner, with the Cry of *the Question, the Question*; their Names have been since mentioned with great Freedom, and they represented as Tools of the M——y; but this is not to be wondered at, where one considers how the same Men have treated Proposals, which were made to them for the Good of the Nation by *King*, *Lords*, and *Commons*, and what Resentment they have expressed upon that Account against one of the *greatest Men* that ever represented the City of *L---* in Parliament. I believe you will agree with me that the Gentlemen who publickly appeared at the *Bank* in behalf

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of the Proposals were at least *equal* in Rank and Character with those who appeared and spoke against them, though in Point of Fortune and Abilities, no one would *presume* to oppose Sir *Richard Lloyd*, Mr. *Brooksbank*, Mr. *Reynardson*, Mr. *Gideon*, and Mr. *Waple*, to Mr. *Tomkins* the Attorney, Mr. *Gardiner*, and *John Bance Esq*; who were the only Persons that spoke against the Proposals. Whatever Success may attend the Scheme for Reduction of the national Debt, I hope to see some good Laws passed this Sessions in Behalf of our *Trade*; and that your Health will soon permit your Return to *London*, and Attendance in Parliament, where I doubt not but you will exert yourself, in your usual Manner, in Behalf of the true Interest of your Country; and I cannot help taking the Liberty to point out to you one Method that was taken in the last Parliament of *Queen Anne* to promote *Trade*, and the *Improvement* of *Land* after a War. This was by *reducing* the *Interest* of Money from 6 to 5 *per Cent*. The Preamble to the Act then passed is very remarkable,

ble, and is, at this Time, in my Opinion, worthy the serious Consideration of every landed Gentleman, and every Member of the H— of C—ns, and therefore, I shall, without further Apology, lay a Copy of it before you.

* “ Whereas the reducing of Interest
 “ to ten, and from thence to eight, and
 “ thence to six in the hundred, hath
 “ from Time to Time, *by Experience*
 “ been found very beneficial to the Ad-
 “ vancement of *Trade*, and Improvement
 “ of Lands: And whereas the *heavy Bur-*
 “ *den* of the late long and expensive War,
 “ hath been chiefly born by the Owners
 “ of the Land of this Kingdom, by rea-
 “ son whereof they have been necessitated
 “ to contract very large Debts, and there-
 “ by, and by the Abatement in the Va-
 “ lue of their Lands, are become greatly
 “ impoverished: And whereas, by reason
 “ of the *great Interest* and *Profit*, which
 “ hath been made of Money at Home,

* 12 Anne, Stat. 2, c. 16.

" the foreign Trade of this Nation hath,
 " of late Years been much neglected, and
 " at this Time there is a great Abatement
 " in the Value of the Merchandizes,
 " Wares, and Commodities of this King-
 " dom, both at Home and in foreign
 " Parts, whither they are transported;
 " And whereas, for the Redress of these
 " Mischiefs, and the preventing the In-
 " crease of the same, it is absolutely ne-
 " cessary to *reduce the high Rate of Inte-*
 " *rest of six Pounds in the hundred Pounds*
 " *for a Year, to a nearer Proportion with*
 " *the Interest allowed for Money in fo-*
 " *reign States.*" It was therefore enact-
 ed, that no Person should take above
5 per Cent. per Annum, for the Loan of
 any Money, Wares, or Merchandize, with
 proper Penalties upon the Offenders. And
 it was also enacted, that no Scrivener,
 Broker, Solicitor, or Driver of Bargains
 should take above the Value of 5s for
 Brokage; soliciting, driving or procuring
 the Loan of every 100 l. or above 12 d.
 over and above the Stamp-Duty for mak-
 ing or renewing of a Bond, under a Pe-
 nalty

nalty of 20 l. with Costs of Suit, and Im-
 prisonment for half a Year.

Those who take more than legal In-
 terest for the Loan of Money, have al-
 ways been called *Usurers*, Usury is forbid-
 den both by the *Levitical* and Civil Law,
 and the Practices of Usurers have always
 been held in great Detestation in the City
 of *London*, insomuch, that the Giants at
Guild-hall were set up in Remembrance of
 some of that Tribe; and at the first were
 usually called by the Names of *Procura-*
tion and *Forbearance*; as I was informed
 in my younger Years, by a Money-Scri-
 venor himself. In *England* there has long
 been a Distinction between Usury and le-
 gal Interest; the first Time Interest of Mo-
 ney was fixed by Law, was in the 37th
 Year of King *Henry VIII*, when it was
10 per Cent. per Annum; but since the
 Discovery of the *West-Indies* has occasion-
 ed greater Plenty of Money, the Borrow-
 ers of Money have given a less Premium
 for the Loan thereof, and as Money has
 from Time to Time increased; such Pre-
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mium has decreased in a regular Proportion, the Progress of the Decrease of legal Interest in *England* is as follows, in the Year 1542 legal Interest of Money was first fixed by a Law at 10 *l. per Cent.* in 1624 at 8 *per Cent.* in 1660 at 6 *per Cent.* and in 1714, just after *Queen Anne's War* at 5 *per Cent.* So that after the first seventy eight Years, Interest of Money decreased one fifth, after the next thirty six Years one fourth, and after fifty four Years more one sixth, and at this Time the natural Rate of Interest without the Interposition of the Legislature is less than 4 *per Cent.* as appears from the present Price of the publick Funds; and before the late War, 3 *per Cent.* Annuities were sold 7 *per Cent.* above Par.

But notwithstanding that the natural Rate of Interest is considerably decreased since the Act for reducing Interest from 6 to 5 *per Cent.* yet the industrious Labourer and Manufacturer, whose Necessities oblige them to take up Money, are forced to give 5 *per Cent.* at least, and where

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where Money is taken or borrowed upon Pawns, the Pawn-brokers and Money-lenders in this great Town, under Colour of Warehouse-Room, &c. often make such Borrowers pay after the Rate of 10 *per Cent. per Annum*, and sometimes more; and it has lately appeared in *Westminster-Hall*, that a considerable Trader at *Kingston*, for several Years together, paid 5, 10, nay 20 *per Cent.* for the Loan of considerable Sums of Money borrowed to carry on his Trade, which naturally ended in the Ruin and Bankruptcy of the Borrower, and the Lender was compelled to refund his unjust Gain, and lost great Part of his Capital into the Bargain. Cases of this Nature, I am informed, have frequently appeared upon Proceedings before Commissioners of Bankrupts; therefore it seems strange that the Laws against Usury are not rendered more effectual; and as there is not a single Reason given in the Preamble to the before-mentioned Act for reducing Interest from 6 to 5 *per Cent.* but what will at this Time hold good for reducing of Interest from 5 to 4 *per Cent.*

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I presume to recommend this Matter to your serious Consideration; and if you think I am right, doubt not but you will endeavour to procure such a Law in this present Sessions of parliament.

This doubtless would be of great Advantage to Trade in general, and to the industrious Manufacturer and Labourer in particular, who now take Money upon Pawns at an extravagant Rate of Interest. And such a Law would, in the end certainly forward the Reduction of the publick Debts, and thereby greatly extend our Trade, for could the monied Men make but 3 *per Cent. per Annum* of their Money in the Funds, many of them would employ it on trading Voyages, the Fishery or Manufactures, to the great Advantage of the Nation, for the Increase of Trade naturally brings Riches into a Kingdom; whereas the employing or spending the Money in Luxury and Idleness, which should be employed in Trade, will as certainly drain a Kingdom of its Riches and

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and end in Ruin, Poverty, and Slavery.

I herewith send you a Pamphlet lately lately published, wherein the ingenious Author has endeavoured to shew, from the Opinions of Sir *William Petty* and Mr. *Locke*, the *Governing Causes of the natural Rate of Interest*,* I dare say you will receive a good deal of Pleasure from the reading of it, there being some Calculations quite new; though I apprehend the Author is mistaken in calculating the Value of Money and Wheat, from the Year 1460, to this Time. P. 41, he says, " That at a Medium for ten Years between " 1444 and 1460, by Bishop *Fleetwood's* " Account, a Quarter of Wheat was " worth six Shillings and three Pence, " and that this Sum of Money *then* " *coined* was intrinsically worth twelve " Shillings and one Penny of our present " Money."

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* Printed for Owen, at Temple-Bar.

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It appears from the Tables of Silver Coins published by *Martin Folks*, Esq; that before the eighteenth Year of King *Henry VIII.* a Pound of coined Money was equal to 5400 Troy Grains, since which Time a Pound of coined Money has been equal to 5760 like Grains. The Fineness of the Silver Coin was the same in the Time of King *Henry VI.* as it is now. From the last Year of the Reign of that King to the ninth Year of King *Henry VII.* the Pound Tower, or 5400 Grains of Silver was coined into thirty seven Shillings and Six-Pence, and at this Time a Pound or 5760 Grains of like Silver is coined into sixty two Shillings, so that the former Shilling is to the latter as 144 to $92\frac{56}{2}$ which is nearly as 18 *d.* one half to 12 *d.* so that if a Quarter of Wheat in the Year 1460 was worth 6 *s.* 3 *d.* of the Money of that Time, it would be worth near 9 *s.* 7 *d.* $\frac{1}{2}$ of the present coined Silver.

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The great Price of Wheat, towards the End of the last Century, as mentioned by that Author, was chiefly owing, as I apprehend, to the clipped Money, which, in the Year 1695, was reduced in Weight according to Mr. *Lownd's Account* almost one half of the due Weight.

Mr. *Locke*, tells us, that Silver is the Measure of *Commerce* by its *Quantity*, which is the Measure also of its intrinsic Value; and that an equal *Quantity* of Silver is always of equal Value to an equal *Quantity* of Silver, and that by the *Quantity* of Silver, Men measure the Value of all other Things, and that in their Bargain they contract not for Denomination or Sounds, but for the intrinsic Value of the Coin. That the Use of coined Silver or Money is, that every Man in the Country where it is current by publick Authority, may, without the Trouble of refining, assaying, or weighing, be assured what *Quantity* of Silver he gives, receives,

ceives, or contracts for under such and such Denominations. If the Security goes not along with the publick Stamp, coining, says Mr. Locke, is Labour lost, and therefore the Laws every where, when the Quantity of Silver has been lessened in any Piece carrying the public Stamp, have taken off the Authority of the publick Stamp, and declared it not to be lawful Money.

Therefore when we consider the Price of Wheat, or any other Commodity in Times past, we ought to have regard to the State of the Silver Coin at that particular Time; and make proper Allowances upon that Account; and if the Author of the Pamphlet had done so, his Arguments would have had much greater Weight; and his Conclusions, and Mr. Locke's with Regard to the national Rate of Interest, would have come nearer to an Agreement. For according to the Author of the Pamphlet, the Price of Wheat upon a Medium

dium of forty Years from 1665, was sold at 46 s. the Quarter, and upon a Medium of the last twenty Years at 28 s. 6 d. a Quarter, if from the former Price we deduct only two fifths upon Account of the Deficiency of Silver in the clipt Money, which Mr. Lownds found lighter than the Standard in Proportion as 387 is to 198,9. then the Price of Wheat from 1665 to 1705, upon a Medium, may be computed at about 28 s. the Quarter, which will make a very considerable Difference in that Author's Calculations. I apprehend no Conclusions are to be drawn from the Price of Wheat during the Author's first Period of twenty Years, viz. from 1646 to 1665, because of the Troubles during the greatest Part of that Time.

I shall be glad if, at your Leisure, you would give me your Thoughts upon this Pamphlet, and as I have already taken up so much of your Time, shall conclude with

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with assuring you that I am with great
Esteem,

S I R,

Your most obedient,

humble Servant.

